

Epson Group

Sustainability Report 2022



Management Philosophy

Epson aspires to be an indispensable company,
trusted throughout the world for our commitment to openness,
customer satisfaction and sustainability.
We respect individuality while promoting teamwork,
and are committed to delivering unique value
through innovative and creative solutions.

EXCEED YOUR VISION

As Epson employees,
we always strive to exceed our own vision,
and to produce results that bring surprise and delight
to our customers.

.....

Epson conducts its business activities to achieve sustainability and enriching communities. These activities are rooted in our Management Philosophy and in the employee mission underpinning the “Exceed Your Vision” tagline.

INDEX

* Click the title to move to that article.

- 003 Editorial Policy [⌵](#)
- 004 Group Outline [⌵](#)
- 005 Global Network [⌵](#)

006 CEO Message [⌵](#)

008 Sustainability at Epson [⌵](#)

- 009 Sustainability Management [⌵](#)
- 011 Materiality [⌵](#)
- 021 Contributing to the SDGs [⌵](#)
- 025 Sustainability Communications [⌵](#)
- 028 Participation in External Initiatives [⌵](#)
- 031 Evaluation by External Parties [⌵](#)

036 Environment [⌵](#)

- 037 Environmental Vision 2050 [⌵](#)
- 043 Solving Social Issues Through Inkjet Technology [⌵](#)
- 048 Green Bonds [⌵](#)
- 050 2025 Goals [⌵](#)
- 057 Responding to TCFD Recommendations [⌵](#)
- 064 Global Environmental Positioning Statement [⌵](#)
- 065 Life Cycle Thinking [⌵](#)
- 068 Products and Services that Reduce Environmental Impacts [⌵](#)
- 105 Climate Change/Realizing a Decarbonized Society [⌵](#)
- 111 Resources/Forming a Circular Economy [⌵](#)
- 120 Pollution Prevention & Chemical Management [⌵](#)
- 125 Biodiversity Conservation [⌵](#)
- 131 Eco Community [⌵](#)
- 136 Environmental Management [⌵](#)

137 Social [⌵](#)

- 138 Approach to Customer Commitment [⌵](#)
- 140 Customer Satisfaction [⌵](#)
- 141 Quality Improvement [⌵](#)
- 144 Product Safety [⌵](#)
- 146 Universal Design [⌵](#)

- 149 Supply Chain CSR Vision [⌵](#)
- 152 Supplier Guidelines [⌵](#)
- 154 Supply Chain Initiatives [⌵](#)
- 165 Communication and Training [⌵](#)
- 168 Responsible Sourcing of Minerals [⌵](#)
- 173 Green Purchasing [⌵](#)
- 174 Paper Products Procurement [⌵](#)
- 175 HR Development [⌵](#)
- 182 Diversity, Equity and Inclusion [⌵](#)
- 194 Respecting Human Rights [⌵](#)
- 201 Fostering a Better Workplace [⌵](#)
- 208 Health and Productivity Management [⌵](#)
- 215 Occupational Safety and Health [⌵](#)
- 221 Approach to Corporate Citizenship [⌵](#)
- 222 Education for Young People [⌵](#)
- 225 Culture and the Arts [⌵](#)
- 226 Community Events [⌵](#)
- 228 Social Welfare [⌵](#)
- 229 Stakeholder Engagement [⌵](#)
- 232 Shareholders & Investors [⌵](#)
- 234 Customers, Local communities [⌵](#)
- 239 NGO/NPO, International Organizations [⌵](#)
- 241 Business Partners & Consortia [⌵](#)

242 Governance [⌵](#)

- 243 Corporate Governance [⌵](#)
- 258 Internal Control System [⌵](#)
- 265 Initiatives of Internal Control [⌵](#)
- 269 Security [⌵](#)

273 ESG Data/Appendices [⌵](#)

- 274 ESG Data (Environment) [⌵](#)
- 282 ESG Data (Social) [⌵](#)
- 293 ESG Data (Governance) [⌵](#)
- 297 Appendices [⌵](#)

Reporting Period

April 2021 to March 2022

Note: Contains some information on activities conducted after April 2022.

Scope

This report describes the sustainability efforts of Seiko Epson Corporation and 80 Group companies. The scope of environmental reporting, however, covers Seiko Epson Corporation, and 52 Group companies (representing 95% of revenue).

Note: "Epson" refers to the Epson Group, unless indicated otherwise.

Guidelines

This report has been prepared in accordance with the Core option of the GRI¹ Standards 2020. ISO 26000: 2010/ JIS Z 26000: 2012 (Guidance on social responsibility) was used as a reference.

 GRI Standards Comparison (GRI content index)
<https://corporate.epson/en/sustainability/guideline.html>

¹ The Global Reporting Initiative, an NGO established in 1997 that drafts and promotes international guidelines for sustainability reporting.

Previous Reports

Epson has been publishing a report every year since 1999. In 2003, the name of the report was changed from Environmental Report to Sustainability Report.

Date of Report Publication

September 30, 2022 (previous report: September 30, 2021)

Editorial Policy

This report has been compiled from comprehensive information about Epson's Sustainability that is available on our websites.

Information has been reported in accordance with the Core option of the GRI Standards 2020. In addition to this report, Epson has been working to improve communication with its stakeholders through the publication of an Integrated Report, its websites, and other media.

Inquiries about Sustainability Report

Seiko Epson Corporation
Sustainability Promotion Office

3-3-5 Owa, Suwa-shi, Nagano-ken, Japan 392-8502

Tel: +81-266-52-3131 (main)



Disclaimer

This report includes forward-looking statements, estimates, and plans based on the information available at the time of publication. Actual results may be different from those discussed.



Group Outline

Corporate Outline

Company Name	Seiko Epson Corporation
Founded	May 18, 1942
Head Office	3-3-5 Owa, Suwa-shi, Nagano, Japan
Paid-in Capital	¥53,204 million
Number of employees	Epson Group (Consolidated): 77,642, Parent Company: 12,630 (as of March 31, 2022)
Group companies	80 (includes parent company) Japan: 19, Overseas: 61 (as of March 31, 2022)

Financial Performance and Business Size

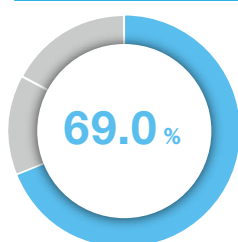
Consolidated Revenue **¥1,128.9 billion** Business profit¹ **¥89.6 billion** Profit for the year attributable to owners of the parent company **¥92.2 billion**

Revenue by Segment²

Printing Solutions Segment

Segment Revenue as a Percentage of Total Revenue

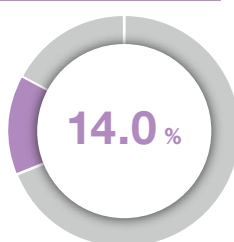
Revenue
¥779.9 bln



Visual Communications Segment

Segment Revenue as a Percentage of Total Revenue

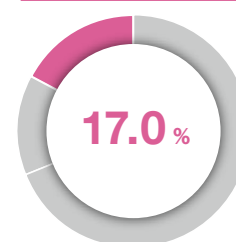
Revenue
¥159.0 bln



Manufacturing-Related & Wearables Segment

Segment Revenue as a Percentage of Total Revenue

Revenue
¥191.9 bln



Main Operations

Office & Home Printing Business

Office & home inkjet printers, serial impact dot matrix (SIDM) printers, page printers, color image scanners, dry process office papermaking systems, and related consumables

Commercial & Industrial Printing Business

Commercial & industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, and consumables

Main Operations

Visual Communications Business

Projectors and smart glasses

Main Operations

Manufacturing Solutions Business

Industrial robots, compact injection molding machines

Wearable Products Business

Wristwatches, watch movements

Microdevices, Other

Quartz crystal devices (crystal units, oscillators, sensors) Semiconductors (CMOS, LSI), Superfine alloy powder Surface finishing, PC business (PCs & other)

¹ Business profit is very similar to operating income under Japanese accounting standards, both conceptually and numerically. It is calculated by deducting the cost of sales and selling, general and administrative expenses from revenue.

² Segment sales include intersegment sales

Grobal Network

Company name	Location
Epson Sales Japan Corporation	Shinjuku-ku, Tokyo, Japan
Epson Direct Corporation	Shiojiri-shi, Nagano, Japan
Miyazaki Epson Corporation	Miyazaki-shi, Miyazaki, Japan
Tohoku Epson Corporation	Sakata-shi, Yamagata, Japan
Akita Epson Corporation	Yuzawa-shi, Akita, Japan
Epson Atmix Corporation	Hachinohe-shi, Aomori, Japan
Epson X Investment Corporation	Chiyoda-ku, Tokyo
U.S. Epson, Inc.	Los Alamitos, U.S.A.
Epson America, Inc.	Los Alamitos, U.S.A.
Epson do Brasil Industria e Comercio Ltda.	Sao Paulo, Brazil
Epson Portland Inc.	Hillsboro, U.S.A.
Epson Europe B.V.	Amsterdam, the Netherlands
Epson (U.K.) Ltd.	Hemel Hempstead, UK
Epson Deutschland GmbH	Meerbusch, Germany
Epson Europe Electronics GmbH	Munich, Germany
Epson France S.A.S.	Levallois-Perret, France
Epson Italia S.p.A.	Milan, Italy
Epson Como Printing Technologies S.r.l.	Como, Italy
Epson Iberica, S.A.U.	Barcelona, Spain
Epson Telford Ltd.	Telford, UK
Epson (China) Co., Ltd.	Beijing, China
Epson Singapore Pte. Ltd.	Singapore
Epson Korea Co., Ltd.	Seoul, Korea
Epson Hong Kong Ltd.	Hong Kong, China
Epson Taiwan Technology & Trading Ltd.	Taipei, Taiwan
PT. Epson Indonesia	Jakarta, Indonesia
Epson (Thailand) Co., Ltd.	Bangkok, Thailand
Epson Philippines Corporation	Pasig, Philippines
Epson Australia Pty. Ltd.	North Ryde, Australia
Epson India Pvt. Ltd.	Bangalore, India
Epson Precision (Hong Kong) Ltd.	Hong Kong, China
Epson Engineering (Shenzhen) Ltd.	Shenzhen, China
Orient Watch (Shenzhen) Ltd.	Shenzhen, China
Tianjin Epson Co., Ltd.	Tianjin, China
Singapore Epson Industrial Pte. Ltd.	Singapore
PT. Epson Batam	Batam, Indonesia
PT. Indonesia Epson Industry	Bekasi, Indonesia
Epson Precision (Thailand) Ltd.	Chachoengsao, Thailand
Epson Precision (Philippines), Inc.	Lipa, Philippines
Epson Precision Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia
Epson Precision (Johor) Sdn. Bhd.	Johor, Malaysia

CEO Message

CEO Message - To Our Stakeholders -

Contributing to Achieving Sustainability and Enriching Communities



Epson, which began as Daiwa Kogyo in 1942, has entered its 80th year in business. I am deeply grateful to the customers, business partners, shareholders, and employees who made this possible.

The environment in which we operate is constantly changing, and we are presently confronted with serious issues, from climate change and COVID-19 to regional conflicts. In times like these, people seek more than just material wealth. They want their lives to be enriched in other ways as well, including both spiritually and culturally. In the past, we tended to run our businesses with the idea of contributing to the world through our technology. Now, under Epson 25 Renewed, the revised corporate vision that we introduced in March 2021, we are taking a different approach, one in which we first identify societal

issues and consider how we can use our technology to resolve them. We named four material issues in terms of impact that we wish to address in order to resolve societal issues: (1) achieving sustainability in a circular economy, (2) advancing the frontiers of industry, (3) improving the quality of life, and (4) fulfilling our social responsibility.

First, to achieve sustainability in a circular economy, we are helping our customers reduce their environmental impact by providing them with products and services that employ hardware and digital technology built around Epson's efficient, compact, and precision technologies, which enable reduced energy consumption and smaller goods while increasing their accuracy and performance.

At the same time, we announced our intent, in Environmental Vision 2050, to become carbon negative and underground resource free by 2050. We made strides toward the first objective by switching to 100% renewable electricity last year at all major Epson sites in Japan and are now working to do the same at all Epson Group sites around the world by 2023 to combat global warming.

Second, we are advancing the frontiers of industry by accelerating the pace of digitization and automation to improve the working environment in production plants and printing processes. Meanwhile, we are helping to reduce environmental impact globally while meeting market needs by alleviating factory labor shortages, enabling short-run production and faster turnaround times, and increasing productivity. In addition, by evolving sensing and IT technologies, we will further improve working environments and provide a high-quality educational environment.

Third, we are improving the quality of life regardless of lifestyle in numerous ways. For example, we are providing high-performance vibration sensors to measure the health of bridges and health support devices that offer personalized health support. We are also providing affective value through the products themselves -and this is especially true with products such as watches. Conversely, we are also providing projectors and textile printers that can be used to create designs and works of art that appeal to people on an emotional level.

Finally, we are fulfilling our social responsibility as a corporate citizen by tightening governance, promoting respect for human rights and diversity, and taking responsibility for our supply chain and the materials in products that we provide to our customers.

Epson will address these four material issues by driving innovation in office and home printing, commercial and industrial printing, manufacturing, visual products, and lifestyle. These innovations will enable us to provide products and services that exceed customer expectations and to help resolve societal issues. It is still not clear when we will see relief from events that are causing turbulence in our lives, such as the prolonged COVID-19 pandemic, regional conflicts, and climate change, but, in the meantime, we will help to realize social sustainability and enrich lives not only materially and economically but also in less tangible ways, including spiritually and culturally.



Yasunori Ogawa

President and Representative Director, CEO

Seiko Epson Corporation

Sustainability at Epson

- 009 Sustainability Management [◇](#)
- 011 Materiality [◇](#)
- 021 Contributing to the SDGs [◇](#)
- 025 Sustainability Communications [◇](#)
- 028 Participation in External Initiatives [◇](#)
- 031 Evaluation by External Parties [◇](#)



Sustainability at Epson

Sustainability Management

Epson has been helping to solve societal issues through its products and services. Going forward, we at Epson will continue to work to fulfill our social responsibility and create shared value in order to achieve sustainability and enrich communities together with our customers and partners from a long-term perspective based on our Management Philosophy.

Starting with an analysis of societal issues, Epson identified four priority issues (materialities) that it should address and selected 12 key sustainability topics that it will act on to achieve the materialities. Through these actions, Epson will contribute to the achievement of the Sustainable Development Goals (SDGs) by 2030, the deadline set by the United Nations.

 [Management Philosophy \(Please refer to page 297 of “Appendices”\)](#)

Message from the Chief Sustainability Officer

Solving Societal Issues Based on Epson's Management Philosophy

The global sustainability movement has rapidly accelerated in recent years, as evidenced by the expansion of ESG investment and the formulation of national and regional sustainability policies such as the European Green Deal. Today more than ever, companies must demonstrate how they are responding to the issues facing society through sustainability and growth strategies based on sustainability initiatives. Epson has identified four materialities, including achieving sustainability in a circular economy and advancing the frontiers of industry, as key topics that it should address by capitalizing on its efficient, compact, and precision technologies and other technology assets. The company is working in line with its value creation story to find solutions to societal issues and provide value.

In April 2020, we integrated our CSR and corporate shared value creation (CSV) activities to accelerate efforts to achieve social sustainability and sustained company growth. In conjunction with this, we reorganized the CSR Management Office to create a new Sustainability Promotion Office.

In the 2021 fiscal year, Epson, responding to demands to adopt the TFCF recommendations and demonstrate business sustainability, assessed the quantitative financial impact of climate change from both a risk and opportunity perspective and disclosed the results. In 2019, Epson joined the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains, and is executing actions to strengthen its value creation infrastructure in line with the RBA Code of Conduct.



Tatsuaki Seki

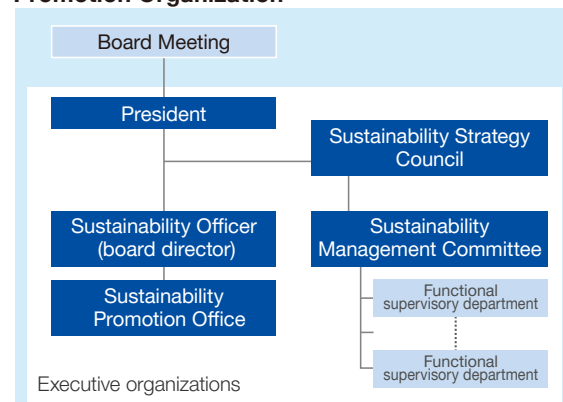
Director, Senior Managing Executive Officer
General Administrative Manager, Corporate Strategy and Management Control Division / Sustainability Promotion Office

Sustainability Promotion Organization

Epson established the Sustainability Promotion Office as an organization that reports directly to the president. The executive officer who was appointed to head the office has the responsibility and authority for sustainability activities across the entire Epson Group.

The CSR Executive Council, which was made up of executive officers and other members of executive management, served as an advisory body to the president. The role of the council was revised. It is now responsible for steering the direction of sustainability activities across the Epson Group and was thus renamed the Sustainability Strategy Council. The Sustainability Strategy Council reviews social trends, formulates long-term strategies for sustainability for the entire Epson Group, reviews the actions taken, and discusses initiatives for addressing important issues.

Promotion Organization



In addition, a Sustainability Management Committee has been established as a subordinate organization of the Sustainability Strategy Council. The Sustainability Management Committee studies and discusses matters related to sustainability that require specialized knowledge. This committee, which is composed of the general managers of certain supervisory departments, advises and reports to the Sustainability Strategy Council. The Sustainability Promotion Office serves as the administrative office for the Sustainability Strategy Council and the Sustainability Management Committee.

Under the control of the Sustainability Officer, the Sustainability Promotion Office and the Sustainability Management Committee are responsible for the execution of business related to sustainability activities.

Main Topics Discussed by the Sustainability Strategy Council

Fiscal Year (Meetings hold)	Main Topic of Discussion
2021(6)	Amendments to the value creation story and materialities Selection of key sustainability topics Review of the effect of Task Force on Climate-related Financial Disclosures (TCFD) Social support initiatives New Epson Group Human Rights Policy

Sustainability at Epson

Materiality

The Management Philosophy, Principles of Corporate Behavior, and Sustainability Initiatives

Established in 2005 and applying to the entire Epson Group, Principles of Corporate Behavior spells out principles of conduct to achieve the Management Philosophy. In 2021, Principles of Corporate Behavior was updated to reflect the latest needs of society.

We want to contribute to solutions to societal issues and achieve sustainable growth as a company through sustainability initiatives that are aligned with the Principles of Corporate Behavior, which is based on the idea of building social trust, the concept that underlies Epson's Management Philosophy.

 [Management Philosophy](#) (Please refer to page 297 of "Appendices")

 [Principles of Corporate Behavior](#) (Please refer to page 298 of "Appendices")

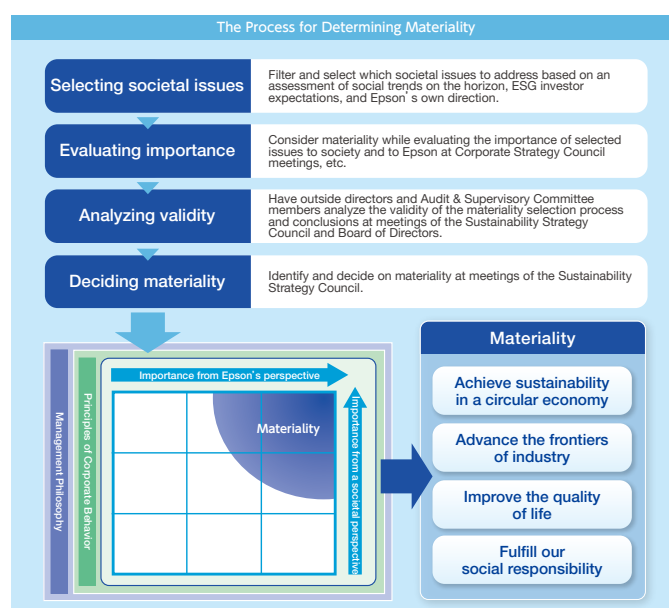
Sustainability-Related Norms That Epson Honors

Epson complies with the laws and regulations in the countries and regions in which it operates and regularly updates Principles of Corporate Behavior to align it with the internationally recognized codes listed below to help ensure that our conduct meets societal expectations.

- The Ten Principles of the United Nations Global Compact
- The Sustainable Development Goals (SDGs)
- OECD Guidelines for Multinational Enterprises
- Keidanren Charter of Corporate Behavior
- ILO Core Labor Standards
- Responsible Business Alliance (RBA) Code of Conduct
- ISO 26000

Deciding Materiality

When establishing the Epson 25 Renewed corporate vision in 2021, Epson referenced the societal issues and megatrends described in ISO 26000 and other sources, evaluated them from both a company perspective and a social perspective, and identified the high-priority issues (materialities) that Epson should address to solve societal issues.



* We evaluated the importance of societal issues from both society's perspective and from Epson's perspective, selected the highest priority societal issues that Epson should focus on through its business operations, and decided on four materialities.

Material Trends and Frameworks Referenced

- The Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Macro trends in the social and economic fields, including climate change (European Green Deal Policy, Paris Agreement, etc.)
- Global Japan: 2050 Simulations and Strategies
- GRI Standard
- SASB Standard
- ISO 26000
- Socially Responsible Investing (SRI) survey items
- Responsible Business Alliance (RBA) Code of Conduct

Key Sustainability Topics










In the 2021 fiscal year, Epson selected 12 key sustainability topics to enable us to address four newly identified priority issues (materialities). Epson has incorporated these topics in its mid-range action plans and is driving initiatives to address societal issues and contribute to the SDGs.












Materiality	Key Sustainability Topics	Examples of Medium-Term Actions
Achieve sustainability in a circular economy	Decarbonization initiatives	Using renewable energy and energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics
	Closed resource loop initiatives	Using resources effectively, minimizing product loss, ensuring long use of products (refurbishment, reuse, etc.)
	Reducing the environmental impact of customers	Reducing power consumption, extending service life (providing long-term corrective maintenance), scaling down production equipment
	Environmental technology development	Applying Dry Fiber Technology, using naturally derived (plastic-free) materials, recycling raw materials (metals, paper)
Advance the frontiers of industry	Improving productivity through digitalization and automation	Transitioning to distributed production, local production, and low-volume high-mix production; driving printing innovations; supporting diverse customer needs; innovating production processes and printing processes through the application of inkjet technology
	Improving the work and education environments	Creating clean, space-efficient workspaces, relieving labor shortages through automation, supporting remote learning and remote work, creating a fair and high-quality learning environment
Improve the quality of life	Enriching diverse lifestyles	Providing personalized health support and safety services that reassure; providing products that are immediately adaptable to lifestyle changes
	Realizing lives that are rich, dynamic, and interesting	Providing products such as high-quality watches with appealing designs, expanding products and services in spatial design and art
Fulfill our social responsibility	Increasing stakeholder engagement	Responding to needs and social demands by strengthening dialogue with customers, shareholders, investors, suppliers, NGOs/NPOs, international organizations, employees, and potential stakeholders
	Realizing responsible supply chains	Carrying out socially responsible activities that promote human rights and good environmental practices throughout the supply chain, and stably providing customers with products and services by strengthening business continuity management
	Respecting human rights and promoting diversity	Preventing harassment and respecting human rights, utilizing human resources in a way that respects diversity, recruiting and developing human resources, and creating a free and open organizational culture
	Strengthening governance	Accelerating and ensuring the transparency of management decision-making, improving the risk management system, ensuring 100% compliance, and strengthening information security












Key Sustainability Topics, KPI, and FY2021 Results












There are 12 key sustainability topics. The table below summarizes the initiative topics, key performance indicators (KPI), and FY2021 results for two of the ESG-related materialities that emphasize corporate sustainability (achieve sustainability in a circular economy and fulfill our social responsibility). The KPIs for the other materialities (advance the frontiers of industry and improve the quality of life) will be announced after FY2023.

1. Materiality: Achieve Sustainability in a Circular Economy

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Decarbonization initiatives	Using energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050	Scopes 1 and 2 GHG emissions reduction ratio	Reduced by 17% compared to FY2017	Reduced by 41% compared to FY2017	Reduced by 21% compared to FY2017	    
		Scope 3 GHG emissions (per unit of business profit) reduction ratio	Reduced by 22% compared to FY2017	Reduced by 38% compared to FY2017	Reduced by 30% compared to FY2017	   
	Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Japan: 100%	Achieved 100% renewables in Japan (since November 2021)	Maintain at 100% domesticall	

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Closed resource-loop initiatives	Becoming underground resource ¹ free by 2050: <ul style="list-style-type: none"> Using resources efficiently by reducing size and weight, using recycled materials, etc. Establishing closed-loop production systems that minimize production losses 	Closed-loop materials usage ratio	20%	20% Began using recycled plastics in high-capacity ink tank printers	≥ 20%	          
		Final landfilled ratio ²	≤ 1%	0.90% Increased metal recycling within the Group	≤ 1%	

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Customer environmental impact mitigation	Maximizing avoided emissions with products and services that have a lower environmental impact ³	Emissions avoided through products & services	≥ The previous year	276,000 tonnes-CO ₂ e A 107% YoY	≥ The previous year	          




















































Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Environmental technology development	Eliminating virgin plastics and closing resource loops by using Dry Fiber Technology to produce recycled materials and natural materials. <ul style="list-style-type: none"> • Packaging materials • Housing materials 	Progress of development process	Develop materials & test prototypes	Selected material candidates for prototyping	<ul style="list-style-type: none"> • Packaging: Verify practical use for Epson products • Housings: Begin technology verification for practical use 	          
	Establishing high-added-value recycling technology for used metal	Progress of development process	Begin reusing waste wafers	Began recycling of waste wafer	Develop technology for expanding the types of materials recycled	

















¹ Non-renewable resources such as oil and metals







² Ratio of landfilled amount of production resources against the volume of resources injected


³ Quantified the contribution of products and services toward GHG emissions reductions

2. Materiality: FulFill our Social Responsibility

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Increasing stakeholder engagement	Responding to needs and social demands by strengthening dialogue with stakeholders	Social support activities, monetary value of support	Set social contribution activity targets	Determined FY2022-FY2025 targets (0.1% or more of sales revenue)	≥ 0.1% of sales	                
		Number of dialogs with shareholders and investors and reflecting opinions on management	≥ 200 meetings with shareholders & investors	239 times	≥ 200 meetings with shareholders & investors	                
		Evaluation indices of external evaluation agencies	Acquire high recognition ⁴	Acquired high recognition	Acquire high recognition	                

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Realizing responsible supply chains	Reinforcing supply chain BCM	Impact on customers due to disruption and stagnation in supply chain (Aiming to have no impact on sales in FY2024)	Minimize procurement, manufacturing, and logistics stoppages and disruptions so that sales are not impacted	Sales were affected due to difficulties in parts procurement and stagnation of the logistics function caused by COVID-19	Impact on sales Half that compared to FY2021	               
	Realizing responsible supply chains	CSR risk levels of suppliers	CSR risk rank of main suppliers (direct materials): 0% high risk	CSR risk rank of main suppliers (direct materials): 0% high risk	CSR risk rank of main suppliers (direct materials): 0% high risk, ≤ 6% middle risk	
	Realizing responsible sourcing of minerals	Conflict-free (CF) ratio of products	-	-	Release CF information for CF strategic products	
		Survey response ratio ⁵	100% survey response ratio	3TG ⁶ survey response ratio: 99%	100% survey response ratio	

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Respecting human rights and promoting diversity	Creating a free and open organizational culture	Organizational climate assessment score for “strength to work in teams”	3.7 on a scale of 5	3.68	Reset KPI due to change in assessment method ⁷	     
		Number of high risk workplaces with “general health risk” in the mental health check	No high-risk workplaces	2.7% of all workplaces	Consider revising the assessment method ⁷ & resetting the KPI	
		Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	Education & training, case sharing, appointment process checks	Performed education and training, case sharing, and appointment process checks as planned	Plan & conduct new training course for managers & for general staff	
			Omission of material cases to the Head Office: 0	Omission in reporting of material cases to the Head Office: 0	Strengthen primary point of contact for harassment consultations & strengthen coordination with the post-report process	
	Respect for human rights through dissemination of the new “Human Rights Policy” within the Group	Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) and relief mechanism	Update the Human Rights Policy	Updated the Human Rights Policy as of April 1, 2022	Announce the Human Rights Policy and assess and improve the state of human rights DD & remediation mechanisms	
	Utilizing human resources in a way that respects diversity	Female management position ratio (the Company)	Female manager ratio: 3.6%	Female manager ratio: 4.1% (as of April 1, 2022), 3.7% (as of March 31, 2022)	Female manager ratio: 5%	
		1 or more female executive officers by FY2025 (in Japan)	Enhance internal development	Diversity management training became compulsory; promoted female participation in screened training	Promote the participation of women in training	

Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2021 Targets	FY2021 Results	FY2022 Targets	SDGs Contributed
Strengthening governance	Reinforcement of compliance management platform	Number of serious compliance violations ⁸	No serious compliance violations	No serious compliance violations	No serious compliance violations	
	Enhancement of Group compliance level	Implementation ratio of compliance training (e-learning) to all Group employees ⁹	Group-wide implementation ratio: 100%	Group-wide implementation ratio: 100%	Group-wide implementation ratio: 100%	
	Maintenance and strengthening of governance structure to realize transparent, fair, prompt and decisive decision-making	Ratio of outside directors on the board of directors	Maintain the ratio of outside directors on the board at $\geq 1/3$	Ratio of outside directors on the board of directors: 50%	Maintain the ratio of outside directors on the board at $\geq 1/3$	
		Ratio of outside directors on the nomination & compensation committees	Maintain the ratio of outside directors on the nomination & compensation committees at $\geq 70\%$	Ratio of outside directors on the nomination & compensation committees 83%	Maintain the ratio of outside directors on the nomination & compensation committees at $\geq 80\%$	
	Strengthening information security	Number of serious information security incidents	0	0	0	

⁴ Sustainability: Low; FTSE: 4 or higher; Top 50 or higher in "Toyo Keizai CSR ranking"

⁵ Signifies the ratio of coverage of the survey

⁶ Abbreviation for conflict minerals, taking the first letters of Tin, Tantalum, Tungsten and Gold

⁷ Changes designed to achieve greater work engagement

⁸ Cases of violation that correspond to timely disclosure matters

⁹ Target: The Company and domestic and overseas subsidiaries

Sustainability at Epson

Contributing to the SDGs

Top Commitment

Commitment to the SDGs

Epson is committed to co-creating sustainable and enriched communities by addressing solutions to environmental problems and other societal issues, as well as by providing surprise and delight that exceed customer expectations. This commitment is aligned with the sustainable development goals (SDGs) adopted by the United Nations.

We will contribute to the achievement of a better and more sustainable future as envisioned by the SDGs by using our efficient, compact, and precision technologies and digital technology to connect people, things, and information and by applying new ideas and methods to create fresh value.



Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Epson's Initiatives and Their Relationship to Our SDGs

In the 2020 fiscal year, Epson identified four materialities (priority issues) that it should address in order to contribute to solutions to societal issues and progress toward its aspirational goal of achieving sustainability and enriching communities. Epson selected 12 key sustainability topics that it will act on to achieve the materialities.

After analyzing the relationship between the 12 key sustainability topics and the 17 Sustainable Development Goals (SDGs) based on the 169 SDG targets, we found that the actions we are currently taking will contribute to all 17 of the SDGs. (Please see the chart below for details.)

Epson will help to achieve the SDGs by acting on the key sustainability topics, thereby achieving sustainability and enriching communities.



Key Sustainability Topics and Their Relationship to the 17 SDGs

There are 169 targets under the SDGs. The figures in the table below indicate the targets that Epson is addressing (as of August 2021).

Materiality	Key Sustainability Topics	SDG	Relevance to SDGs																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Achieve sustainability in a circular economy	Decarbonization initiatives	Environment	1.5	2.4					7.2 7.3	8.4	9.4			12.2 12.4 12.8	13.1 13.2 13.3	14.3			17.17
	Closed resource loop initiatives	Environment		2.4				6.3 6.4	7.2 7.3	8.4	9.4		11.6	12.2 12.4 12.5	13.2 13.3	14.1	15.1 15.4 15.5		17.17
	Reducing the environmental impact of customers	Environment			3.9			6.3 6.4	7.3	8.4	9.4		11.6	12.2 12.4 12.5	13.2 13.3	14.1 14.3	15.115.5 15.4		17.7 17.17
	Environmental technology development	Environment		2.4	3.9				7.3	8.4	9.4		11.6	12.2 12.5	13.2	14.1	15.2		17.7 17.17
Advance the frontiers of industry	Improving productivity through digitalization and automation								7.3	8.2	9.4								17.16 17.17
	Improving the work and education environments					4.1 4.5 4.2 4.6 4.3 4.7 4.4 4.a		6.3		8.2 8.5									17.16 17.17
Improve the quality of life	Enriching diverse lifestyles				3.d	4.2 4.7					9.c								17.16 17.17
	Realizing lives that are rich, dynamic, and interesting				3.6														17.16 17.17
Fulfill our social responsibility	Increasing stakeholder engagement	Social	1.1 1.2 1.5	2.4	3.6 3.9 3.d	4.1 4.5 4.2 4.6 4.3 4.7 4.4 4.a	5.1 5.2 5.5	6.1 6.4 6.2 6.5 6.3 6.6	7.1 7.2 7.3	8.2 8.6 8.4 8.7 8.5 8.8	9.4 9.c	10.2 10.3 10.7	11.6	12.2 12.6 12.4 12.8 12.5 12.a	13.1 13.2 13.3	14.1 14.2 14.3	15.1 15.4 15.2 15.5 15.3 15.7	16.1 16.5 16.2 16.6 16.3 16.7 16.4 16.10	17.16 17.17
	Realizing responsible supply chains	Social	1.1 1.2		3.9	4.1 4.5 4.3 4.7 4.4	5.1 5.2 5.5	6.1 6.4 6.2 6.5 6.3 6.6	7.1 7.2 7.3	8.2 8.6 8.4 8.7 8.5 8.8	9.4	10.2 10.3 10.7	11.6	12.2 12.6 12.4 12.5	13.1 13.3	14.1 14.2 14.3	15.1 15.4 15.2 15.7 15.3	16.1 16.5 16.2 16.10 16.4	17.16 17.17
	Respecting human rights and promoting diversity	Social	1.1 1.2			4.1 4.4 4.2 4.5 4.3 4.7	5.1 5.5			8.2 8.7 8.5 8.8 8.6		10.2 10.3		12.a					
	Strengthening governance	Governance																16.3 16.7 16.4 16.10 16.5 16.6	
Epson confirmed that its initiatives are relevant to all 17 SDGs.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

● The figures in the table below indicate which of the 169 targets (1.1 to 17.19) under the SDGs Epson is addressing with its initiatives (August 2021)

Registration as an SDG Partner in Nagano Prefecture

Nagano Prefecture, home to Seiko Epson's Head Office, has launched some of the most progressive SDG initiatives in Japan. One such initiative is an SDG partner registration system. The prefecture works with business groups, financial institutions, universities, and other supporting organizations in environmental, social, and economic areas to increase the value and competitiveness of local companies and to promote action against the SDGs among them.

To synchronize our actions with those of the Nagano Prefecture government, we applied for registration as an SDG partner based on the actions we have taken to date to achieve the SDGs.

A company must meet two requirements for registration:

1. It must submit a written declaration of commitment to achieving the SDGs.
2. It must take specific actions to achieve the SDGs.

We met the first requirement by declaring management policies and actions to achieve the SDGs. We met the second requirement by submitting information about specific actions being taken in each of 42 items mapped to the 17 SDGs and 169 targets. Seiko Epson was registered as a Nagano Prefecture SDG partner in July 2020.

We will report our progress on the SDGs annually to the prefecture government and will contribute to the achievement of the SDGs throughout our supply chain.

Registration to the Kitakyushu SDGs Registration System

In November 2021, Epson became the first business operator to be registered under the Kitakyushu SDGs Registration System launched by Kitakyushu City. Kitakyushu was the first city selected for the SDGs Future City program and for an SDGs model project for local governments, in 2018. The purpose of the registration system is to provide visibility into enterprise initiatives that will contribute to the achievement of the SDGs, show how they are tied to Kitakyushu's SDGs Future City Plan, and induce and accelerate local SDG efforts. Epson is involved in Kitakyushu City's KAMIKURU Project, a scheme for producing and providing upcycled products made from paper recycled using Epson's dry-process PaperLab office papermaking system. We will continue to work with project members to contribute to SDG activities in Kitakyushu by developing products and activities that reduce environmental impacts, creating diverse employment opportunities, and providing educational opportunities for future generations.



Mr. Okuno, P Office & Home Planning & Design Department, Seiko Epson Corporation, and Mr. Takada, Kyushu Sales & Marketing Department, Epson Sales Japan Corporation, at the registration certificate issuance ceremony.



The registration certificate was printed on upcycled heavy weight paper created by the KAMIKURU Project using a PaperLab to recycle used copier paper from Kitakyushu City Hall.

SDGs Grand Prize at the 2021 Kitakyushu SDGs Future City Awards

In March 2022, the Kamikuru Project, a scheme for producing and providing upcycled paper products using Epson's PaperLab office papermaking system, won the SDGs Grand Prize in the corporate category of the 2021 Kitakyushu SDGs Future City Awards. The project is run by Epson Sales Japan Corporation in Kitakyushu, Fukuoka.

At the ceremony, Mayor Kenji Kitabashi commented, "The Kamikuru project, which is composed of people from different industry groups in Kitakyushu, has contributed to many of the targets of the SDGs. The activities in the field of education have been particularly outstanding, and I am looking forward to seeing these activities expand in the future."



Building Awareness In-house

Contributing to the SDGs at Employee Cafeterias

All Epson employee cafeterias in Japan offered meals featuring wild game to contribute to sustainability.

Crop damage caused by birds and animals has become a major problem in Japan. The Nihon Gibier Association is a group dedicated to revitalizing rural communities harmed by such crop damage by making use of the meat from culled animals such as deer and wild boar. In a show of support of the association's activities, the Seiko Epson Co-op, which operates Epson's cafeterias, worked with the association to put wild game on the menu. The Co-op has set an annual goal of serving 6,000 meals that include wild game. By offering wild game as a choice, the Co-op hopes to prompt employees to consider other ways in which they can contribute to society, as well.



Venison burger with avocado sauce

Sustainability at Epson

Sustainability Communications

Epson provides information to its stakeholders about its sustainability activities. But Epson also listens to stakeholders' views and suggestions to help formulate strategies and actions. Epson thus uses various means to maintain two-way communication with stakeholders as a way to improve the quality of its sustainability activities.

Discussion with CSR/SDGs Consultant Hidemitsu Sasaya

In December 2021, Hidemitsu Sasaya, one of Japan's foremost experts on CSR and the SDGs, was invited to participate in an online discussion with Seiko Epson Director Tatsuaki Seki. Mr. Sasaya joined Ito En, Ltd. after leaving the Ministry of Agriculture, Forestry and Fisheries and has been engaged for many years in the promotion of social responsibility. He was largely responsible for Ito En winning the SDGs Partnership Award. Earlier in the year, Seiko Epson had announced Epson 25 Renewed, a strategic vision for attaining corporate goals by addressing societal issues. So, Mr. Sasaya was asked his opinion about Epson's initiatives as well as about the latest SDG-related trends and actions being taken by other companies.

Message from Mr. Sasaya to Epson

Matching the SDGs to corporate initiatives is Phase 1. I think Epson is now in Phase 2, where the SDGs are utilized. In Phase 2, you seek to answer the question of how to use the matching of the SDGs. This is where you increase the effectiveness of your investor relations activities and forge links with internal business strategies so as to create profit. You then stimulate the product development departments. And, best of all, sales become stronger. I believe that this will result in the creation of a win-win situation, further enhancing company competitiveness.

Epson was the first company in Japan to tie the SDGs to its business activities with exacting targets and to incorporate them into the activities of each department. Going forward, I think you can reap greater benefits if you make your people more aware of how your business activities are tied to the targets.



Mr. Hidemitsu Sasaya

Professor, Chibashoka University's Basic
Education Organization
CSR/SDG consultant

Comments by Tatsuaki Seki

In March 2021, we revised our corporate vision and environmental vision, announcing an aspirational goal of achieving sustainability and enriching communities. Since then, we have seen a change in atmosphere within the company, with everyone getting behind the idea that we will solve societal issues in order to create a sustainable world.

Furthermore, to strengthen the linkage between the business strategies and the SDGs in Phase 2 and to incorporate these into everything all of us do, we need to ensure that everyone understands and is aware of how their actions are tied to the targets. On the other hand, in order to realize Epson's vision of becoming carbon negative and underground resource free, we must brace ourselves and overcome a lot of high technical hurdles, which we are prepared to do.



Tatsuaki Seki

Director, Senior Managing Executive Officer
(Managing Executive Officer at the time),
General Administrative Manager, Corpo-
rate Strategy and Management Control
Division / Sustainability Promotion Office

Event Sponsorship and Exhibition

Co-Sponsor and Exhibitor at the 2022 Sustainable Brands International Forum in Yokohama¹

Epson co-sponsored and exhibited at the 2022 Sustainable Brands International Conference in Yokohama held on February 24 and 25. This was the fourth consecutive year that Epson has served as a co-sponsor.

The theme of SB2022 was “ReGENERATION,” which aligns with Epson’s goal of achieving sustainability in a circular economy. Epson showcased the social value that it can provide as a company and emphasized the need for co-creation to drive innovation.

In a plenary speech, Seiko Epson President and Representative Director Yasunori Ogawa explained Epson’s ideas and initiatives for attaining the aspirational goal of achieving sustainability and enriching communities. He touched particularly on Epson’s digital technology for the textile market, which was exhibited in an area called the Activation Hub. He also described Epson’s value proposition for resolving societal issues, stressed the need for collaboration with other companies, and called for broader co-creation.

In a breakout session, there was a panel discussion on the future of sustainable fashion as envisioned with digital technology. Hiroshi Seike, subleader of the Ministry of the Environment’s Fashion and the Environment Task Force, was invited to represent the point of view of people building fashion-related ecosystems. The rest of the panel was filled out by fashion designer Yuima Nakazato, Yusuke Kotani of production system provider Avail, fashion coordinator Keena Yoshida, and Seiko Epson’s Saeko Maruyama. Peter D. Pedersen was the facilitator. They discussed societal issues facing the fashion and apparel industry, efforts being made by various companies to solve those issues, and future possibilities.

In the Activation Hub, there was an exhibit featuring works by fashion designer Yuima Nakazato. The textiles used in his designs were printed with an Epson digital textile printer, and the exhibition space was designed to resemble a pop-up shop. A projector was used to stage a spatial performance, allowing visitors to experience the value created by digital technology.

¹ Sustainable Brands conferences are among the world’s largest conferences on the subject of sustainability. Sustainable Brands was launched in 2006 in the United States under the shared recognition that embedding the idea of sustainability in business strategies is essential for enhancing corporate competitiveness and brand value.



Participation in a Kyoto University Graduate School of Management Symposium

In August 2021, the Kyoto University Graduate School of Management hosted an online symposium titled “Global Trends toward a Decarbonized Society and Green Growth Strategies.” Approximately 500 people, including members of the public, participated in the symposium, where experts from industry, academia, and government discussed green growth strategies for achieving decarbonization.

Tatsuaki Seki, Seiko Epson director, senior managing executive officer (managing executive officer at the time), who heads up the company’s Sustainability Promotion Office, delivered a keynote speech on Epson’s initiatives to promote sustainability through decarbonization. The topic of the following panel discussion was “Transforming Japanese society to achieve decarbonization.” The panel discussed the sizeable gap between the policies necessary for decarbonization and the level of industrial structure needed. They also talked about what they see as the strengths of Japanese companies in a world moving faster toward decarbonization and digitization, as well as ways to overcome the slow pace with which Japanese companies move. Panel members expressed confidence in Epson and offered thought-provoking ideas that we will use in future sustainability initiatives.



Participation in External Initiatives

Participation in External Initiatives

Epson seeks to contribute to the achievement of a sustainable society through its business activities and thereby become an indispensable company. For this reason, we endorse and take part in numerous sustainability initiatives.

United Nations Global Compact

Epson joined the United Nations Global Compact on July 16, 2004, when a Letter of Commitment signed by the president of Seiko Epson was sent to and accepted by the Secretary-General of the UN. The letter expressed Seiko Epson's commitment to the Global Compact in the areas of human rights, labor, the environment, and anti-corruption.

As a member of society, Epson takes an uncompromising approach to socially responsible corporate conduct in areas such as compliance, human rights, environmental action, workforce diversity, and supply chain management. We take these and other social issues seriously and are working toward solutions. We aspire to make Epson an indispensable company through the practice of ethical corporate conduct and by playing a central role in realizing a better world through the products and services we provide.



Epson's corporate activities

Management Philosophy

Principles of Corporate Behavior

United Nations Global Compact

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: Businesses should make sure they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Principle 5: Businesses should uphold the effective abolition of child labour.
- Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Epson Confirms Commitment to United Nations Global Compact by Signing the Statement from Business Leaders for Renewed Global Cooperation

Epson has reiterated its commitment to the United Nations Global Compact by signing the Statement from Business Leaders for Renewed Global Cooperation.

The Statement from Business Leaders for Renewed Global Cooperation was announced as a new policy of the UN in September, and was issued to mark the 75th anniversary of the founding of the United Nations and the 20th anniversary of the United Nations Global Compact. Signatories commit to operating in a spirit of global cooperation, accountability, corporate ethics and transparency, and to upholding the following points:

- Demonstrate ethical leadership and good governance through values-based strategies, policies, operations and relationships when engaging with all stakeholders
- Invest in addressing systemic inequalities and injustices through inclusive, participatory and representative decision making at all levels of our business
- Partner with the UN, Government and civil society to strengthen access to justice, ensure accountability and transparency, provide legal certainty, promote equality and respect human rights

In making that commitment, we also call on Governments to:

- Protect human rights, ensure peace and security, and uphold the rule of law so that businesses, individuals and societies can flourish
- Create an enabling environment to serve the interests of people and planet, prosperity and purpose, through strengthened international cooperation and national legal frameworks
- Enhance multilateralism and global governance to combat corruption, build resilience and achieve the SDGs

Responsible Business Alliance (RBA)

In April 2019, Epson has joined Responsible Business Alliance (RBA), a global coalition dedicated to CSR in global supply chains, and strengthen CSR supply chain initiatives.



RBA is a nonprofit comprised of companies committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global supply chain. As a Regular Member, Epson commits to fully supporting the vision and goals of the RBA.

Responsible Minerals Initiative (RMI)

Epson joined the Responsible Minerals Initiative (RMI) in April 2019. Epson is promoting responsible sourcing minerals, and fostering cooperation to promote the use of conflict mineral surveys in the supply chain.



Task Force on Climate-Related Financial Disclosures

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to promote disclosures on climate-related risks and opportunities. In June 2017, the TCFD published its recommendations (final report), and in October 2019 Epson declared its support for those recommendations.



CDP

CDP is an organization that gathers and evaluates environmental information from companies at the request of institutional investors and supply chain members. Epson discloses corporate information by answering the CDP's surveys on climate change and water security.



Science Based Targets initiative

The SBTi is an international partnership that persuades companies to set science-based GHG emissions reduction targets in order to keep the increase in average global temperature to well below 2°C above pre-industrial levels. Epson has had its GHG reduction target validated by the SBT.



RE100

In April 2021, Epson joined the RE100, a global initiative that brings together the world's most influential businesses driving the transition to 100% renewable electricity. Epson had previously announced that its worldwide Group sites¹ will all meet their electricity needs from 100% renewable energy sources (renewable electricity) by 2023.



¹ "All sites" referenced here excludes leased properties for sales offices, etc., where the amount of electricity cannot be determined.

Japan Climate Initiative (JCI)

In January 2019, Epson joined the Japan Climate Initiative, a network of various non-state actors such as companies, local governments, organizations and NGOs actively engaged in climate action.



Japan for Circular Economy (J4CE)

In June 2021, Epson joined Japan for Circular Economy (J4CE), which was established by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Japan Business Federation. Epson will provide information about its circular economy initiatives to J4CE, which collects and shares case studies from companies in Japan with the world.

CSR Europe

CSR Europe is an organization that makes recommendations on guidelines and principles for the European Commission. As a leading European business network, it supports the corporate social responsibility efforts of businesses, industries, governments, and NGOs.



Epson Europe B.V. (EEB) joined CSR Europe in September 2017. With EEB's Sustainability Director holding a permanent seat on the CSR Europe Board of Directors since February 2019, Epson Europe has been a leader in the building of a global network and in the creation of guidelines and policies for sustainability and is helping to promote a sustainable future and sustainable business growth.

Pararesin Japan Consortium

Euglena Co., Ltd., NEC Corporation, and Epson, in collaboration with Professor Tadahisa Iwata of the University of Tokyo, established the Pararesin Japan Consortium to develop and popularize technology for pararesin, a biomass plastic that uses paramylon, a storage polysaccharide of the microalga Euglena. Technology is being developed for practical viability.



Evaluation by External Parties

Evaluation by External Parties

Inclusion in SRI Indices and Rating

The FTSE4Good Index Series

Seiko Epson was selected by FTSE Russell, a part of the London Stock Exchange Group, as a constituent of one of the Responsible Investment (RI) indexes in the FTSE4Good Index series for the 19th consecutive year. (June 2022)



FTSE4Good

The FTSE Blossom Japan Index

Seiko Epson was selected for inclusion in the FTSE Blossom Japan index for the sixth consecutive year. This index is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2022)



FTSE Blossom
Japan

The FTSE Blossom Japan Sector Relative Index

Seiko Epson was selected for inclusion in the FTSE Blossom Japan Sector Relative Index. This index was adopted by the Government Pension Investment Fund (GPIF) in April 2022. (June 2022)



FTSE Blossom
Japan Sector
Relative Index

The MSCI Japan Empowering Women Index (WIN)

Seiko Epson was selected for inclusion in the MSCI Japan Empowering Women Index (WIN) for the sixth consecutive year. WIN is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2022)

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan ESG Select Leaders Index

Seiko Epson was selected for inclusion in the MSCI Japan ESG Select Leaders Index. This index is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2022)

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

The S&P/JPX Carbon Efficient Index

Seiko Epson Corporation has been selected to be part of the S&P/JPX Carbon Efficient Index every year since the index was first calculated (as of July 2022). The index of environmental performance was jointly developed by the Japan Exchange Group, Inc. and S&P Dow Jones Indices LLC (US) and has been used by the Government Pension Investment Fund (GPIF) since 2018.



The Sampo Sustainability Index

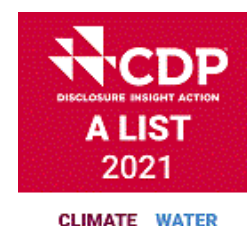
Seiko Epson was selected by Sampo Asset Management Co., Ltd. (Japan), as a constituent of one of the Sampo Sustainability Index for the 11th consecutive year.

The index is used in SRI (socially responsible investment) fund for pension funds or institutional investors to invest widely in companies with the high ESG (environment, society, governance) evaluation ratings. (June 2022)



Placed on Two Prestigious CDP A Lists for the Second Consecutive Year

Seiko Epson has been placed for the second consecutive year on the prestigious corporate sustainability A list by the globally influential environmental non-profit CDP for leadership in tackling climate change and water stewardship. (December 2021)



Selected for the Third Consecutive Year as a Global Leader for Engaging its Supply Chain on Climate Change

Seiko Epson has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard by the globally influential environmental non-profit CDP for the third consecutive year. (February 2022)



Received EcoVadis Platinum Rating for Overall Sustainability

Seiko Epson has been awarded a Platinum rating for overall sustainability by independent platform EcoVadis (France). Epson placed in the top one percent of companies assessed by EcoVadis. (October 2021)



Recognition

Multiple Epson Sites Earn RBA Platinum Recognition

Seiko Epson's main production sites have voluntarily and systematically been undergoing audits under the Validated Assessment Program (VAP) of the Responsible Business Alliance (RBA), which is dedicated to CSR in global supply chains. To date, Epson production sites in Indonesia, Malaysia, Thailand, and China have earned Platinum, the highest level of recognition.



Responsible Business Alliance

Advancing Sustainability Globally

Sites Recognized as Platinum¹

Site (country)	Main products	Expiration date
Epson Engineering (Shenzhen) Ltd. (China)	Large-format printers, small printers, impact dot matrix printers, projectors, robots	December 10, 2022

¹ Platinum recognition, which is valid for two years, is granted only to enterprises that receive a full VAP audit score of 200 points

SBTi Approved Epson's GHG Reduction Targets

Science Based Targets initiative (SBTi) has approved Epson's global greenhouse gas (GHG) reduction targets. SBTi recognized Epson's targets as being science-based and in line with keeping a global temperature rise this century to well below 2 degrees Celsius, a central aim of the Paris Agreement. (November 2018)



Earned the Highest (Grade 3) Eruboshi

In 2016, the Japanese Minister of Health, Labour and Welfare granted Seiko Epson the top "Erubosh" mark in recognition of its efforts to promote the active participation and advancement of women in the workplace. (July 2016)



Earned Platinum Kurumin Certification

As a result of Epson's efforts to establish a friendly workplace environment, we were awarded use of the so-called Kurumin symbol from 2007 and the Platinum Kurumin symbol in 2016. Use of these symbols is awarded by the Japanese Minister of Health, Labour and Welfare to companies that implement policies that support employees who are raising families, in accordance with the Act on Measures to Support the Development of the Next Generation. (May 2016)



Award

Epson Wins Silver at ESG Finance Awards Japan

Epson won the Silver Award in the Environmentally Sustainable Company category of the third ESG Finance Awards Japan organized by the Ministry of the Environment. The ESG Finance Awards recognize progressive, exemplary initiatives driven by investors, financial institutions, financial services providers, and companies that have made an impact by actively engaging in ESG financing or environmental and social enterprises with the goal of encouraging the spread and expansion of ESG financing. (February 2022)



Environmental Value Award at the 3rd Annual Nikkei SDGs Management Grand Prix

Seiko Epson won the Environmental Value Award at the 3rd Annual Nikkei SDGs Management Grand Prix organized by Nikkei Inc. The reward was granted in recognition of the company's efforts to reduce its greenhouse gas emissions and, increasingly important, those of its business partners, as well as for its support for the TCFD recommendations and disclosure of emissions information in securities reports, and its ambitious targets for introducing renewable electricity. (November 2021)



Epson Korea Wins the ESG Grand Prize at the Chosun CSR Awards

Epson Korea Ltd., Co., won the ESG Grand Prize for the third consecutive year at the Chosun Corporate Social Responsibility Awards. These prestigious awards are operated by Chosun Media and sponsored by multiple ministries within the Korean government. EKL was recognized primarily for "Details for Tomorrow," a campaign that promotes social value with power-saving inkjet printers and ultra-short throw projectors that help to narrow the education gap through distance learning, as well as for its sustainability and ESG reporting. Reviewers analyzed and evaluated approximately 713 companies in South Korea by looking at their ESG, SDG, CSR, and environmental reports for the past three years. Epson was one of the 7 winners in the ESG award category. (April 2021)



Received Minister of Economy, Trade and Industry Award at the 29th Grand Prize for Global Environment Awards

Seiko Epson won the Japanese Minister of Economy, Trade and Industry Award at the 29th Grand Prize for Global Environment Awards. The award recognizes Epson's inkjet innovation efforts to minimize environmental impact. (February 2020)



Winner of the METI Minister's Prize

Akita Epson Corporation received the METI Minister's Prize at the eighth Monodzukuri Grand Awards for its role in helping to develop, in partnership with the Akita University Graduate School of Medicine, Akita University Hospital, and the Akita Industrial Technology Center, the world's first rapid cancer diagnosis support system using AC electric field mixing. (January 2020)



Recognized for Excellence in Energy Efficiency and Conservation

Seiko Epson has been awarded the Agency for Natural Resources and Energy Director-General's Award for Epson's LX-10000F series and LX-7000F series of high-speed linehead inkjet multifunction printers sold in Japan. This award, which was part of the FY2018 Grand Prize for Excellence in Energy Efficiency and Conservation awards program, was sponsored by the Energy Conservation Center, Japan, with support from the Japanese Ministry of Economy, Trade and Industry. (January 2019)



FY2018 Grand Prize for Excellence in Energy Efficiency and Conservation
(Product Category & Business Model Category)
Sponsor: The Energy Conservation Center, Japan

Received the First EcoPro Award (METI Minister Award)

Epson's PaperLab A-8000 dry-process office papermaking system has been awarded the first EcoPro Award (Economy, Trade and Industry Minister's Prize) by Japan Environment Management Association for Industry. (September 2018)



Environment

037	Environmental Vision 2050	105	Production
038	Natural Capital	106	Renewable Energy
039	Our Approach	109	Value Chain
041	Mid-Term Targets	111	Resources/Forming a Circular Economy
043	Solving Social Issues Through Inkjet Technology	111	Reduction of Waste (Zero Emissions)
048	Green Bonds	112	Preservation of Water Resources
050	2025 Goals	115	Product Recycling
051	Decarbonization	120	Pollution Prevention & Chemical Management
053	Environmental Technology Development	120	Management of Chemical Substances in Products
056	Environmental Performance	122	Production
057	Responding to TCFD Recommendations	123	Environmental Risk Management
064	Global Environmental Positioning Statement	125	Biodiversity Conservation
065	Life Cycle Thinking	126	Conservation of Wildlife Resources in Taiwan
068	Products and Services that Reduce Environmental Impacts	127	Activities in Protected Area (U.K.)
069	Minimizing Customer Environmental Impacts	128	Conservation of Natural Environment
091	Environmentally Conscious Products	130	Conservation of Forests
102	Product Environmental Information	131	Eco Community
105	Climate Change/Realizing a Decarbonized Society	131	Eco Education
		132	Development of local and social environmental human resources
		135	Eco Technology
		136	Environmental Management



Environmental Vision 2050

Environmental Vision 2050

Epson aspires to achieve sustainability and enrich communities. Achieving this aspirational goal will require addressing societal issues and driving transformative change in the way things are done.

Environmental Vision 2050 was conceived not from a perspective of what we can or cannot achieve but from a mindset of what we must achieve as a product creator and manufacturer.

Epson will become carbon negative and underground resource¹ free by 2050 to achieve sustainability and enrich communities

Goals

- 2030: Reduce total emissions in line with the 1.5°C scenario²
- 2050: Carbon negative and underground resource free

Actions

- Reduce the environmental impacts of products and services and in supply chains
- Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation
- Contribute to international environmental initiatives

¹ Non-renewable resources such as oil and metals

² Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

In 2008, Epson established Environmental Vision 2050, a statement of our environmental goals out to the year 2050. The world has since changed. Global efforts to achieve social sustainability are accelerating, with the United Nations adopting Sustainable Development Goals (SDGs)³ and the Paris Agreement⁴ charting a course toward decarbonization. In light of these changes, Epson revised the environmental vision in 2018 and specified three actions that the company should take.

In March 2021, Epson further revised the vision, setting specific goals that reflect Epson's strong commitment to addressing major societal issues such as decarbonization and resource recycling.

³ International goals for social sustainability adopted at the U.N. Sustainable Development Summit in September 2015, aimed at addressing global issues such as climate change, poverty, and human rights. There are 17 sustainable development goals with 169 targets.

⁴ A legally binding international treaty on climate change. The aim of the agreement is to keep a rise in global average temperature to well below 2 degrees Celsius above pre-industrial levels.

TOPICS

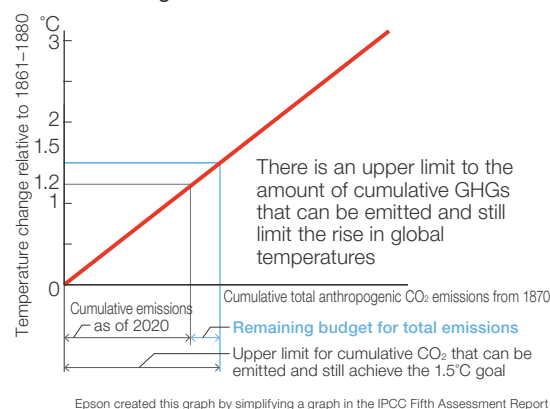
Carbon Budget

The IPCC⁵ Fifth Assessment Report reaffirms that there is a near-linear relationship between cumulative anthropogenic greenhouse gas (GHG) emissions and the global warming they cause. This relationship indicates that there is an upper limit to the cumulative GHGs emissions (the sum of past and future emissions) that can be released into the atmosphere if we are to keep the rise in temperature to a certain level. This upper limit is the carbon budget.

According to the latest IPCC Assessment Report (AR6, released in August 2021), the remaining carbon budget for keeping global warming to within 1.5°C is 300-400 bn tonnes. At the current pace of global emissions, the carbon budget will run out in 10 years. The UN's Decade of Action is of the utmost importance for containing global warming and meeting the SDGs.

⁵ Intergovernmental Panel on Climate Change

The carbon budget



Natural Capital

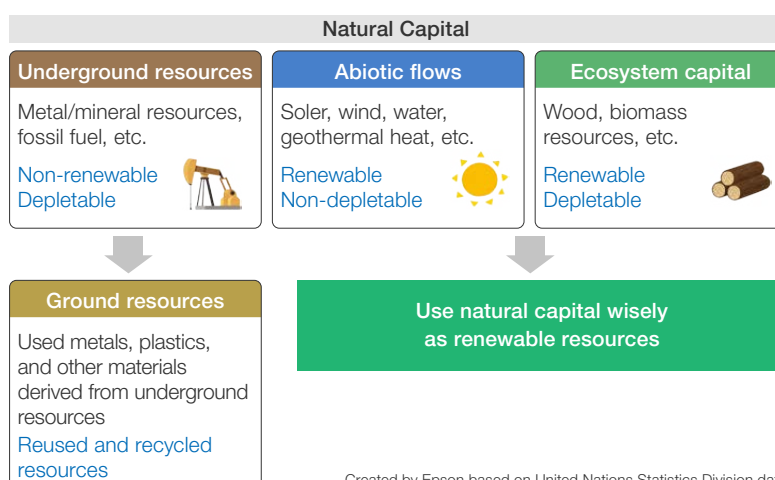
Business Activities Based on Natural Capital

The resources we use are called “natural capital” and include underground resources, abiotic flows, and ecosystem capital.

The mining of underground resources causes destruction of the biosphere. In addition, when mined resources are used as industrial products, they consume a great deal of energy and emit CO₂. In other words, dependence on underground resources is unsustainable.

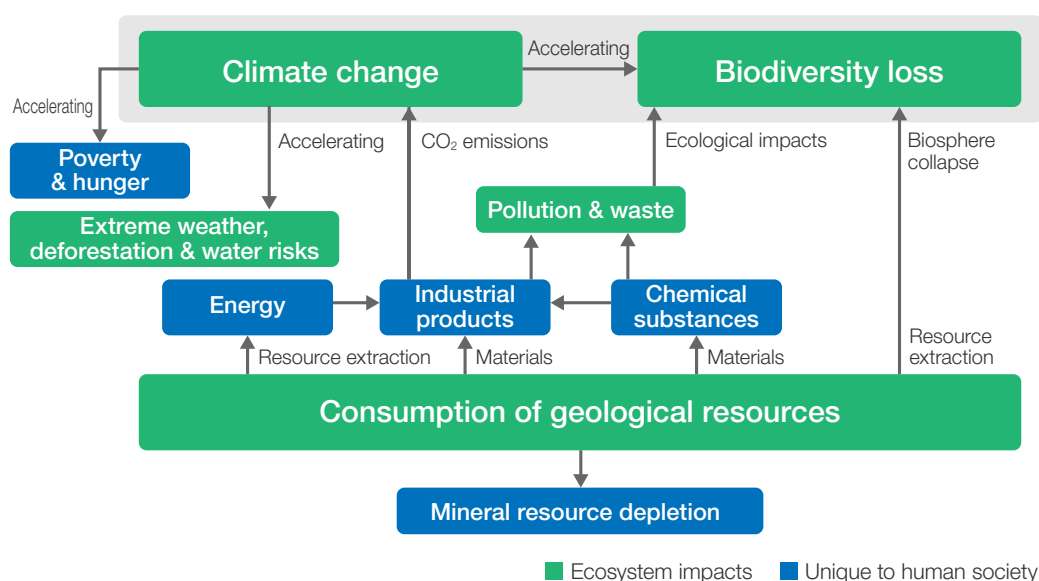
Epson will dramatically change the way natural capital is used. We will reduce the consumption of new underground resources by utilizing previous mined minerals as above-ground resources and will use abiotic flows as energy sources. Ecosystem capital is renewable and non-depletable if used wisely.

In the natural world, solar energy is the only energy source used, and all matter circulates without producing waste. We look to learn from nature, avoid producing waste, and repeatedly reuse resources in our business activities.



Created by Epson based on United Nations Statistics Division data

Relationship between climate change, biodiversity, and human society



Our Approach

Decarbonization Initiatives

The entry into force of the Paris Agreement in 2016 changed the situation in industrial, economic, and other markets, as the focus turned from a low-carbon to a decarbonization strategy. Unlike the earlier Kyoto Protocol, the Paris Agreement, adopted under the UN Framework Convention on Climate Change, set a goal of keeping the average global temperature rise to well below 2°C above pre-industrial levels. To achieve this, emissions must reach net-zero in the second half of the 21st century. Later, in 2018, the IPCC presented the Special Report on Global Warming of 1.5°C, which shows that there are clear benefits to keeping warming to 1.5°C rather than 2°C in terms of the impacts of extreme events such as heat waves and floods. The report brought the world's attention to the need to reach the 1.5°C goal to overcome the climate crisis, prompting widespread global action.

The world needs to cooperate in transitioning societal systems toward net zero emissions by eliminating the consumption of fossil fuels and removing CO₂ from the atmosphere.

Climate risks: 1.5°C vs 2°C global warming

	1.5°C	2°C
World population exposed to severe heatwaves(at least once every 5 years)	About 14%	About 37% (about 1.7 billion people increase)
World population at risk of flooding (relative to 1976-2005)	2 times	2.7 times
Global mean sea level rise (relative to 1986-2005)	26 - 77 cm	10 cm higher compared to 1.5°C Up to 10 million more people would be impacted
Species	6% of insects, 8% of plants and 4% of vertebrates will be affected	18% of insects, 16% of plants and 8% of vertebrates will be affected
Coral reefs	70 - 90% decline	99% decline
Ice-free summers in Arctic	At least once every 100 years	At least every ten years
Annual catch of marine fisheries	1.5 million tonnes decrease	3 million tonnes decrease

Source: WWF Japan documents based on IPCC SR1.5 SPM & Chapter 3

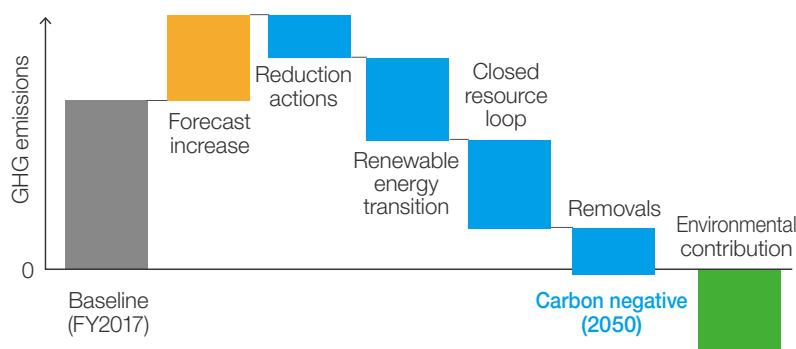
Decarbonization goal: carbon negative

Epson aims to become carbon negative, which is defined as limiting emissions of all greenhouse gases (GHG scopes 1, 2, 3) from our business activities, removing from the atmosphere an amount of CO₂ corresponding to the remaining GHGs to reach essentially zero GHG emissions, and then removing even more carbon.

First, we will minimize energy-use associated with production and products and switch to renewable energy sources. Closing the resource loop is also effective in reducing GHG emissions, so, along with our goal of becoming underground resource-free, we will move toward GHG-free manufacturing.

Epson is reducing its customers' GHG emissions by providing products that have a smaller environmental footprint during use. We represent the amount of reduction as a measure of our environmental contribution and are creating and manufacturing products that will increase the contribution.

Conceptual Image of Emissions for Becoming Carbon Negative



Closed Resource Loop Initiatives

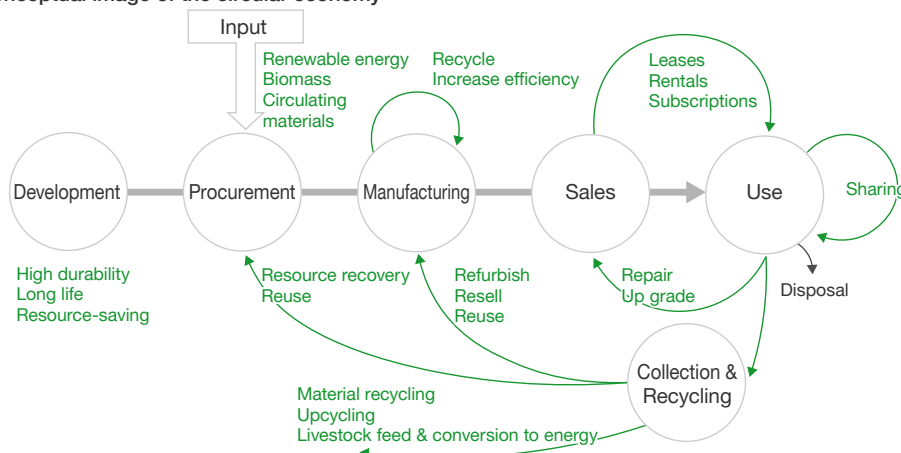
The idea of a circular economy is being advocated as a sustainable economic system to replace the current one-way linear economy of mass production, mass consumption, and mass disposal. In Europe, the European Commission has adopted the Circular Economy Package and has begun taking concrete steps toward transitioning to a circular economy that uses resources more sustainably.

According to an OECD¹ report², global resource consumption is predicted to increase to 167 gigatons in 2060, which is more than double the 79 gigatons consumed in 2011, due to population growth and GDP growth.

¹ Organisation for Economic Co-operation and Development. A European-led international organization to which 35 developed countries, including Japan and the United States, are members.

² Global Material Resources Outlook to 2060

Conceptual image of the circular economy

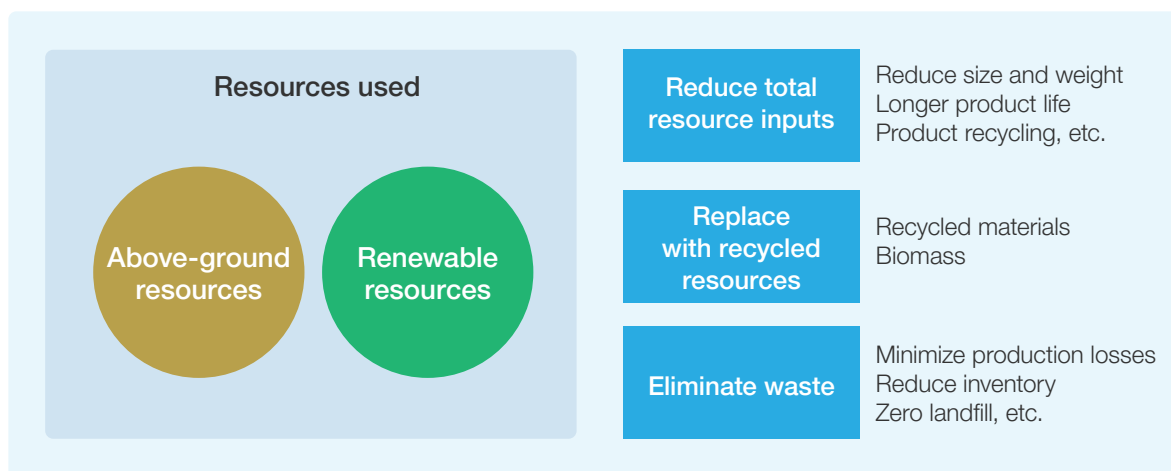


The closed resource loop goal: Becoming underground resource free

Epson will utilize previously mined underground resources as existing above-ground resources to reduce consumption of new underground resources and become underground resource free by 2050.

We will endeavor to reduce total resource inputs, eliminate waste/disposal, and use 100% recycled resources.

Conceptual image of resource use for becoming underground resource free



Mid-Term Targets

Environmental Vision 2050 and Mid-Term Targets

Global action is needed to achieve social sustainability, as the contribution that any one company can make by reducing the environmental impacts of its business activities is limited. Environmental Vision 2050 articulates actions for creating synergies with business partners based on our technologies, products, and services and for allowing us to play a part in creating a better world.

To achieve Environmental Vision 2050, Epson sets mid-term milestone targets and has steadily been working to bridge the gap needed to reach them. The company's current mid-term milestone targets are for 2025 and were set by backcasting¹ from its 2050 goals. In March 2021, Epson announced a revised corporate vision, Epson 25 Renewed. Epson 25 Renewed describes the company's aspirations for addressing societal issues and achieving sustainable and enriched communities by working with customers and partners.

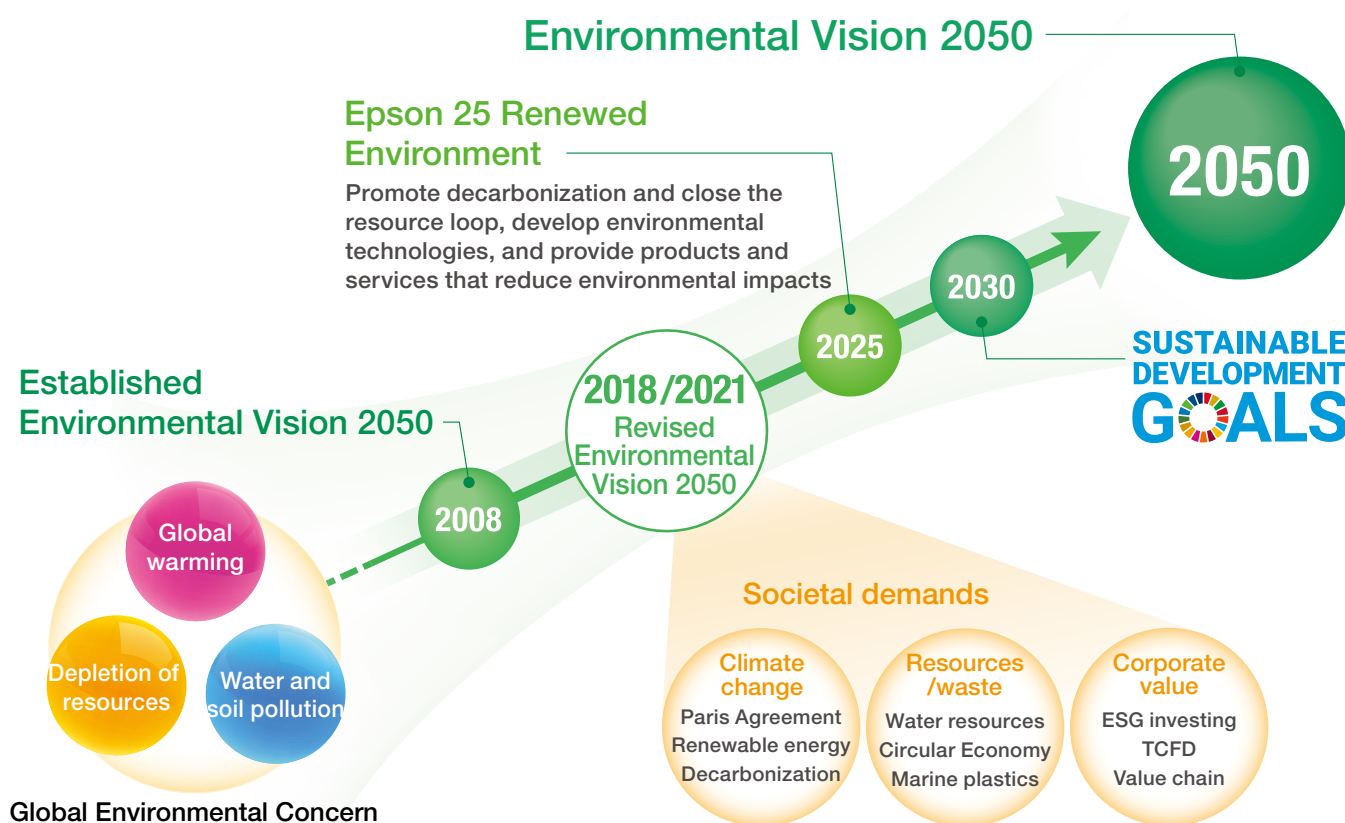
The efficient, compact, and precision technologies that Epson has developed since its founding have yielded inkjet technology that reduces environmental impacts and increases productivity along with a host of other technologies that Epson believes can play a major role in solving societal issues and in achieving the Sustainable Development Goals. We will play to these strengths and work with partners as we seek to co-create high customer value that offers both environmental and economic benefits.

¹ A planning technique in which a desired outcome is first envisioned and then the scenario for achieving the outcome is devised.

Striving to Sustainability

Epson is declaring its intent to contribute to the achievement of the SDGs through its environmental and other CSR initiatives. The SDGs are the world's agenda for sustainable development. There are 17 goals, such as ending poverty and hunger, ensuring peace, justice, and gender equality, and environmental and resource sustainability for future generations. All UN member states have committed to achieving these goals by 2030.

Epson's Environmental Vision 2050 is aligned with the SDGs. We will continue to honestly address customer and societal challenges and will create unique environmental value through our business activities to help achieve the SDGs and a sustainable future.



Solving Social Issues Through Inkjet Technology

"We want to change the world with inkjet technology."

Propelled by this aspiration, we are advancing Inkjet innovation to help achieve a better and more sustainable future.

Feature Article

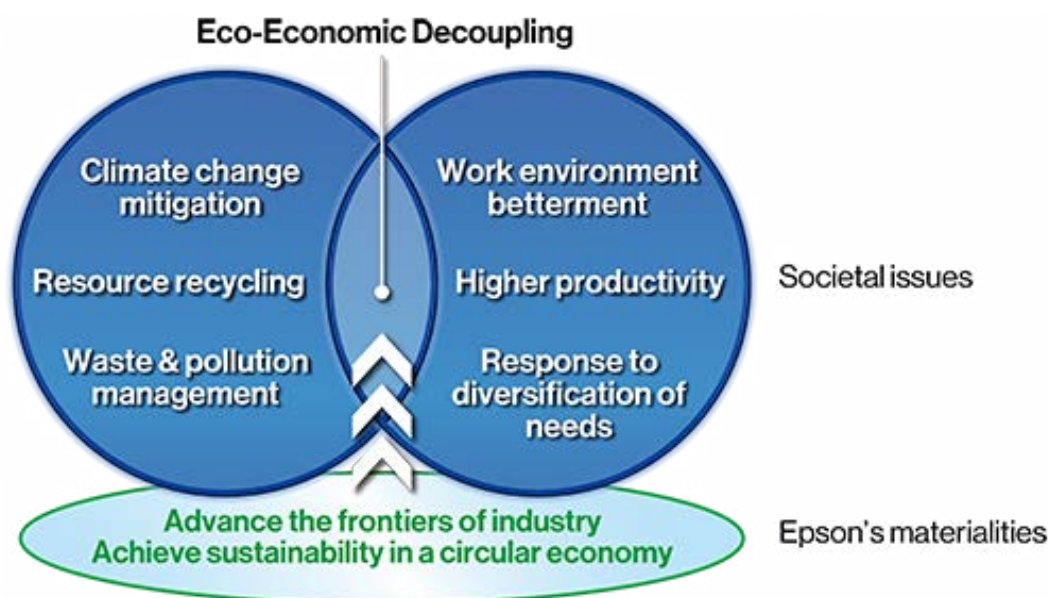
Solving Social Issues Through Inkjet Technology



The SDGs, adopted around the globe, demand that we change the world to achieve a better and more sustainable future.

“We want to change the world with inkjet technology.”
Propelled by this aspiration, we seek to transform methods and mentalities and to provide products, services, and production processes that have a far lower environmental impact on society, decoupling economic growth from environmental degradation.

This is Epson’s mission.



Decoupling:

To separate economic growth from environmental impacts and the use of natural resources; and to increase resource and environmental efficiency at every stage, from production to consumption to disposal, through technological innovation and social transformation

Feature Article

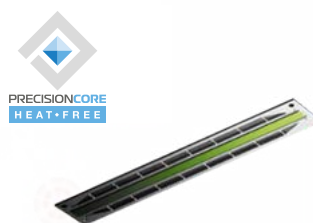
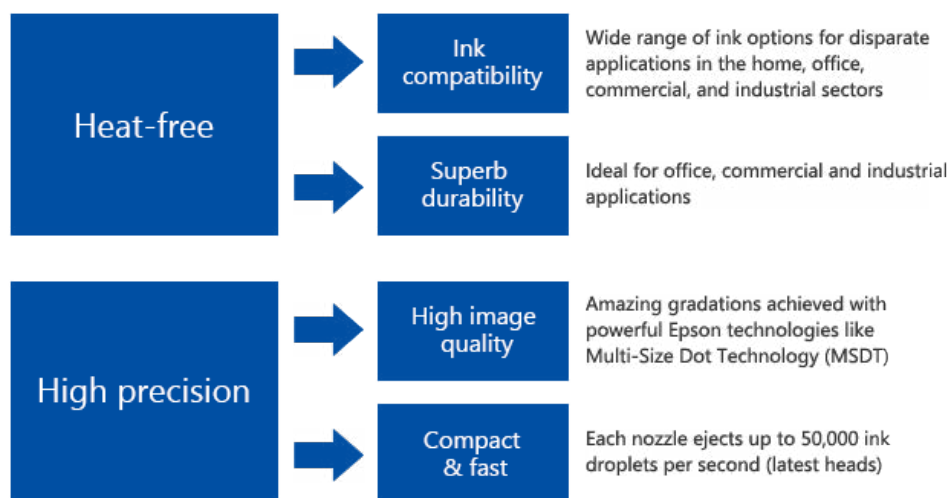
Advantages of Inkjet Technology

Epson's inkjet systems mechanically eject droplets of ink without heating it.

Since a non-contact method is used to deposit ink, Epson's inkjets can print on a wide range of media. And, because heat is not used, a variety of inks (substances) can be used.



Characteristics of Epson inkjet systems



PrecisionCore Micro TFP print chip

Epson is deploying its state-of-the-art piezo-electric PrecisionCore printheads in printers across a wide range of categories. We want to use this technology, which can deliver value by boosting productivity while mitigating environmental impacts, to replace analog printing in every possible application. We are selling more printheads to external customers in response to the expansion of the digital printing market in the commercial and industrial sectors.

Replace analog printing in every possible application



Value delivered by inkjets

Fewer processes, reduced resource use, less waste and wastewater, shorter turnaround times, smaller space requirements, and custom on-demand production

Feature Article

Future Outlook (Expansion in Production & Creative Areas)

Inkjet-based manufacturing innovations Advancing the frontiers of industry through open innovation

We believe that a sustainable world is one where all people are happy and content and where the environmental impacts that society inflicts are dramatically lowered.

The time has come to promote the decoupling of economic growth from environmental impacts by innovating countless production processes with countless technological innovations. In other words, we must advance the frontiers of industry.

Epson's inkjet technology has the potential to satisfy the conditions for a sustainable world.

The number of potential applications for inkjet technology is growing. To expand the use of this technology in new areas and to maximize its full capabilities, Epson needs to collaborate with outside partners who share our aspirations and who have new ideas and new technologies.

By combining our strengths with those of partners who have strengths in other fields, we can produce synergies and advance the frontiers of industry at a high level.

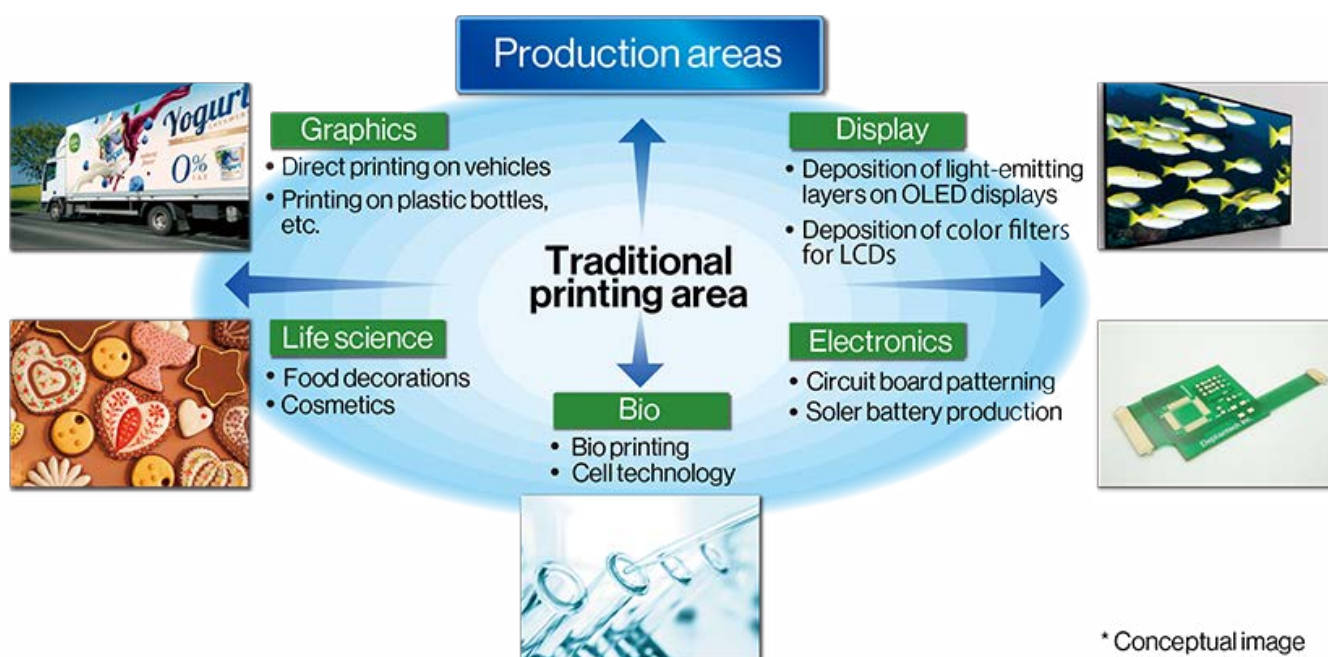
Conditions for sustainability

- People can live happy and content
- Environmental impacts that society inflicts are dramatically lowered

Advance the frontiers of industry

Enable human needs to be met with the least environmental impact

Further expanding inkjet applications through open innovation



Feature Article

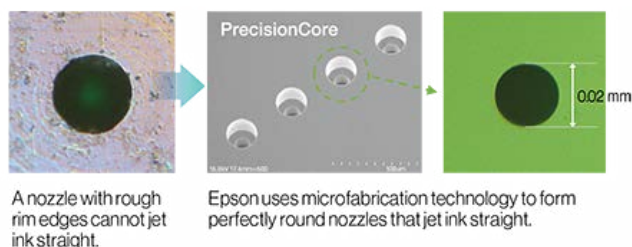
State-of-the-Art Printheads

The evolution of Epson inkjet printheads.
Epson's inkjet heads have evolved over three broad generations.



PrecisionCore head nozzles are 0.02 mm (20 μm) in diameter

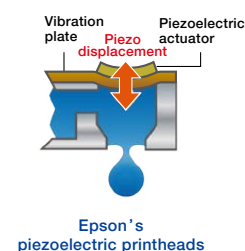
That is about 1/5th the diameter of a typical human hair.



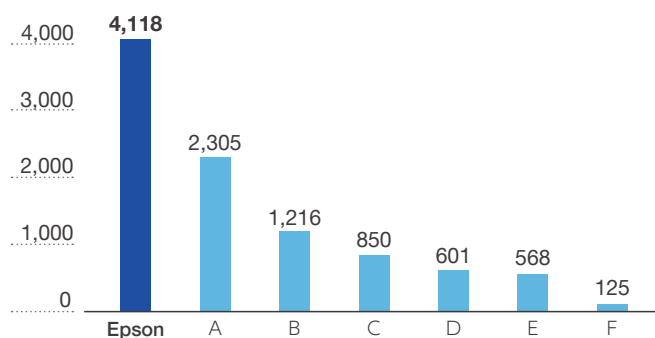
Piezo-electric inkjet heads consume little electricity and, since they are heat-free, are compatible with all manner of inks. Since 1984 Epson's inkjet heads have evolved across three generations to become faster, more precise, and more compact.

PrecisionCore heads are the 3rd and newest generation. They were achieved by using the latest high-precision MEMS technology for everything from the ultra-thin film piezo-actuators to the nozzles.

Epson was able to obtain a larger displacement by fabricating thin-film piezo-actuators a mere 1 micrometer (1/1,000 mm) in thickness.



Number of Piezo Printhead-Related Patents Owned



* Epson research as of July 20, 2022

* The number of Piezo printhead-related patents registered in Japan, the U.S., China, and Europe since July 1, 2002

Key intellectual property

Epson owns a formidable number of piezo head patents around the world, and those technologies are incorporated into our heads.

Feature Article

Business Growth and Low Environmental Impact

Operations launched in Building 9 at the Hirooka Office in 2018

Epson has laid a foundation for advancing the frontiers of industry by putting itself on a path toward tripling print chip production capacity and by accelerating external head sales.

Building 9 environmental considerations

- LED lighting throughout the building
The latest LEDs are also used for yellow lights for semiconductor fabrication.
- High-efficiency air-conditioning system
Reduced the amount of construction materials and increased the efficiency of space use by using task and ambient air conditioning.
- Low-carbon electricity used for production
All of the electricity needs of Hirooka office including Building 9 can be met with renewable energy.



Epson Wins Minister of Economy, Trade and Industry Award at the 29th Grand Prize for Global Environment Awards

- Company praised for inkjet innovation to minimize environmental impact -



<https://corporate.epson/en/news/2020/200228.html>

Green Bonds

Green Bonds

Green Bonds

Global action is needed to achieve sustainability. The contribution that any one company can make by reducing the environmental impacts of its business activities is limited. Environmental Vision 2050 articulates actions for creating synergies with business partners based on our technologies, products, and services and for allowing us to play a part in creating a better world.

To achieve Environmental Vision 2050, we have been setting mid-term milestone targets, while steadily working to bridge the gap needed to reach them. We will use our efficient, compact and precision technologies in tandem with various initiatives to improve the environmental performance of our products and business activities and to reduce environmental impacts across the value chain. By offering products and services that enable new business processes, we aim to provide outstanding economic and environmental value to our customers.

In line with these policies, Seiko Epson issued green bonds¹ through a public offering in Japan to raise funds for projects that will contribute to the solution of environmental problems. A second-party opinion was obtained from an external ESG rating company. They found that Epson's green bonds satisfy the requirements of Green Bond Principles 2018 published by the International Capital Market Association (ICMA) and Green Bond Guidelines, 2017, issued by the Ministry of the Environment.

¹ Green bonds: Bonds issued to raise funds needed for projects that will contribute to the solution of environmental problems such as global warming.

1. Summary of Issue

Instrument name	Seiko Epson Corporation unsecured straight bonds (with inter-bond pari passu clause) (Green Bonds)		
Series	20th	21st	22nd
Term to maturity	3 years	5 years	10 years
Total amount of issue	10 billion yen	40 billion yen	20 billion yen
Denomination	100 million yen		
Issue price	100 yen per face value of 100 yen		
Interest rate	0.020% per annum	0.230% per annum	0.450% per annum
Pricing date	2020/7/10		
Payment date (issue date)	2020/7/16		
Redemption date	2023/7/14	2025/7/16	2030/7/16

Instrument name	Seiko Epson Corporation unsecured straight bonds (with inter-bond pari passu clause) (Green Bonds)
Use of proceeds	<p>Seiko Epson has allocated all bond proceeds to cash reserves, which decreased due to payments for the green bond eligible assets listed in (1) through (3) below, as well as to the green bond eligible projects listed below in (4) through (8).</p> <p>(1) Construction costs for a new building (Building 9) at the Hirooka Office (2) Construction costs for a new building (Building B of the Innovation Center) at the Hirooka Office (3) Construction costs for factory expansion at a manufacturing subsidiary in the Philippines (4) Costs of R&D and production facilities for high-speed linehead inkjet multifunction printers for offices (5) Costs of R&D and production facilities for commercial and industrial printers (6) Costs of R&D and production facilities for inkjet printers and the application of inkjet heads (7) Costs of R&D and production facilities for PaperLab and the application of Dry Fiber Technology (8) Costs of purchasing renewable energy</p>
Bond rating	A (R&I)
Conformity assessment	<p>Seiko Epson established a green bond framework that is aligned with the Green Bond Principles of the International Capital Market Association and obtained a second-party opinion from rating company Sustainalytics to verify that requirements are met. In addition, Rating and Investment Information, Inc. (R&I) gave Seiko Epson's green bonds a GA1 rating, its highest rating, in an R&I Green Bond Assessment.</p> <p>The external review of these green bonds is eligible for a subsidy from the Ministry of the Environment's FY2019 Financial Support Programme for Green Bond Issuance.</p>

2. Third-Party Conformity Assessments



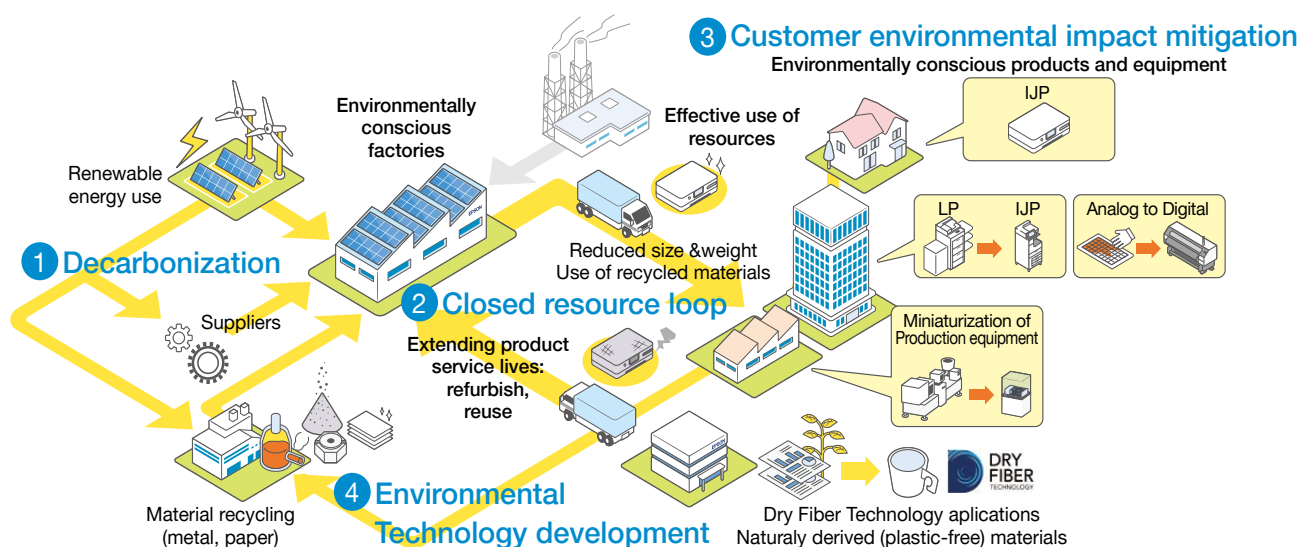
Seiko Epson Corporate Green Bond Framework Second Party Opinion by Sustainalytics
https://corporate.epson/en/sustainability/environment/vision/pdf/greenbond_framework.pdf

2025 Goals

2025 Goals

Epson 25 Renewed Corporate Vision: Environment

Promote decarbonization and close the resource loop, develop environmental technologies, and provide products and services that reduce environmental impacts



1. Decarbonization	<ul style="list-style-type: none"> • Renewable energy use • Energy-saving facilities • Greenhouse gas removal • Supplier engagement • Carbon-free logistics
2. Closed resource loop	<ul style="list-style-type: none"> • Effective use of resources: Reduce size and weight, use recycled materials • Minimize production losses • Extend product service lives: Refurbish and reuse
3. Customer environmental impact mitigation	<ul style="list-style-type: none"> • Lower power consumption • Longer product life • Fewer consumables and limited lifetime parts • Digitalization of printing • Miniaturization of production machines
4. Environmental technology development	<ul style="list-style-type: none"> • Dry fiber technology applications • Naturally derived (plastic-free) materials • Material recycling (metal, paper) • CO₂ absorption technology

Environmental Investment and Spending

- Spend 100 billion yen over the 10 years to 2030 (items 1, 2, 4)
 - Reduce GHG emissions¹ in the supply chain by more than 2 million tonnes
 - Use renewable energy to meet 100% of the electricity needs of the entire Epson Group by 2023²
- Concentrate management resources on the development of products and services that reduce environmental impacts (item 3)

¹ GHG Scope 1, 2, 3 emissions

² Excludes leased properties for sales offices, etc. where the amount of electricity consumed cannot be determined

Decarbonization

Reducing Greenhouse Gas (GHG) Emissions

The 2015 Paris Agreement set a goal of keeping the increase in average global temperature to well below 2°C above pre-industrial levels. Epson has set targets for reducing GHG emissions in the value chain to achieve this 2°C goal as well as the goals of Epson 25 Renewed. Epson's targets have been approved by the Science Based Targets initiative as being consistent with climate change science.

GHG Reduction Targets

Scope 1 Scope 2	Reduce scopes 1 and 2 GHG emissions by 34% by the FY2025. * Updated to in line with 1.5°C in November 2021
Scope 3	Reduce scope 3 emissions from categories 1 and 11 as a percentage of value added (business profit) by 44% by the FY2025. Category 1: Purchased goods and services Category 11: Use of sold products

Scope 1: Direct GHG emissions from the use of fuels, etc.

Scope 2: Indirect GHG emissions from purchased energy, etc.

Scope 3: Indirect GHG emissions of the entire value chain

Epson's Science-Based Targets (SBTs)

Epson has set FY2025 targets for reducing direct emissions associated with its business activities (scopes 1 and 2 emissions) and for reducing indirect emissions (scope 3 emissions). To achieve these SBTs, we are working in concert with our customers and partners to provide eco-conscious products and services that will both drive business growth and increase corporate value.

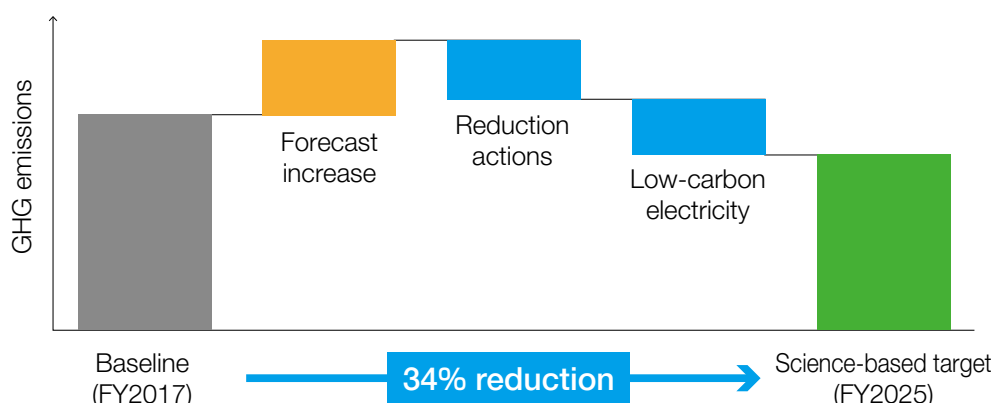
Initiatives to Reduce Scopes 1 and 2 Emissions

Epson has launched an Epson Group-wide SBT project under which each business has selected full-time energy conservationists. Actions to reduce emissions are being explored at model sites and then shared with others to increase the likelihood that targets will be achieved.

Main actions for reducing emissions

- Production innovations
- Investment in updated facilities and equipment such as plant infrastructure, scrubbers, and solar power systems
- Purchasing low-carbon electricity and using other forms of renewable energy
- Other reductions to be achieved by power utilities reducing their GHG emissions factors

Conceptual image of FY2025 scopes 1 & 2 emissions reductions



- Renewable Energy Use

Epson expects its energy use to increase as production increases in line with its long-term growth strategy. Therefore, all Epson sites and businesses are implementing energy-saving measures and increasing the use of renewable energy to achieve our SBT.

In 2021, Epson joined the international initiative RE100, which aims to drive a transition on the part of corporation to the use of 100% renewable electricity for their business activities by 2050. We have set a goal of switching to 100% renewable energy to meet the electricity needs at all Epson Group sites¹ around the world by 2023.

¹ Excludes some sales sites and other leased properties

- Carbon Pricing

Carbon pricing, an instrument that captures the costs of GHG emissions across society, is seen as a way to spur action and innovation in support of lower carbon emissions. Epson prepared payback period criteria and guidelines that incorporate carbon pricing principles to evaluate (study the feasibility of) potential investments for reducing GHG emissions. They were introduced on a trial basis in FY2018 and were formally adopted in 2020.

Reducing Scope 3 Emissions Intensity

Category 11 emissions (emissions from the use of sold products) represent the largest source of Epson's scope 3 emissions, followed by category 1 emissions (emissions from the production of products purchased or acquired).

Under the Epson 25 Renewed Corporate Vision, we are seeking to provide environmental value and mitigate environmental impacts along with our customers. In each product category, we set targets (metrics) that are linked to product value. Ultimately, we have an ambitious goal of reducing scope 3 emissions per unit of value added that is linked to a management performance indicator.

- Avoided Emissions

Epson's inkjet technology saves resources. Our printers, which do not use heat to print, draw comparatively little electricity while consumables and limited lifetime parts require only infrequent replacement. Using Epson inkjets instead of laser printers can cut users' electricity consumption and reduce the environmental impacts of society as a whole. In fiscal 2021, in addition to business inkjet printers and laser projectors, the avoided emissions¹ by our digital textile printing and dry process office papermaking systems was calculated to be 276 thousand t-CO₂e.

¹ Third-party GHG emission avoidance was estimated by using a flow base approach to calculate the contribution to avoided emissions achieved by replacing conventional products and work processes with Epson products. This is different from the actual reduction amount.

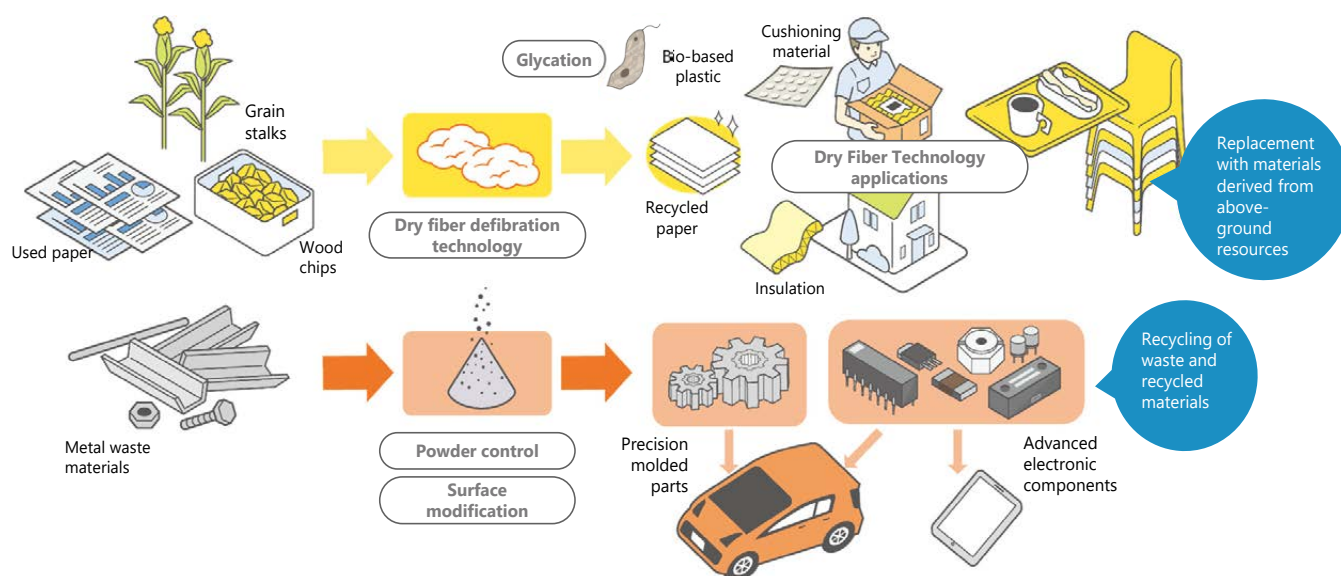
(1) Replacement of laser printers with inkjet printers, (2) flat panel displays with laser projectors, (3) analog printing with digital printing, (4) digital textile printing dye inks with pigment inks, and (5) commercially available recycled paper with paper produced from used paper using dry process office papermaking systems.

Risks & Opportunities (Responding to TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) released its final report in June 2017. The TCFD encourages businesses to publicly disclose their medium- to long-term risks and opportunities related to climate change as financial information. Epson takes this as a call to develop resilient management and corporate health, able to adapt to all sorts of transitions in the face of climate change with impacts of a scope and scale we cannot predict.

Environmental Technology Development

Develop new environmental solutions that integrate materials technologies, and contribute to decarbonization and closing the resource loop



We will look to simultaneously create environmental businesses by developing new solutions that help reduce environmental impacts.

For example, by combining material technologies such as dry fiber technology and metal powder control technology to create new products from waste materials and recycled materials, we will look to replace the use of underground resources with materials derived from above-ground resources.

Established of the Pararesin Japan Consortium to develop biomass plastic technology in March 2021. The goal is to have the capacity to supply 200,000 tons of biomass plastic annually in 2030.

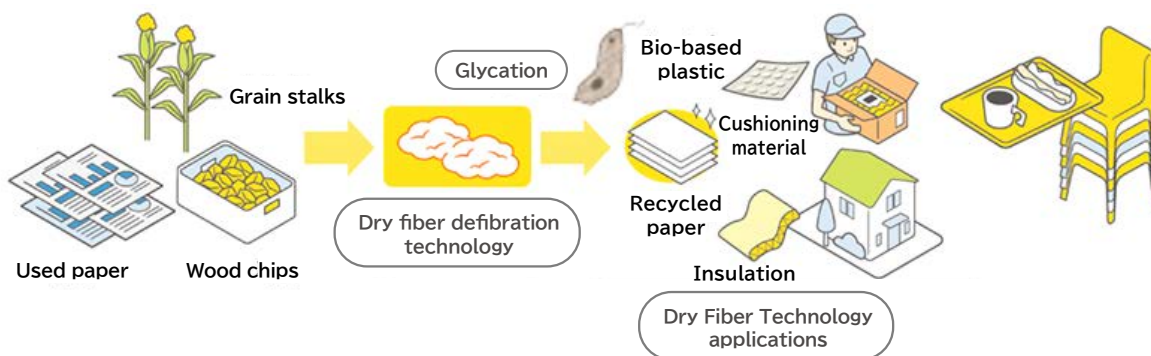
Dry Fiber Technology (DFT)

Development of Bio-Based Plastics

Euglena Co., Ltd., NEC Corporation, and Epson, in collaboration with Professor Tadahisa Iwata of the University of Tokyo, established the Pararesin Japan Consortium to develop and popularize technology for pararesin, a biomass plastic that uses paramylon, a storage polysaccharide of the microalga Euglena. Technology is being developed for practical viability.



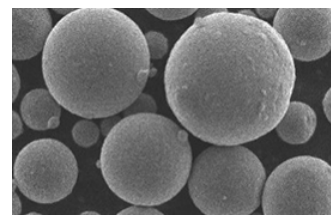
Pararesin pellets



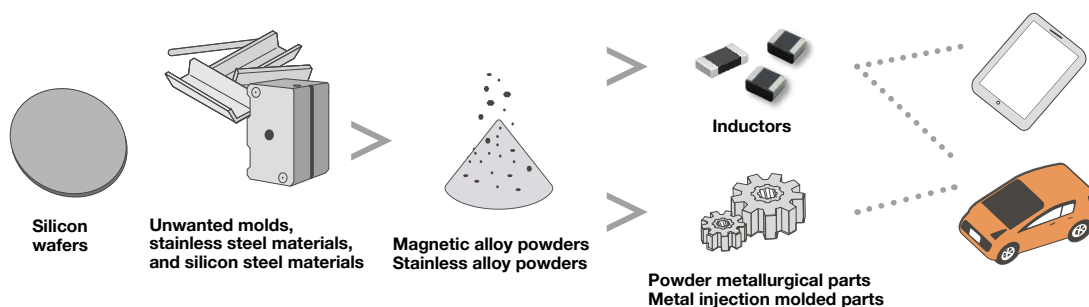
Metal Powder Manufacturing Technology

Recycling Metal Materials in the Epson Group with Original Metal Powder Manufacturing Technology

Epson Atmix Corporation is using its metal melting and atomizing process technologies to produce metal powder products. In February 2020, the company began taking silicon wafers that were used in Epson's semiconductor fabrication business and producing metal powder from them. This reuse of wafers reduces Epson's waste, CO₂ emissions, and use of underground resources such as virgin silicon. By the end of the 2021 fiscal year, Epson Atmix had recycled 8.5 tonnes' worth of silicon wafers. The company will continue to search for other materials that could potentially be upcycled into high-performance metal powders.



Super-fine powder with grain diameters of 10 microns or less

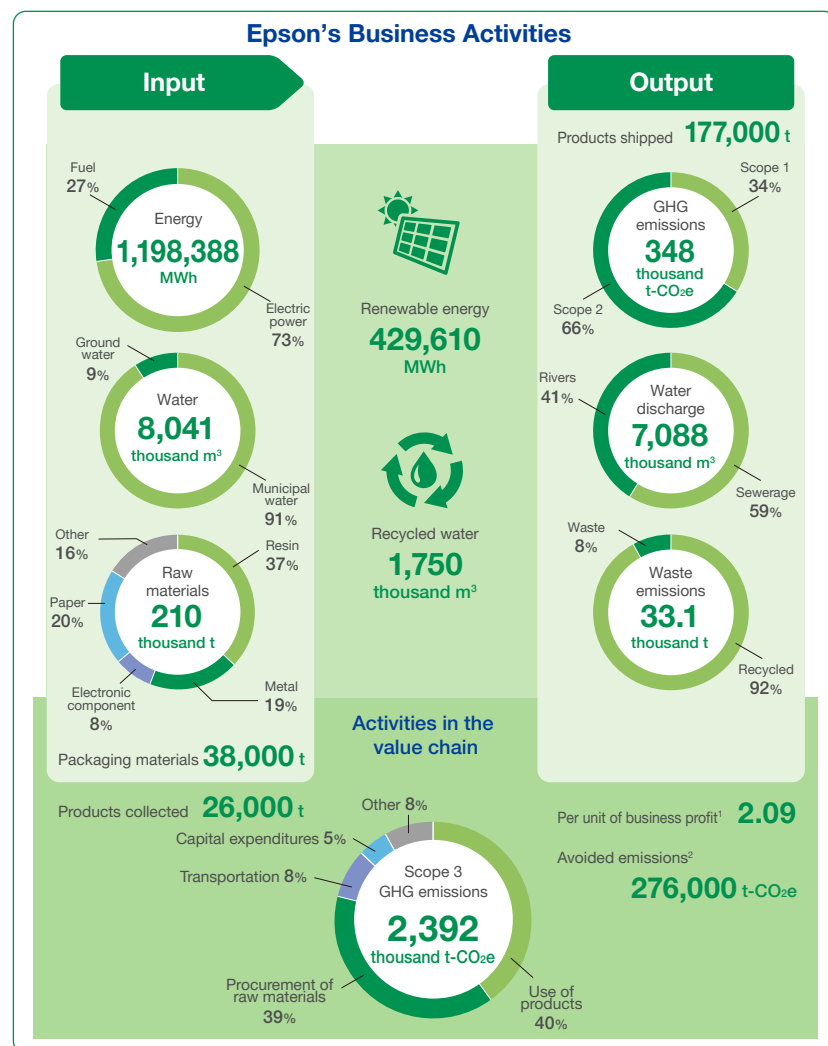


Environmental Performance

Epson consumes resources and, in the process of conducting business activities across the life cycles of its products and services, emits GHGs and other emissions to the air, land, and water.

We are working to assess the environmental impacts of our business activities across the value chain in an effort to reduce our impacts.

Material Balance (FY2021)



Achievements

Scopes 1 & 2 GHG emissions

-41%

Target: -34% by FY2025

Target value:
391 thousand t-CO₂e

Scope 3 GHG emissions (Per unit of business profit)

-38%

Target: -44% by FY2025

Target value: 1.90

Water usage

+1.5%

Target: previous year or less

Target value:
7,925 thousand m³

Waste emissions

-1.1%

Target: previous year or less

Target value: 33.5 thousand t

¹ Scope 3 (categories 1 and 11) GHG emissions per unit of business profit (unit: thousand t-CO₂e/100 million yen)

² Third-party GHG emission avoidance was estimated by using a flow base approach to calculate the contribution to avoided emissions achieved by replacing conventional products and work processes with Epson products. This is different from the actual reduction amount. (1) Replacement of laser printers with inkjet printers, (2) flat panel displays with laser projectors, (3) analog printing with digital printing, (4) digital textile printing dye inks with pigment inks, and (5) commercially available recycled paper with paper produced from used paper using dry process office papermaking systems.

Responding to TCFD

Responding to TCFD Recommendations

Climate change is greatly impacting society and Epson sees it as a significant societal problem. The goal of the Paris Agreement is to achieve decarbonization and limit the global average temperature to well below 2°C above pre-industrial levels and try to limit the temperature increase to 1.5°C. To achieve this, Epson is working to reduce total emissions in line with a 1.5°C scenario¹ by 2030. Furthermore, Epson coordinated the revision of Environmental Vision 2050 with the announcement of the Epson 25 Renewed Corporate Vision. To attain our goals of becoming carbon negative and underground resource free² by 2050, we are working to decarbonize and to close the resource loop. We are also providing products and services that reduce environmental impacts and developing environmental technologies.

Since indicating its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019, Epson has disclosed information (on governance, strategy, risk management, and metrics and targets) based on the TCFD framework so as to enable good communication with shareholders, investors, and a broad spectrum of other stakeholders. Epson has decided to disclose the level of financial impact in 2021 in a quantitative manner for the first time. Furthermore, in 2022, Epson enhanced its disclosure of specific initiatives and achievements aimed at reducing GHG emissions in response to the update to the TCFD recommendations.



¹ Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

² Non-renewable resources such as oil and metals

Scenario Analysis Findings

We analyzed scenarios based on the TCFD framework to quantitatively assess the financial impact of climate-related risks and opportunities on Epson's strategy. In a 1.5°C scenario in which there is rapid decarbonization of society, we found that there is transitional risk of an increase in operating costs due to market changes, policies, and legislation, but we expect to limit the financial impact by strengthening products and services based on inkjet technology and paper recycling technology.

Epson will spend approximately 100.0 billion yen (approximately 25.0 billion yen from 2021 to 2025 and approximately 75.0 billion yen from 2026 to 2030) over a period of 10 years ending in 2030 to accelerate decarbonization, close the resource loop, and develop environmental technology. The solution to climate-related risks aligns with the materialities we have set of achieving sustainability in a circular economy and advancing the frontiers of industry and will lead to opportunities for business expansion with Epson's low environmental impact products and services that save electricity and reduce waste. These products and services will help to mitigate customers' environmental impact and control climate change.

Based on the results of these analyses, Epson will continue to try to maximize its opportunities while addressing recognized risks in order to achieve decarbonization, which we believe is a rational goal both for society and for Epson.

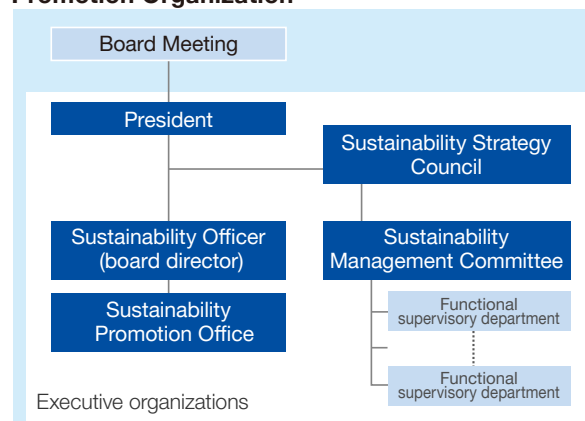
On the other hand, even in a 4°C scenario in which global warming has advanced because the world failed to take additional measures, we found that the impact of physical risks on our domestic and overseas sites due to the damages arising from weather extremes would be small.

Governance

Important matters related to climate change are supervised by the board of directors, which receives reports at least once a year from the Sustainability Strategy Council, an advisory body to the president that plans and reviews strategic sustainability activities for the Epson Group, including matters related to climate change.

In addition, Seiko Epson's president and representative director, who has ultimate responsibility and authority for climate-related issues, delegates responsibility for climate-related issues to the sustainability director, a director and senior managing executive officer. The sustainability director heads the Sustainability Promotion Office and oversees the execution of climate change initiatives, including TCFD.

Promotion Organization



Main Climate Change Initiatives

FY2019

- Declared support for the TCFD recommendations
- Studied risks of natural disasters caused by climate change (2°C scenario and 4°C scenario)

FY2020

- Qualitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (2°C scenario)
- Studied risks of natural disasters caused by climate change (1.5°C scenario)

FY2021

- Revised Environmental Vision 2050 and set clear objectives, including becoming carbon negative
- Quantitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (1.5°C scenario)

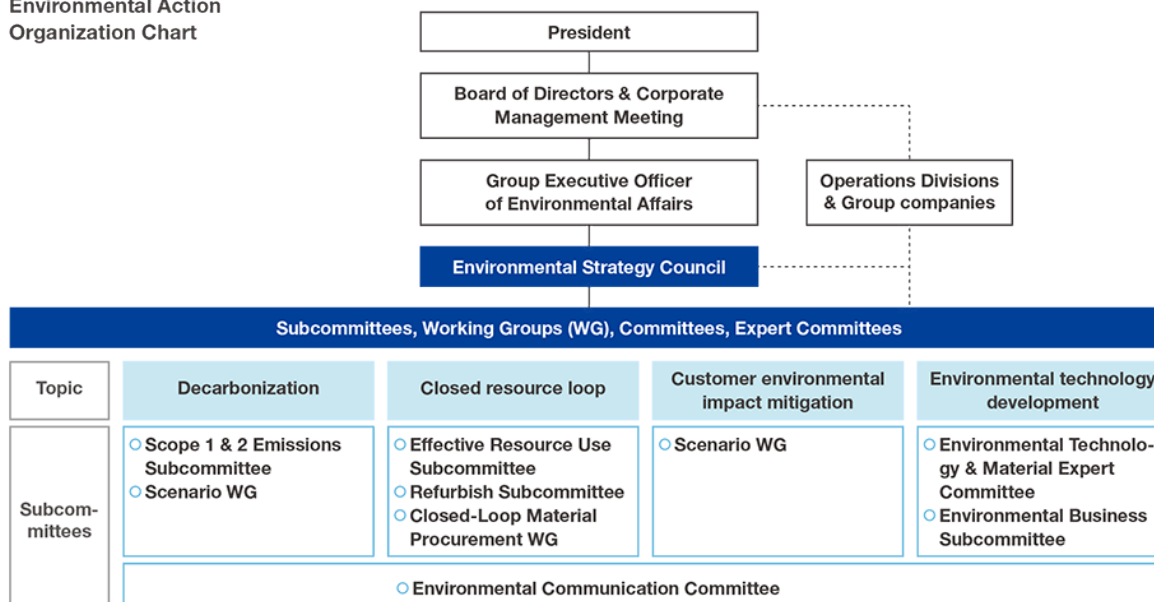
FY2022

- Enhanced disclosures on the results of specific initiatives in line with the revised TCFD recommendations
- Studied risks of natural disasters caused by climate change, taking into account the changes in the IPCC Sixth Assessment Report

Strategy

Epson has determined that achieving sustainability in a circular economy and advancing the frontiers of industry are material matters. To achieve these, we are reducing greenhouse gas (GHG) emissions by leveraging our efficient, compact, and precision technologies to drive innovation. Furthermore, to transform business models, increase resilience against climate change, and drive progress toward Environmental Vision 2050, we established a new Environmental Strategy Council in 2021, under which various subcommittees have been created. The committee meets regularly to discuss and formulate strategic initiatives.

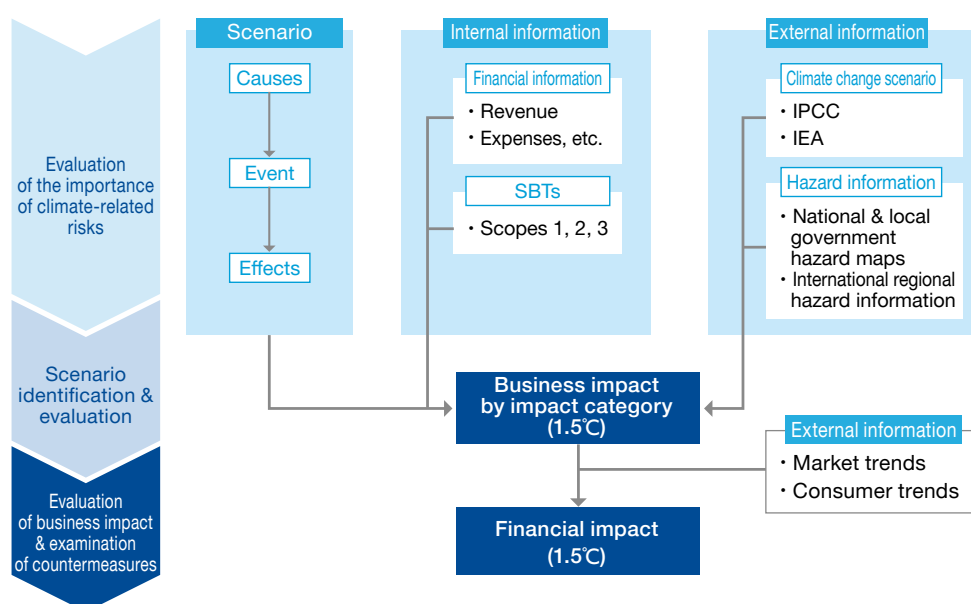
Environmental Action Organization Chart



Increasing resilience	FY2021 initiatives & results	
Transforming business models	Began examining a transition to business models (e.g., expanded subscription services) that deliver environmentally considerate products and services that can be used longer and that generate less waste	
Environmental Strategy Council	Decarbonization	Switched to 100% renewable energy at all domestic sites. Examined switching at overseas sites. Upgraded facilities and equipment to save energy.
	Closed resource loop	Examined introducing resource loop indicators to become underground resource free. Began sales of products that contain recycled materials and refurbished equipment.
	Customer environmental impact mitigation	Increased our contribution to the reduction of environmental impacts by getting customers to replace their current products with environmentally considerate Epson products and services.
	Environmental technology development	Developed technology for recycling scrap metal and reusing silicon waste material. Selected packaging material projects that apply dry fiber technology.

Scenario Analysis of Climate-Related Risks and Opportunities

Epson identified and evaluated scenarios in the categories of transition risk, physical risk, and opportunity to evaluate the importance of climate-related risks and opportunities. Six risks and opportunities were singled out for evaluation. We evaluated the business impact and financial impact of each on the basis of the scenarios corresponding to temperature increase of 1.5°C presented by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as well as on the basis of internal and external information.



Climate-Related Risks and Opportunities in a 1.5°C Scenario

The results of evaluating climate-related risks and opportunities based on scenario analysis are as follows.

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Transition risks	Market changes Policy & laws and regulations	Paper demand	Short-term	Impact <ul style="list-style-type: none"> We were unable to detect a strong relationship between climate change and the change in paper demand, but demand for printing and communication paper is assumed to be on a declining trend. Even if the shift to paperless advances further due to changes brought about by COVID-19 (such as the contraction of office printing because of decentralization), we expect only a limited financial impact from the strengthening of products and services based on inkjet technology and paper recycling technology (reduction of printing costs, reduction of environmental impacts, increase of ease of printing, appeal using usefulness of paper information). 	Small
		(Initiatives in Environmental Vision 2050) - Decarbonization - Closed resource loop - Environmental technology development	Short-term	Impact <ul style="list-style-type: none"> Decarbonization of products, services, and supply chains as well as advanced initiatives in resource recycling are needed to respond to the shared global societal issues of climate change and resource depletion. Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts. Response to risks <ul style="list-style-type: none"> Decarbonization <ul style="list-style-type: none"> Renewable energy use Energy-saving facilities & equipment Greenhouse gas removal Supplier engagement Carbon-free logistics Closed resource loop <ul style="list-style-type: none"> Use resources effectively Minimize production losses Extend product service lives Environmental technology development <ul style="list-style-type: none"> Dry fiber technology applications Naturally derived (plastic-free) materials Material recycling (metal, paper) CO₂ absorption technology 	Invest a total of approximately ¥100.0 billion by 2030
Physical risks	Acute	Damage to business sites due to floods	Long-term (End of 21st century)	Impact <ul style="list-style-type: none"> Based on the results of the latest FY2022 risk assessment for 36 sites (17 sites in Japan and 19 sites overseas), the changes in future operational risks due to flooding (rivers overflowing), high tides and water shortage are limited. Short-term climate change risks to the supply chain will be addressed in line with our business continuity plans. 	Small
	Chronic	Damage to business sites due to rising sea levels			
		Impact on operations due to drought			

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Opportunities	Products and services	(Initiatives in "Environment Vision 2050") - Customer environmental impact mitigation	Short-term	Assumed scenarios <ul style="list-style-type: none"> The need for environmentally considerate products and services will increase due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, sustainable production volume, and reduced resource use. Business opportunities <ul style="list-style-type: none"> In the growth areas defined in Epson 25 Renewed, we expect to grow revenue at a CAGR (compound annual growth rate) of 15% by providing 1) inkjet office printing, commercial & industrial inkjet printing and printheads that reduce environmental impacts, increase work productivity, and reduce printing costs; and 2) production systems with expanded use of new production devices to reduce environmental impacts. 	Large CAGR of 15% is expected in growth areas by FY2025
		Environmental business	Short-term	Assumed scenarios <ul style="list-style-type: none"> Market growth is expected in the areas of global warming prevention, waste treatment, and effective utilization of resources. The shift to a circular economy is expected to drive market growth for recycled plastics, high-performance biomaterials, bioplastics and metal recycling. Business opportunities <ul style="list-style-type: none"> Generate revenue by upcycling (enhancing functionality), eliminating plastics (packing and molding materials), creating new high-value-added materials and carrying out other measures through the establishment of technologies, such as applications of dry fiber technology, including paper recycling, development of naturally derived materials (elimination of plastics) and recycling of raw materials (metal and paper recycling) as effective solutions for combatting global warming and shifting to a circular economy. 	Medium

Actualization Short term: ≤ 10 years Medium term: 10-50 years Long term: > 50 years

Financial Impact Small: ≤ 1 billion yen Medium: 1-10 billion yen Large: >10 billion yen

Epson implemented the following initiatives in FY2021 to promote decarbonization, close the resource loop, develop environmental technology, and mitigate environmental impacts on the customer's end.

Category		Evaluated risks & opportunities	Initiatives implemented in FY2021	FY2021 quantitative results
Transition risks	Market changes Policy & laws and regulations	Paper demand	In Office & Home Printing, sales of printers increased in terms of both units and revenue. Sales of ink were stabilized and flat year on year. The financial impact of fluctuations in demand for paper in the market targeted by Epson was limited.	-
		Decarbonization	Switched to 100% renewable energy for electricity used at all domestic sites ³	¥3.32 billion (breakdown) - Investment: ¥1.06 billion - Personnel expenses: ¥1.26 billion - Expenses: ¥1.00 billion
		Closed resource loop	Decided to invest in the construction of a new plant to recycle metal waste as materials for metal powder products (Epson Atmix).	
		Environmental technology development	Invested in a prototyping line for packaging materials using dry fiber technology. Reinforced manpower for environmental related areas and development of materials.	
Physical risks	Acute	Damage to business sites due to floods	Assessed the latest risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 overseas). • Confirmed that the volatility in Epson's future operation risk caused by floods (river flooding), high tides and drought is limited. Implemented BCP measures against the risk of inundation of facilities on lower floors of Toyoshina Office ⁴ .	-
	Chronic	Damage to business sites due to rising sea levels		
		Impact on operations due to drought		
Opportunities	Products and services	Customer environmental impact mitigation	Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under Epson 25 Renewed.	FY2020→FY2021 Revenue CAGR +22%
		Environmental business	Established environmental business subcommittees and began examining specific steps toward expanding business through environmental technology development.	-

³ Excluding some rental properties housing sales sites.

⁴ A major domestic site with a long-term flooding risk (end of 21st century).

Risk Management

As the environment in which we operate grows more complex and uncertain, effectively dealing with risks that could have a significant impact on corporate activities will be essential in order to carry out business strategies and business objectives.

Epson sees climate-related issues as risks that could significantly impact management and manages them appropriately.

Climate-Related Risk Identification, Assessment and Management Process

1. Study	2. Identify & assess	3. Manage
<ul style="list-style-type: none"> Considering the changes in the IPCC Sixth Assessment Report, conduct surveys on natural disaster risks caused by climate change at major sites in Japan and overseas. Research social trends. 	<ul style="list-style-type: none"> Identify risks and opportunities from the policies and actions of Epson 25 Renewed and Environmental Vision 2050. Evaluate scenario analysis through the Sustainability Strategy Council and board of directors. 	<ul style="list-style-type: none"> Effectively manage risks through the Sustainability Strategy Council and the board of directors.

Metrics and Targets

Epson aims to achieve the medium- and long-term greenhouse gas (GHG) emission reduction targets to realize Environmental Vision 2050. For this reason, we are working to reduce environmental impacts throughout the value chain by improving the environmental performance of our products, utilizing renewable energy, enhancing our business activities and taking other steps based on our efficient, compact, and precision technologies.

GHG Reduction Targets (general indication of aggressive total emissions reduction targets in line with the 1.5°C scenario⁵)

Scopes 1, 2, 3

Reduce GHG emissions by 55% compared to FY2017 by FY2030.

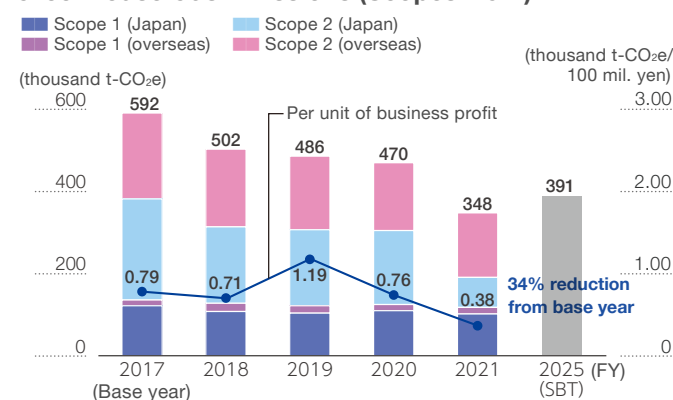
⁵ Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

Scope 1: Direct emissions from the use of fuel, etc., by the reporting company

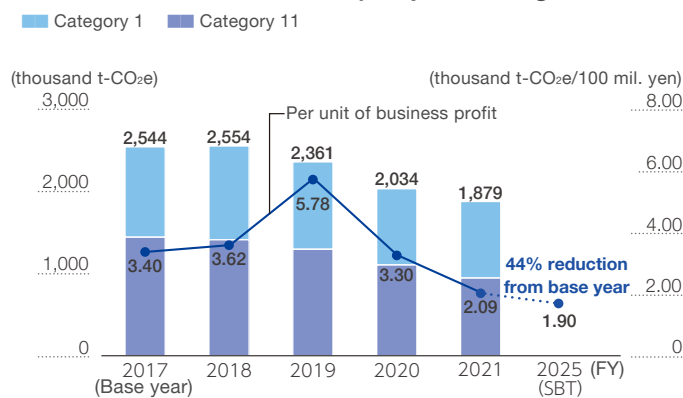
Scope 2: Indirect emissions from purchased energy

Scope 3: Emissions from the reporting company's value chain

Greenhouse Gas Emissions (Scopes 1 & 2)⁶



Greenhouse Gas Emissions (Scope 3: Categories 1 & 11)



* Coverage of science-based target,

Category 1: Purchased goods and services, Category 11: Use of sold products

⁶ CO₂ conversion factor of greenhouse gas emissions

- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.

Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.

- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.

- GHGs other than CO₂: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Global Environmental Positioning Statement

Global Environmental Positioning Statement

Better Products for a Better Future

At Epson, we know that planning for the future requires a strong commitment to the environment. That is why we strive to create innovative products that are reliable, recyclable, and energy efficient.

Better products that use fewer resources help ensure a better future for us all.

“Better Products for a Better Future” encapsulates Epson’s strong commitment to making products that are better for the environment, to help ensure a better future for us all. We will communicate this commitment as opportunities present themselves in the course of our business activities.

Life Cycle Thinking

Life Cycle Thinking

Epson defines an “eco-considerate” product as one for which environmental impacts are considered from product conception to mission completion; that is, at every phase of the life cycle, from design and manufacturing to transport, usage and recycling. Through the creation of eco-considerate products, we are cooperating with customers and business partners to expand our environmental impact mitigation efforts beyond Epson’s doors.



Think

Design products thinking of the entire life cycle

Design for Environment
(Please refer to page 66.)



Choose

Use environmentally conscious materials

Management of Chemical Substances in Products
(Please refer to page 120.)
Paper Products Procurement
(Please refer to page 174.)



Create

Produce with a minimum of materials and energy, prevent unnecessary emissions

Climate Change/Realizing a Decarbonized Society
(Please refer to page 105.)
Resources/Forming a Circular Economy
(Please refer to page 111.)
Pollution Prevention & Chemical Management
(Please refer to page 120.)



Deliver

Transport products efficiently

Value Chain
(Please refer to page 109.)



Use

Eco-performance as customer value

Products and Services that Reduce Environmental Impacts
(Please refer to page 68.)



Recycle & Reuse

Reuse resources

Product Recycling
(Please refer to page 115.)

Design for Environment

The environmental impacts of a product across its life cycle, from cradle to grave, are largely determined at the planning and design-engineering stages.

Epson takes a life-cycle thinking approach in efforts to minimize customers' environmental impacts by (1) providing products that change the way they work and live, and (2) providing products that offer environmental performance as a basic feature. We set concrete targets for environmental specifications that should be achieved at the product planning stage. And, we have introduced a design-for-environment (DfE) process in which we evaluate how well we did in and after the design stage.



Think

Primary Environmental Performance Features

Below are some of the representative environmental performance features that we evaluate as part of our DfE process.

Energy Conservation

We explore various hardware and software approaches to save energy. These can include anything from developing energy-efficient technologies to implementing low-power product control systems. We strive to realize low-power products by setting and attaining concrete numeric targets several years out for each model.

Resource Conservation

Epson sets concrete size and weight targets for products, since reducing these helps to significantly mitigate environmental impacts, not only because fewer materials are consumed but also because products can be transported and warehoused more efficiently. We also make every effort to design products so as to minimize wastes on the customer's end. We do this by, for example, minimizing the amount of packaging used for products and consumables or by providing new printing functions that eliminate unnecessary prints.

Recyclability

We design our products to be easy to recycle after use. Specifically, we try to achieve a recyclable rate¹ of 75% or better as estimated from product engineering drawings.

¹ Recyclable rate: Recyclable materials as a percentage of total product weight, excluding materials used as reducing agents in blast furnaces or as fuel sources.

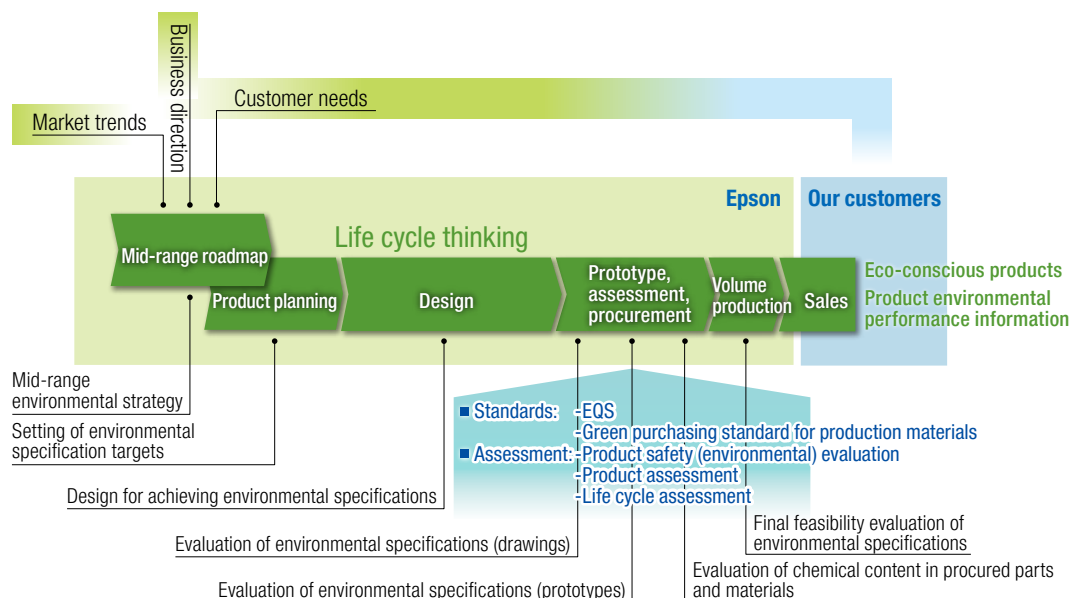
Substance Safety

Epson standards specify substances that are prohibited from inclusion in products and substances whose inclusion must be controlled. Information on these substances is gathered in a database to help ensure safety in all processes, from design and procurement to volume production.

Design-for-Environment Framework

Epson prepares internal specifications, provides evaluation tools, and develops and commercializes products in line with work standards that set forth rules and procedures. The materialization of the environmental specifications is reviewed at each step of the product's commercialization before it is finally sold.

Eco-conscious Product Commercialization Flow (Example for the Printing Solutions Business)



Standards

- EQS (Epson Quality Standard)
Includes internal standards for safety and environmental requirements that all Epson Group products and parts must meet in their design, production and procurement
- Green purchasing standard for production materials
Basic opinion on “Product Chemical Content Guarantees,” and written standards covering specific criteria and application, for use when purchasing production materials

Evaluation

- Product safety (environmental) evaluation
Compliance check
- Product assessment
Checklists and evaluation sheets for evaluating the feasibility of individual environmental specifications during the drawing stage and experimental manufacturing stage
- Life cycle assessment (LCA)
Tools for quantifying environmental impacts (global warming impacts) in a product's life cycle and for efficiently and accurately exposing areas whose design should be improved

Products

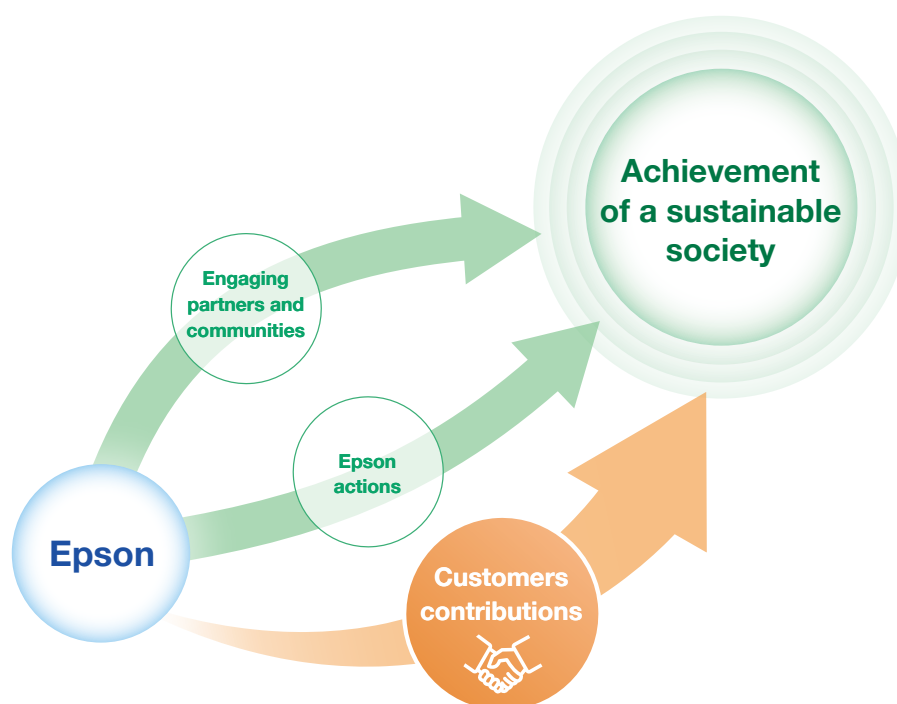
Products and Services that Reduce Environmental Impacts

The impact that one company can have on the achievement of a sustainable society is limited, but Epson is looking to make an impact and make the world a better place through products and services that support customers' sustainability efforts and through collaborative action with local communities and partners.

As a manufacturer, Epson has always asked itself what it can do to achieve a sustainable society and has worked for many years to increase the energy efficiency of its production processes and products, improve resource efficiency, and eliminate harmful and hazardous substances.

To make a greater contribution, we seek to drive work process innovations by minimizing the environmental impacts incurred by our customers when using Epson products and by raising operational efficiency and productivity. Achieving this will mean taking on new challenges to offer value existing technologies cannot provide.

Epson's answer is to use our original technologies to provide products and services offer this value to our customers worldwide.



Products

Minimizing Customer Environmental Impacts

We sell products and services that transform the way our customers work. In so doing, we are minimizing their environmental impacts while also raising their operational efficiency and productivity.

- Our innovative products and services make our customers' jobs and lives easier and more enjoyable while also shrinking their environmental footprints.
- Our products and services enable new business processes and offer outstanding economic and environmental value.

Office

Shrinking the Environmental Footprint of Offices with a Combination of Performance and Efficiency

With built-in PrecisionCore lineheads, the WF-C21000 is a high-speed multi-function inkjet capable of print speeds up to 100 ppm (pages per minute)¹. That's double the output of the typical office laser printer. Enabled by Epson's inkjet technologies, high-speed linehead inkjet multi-function printers (MFPs) take the combination of print performance and energy efficiency to the next level.

¹ For single-sided A4 sheets. WF-C20750: 75 ppm, WF-C20600: 60 ppm



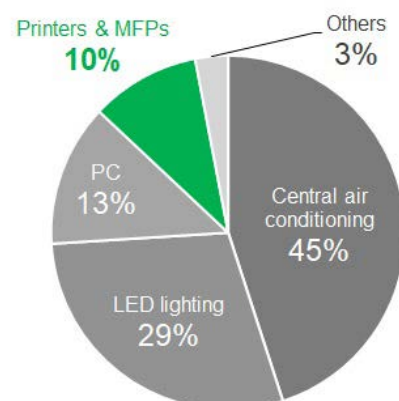
WorkForce Enterprise Series
(A fully configured model with staple finisher unit and high capacity paper tray)

Ideas for the Office

Businesses are more sensitive than ever to environmental issues. Many try to save energy by adjusting their thermostat settings or adopting LED lighting. What they may overlook is that printers and MFPs account for about 10% of total power consumed in a typical office.

We see an opportunity to help them further cut their energy use and costs. Epson inkjet printers draw very little power when printing because ink droplets are ejected by the action of piezoelectric elements that contract under only a tiny applied voltage. In contrast, laser printers require heat—and a lot of electricity—to fuse toner to paper.

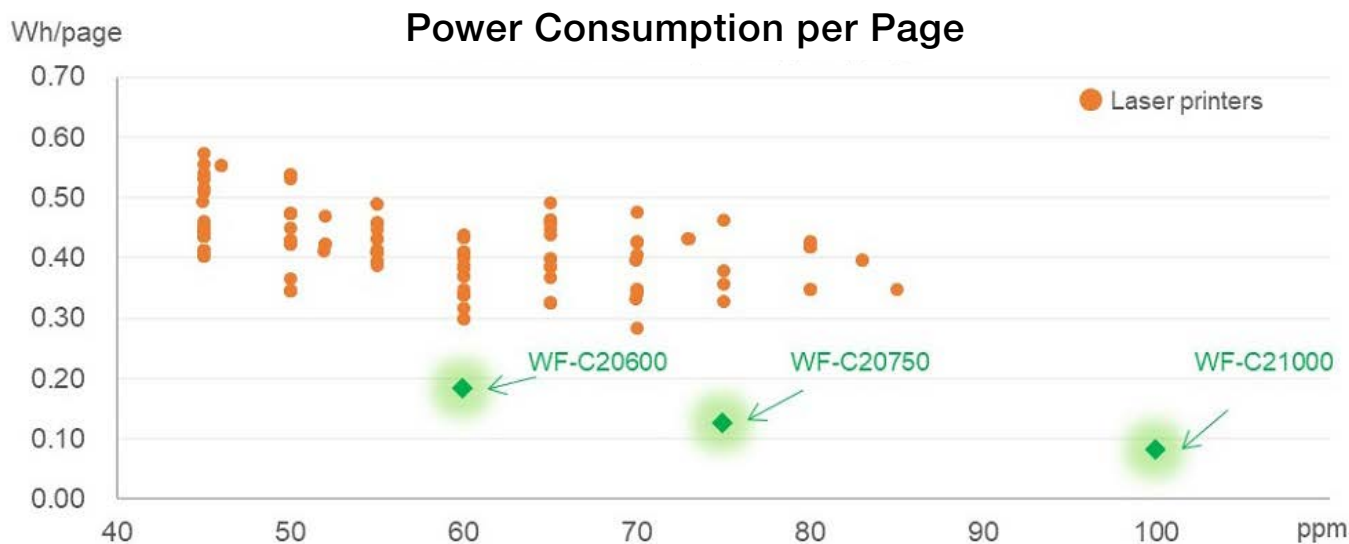
How Power is Consumed at the Office²



² Epson research based on data from commissioned survey conducted in March 2018 by SOMPO Risk Management & Health Care Inc.

Power Consumed per Page

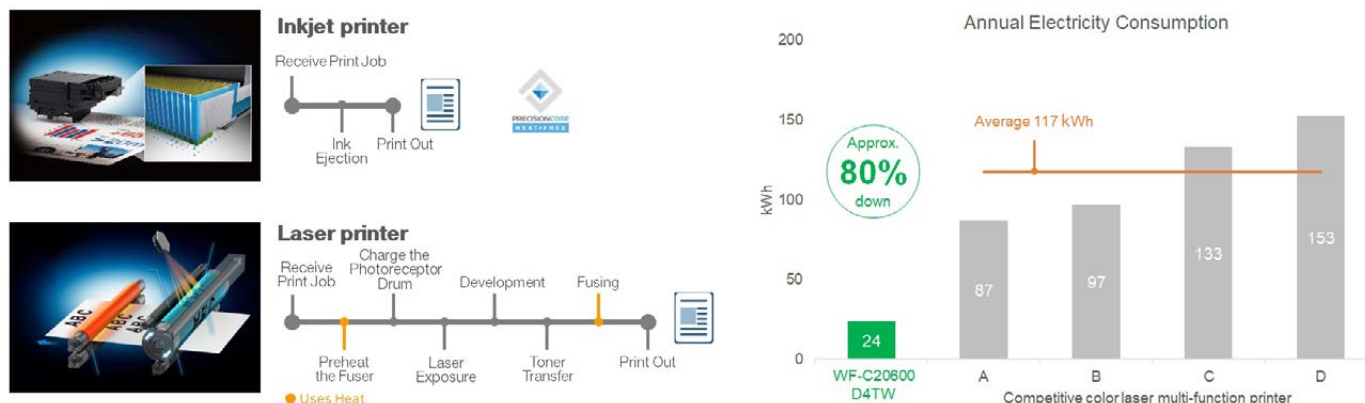
The graph below shows the estimated energy consumed per page. The figures, which are based on typical electricity consumption (TEC) values provided by the ENERGY STAR®, may be used as a guide to compare products running at different speeds. The graph indicates the superior energy efficiency of Epson WorkForce Enterprise series compared to typical A3 color laser office MFPs.



* Comparative simulation of power consumption per page. All A3 color MFPs with outputs of 45-100 ppm (excluding Digital Front End) which is posted on energystar.gov as of August 4, 2022. Our per page calculations are based on TEC measurement.

Reduces Annual Electricity Consumption

WorkForce Enterprise printers are equipped with PrecisionCore Heat-Free Technology and use no heat in the printing process. That means they consume far less power than laser printers, which in turn reduces their running costs. According to the results of an independent study, WF-C20600 may consume, on average, 80% less electricity per year than comparable competing color laser multifunction printers.



* Keypoint Intelligence-Buyers Lab was commissioned by Epson to evaluate the WorkForce Enterprise WF-C20600 D4TW (60ppm) for Europe. Test data is from September 2020. Epson selected four competitor's models from worldwide top four best-selling vendor³ in the 45-69 ppm color laser multi-function printer class. Devices were tested in default mode as per Keypoint Intelligence's proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.

³ Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2020Q2, Units Share by Company



Recognized for Excellence in Energy Efficiency and Conservation

Seiko Epson received Director-General's Prize, The Agency for Natural Resources and Energy for these MFPs at the FY2018 Grand Prize for Excellence in Energy Efficiency and Conservation (Product Category & Business Model Category) awards ceremony sponsored by the Energy Conservation Center, Japan. Among other things, these blazingly fast linehead MFPs were recognized for their high energy efficiency and for the infrequency with which consumables and limited lifetime parts need to be replaced.



Eco Features



WorkForce Enterprise

- High-speed linehead inkjet multi-function printers enabled by Epson PrecisionCore and Heat-Free Technology take the combination of print performance and energy efficiency to the next level.
- Epson WorkForce Enterprise series demonstrates superior energy efficiency than a typical A3 color laser office MFPs.

Changing Office Printing with Inkjet Technology

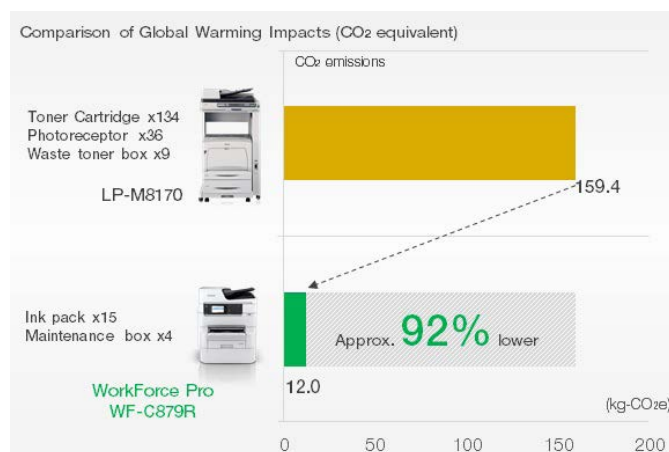
Printers with the innovative high-capacity replaceable ink pack system require minimal replacement of consumables and minimal energy, saving work while reducing environmental impacts.



**High-capacity Ink Pack Model
WorkForce Pro WF-C879R**

Reducing Environmental Impacts with the High-Capacity Replaceable Ink Pack System

High-capacity ink packs not only reduce costs but contribute to reducing environmental impact by reducing resource consumption and minimizing waste. They also ease the burden of managing consumables replacement and help reduce downtime.



* Comparison of global warming impacts of consumables and their packaging. The 200,000 page^{1,2} of the WF-C879R was used as the basis for comparing consumables³ for the Epson LP-M8170, a color laser MFP (only available in Japan). Epson calculates the total global warming impacts of consumables (material, material processing) as CO₂ emissions based on Epson's test conditions. Figures don't include ink and toner, but include the effects⁴ of the material recycling. CO₂ emissions will vary depending on customer printer use.

¹ Average life printing of this product.

² Ink pack yields are based on ISO/IEC 24711 and ISO/IEC 24712, Epson tests in default mode printing continuously, color yields are determined by taking an average yield.

³ Numbers are calculated proportionally based on the number of pages printed.

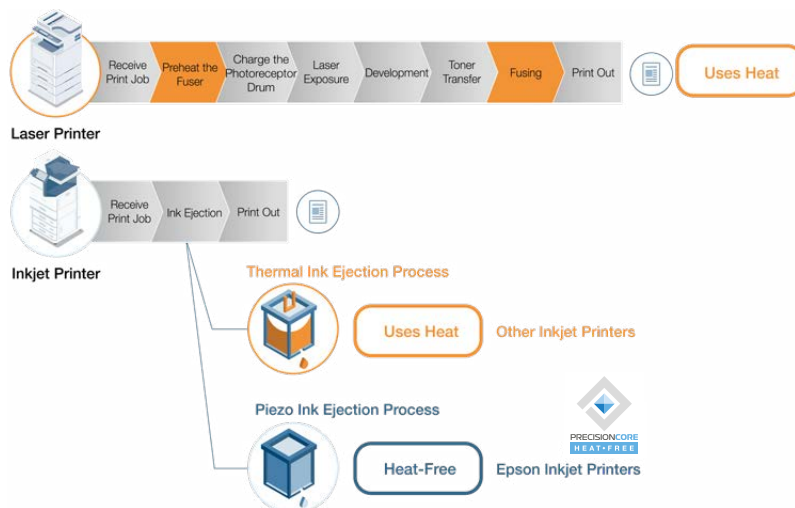
⁴ Reduction of CO₂ emissions due to recycling.

Supporting Energy-Efficient Offices with Inkjet Printing

Because inkjet printers use no heat in the printing process, they consume far less power than laser printers, which in turn reduces the running cost.

Epson inkjet printers use Heat-Free Technology to deliver advanced customer benefits.

Epson Heat-Free Technology does not require heat in the ink ejection process. Instead pressure is applied to the Piezo element, which flexes backwards and forwards firing the ink from the printhead. In contrast, other technologies work with heat. Laser printers need to heat the fuser to enable printing, for example. The fact that they do not use heat means that they use less power and produce less CO₂ emissions.



Offering Low User Intervention, Thanks to High-Capacity Ink Packs with a Compact Body.



Eco Features



WorkForce Pro WF-C879R

- High-capacity ink packs allow you to print up to 86,000 pages in mono and 50,000 pages in color² without replacing ink and reduce CO₂ emissions by up to 94% compared to their equivalent laser printers, which consume a large number of toner cartridges and photoconductor units.
- Epson Heat-Free Technology requires no heat to print consume far less energy than laser printers.

Adding New Value to Paper Contributes to a Circulating Society

The PaperLab A-8000, a dry-process office papermaking system, makes new paper from old right on-site using Dry Fiber Technology, which is characterized by waterless¹ defibration.

The PaperLab A-8000 was awarded the Minister's Prize, The Ministry of Economy, Trade and Industry, at the first EcoPro Awards ceremony (formerly called the Eco-Products Awards) sponsored by the Japan Environmental Management Association for Industry (JEMAI). In addition to outstanding and innovative paper recycling technology, the PaperLab was recognized for its use in producing environmental education materials, for its use as a symbol of environmental measures, and for helping to raise awareness about resource circulation.

¹ Moderate humidity is required.



EcoPro Awards

1st EcoPro Awards Minister's
Prize, the Ministry of Economy,
Trade and Industry

PaperLab A-8000

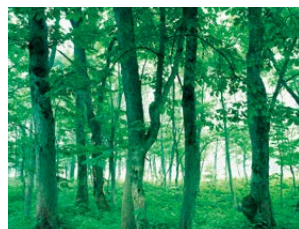
Dry-process office papermaking system



Preservation of Water Resources

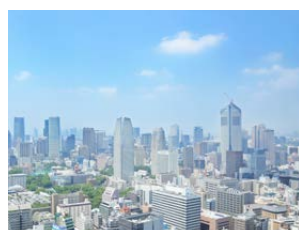
The PaperLab A-8000 uses only about 1/100th² of the water it takes to make an equivalent mass of ordinary paper, thus helping to conserve the Earth's precious water resources.

² Water consumption of ordinary paper includes water used in the growth of the trees that supply the virgin pulp. Ordinary paper means paper distributed in Japan.



Effective Use of Forest Resources

Paper is produced from wood taken from the forests, but the A-8000 spares our forests by producing new copy paper from used documents right in the office. Therefore, any paper produced by the A-8000 may be marked with the eco-label established by the 3R Promotion Forum Japan.



Reduction of Life Cycle CO₂ Emissions

The A-8000 enables small paper recycling cycle by turning used paper into new paper right on site. Paper can be locally recycled for local consumption, producing fewer CO₂ emissions across the life cycle compared to a traditional paper recycling process, when producing an equivalent mass of paper.



Awareness-Raising

The A-8000 reproduces paper on the spot—a fresh surprise that can raise the environmental awareness of your staff and spawn further environmental action. Children who have had the opportunity to see paper recycled come away with insights and greater concern for the environment, as well as a desire to solve environmental issues with science.

Internal Case Study

Epson uses the A-8000 extensively to recycle and reproduce paper used on its own sites. Since 2018, this recycled paper has been used to produce orientation training materials and business documents. It is being used for calendars and employee business cards. This paper is also used for notebooks and memo pads, and we plan to further expand uses in the near future. The production of paper and paper-based goods has expanded the range of job opportunities for the staff of Epson Mizube Corp., a special subsidiary that supports the employment of persons with disabilities and is involved in these activities.

Epson also uses a machine that employs dry fiber technology to upcycle recovered paper into waste-ink pads for inkjet printers and sound absorbing materials for the A-8000.



Calendars made using recycled paper



Waste ink pads for inkjet printers
(maintenance box)

User Comment

Beyond direct benefits: raise children's awareness of the environment

The city government of Shiojiri decided to install a PaperLab after examining the potential environmental, security, and job creation benefits. We saw that we could promote environmental conservation through local recycling of used paper without stressing water resources. We saw that we could strengthen security by destroying sensitive information on-site. And we saw that we could develop employment opportunities for persons with disabilities. I personally feel that the biggest benefit is that the PaperLab can inspire children. For a resource-poor country like Japan, the development of high-productivity industries is important for the national identity. So, I think it is critical to instill in children a sense of awe and excitement about technology and learning.

A tangible benefit of installing PaperLab is its productivity: We are producing, on average, 18,000 new sheets of paper per month from locally recovered paper and use them to make application forms etc. This has enabled us to reduce the amount of waste paper transported off-site for disposal by 20% (FY2017 results).



Toshiyuki Oguchi
Mayor
Shiojiri, Nagano





Eco Features



PaperLab A-8000

PaperLab A-8000 is an office papermaking system that recycles paper right on site using a dry process.

- Contributing to the conservation of water resources with Epson's unique paper recycling technology that does not use water¹.
- "Paper to paper" recycling, where fresh sheets of copy paper are produced from used paper generated on-site, is an effective way to conserve forests.
- The ability to recycle at the office reduces the volume of paper that must be transported to off-site recyclers.

¹ A small amount of water is used to maintain a certain level of humidity inside the system.

An Eco-Conscious Office Created by Combining Inkjet Printers with an Office Papermaking System

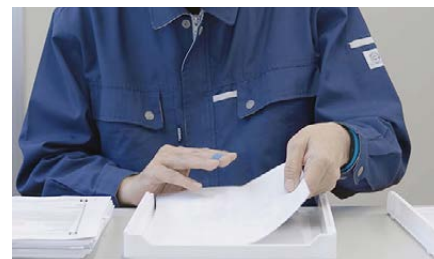
Epson is proposing eco-conscious office solutions that benefit the environment.

Epson wrings the maximum benefit for customer from solutions that combine inkjet printers, which employ Epson's proprietary Heat-Free Technology to reduce office power consumption, waste, and printing costs, with dry process office papermaking systems, which efficiently recycle paper to conserve water and forest resources. In addition to allowing a more environmentally friendly way to take advantage of the convenience of paper, an in-office paper recycling ecosystem delivers customer value by reducing costs and strengthening information security.



The Eco-Conscious Office Center¹ on the 29th floor of Epson's Shinjuku office serves as a model for a metro office building. It demonstrates to visitors that a greener office can be achieved anywhere. Over the three fiscal years from 2017 to 2019, Epson installed 19 PaperLabs at its eight main sites in Japan. Through the local recycling of paper for local consumption, Epson is looking to reduce the amount of new paper purchased by the Epson Group.

Epson is giving potential customers a concrete idea about how they can improve their environmental performance by publicly disclosing our paper recycling operations and recycling data.



¹ The goal is to reduce the annual amount of new copier paper purchased by 30% (equivalent to about 1.3 million sheets) at the Shinjuku office.

Raising Meeting Productivity with Interactive Communication

Epson's interactive projectors increase the productivity of interactive meetings, deliver more effective presentations, and even contribute to a smaller environmental footprint.



**Interactive projector
EB-1485Fi
(known as the BrightLink 1485Fi
in certain markets)**

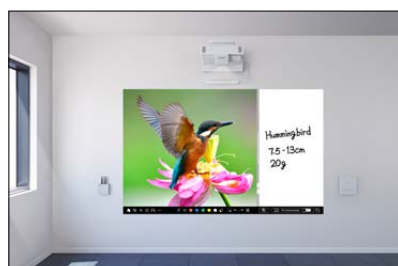
Reduce Your Environmental Footprint with Videoconferencing

Connect your existing videoconferencing system to the projector, and use the projector's multi-location interactive and split-screen functions to display your videoconference on one side of the screen and your presentation on the other, to achieve virtual face-to-face collaboration. This interactive projector can reduce the need for travel and reduce your environmental footprint.



- Multi-location Interactive Function

- Share your PC screen with up to four locations.
- Participants in all locations can annotate a presentation and save the content to their PCs.



- Split Screen Function

- Achieve virtual face-to-face collaboration while sharing whiteboard and PC screen images.
- Clearly display different content on a split screen that measures up to 100 inches.

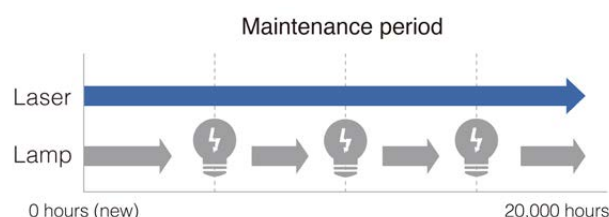
Use as a Copyboard

The all-in-one interactive projector with copyboard, electronic blackboard, and other common whiteboard functions saves both resources and installation space. Directly annotate up to 20 sheets' worth of projected data and images, no PC required. Increase meeting productivity and minimize printouts by saving data or by emailing it directly from the projector.



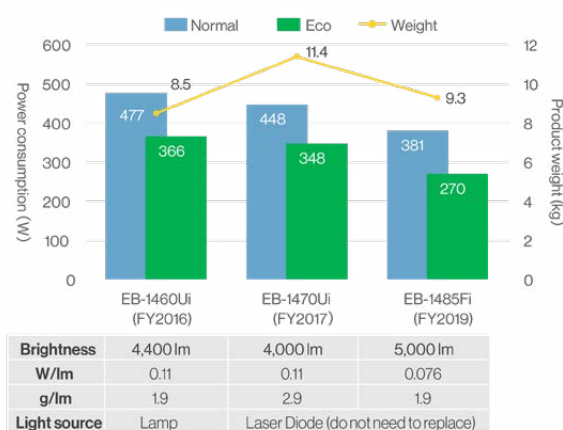
Maintenance-free Light Source

The laser light source is extremely reliable, eliminating the worry of lamp failure during important presentations.



Energy and Resource-saving

Within the projector's lifecycle, CO₂ emissions will be the greatest during the stage in which it is used by the customer. Through product improvements, we will offer reductions in the consumption of electricity and natural resources during use.



* Power consumption values for projectors operating at 100-120 V. We used normal mode power consumption to calculate energy efficiency (W/lm).



Eco Features



EB-1485Fi

- Connect your videoconferencing system to the projector, and use the multi-location interactive and split-screen functions to display your videoconference on one side of the screen and your presentation on the other, to achieve easy remote collaboration and reduce the need for travel. Helps to reduce your environmental footprint.
- This all-in-one interactive projector includes copyboard, electronic blackboard, and other whiteboard functions to save both resources and installation space.
- Projected data and images can be annotated with digital pens. Minimize printouts by saving data as is or by emailing it directly from the projector.
- The laser light source is extremely reliable, eliminating the worry of lamp failure during important presentations.
- Energy-saving features
 - An illuminance sensor detects ambient brightness and automatically adjusts the output of the lamp
 - You can reduce power consumption by as much as 29% using ECO mode

Textiles

Driving Production Process Innovations with Digital Textile Printers

Epson's digital textile printers faithfully reproduce prints in vivid colors and wonderful detail—and they do so with outstanding throughput and minimal environmental impact.



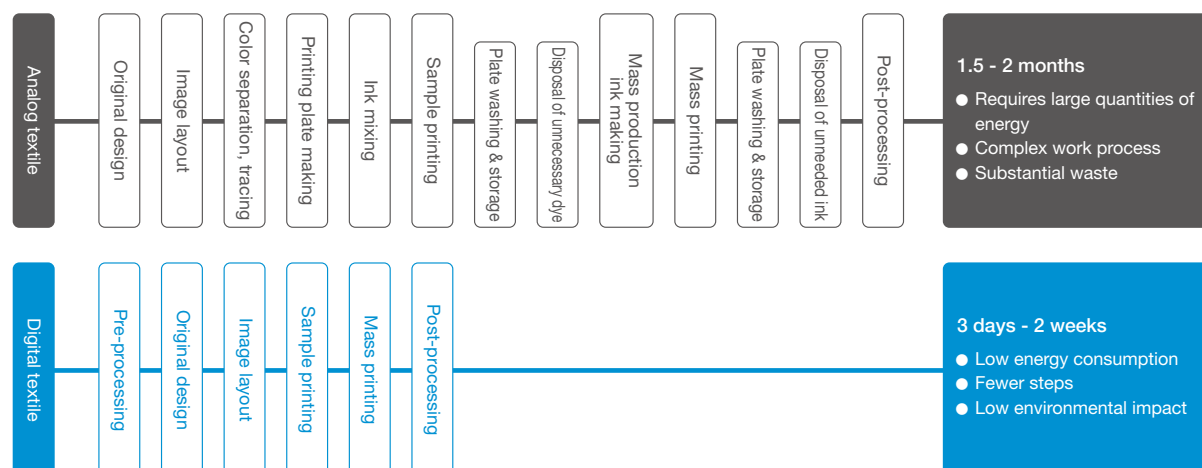
**Digital Textile Printer
Monna Lisa Evo Tre**

Streamlined Manufacturing Process

Epson's inkjet digital textile printers expand your design possibilities while minimizing your use of energy, water, materials, and time compared to conventional processes. Digital textile printing involves the use of printing systems to print out digital data to direct to fabric. It is different from traditional analog printing in which dedicated printing plates are pressed directly onto the fabric. Digital printing has the following characteristics:

1. Faithful reproduction of fine gradations and subtle color tones
2. Since no analog plates are needed, digital textile printing saves storage space, eliminates time spent on plate management, and enables small production runs at low cost and with fast turnaround
3. Minimize the environmental impact in comparison with analog printing
 - Little less of dyeing material
 - No need for water for plate washing

Comparison of Analog and Digital Textile Printing Processes



Efficient Inventory Management

Digital textile printing minimizes inventory losses associated with materials, partly-finished products, and finished products, from production through distribution and sale.



Eco Features



MonnaLisa Evo Tre

- Since the digital textile printing process is shorter and does not require printing plates, it uses less energy and water than a traditional analog process, and wastes far less ink.
- Ideal for small-lot production. Minimizes inventory losses from manufacturing through to sales.
- Digital textile printer inks have acquired Eco Passport certification, indicating that they meet international safety standard for chemical substances of textiles.

An Inkjet Workflow for Brightly Colored Garments with Fineness of Detail

There is a growing market for the printing of original images on T-shirts, polo shirts, tote bags and other cotton products. We are answering the needs of this market with advanced inkjet printing technology that renders images in vivid colors and intricate, faithful detail with low environmental impacts.



Garment Printer
SureColor SC-F2100

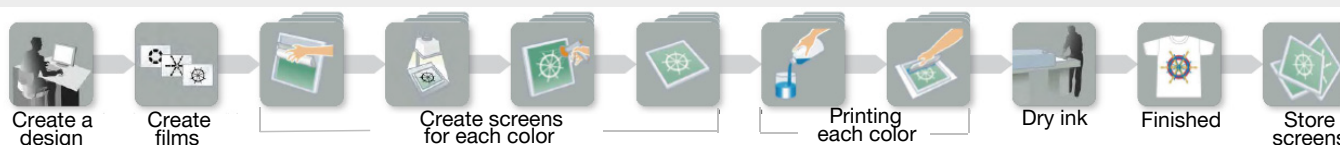
Transforming the Garment Printing Workflow

Traditional silk-screen printing requires extensive preparation, including the production of screens and the mixing of ink, as well as maintenance. For photos and other multicolored prints with gradations, the print process is long, and the longer the process, the more energy, water, materials, and other resources are used.

Digital prints produced with a SureColor SC-F2100 print digital data from a PC directly onto T-shirts and other garments. So, not only is there no need for screens or plates but images and photos can be reproduced with smooth gradations and in full color. The SureColor SC-F2100 shortens the garment printing workflow.

Moreover, the inkjet process saves resources and is more environmentally conscious than analog processes because there are no films, screens, or plates to produce, wash, or store.

Silk screen printing

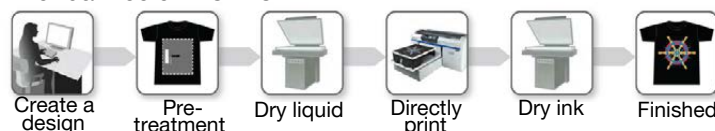


Direct-to-Garment printing

• For light color T-shirts



• For dark color T-shirts



Infant-safe Prints on Textiles

The UltraChrome DG inks and pretreatment liquid used in Epson's garment printers are Eco Passport¹ certified, indicating that they meet international safety standard for textiles. Under this standard, even printed textiles that directly contact the skin of infants and toddlers are safe.

¹ Eco Passport by Oeko-Tex® is a system by which textile chemical suppliers demonstrate that their products can be used in sustainable textile production.



Eco Features



SureColor SC-F2100

- Streamlined garment printing workflow compared to silk-screen printing.
- Saves resources because no plates or screens are used, unlike traditional printing processes that require a separate film and screen for each color. No washing required, since there are no screens.
- UltraChrome DG ink and pretreatment liquid are certified of Eco Passport.

Manufacturing

The Value of Color on Demand

Easily print full-color labels, tickets and tags - where and when users need them and in the quantities required.

Eliminate large inventories of pre-printed labels on demand by printing labels in short runs.



**Epson ColorWorks
Color Label Printers**

Epson's ColorWorks Inkjet Label Printers Simplify Traditional Processes

Thermal printers were traditionally used to overprint black onto pre-printed labels, but this approach can be slow, disruptive, wasteful and inconvenient. Epson's range of on-demand color inkjet printers eliminates these issues easily. With the ability to print customized color labels, tickets and tags in-house as and when required, users no longer have to worry about inventory, production downtime, label waste, lost orders or late shipments.

Traditional printing: 2 steps



On-demand color printing: 1 step



Eco Features



Epson ColorWorks

- Simplifying the traditional label printing process, improve inventory management and reduce waste.
 - Streamline label production by printing color labels on-demand
 - No need to keep an inventory of pre-printed labels

Label Printing Technology Shifting from Analog to Digital

The trend toward short-run print jobs has spread to labels and packages, giving rise to demand for efficient printing systems that can agilely respond to this demand. Epson's digital inkjet label presses provide customers with a new label printing workflow that meets their needs.



Digital Label Press
SurePress L-4533A/AW

An Efficient Label Printing Process with a Low Environmental Impacts

A digital printing process does not need the press plates and other prepress processes required by analog printing processes. And, since a digital process does not use developer or film or plate materials, it conserves resources. Capable of stable, consistent output, a digital process does not require mock-ups and thus can reduce the waste of ink and label substrates during setup. Digital label presses thus offer both a more efficient workflow from start to finish and lower environmental impacts.

Time-consuming Analog Workflow



SurePress L-4533A/AW Digital Printing Workflow



SurePress AQ Ink for a Better Printing Environment

Epson's SurePress AQ ink is a non-toxic, low odor, and noncombustible water-based pigment ink that offers print shops a better working environment. This ink also provides excellent adhesion on label substrates, without the need for pre-treatments or coatings.





Eco Features



SurePress L-4533A/AW

- Save resources by removing the need for pre-press process like plate making, and eliminating the use of developer and films.
- Easy color-matching and no replacement of plates makes the SurePress less wasteful, and enables it to consume less standard label stock and ink.
- No need for special cleaning eliminates waste fluid emissions from maintenance.
- Removing the need for pre-treatment, SurePress water-based ink has good adhesion on a variety of standard label stocks. Non-toxic, low odor, and noncombustible water-based pigment ink offers print shops a better working environment.

Reducing Environmental Impacts by Providing Remote Work Assistance with Smart Headsets

Epson's smart headsets with binocular, see-through lenses increase operational efficiency and work quality by displaying digital manuals and work instructions in the field of vision and enabling workers to perform work with both hands. In industrial settings, these headsets can be used by managers to provide remote service and maintenance personnel, for example, with instructions and assistance.



MOVERIO Pro BT-2000



MOVERIO Pro BT-2200
(For helmet)

Remote Work Assistance

The centered high-resolution 5 mega-pixel front-facing camera, with an adjustable tilt angle of up to 35 degrees, enables workers to share their view and receive help with complex tasks through streaming or recorded HD pictures and videos.

In addition to safely increasing work efficiency and contributing to greater overall operational efficiency, Epson's smart headsets enable skilled personnel in a remote location to provide technical instructions to workers on the ground. This helps to reduce the need for travel and, consequently, your environmental footprint.



- Advantages

- Printed paper manuals and instructions are rendered unnecessary.
- Greater work efficiency thanks to hands-free operation.
- Tasks can be completed safely because the binocular, see-through lenses allow workers to see their surroundings through projected content.
- Images and voice can be shared with workers in remote locations so that assistance can be provided effectively.

Usage Scenes

BT-2000

- Used for work where they wear caps, or where they do not need to wear anything on their head

- Infrastructure (server room)
- Manufacturing (assembly of office automation equipment, household appliances, vehicles, etc.)
- Maintenance (large equipment such as aircraft, semiconductor manufacturing equipment)
- Agriculture (technology transfer)



BT-2200

- Used for work where wearing a helmet is mandatory

- Infrastructure (electricity, gas, water)
- Manufacturing (heavy machinery, steel, robotics)
- Construction, Public Works (building construction, excavations, bridges)





Eco Features



BT-2000

- The headsets are equipped with a camera and sensors that provide remote personnel with an accurate picture of the situation so that they can provide workers on the ground with instructions and assistance without having to travel, so the environmental impacts associated with travel can be reduced. The headsets also promise to reduce downtime and time losses associated with travel.
- Hands-free operation enables tasks to be performed safely and efficiently, improving both operational efficiency and work quality.

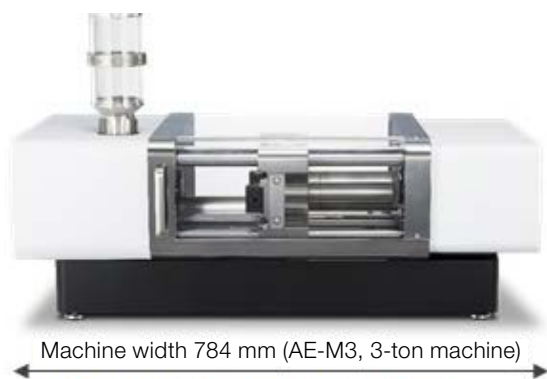
Make More with Less: Micro Injection Molding Machines for Superior Financial and Environmental Performance

The smaller the parts, the greater the waste of materials and energy consumed in the manufacturing process.

Epson's micro new injection molding machines solve this customer issue by allowing users to make more with less.

Epson's AE-M3 and AE-M10 micro injection molding machines employ a proprietary disk drive system that dramatically reduces machine size, making them ideal for molding small, precision parts with exceptional energy efficiency.

These machines are standard-equipped with a hot runner system that minimizes waste and efficiently uses input resources.



Machine width 784 mm (AE-M3, 3-ton machine)

Micro Injection Molding Machine
AE-M3 and AE-M10

* Only available in Japan

Mold Only the Parts You Need, When, Where, and in the Quantity Needed

Examples of Molded Parts



Small precision gears
(POM)



Super engineering
plastic parts
(PEEK, LCP, PPS)



Plastic lenses
(COP)



Composite components
(composite material)

Fast, Precision Injection with Minimal Energy and Waste

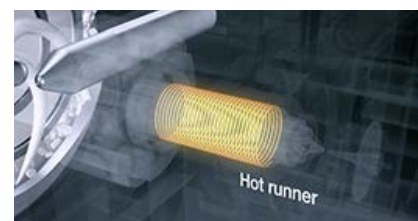
Injection molding machines melt a plastic material with a heater and precisely inject the molten material into a mold cavity, where the material cools and hardens before being ejected as a molded product.

Epson's micro injection molding machine employs a proprietary disk drive system to melt and inject the plastic. The molten plastic is precision injected with minimal energy. The short melting path has the additional benefit of reducing damage to thermally sensitive materials, thus helping to ensure good molding quality.



The proprietary disk drive system dramatically reduces machine size and energy consumption

The hot runner system that is standard on these molding machines minimizes material waste from runners and other parts in the molding process. It also shortens cooling time after mold clamping, which reduces molding time (cycle time) and thus increases productivity.

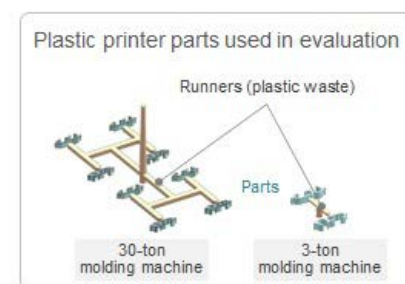
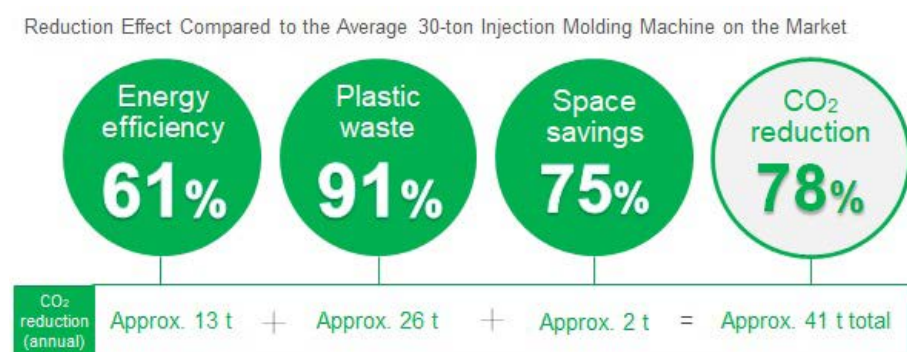


The hot runner system minimizes waste plastic and reduces cycle time

* The video above was provided using the service of YouTube™. YouTube™ is a trademark of Google Inc.

Reduces CO₂ by Conserving Energy, Saving Space, and Reducing Waste Plastic

Epson's micro injection molding machines have a far smaller environmental impact than the average 30-ton molding machine. In addition to unrivaled compactness and an energy saving design, our machines eliminate much of the waste material from runners and such that are generated in the part molding process.



* This evaluation compares the impacts of a 30-ton machine and a 3-ton machine when producing 500,000 Epson printer parts per month. Calculations were checked using a method of Mizuho Research & Technologies Institute. Epson's AE-M3 (3-ton molding machine) produces two parts at a time and has a molding time of 694 hours, whereas the average 30-ton molding machine of other companies produces eight parts at a time and has an average molding time of 382 hours. The manufacturing, transportation, and disposal stages of products and accessories are not taken into account when calculating CO₂ emissions.

These are the estimated results of a hypothetical model based on Epson's actual results, and the calculation results may differ depending on the conditions of the customer's equipment and materials.

Calculation conditions: Cubic volume of part was 0.5 cm³, plastic material was POM, the 30-ton machine was a composite imagined using the mean value of three representative models from other manufacturers, and the installation area was the molding machine installation space + incidental equipment + work space.



Eco Features



AE-M3 / AE-M10

Designed around the concept of “making more with less,” the AE-M3 and AE-M10 are micro injection molding machines that support on-demand production and mass customization.

- A proprietary disk drive system dramatically reduces machine size and achieves exceptional energy efficiency. These machines are standard-equipped with a hot runner system that minimizes waste and efficiently uses input resources.
- The machines save energy and reduce plastic waste, thereby reducing CO₂ emissions by as much as 78%¹ compared to an average 30-ton machine from other manufacturers.

¹ A 78% reduction from the average CO₂ emissions of a standard 30-ton machine from other manufacturers. This figure is an estimate for when the same quantity of parts is produced using a model based on Epson's actual results.

Stores

Intelligent Receipt Printers that Control Peripherals

TM-T88V-DT and TM-T88V-i are next-generation receipt printers with integrated printer and PC functions that support smart store operations when connected with tablet and POS peripherals.



TM-T88V-DT

TM-T88V-i

Greatly Simplified System Configuration

The TM-T88V-DT is loaded with interfaces for connectivity with a wide assortment of peripheral devices. Since it can be used with a Web browser and is not dependent on any one OS or terminal type, the TM-T88V-DT greatly simplifies POS system configuration.



- Easy maintenance

The latest applications are always available through the cloud (Web server), reducing the environmental impacts of onsite installation and updating by the service staff.

- POS configuration flexibility

Because the number of POS systems can be flexibly changed depending on the level of demand, users can reduce the environmental impacts of their operation by removing unnecessary devices.

- Every network terminal is available

The latest power-saving smart devices can be utilized because the Intelligent receipt printer has no restrictions on the type of terminal or OS.

- Resource-saving design

Contributes to resource-saving by incorporating the space-saving design of the TM series printers. Its footprint is approx. equal to the TM-T88V.

Paper-saving features reduce paper use by up to 30%.



Eco Features



- Because the number of POS systems can be flexibly changed depending on the level of demand, users can reduce the environmental impacts of their operation by removing unnecessary devices.
- The latest applications are always available through the cloud (Web server), reducing the environmental impacts of onsite installation and updating by service staff.
- The latest power-saving smart devices can be utilized because the TM-T88V-DT has no restrictions on the type of terminal or OS.
- Equipped with paper-saving features, that uses up to 30% less paper than the TM-T88IV.
- The TM-T88V-DT contributes to resource-saving by incorporating space-saving design. Its footprint is approximately equal to that of the TM-T88V.

Photo

Revamping the Photo Printing Workflow with Inkjet Minilabs

Epson inkjet minilabs are easier to maintain than traditional silver-halide photofinishing equipment. In addition to streamlining the photo printing workflow, they save maintenance costs, help to mitigate resource consumption and reduce the environmental impacts of the printing process.



Inkjet Minilab
SureLab SL-D3000

Efficient Photo Printing with Digital Printing

Silver-halide minilabs require chemical adjustment and calibration in the morning, as well as waste fluid processing and cleaning at the end of the day¹. The SureLab SL-D3000 inkjet minilab, however, does not require any special maintenance at startup and shutdown. Inkjet minilabs dramatically improve the photofinishers' work environment because, without chemicals, there is no waste liquid to be processed, no parts to be cleaned, and no chemical smell.



¹ According to Epson research.



Eco Features



SureLab SL-D3000

- No chemicals means no liquid waste.
- No washing process means no water hookup is needed.
- Compact body has a 2.1 m² installation footprint².
The compact design allows greater installation freedom.

² Without sorter option

Products

Environmentally Conscious Products

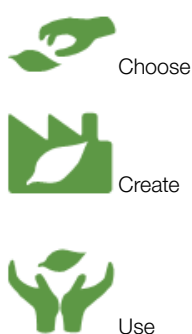
We provide eco-conscious products. Our efforts to reduce environmental impacts are yielding products that increase production process and product energy efficiency, raise resource efficiency, and eliminate the use of harmful and hazardous substances.

- Compact, lightweight, energy-efficient Epson products that are designed for long life and easy recyclability have a lower environmental impact across their life cycles.
- Epson produces attractive products engineered for easy maintenance and chemical safety.

Office & Home Printing Innovation / Commercial & Industrial Printing Innovation

Home Printer Made Using Recycled Plastic

Post-consumer plastic accounts for about 30%, by weight, of the plastic used in the EP-M553T printer. The amount of paper used for the retail box was also reduced.¹ The printer is equipped with high-capacity ink tanks, which alleviate out-of-ink worries, reduce ink replacement hassles, use fewer resources, and result in less waste.



EP-M553T

* Only available in Japan

¹ The number (30%) was determined by calculating the weight of recycled plastic in each part based on the composition rate and then adding them up.

Printer Made Using Recycled Plastic Material

Recycled plastic accounts for about 30%¹, by weight, of the plastic used in the EP-M553T. The use of recycled plastic material enables us to use less virgin plastic and contribute to resource recycling.



Epson will gradually increase the amount of recycled plastic used in various printer product categories that we expect to be widely used to print photos, school materials, and documents by those working from home.

Reducing Paper Use in Retail Boxes

We have achieved an approximately 10%² reduction in CO₂ emissions associated with retail boxes by replacing coated paperboard³ with labels, thus using less paper. All necessary information is displayed simply on a label.

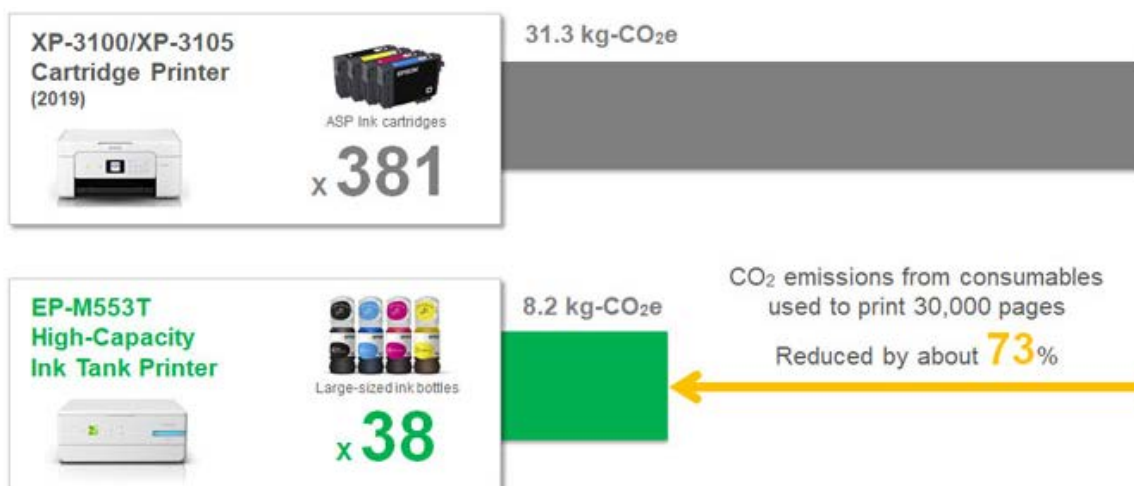


² Coated paperboard is thick paper that has been coated to improve printability. Coated paperboard is applied to all sides of a retail box.

³ Comparison of CO₂ emissions accompanying raw materials and processing of coated paperboard/label and corrugated fiberboard (not include printing and corrugated board assembly).

Reduction in Consumables Used

We are reducing consumables and packaging use by enabling users to refill ink tanks from bottles. People who print a lot and use larger-sized ink bottles instead of ink cartridges can reduce their CO₂ emissions from consumables by about 73%.



* Comparison of CO₂ emissions accompanying the raw materials, manufacture, transport, and disposal of consumables, including packaging materials, assuming 30,000 A4 color documents are printed over a period of 5 years. CO₂ emissions were calculated based on Epson's evaluation conditions. Actual CO₂ emissions will vary depending on customer printer use.



Eco Features

- Post-consumer recycled material is used in the plastic used in the printer.
- The amount of paper used is reduced by using corrugated fiberboard boxes that do not have a layer of coated paperboard.
- The printer is equipped with high-capacity ink tanks, which alleviate out-of-ink worries, reduce ink replacement hassles, and consume fewer resources.

High-Capacity Ink Tanks Reduce Resource Consumption for Consumables

Includes ink tanks. Reduced number of ink refills, contributes to the reduction of environmental impact and allows users to experience improved business efficiency as they print.



Create



Deliver



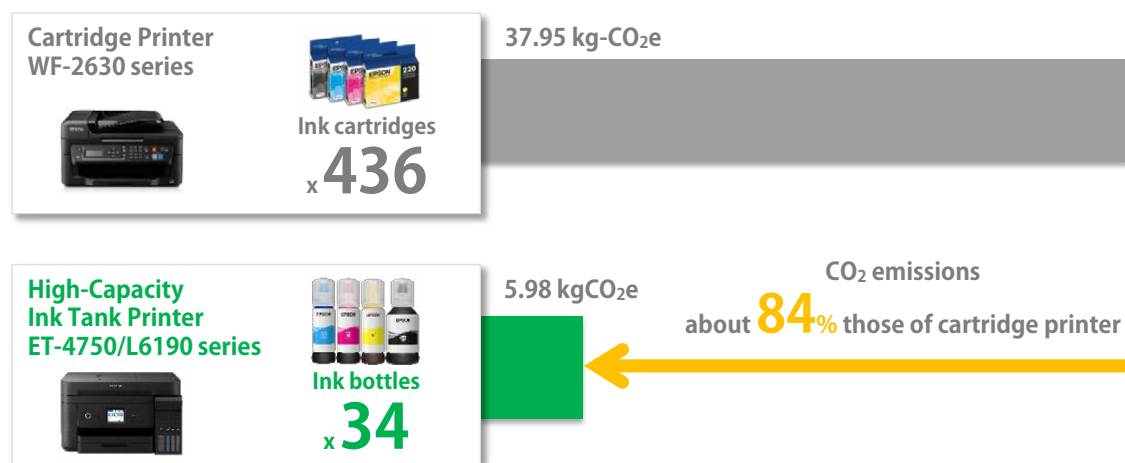
Use



ET-4750/L6190 series

CO₂ Emissions of Consumables

Consumables CO₂ emissions are less than 1/5th of conventional cartridge model.



* Comparison of CO₂ emissions accompanying the manufacture, transport, and disposal of consumables, including packaging materials, assuming 50,000 A4 color documents are printed over a period of 5 years. CO₂ emissions were calculated based on Epson's evaluation conditions. Actual CO₂ emissions will vary depending on customer printer use.



Eco Features

- Use of ink tanks means fewer ink refills and resource consumption. In addition, it achieves low electricity consumption with Heat-Free Technology that do not use heat during printing.
 - About 84% reduction in CO₂ emissions of consumables¹
 - TEC: 0.15 kWh²

¹ Compared with WF-2630 series when using consumables to print 50,000 pages.

² Typical electricity consumption (TEC) is calculated by Epson based on the ENERGY STAR® TEC test method criteria. Electricity consumption will vary according to the customer printer use.

Compact, Stylish Receipt Printer

A compact receipt printer suitable for tablet POS environments. It combines a compact and stylish body with environmental performance.



Choose



Create



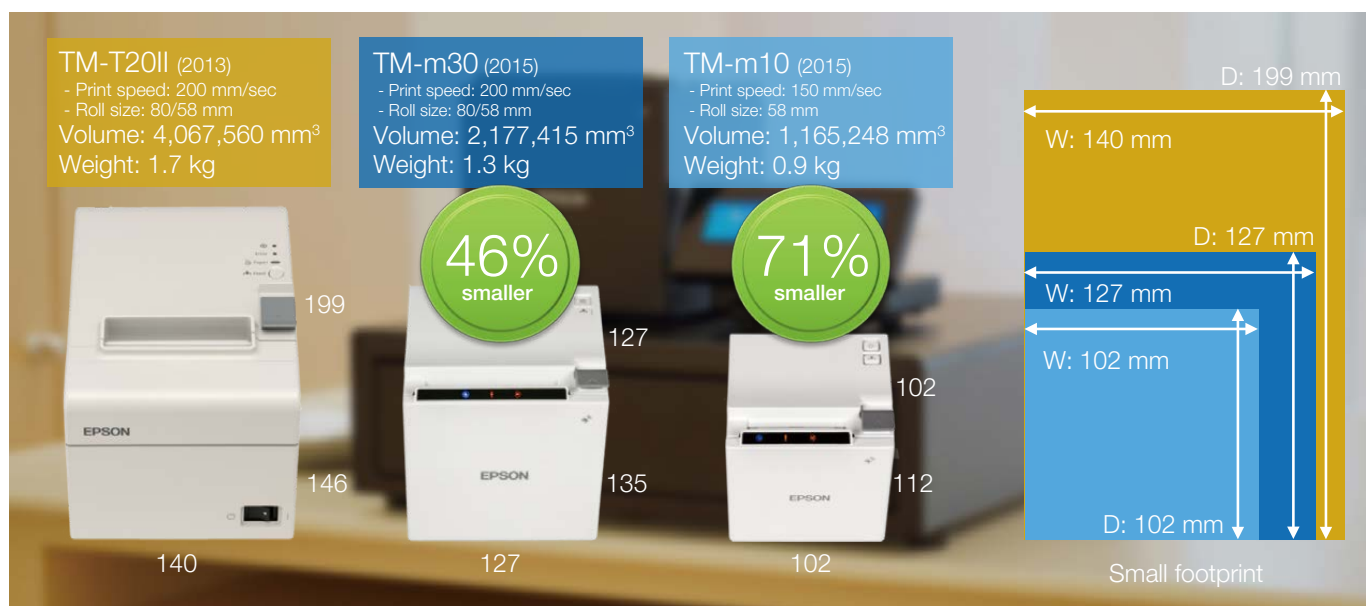
Use



TM-m30/TM-m10

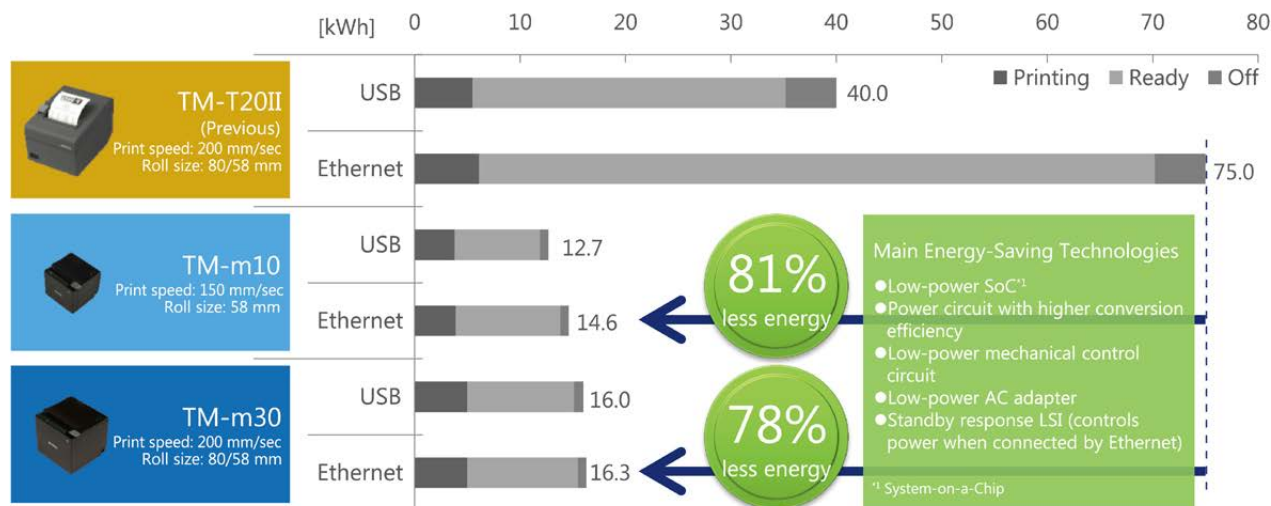
Compact & Lightweight Design

Compact, lightweight POS printers to streamline your register counter. Enjoy greater installation flexibility while reducing your environmental impacts.



Energy Saving Design

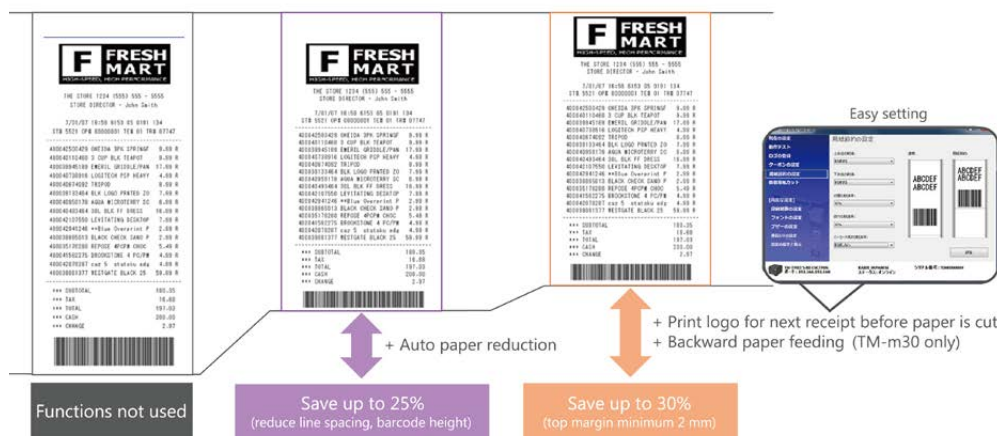
Epson increased total energy-efficiency by developing an AC adapter, drivers, software and other features that save energy. Reduce your environmental impacts with remarkable energy performance.



* 230 V is used for calculation, based on European specifications. Assumes usage of 300 receipts per day, with printer power on for 16 hours per day and off for eight hours per day for 365 days per year over a period of five years.

Paper Reduction Function

Paper-saving functions: Reduce paper consumption by up to 30% with an auto-paper saving function and with optional settings that reduce the top and bottom margins of receipts.



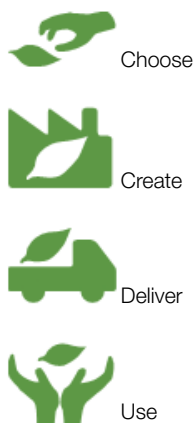
Eco Features

- The sleek and stylish TM-m10 and TM-m30 receipt printers are approximately 71% and 46% smaller than Epson's TM-T20II, making them ideal for tablet POS environments and register counter spaces.
- Equipped with a host of energy-saving features, the TM-m10 and TM-m30 consume about 81% and 78% less power than the TM-T20II.¹
- Paper-saving functions conserve resources and cut costs.

¹ Comparison when connected to Ethernet (230 V)

Fully-Integrated, Feature-Rich Compact Teller Device

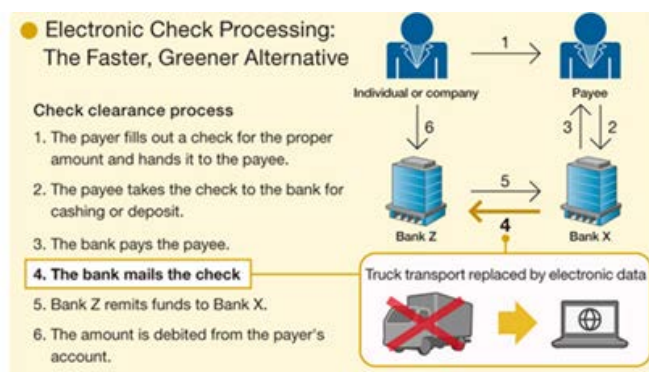
As an all-in-one product, the TM-S9000MJ offers a lower environmental impacts while also lightening the work load of tellers by efficiently processing checks electronically.



TM-S9000MJ

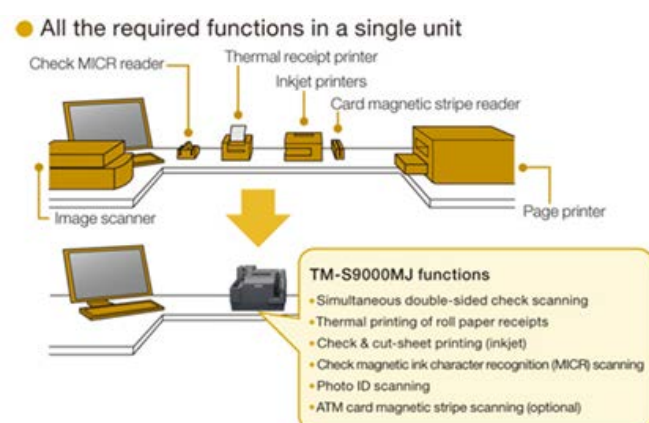
Electronic Check Processing: The Faster, Greener Alternative

Paper checks are an integral part of life in the U.S. and some other locales. In the past, banks would physically mail checks to one another for processing, but legal changes and technological advances have made electronic check processing standard. With the TM-S9000MJ, Epson supports electronic check processing, which not only lightens the work load on banks but also reduces the environmental impact by eliminating the need for physical transport.



ALL the Required Function in a Single Unit

The TM-S9000MJ combines check scanning, endorsement and receipt printing functions in a single device. In addition to having a small footprint that saves space at the teller counter, this all-in-one device is fast and easy to use. By maximizing work efficiency and eliminating the need for several separate devices, the TM-S9000MJ helps save energy and resources.



Eco Features

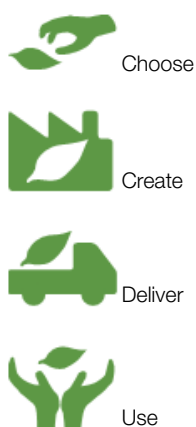
- Support the digitalization of the check settlement process and also greatly reduce the environmental impacts related to physically transporting checks.
- The functions necessary for the tellers are integrated in one unit, reducing the environmental impacts related to energy use, resources and so on by making separate equipment unnecessary.

Manufacturing Innovation

Compact SCARA Robots

Epson's industrial robots have led the industry for over 30 years thanks to their innovativeness and reliability. And Epson has SCARA robot global market share leader for eleven successive years¹.

T series have a built-in controller and batteryless motors. SCARA robot arms move horizontally and can perform simple tasks that are currently done by hand, such as loading and unloading electronic components and small automotive parts from test equipment. SCARA robots can also help you replace single-axis robots.



T3/T6

* The T6 has doubled the payload capacity (6 kg) of the T3.

¹ Market share based on unit sales of industrial SCARA robots, 2011-2021.
(Source: Fuji Keizai "2012 - 2022 Reality and Future Outlook of Worldwide Robot Market").

Space-Saving and Simple Cabling

Epson integrated all the compact, lightweight controller components into the robot arm so that customers do not need a separate controller box or a space in which to install it. In addition, you no longer have to route long cables to the controller, which simplifies initial setup and redeployment.



Epson LS3 SCARA robot and RC90 controller



The T3 has a built-in controller

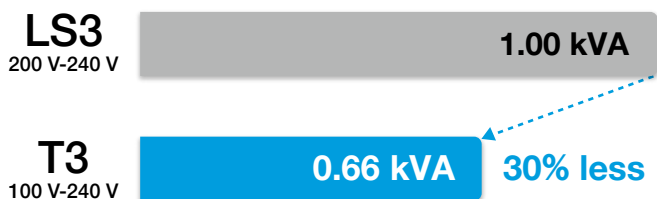
* Weights indicated in the above pictures do not include cables.

Saving Energy and Resources

The T3 is 30% more energy-efficient than conventional SCARA robots. And it runs on 100 V, so it can be used in facilities where a large power supply is not available.

You do not need to replace batteries because the T3 records the back-up status of its motors by using a simple mechanical system with the latest motor technologies.

Power Comparison Between a T3 and Conventional SCARA Robot



Battery Replacement Cycle



T3 **Never (reduces downtime)**



Eco Features

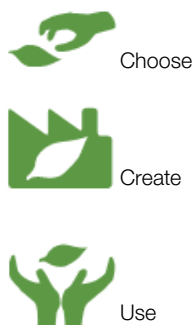
- Compact all-in-one SCARA robots increase productivity and save space by automating simple tasks and replacing single-axis robots.
 - Equipped with a built-in controller to save space
 - Run on AC 100 V, using 30% less power than comparable Epson robot systems¹
 - No batteries required for the motor unit, thus reducing resource use, maintenance, and factory downtime

¹ Compared with an Epson LS3 SCARA robot

Visual Innovation

A Projector with a Long-lasting Laser Light Source for Reduced-maintenance Operation

The high-output laser light source has a long service life and helps shrink the size of the optical engine.



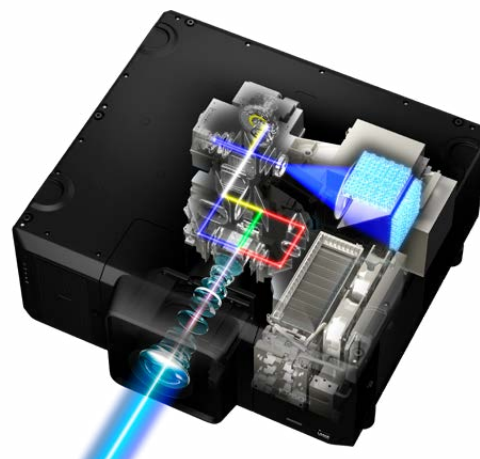
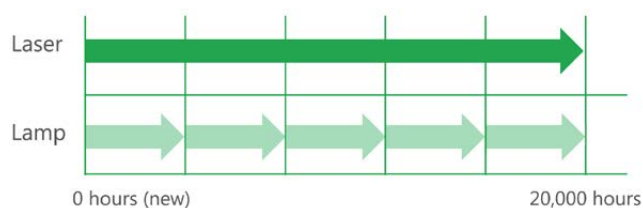
EB-L25000U

Laser Light Source

High-lumen projectors designed primarily for use at major events need to be extraordinarily reliable and to maintain stable brightness and image quality around the clock. These large-venue projectors are often installed on high ceilings, which can make lamp replacement troublesome and expensive.

The laser light source lasts up to an estimated 20,000 hours¹, practically assuring that it will be ready to go when you are.

Maintenance Period of Laser and Lamp



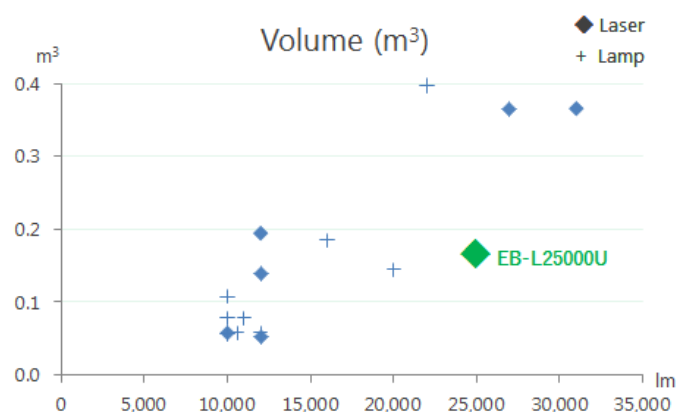
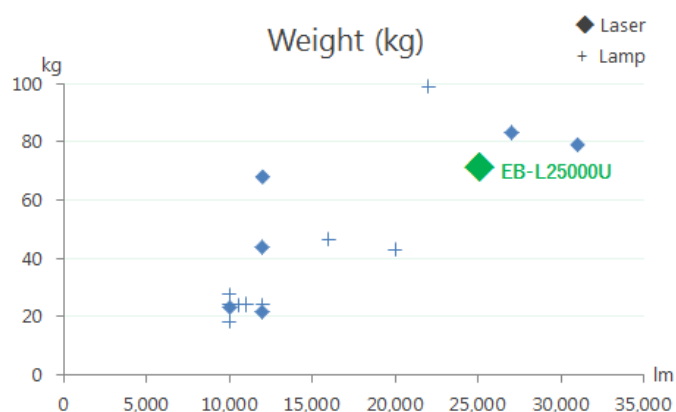
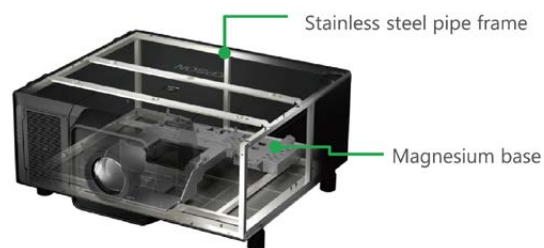
A portion of the light from a blue laser is converted to yellow light after striking a yellow phosphor wheel. This yellow beam is then split into red and green. Thus only a single light source is needed to produce the three primary colors of light (red, green, and blue), which helps to reduce the size of the optical engine.

¹ Approximate time until brightness decreases 50% from first usage. Measured by acceleration test assuming use of 0.04 - 0.20 mg/m³ of particulate matter. Time varies depending on usage conditions and environments.

Lightweight Yet Durable

Laser light, which is less susceptible to diffusion than lamp light, can more readily be concentrated, meaning that the mirrors, LCD panels, and other main components in the optical engine can be made smaller and lighter.

A pipe frame and baseplate structure ensure a durable, knock-resistant case. Besides being compact and light, this projector is designed to be easy to install, remove, and transport again and again.



* Compared to the weight and volume of projectors with 10,000 lumens of brightness or more (per Epson research conducted in May 2017). Some projectors use a laser light source, others use a lamp.



EB-L25000U wins iF Design Award 2017.

Products are evaluated based on a wide range of criteria, including consideration of environmental standards, practicability, workmanship, degree of elaboration and innovation, functionality, usability, safety, aesthetics, and universal design.



Scene images

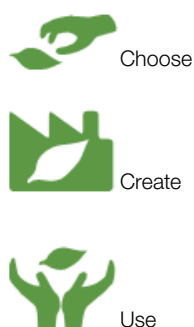


Eco Features

- The EB-L25000U supports major events with stunning image productions and a level of reliability that only a laser light source can deliver.
 - Equipped with a 20,000 hours long-lasting laser light source.
 - Compact, lightweight design, improved robustness, and easy installation.
 - Smaller, lighter mirrors, LCD panels, and other main components in the optical engine.
 - A pipe frame and baseplate structure ensure a durable, knock-resistant case.

Experience a New Way with Light and Comfortable Smart Glasses

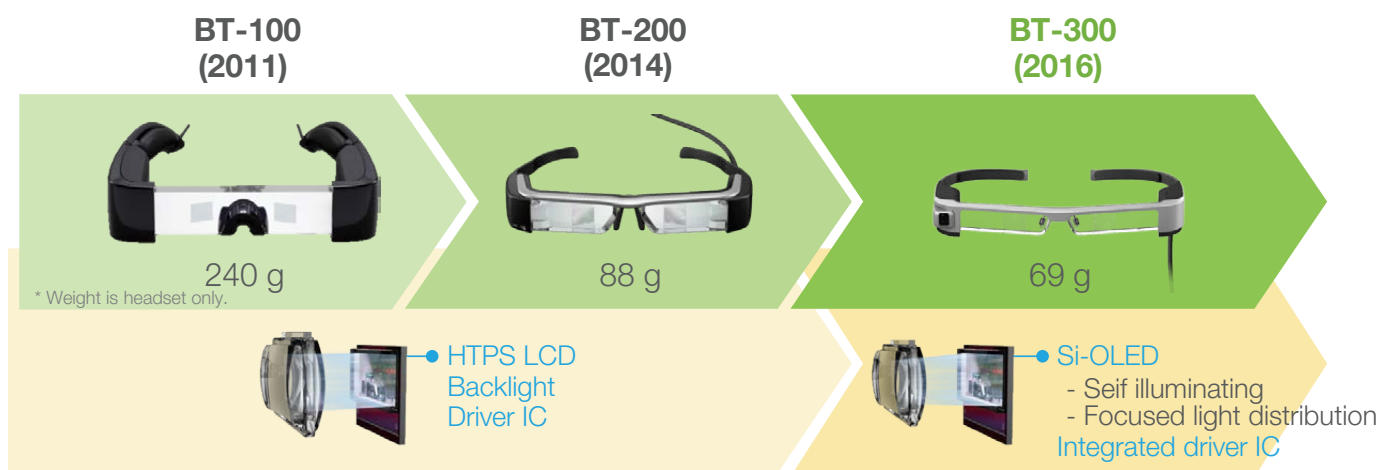
Compact and lightweight, the Moverio BT-300 is comfortable to wear, even for an extended period of time.



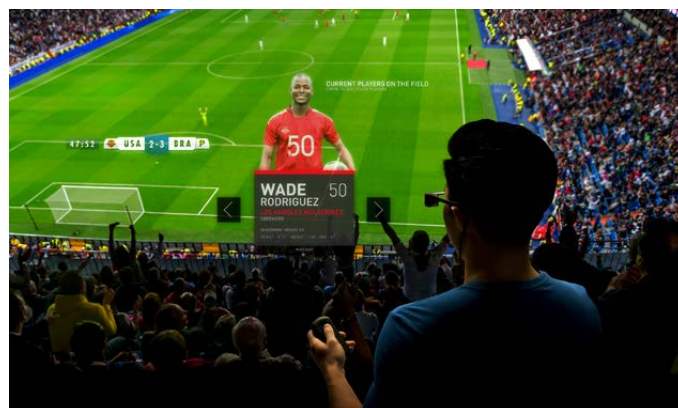
BT-300

Miniaturization of the Optical System

Self-illuminating and Focused light distribution as Si-OLED technology contributes for Miniaturization of the optical system.



BT-300 headset is approx. **22%** lighter than BT-200, approx. **71%** lighter than BT-100



Eco Features

- Compact and lightweight design contributes to resource saving.
 - Headset is approx. 22% lighter than BT-200, approx. 71% lighter than BT-100.

Product Environmental Information

Epson is taking steps to comply with the labeling requirements in major countries around the world.

Compliance with Environmental Labels

An environmental label is a tool for making environmental declarations and providing other information about a product's environmental features or performance. The requirements for environmental labels are prescribed by various groups, including the International Standards Organization (ISO). The ISO defines the three types of environmental labels described below.

Type I

Indicates that the product has met the criteria set by a certified third-party organization.

Type II

A “self-declaration” label that indicates a company volunteers environmental information about its products.(Epson's ecology profiles and eco labels fall under the Type II category.)

Type III

Indicates that the environmental effects of a product throughout its life cycle - from raw material procurement through manufacturing, distribution, use, disposal and recycling - are analyzed using LCA methodology and that the results of such analyses are published as quantitative data. The accuracy and reliability of the claimed data must be verified before being made public.

Eco Labels Acquired in Different Product Categories

Country/Region	Type I								
	U.S.	Germany	Sweden	China	Taiwan	South Korea	Singapore	Thailand	Japan
Eco Label	EPEAT®	Blue Angel	TCO	China Environmental Labelling	Green Mark	Eco-Label	Green Label	Thai Green Label	Eco Mark
Inkjet Printers (incl. MFPs)	●	●		●	●	●	●		●
Page Printers (Laser & LED)		●			●	●			●
SIDM Printers				●	●			●	●
POS Printers									
Label Printers									
Scanners	●				●				●
Ink/Toner Cartridges					● (Toner cartridge)	● (Toner cartridge)			●
Paper									●
Projectors			●		●	●			●
Label Works									
PCs (incl. monitors)									
Watches									●

	Type II			Type III	Other		
Country/Region	Europe	Japan	Worldwide	Japan	Japan/North America	China	Worldwide
Eco Label	THE ECO DECLARATION	PC Green Label	Epson Type II Environmental Labelling Program	Eco-Leaf	ENERGY STAR ¹	Energy Conservation Certification	ECO PASSPORT
Inkjet Printers (incl. MFPs)	●		●	●	●	●	● (Textile, garment)
Page Printers (Laser & LED)	●		●		●		
SIDM Printers	●		●		●	●	
POS Printers	●		●		●		
Label Printers	●		●		●		
Scanners	●		●		●	●	
Ink/Toner Cartridges							
Paper							
Projectors	●		●			●	
Label Works					●		
PCs (incl. monitors)		●			●		
Watches							

¹ The ENERGY STAR® Program is also being implemented by EFTA, Switzerland, Canada, Australia, New Zealand and Taiwan. Third-party certification became a requirement in North America from January 2011.

For more on environmental labeling and environmental information on Epson products, please contact the Epson sales company in the country or region in which you live.

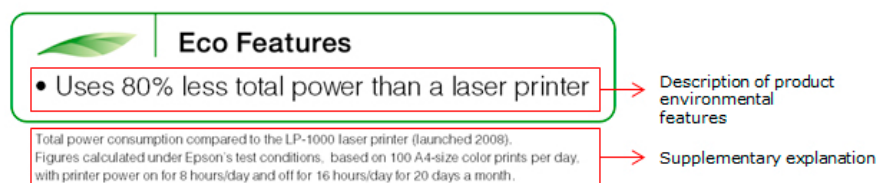
Epson's Type II Environmental Labelling Program

Our program is used to provide environmental information about products that is both transparent and reliable, in accordance with the ISO 14021 (JIS Q 14021) standard.

We have implemented programs for both eco labels and ecology profiles.

Eco Labels

The Epson Group started preparing to use eco labels from December 2009 to communicate the environmental features of its products and services to customers in a simple and straightforward way. The labels are displayed on communication tools such as brochures, product catalogs, and individual product boxes.



Epson Ecology Profiles

The environmental attributes of Epson brand products are published in the form of an “ecology profile.” For finished products such as printers and scanners, the environmental attributes of the product as a whole, including but not limited to accompanying packaging material, supplies, and consumables, are published in the format specified by ECMA-370¹. For electronic devices we use our own format to provide quantitative data regarding substances included in these products.

¹ ECMA-370 specified requirements for environmental declarations established by the international standards organization ECMA International. “The Eco Declaration” is often abbreviated as “TED.”

Please contact your country or region’s Epson sales company for more information about the Eco Declarations.

Safety Data Sheets for Printer Consumables

To enable customers to safely and properly use Epson products, including consumable printer supplies (ink cartridges, toner cartridges, ribbon cartridges, etc.), Epson provides Safety Data Sheets (SDS), which describe a product’s chemical content as well as how to operate, handle, and store the product.

Climate Change/Realizing a Decarbonized Society

Climate Change/Realizing a Decarbonized Society

Epson is combating climate change by reducing greenhouse gas emissions in production (scopes 1 and 2) and across its value chain (scope 3) to help drive a transformation toward a decarbonized future, as envisioned by the Paris Agreement. Epson also contributes to society by developing energy saving products and further developing inkjet technology.



Production

Epson's initiatives to mitigate global warming revolve around reducing CO₂ emissions by conserving energy, and reducing global emissions of greenhouse gases (GHG) other than CO₂.

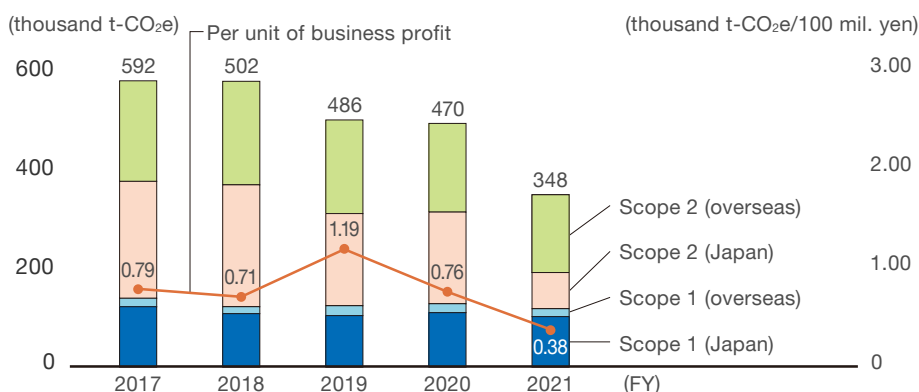
2021 Overview

In the 2021 fiscal year, Epson accelerated the use of renewable energy in addition to driving site-based energy-saving initiatives, enabling us to progress toward our SBT Initiative-validated 2025 target of reducing scope 1 and scope 2 greenhouse gas (GHG) emissions by 34% compared to FY2017. This boosted the percentage of renewable energy from less than 1% in the past to about 35% (and 49% in the case of electricity).

41%

Scope 1, 2 emissions
(compared to FY2017)

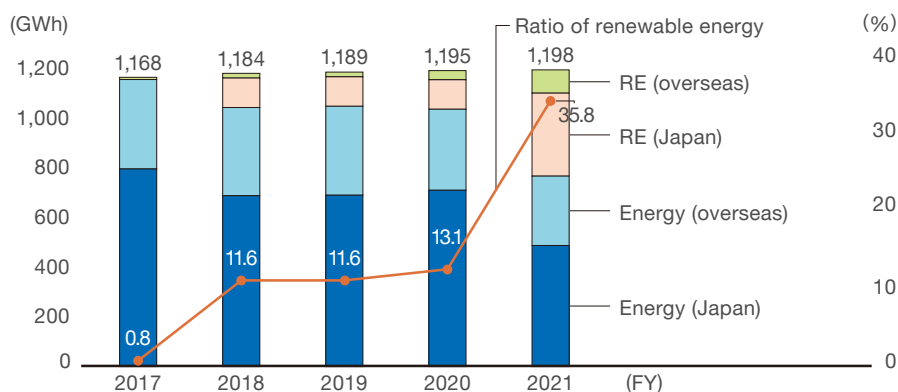
Greenhouse Gas Emissions (Scopes 1 & 2)



* CO₂ conversion factor of greenhouse gas emissions

- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry. Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
- GHGs other than CO₂: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Energy Usage



* RE: Renewable Electricity

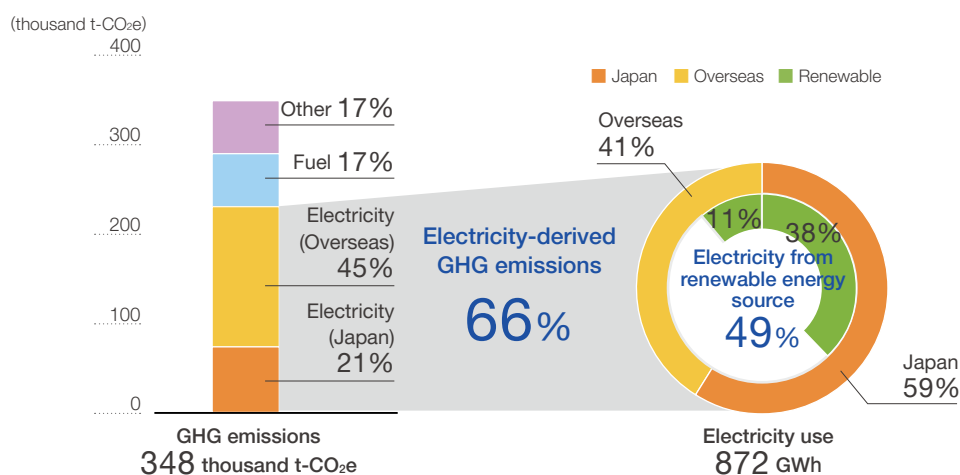
* Percentage of energy from renewable source

Renewable Energy

Use of Renewable Energy

About 70% of Epson's GHG emissions come from the consumption of electricity. However, the percentage of our GHG emissions from electricity consumption is now lower because of a pilot project in Japan under which we switched to renewable electricity. At home and abroad, we have increased the percentage of renewable energy to 49% of electricity usage by selecting the optimal low-carbon electricity in each region, such as hydropower and wind power, and by proactively investing in on-site electricity generation.

Breakdown of Sources (renewable and non-renewable) of Scope 1 & 2 Emissions in FY2021



In 2021, Epson joined the international initiative RE100, which aims to drive a transition on the part of corporations to the use of 100% renewable electricity for their business activities by 2050. We have set a goal of switching to 100% renewable energy to meet the electricity needs at all Epson Group sites¹ around the world by 2023.

Transitioning to Renewable Energy at Epson's Global Sites

We have completed the transition to renewable electricity at our global production sites in Italy, the United Kingdom, the United States (Portland), Indonesia (Bekasi), Thailand, and the Philippines. We have done the same at office buildings owned by our European sales companies in France, Germany, Italy, the Netherlands, Spain, and the U.K. In addition to generating electricity with a rooftop mega-solar power plant, our production site in the Philippines switched to a mix of geothermal and hydroelectric power in January 2021. The Philippines is exploiting its volcanic resources to harness geothermal power, and Epson's site in that nation serves as an example in which our energy use is adapted to regional characteristics.

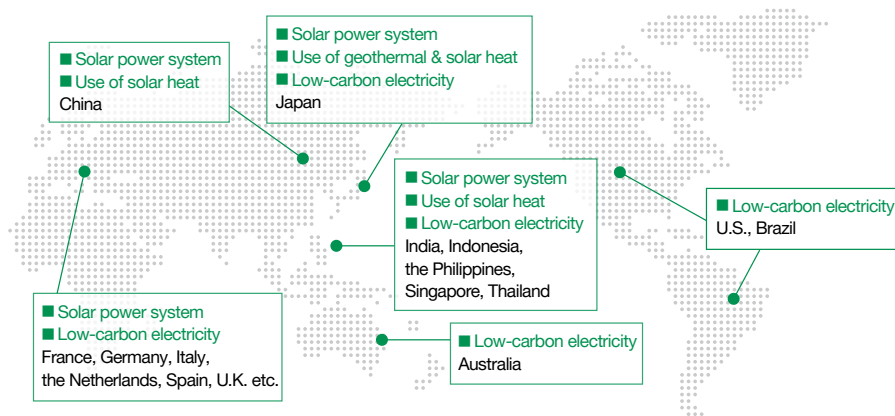
In Japan, Epson purchases Shinshu Green Electricity, CO₂-free value-added electric power produced locally with abundant water sources in Nagano Prefecture using Nagano Prefectural hydroelectric power. This is both reducing Epson's GHG emissions and increasing local consumption of locally produced energy. In the Tohoku area, where Epson has a semiconductor fabrication plant and which accounts for about half of Epson's domestic electricity consumption, Epson uses CO₂-free renewable electricity that utilizes a mix of geothermal heat from the Ou Mountains and hydropower. In November 2021, Epson completed the transition to 100% renewable electricity for all its domestic sites in Japan.

Sites Using 100% Renewable Electricity (As for July, 2022)

Fully powered by 100% renewables	Overseas manufacturing plants	Italy, U.K., U.S. (Portland), Indonesia (Bekasi), Thailand, the Philippines
	Overseas sales sites	Office buildings owned by Epson's European sales companies (France, Germany, Italy, the Netherlands, Spain, U.K.) Office buildings not owned by Epson's European sales companies (some use 100% renewable electricity) * For more details about our European sales companies, please see the Green Choice Report.
	Japan	All sites in Japan (originally planned for March 2022)
Plans	2023	All overseas sites ¹

¹ "All sites" referenced in this release excludes leased properties for sales offices, etc., where the amount of electricity cannot be determined.

Use of Renewable Energy Globally



* Onsite equipment, power purchase agreement, and/or certificate purchasing

Case of Onsite Solar Power Generation



Philippines (Epson Precision (Philippines), Inc.)



Thailand (Epson Precision (Thailand) Ltd.)



China (Epson Wuxi Co., Ltd.): PPA*



Japan (Fujimi Plant): PPA*

* Power Purchase Agreement: Onsite Solar Power Generation Service

Support for Recommendations to Expand the Use of Renewable Energy

The use of renewable energy (energy from natural sources) is one of the most effective ways to reduce GHG emissions. Accordingly, Epson is implementing plans to expand its use of renewable energy long-term. However, there are obstacles to expanding renewable energy use, including costs and supply limitations in some regions. Recognizing that there is nothing one company alone can do about these obstacles, Epson decided to declare its support for the important policy recommendations below as one solution. The realization of these recommendations will make it easier to take actions that minimize the impact on future climate change.

Coordinated global action is essential to combat climate change. We at Epson will therefore continue our efforts toward decarbonization, including by supporting future such recommendations. When deciding whether to join or continue our association with industry groups, we check whether the group's climate change initiatives are aligned with Epson's own policies.

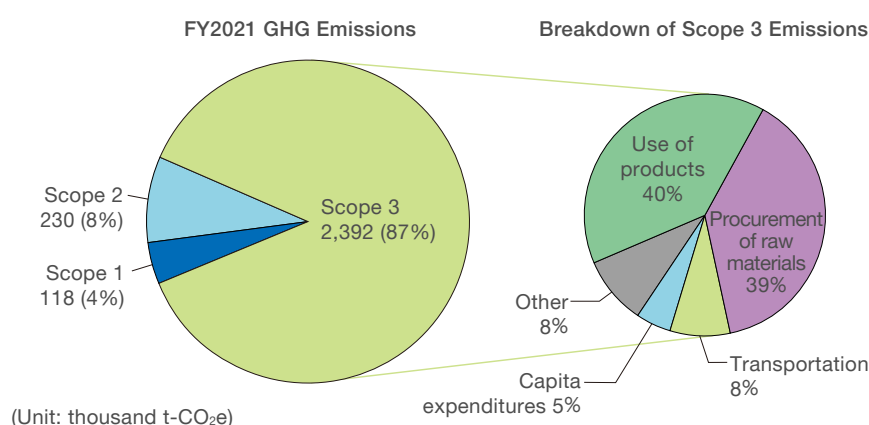
Month/Year	Recommendations	Secretariats
June. 2022	Call for accelerating renewable energy deployment	Japan Climate Initiative (JCI)
Apr. 2021	Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal	Japan Climate Initiative (JCI)
Jan. 2021	Calling on the Japanese government to raise its 2030 renewable energy target to 40-50%	Japan Climate Initiative (JCI)
Aug. 2020	Making Japan a Nation where Renewable Electricity is Easily Accessed: Three Strategies and Nine Policies Sought by Corporations Engaged in Climate Action	Renewable Energy Institute CDP Worldwide-Japan WWF Japan

Value Chain

Value Chain Initiatives

Epson is proactively working to reduce the direct and indirect emissions associated with its business and production activities (scopes 1 and 2 emissions). However, it is indirect emissions that occur in the value chain (scope 3 emissions) that account for the vast majority of Epson's GHG emissions. The lion's share of scope 3 emissions are emissions during the use of our products (category 11: use of sold products) and emissions associated with the procurement of raw materials (category 1: purchased goods and services). Therefore, Epson has incorporated these two categories in its SBT (science-based target). In the future, we will switch from an intensity target based on reducing emissions as a percentage of business profit to a more ambitious reduction target that is in line with the 1.5°C scenario.

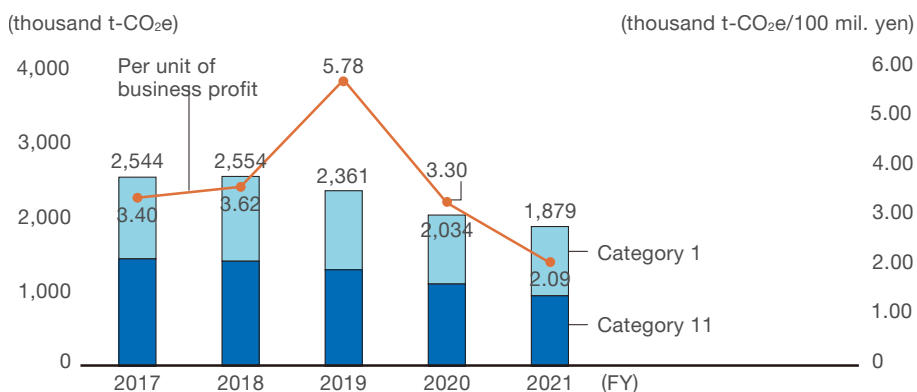
Greenhouse Gas Emissions from Value Chain



38% Reduction

Scope 3 emissions per unit of business profit (compared to FY2017)

Greenhouse Gas Emission (Scope 3: Categories 1 & 11)

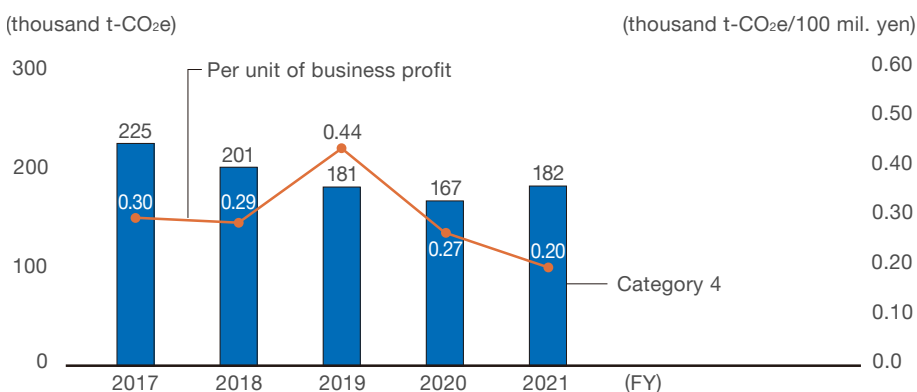


* Coverage of science-based target, Category 1: Purchased goods and services, Category 11: Use of sold products

Logistics Initiatives

Epson is reducing GHG emissions by increasing the efficiency of product, part, and waste transportation. We are making products smaller (which increases shipping efficiency), rethinking our logistics centers, innovating the loading and packing processes (to boost loading efficiency), and reconsidering shipment departure and arrival frequencies and number of trips.

Greenhouse Gas Emissions from Distribution (Scope 3: Category 4)



* Category 4: Upstream transportation and distribution

Cooperation with Suppliers

Epson and its suppliers can help address societal challenges and achieve sustainability by aligning their approach to supply chain CSR.

Resources/Forming a Circular Economy

Resources/Forming a Circular Economy

To contribute to the formation of a circular economy in which waste is minimized, Epson is working to reduce emissions and preserve water resources in its production processes. Epson is also promoting the efficient use of limited resources by making products smaller and lighter, by collecting and recycling end-of-life products, and by developing digital inkjet printing solutions.



Reduction of Waste (Zero Emissions)

Epson is working toward zero emissions by reducing generated business waste and recycling.

Wastes are generated in our production processes, offices, and operations. Wherever possible, we reduce, reuse, and recycle these wastes on-site. Plastic runners from molding processes are recycled, for example. The remaining wastes, including valuable wastes, are recycled by a contractor. We carefully sort and separate wastes and select the best available recycling methods and contractors for each type. We will continue to reduce wastes and to work for general improvement in waste processing methods, including by allying with recyclers.

To help combat pollution from oceanic plastic wastes, Epson sales companies in Europe banned disposable cups and other single-use plastics in their office buildings in April 2019.

2021 Overview

Goal : No more than the 33.5 thousand t of the previous year

* Actions were carried out using control metrics benchmarked against the previous year's usage.

Result: 33.2 thousand t (a 1.1% reduction compared to the previous year)

The control metric for waste emissions per unit of business profit improved (from 54 to 37 t/100 million yen)

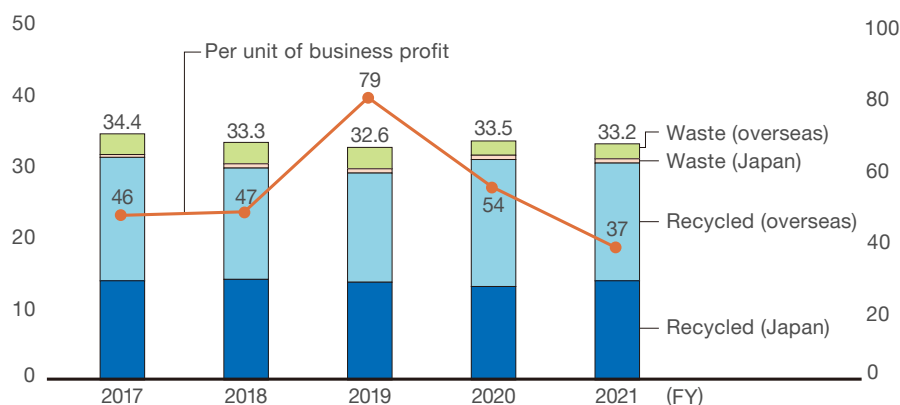
1.1% Reduction

Wastes emissions
(compared to FY2020)

Waste Emissions

(thousand t)

(t/100 mil. yen)



* Waste emissions data includes special wastes that cannot be recycled and wastes that are unrelated to production.

Preservation of Water Resources

Water and climate change, as well as other environmental factors, are closely linked. Epson's business activities rely on water resources, and the sustainability of water resources substantially affects business continuity. Given this, we are working to preserve water resources by avoiding unnecessary contamination and use, and by recycling the water we do use. We actively strive to increase the rate of industrial wastewater that is recycled in our production processes and to meet strict water quality standards. We are also mitigating our overall environmental impacts, including by introducing more energy efficient water processing facilities. Our efforts extend beyond the water used in our production processes. We ensure that all employees have access to safe drinking water, as well as sanitary kitchens and restroom facilities. Moreover, we make our employees aware of the importance of saving water and preventing water pollution, and we install water-saving fixtures and sanitation facilities.

2021 Overview

Goal : No more than the 7,925 thousand m³ of the previous year

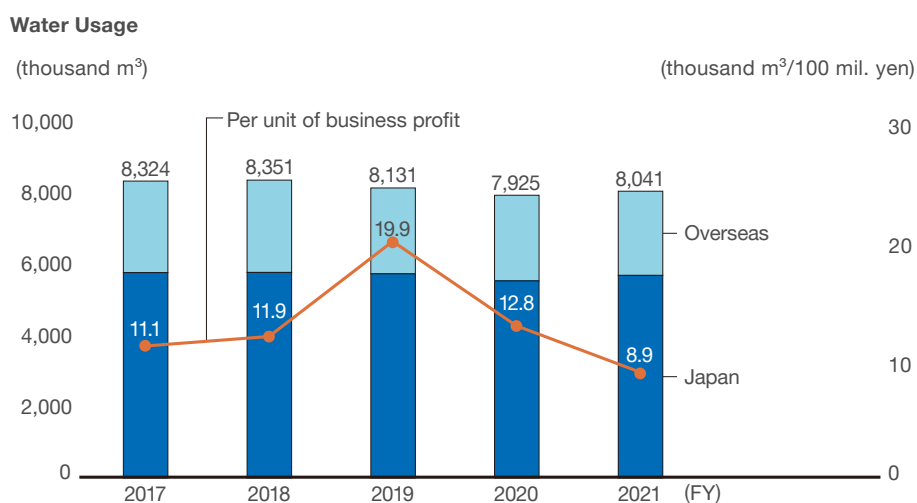
* Actions were carried out using control metrics benchmarked against the previous year's usage.

Result: 8,041 thousand m³ (an increase of 1.5% compared to the previous year)

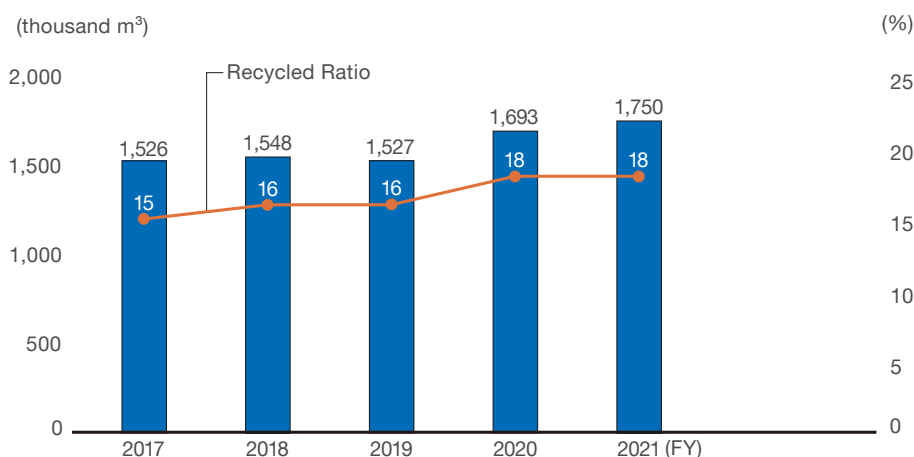
Epson expects its water usage to increase as it works to achieve its mid-range business plan, but water usage per unit of business profit improved (from 12.8 to 8.9 thousand m³/100 million yen).

1.5% increase

Water usage
(compared to FY2020)



Recycled Water

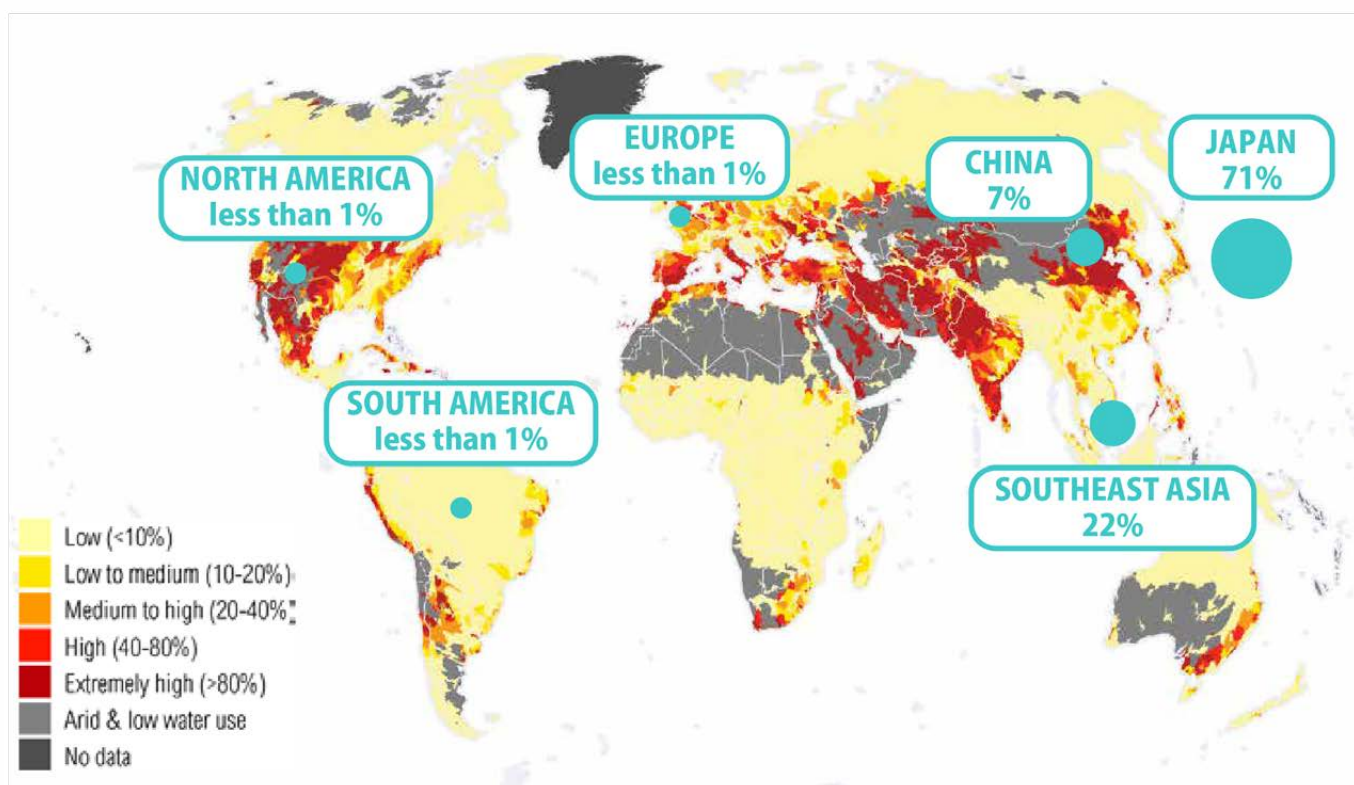


Addressing Water Related Risk

The water-related risks of Epson's production sites were assessed using two global standard tools for water risk assessments: Aqueduct, developed by the World Resources Institute (WRI), and Water Risk Filter, developed by the World Wide Fund for Nature (WWF). These tools assess water primarily from a perspective of physical quantity of water resources and water pollution risks. The results of the assessments showed that no Epson site qualifies for the highest risk level per the overall risk indicators. However, it was found that some of Epson's production sites in Japan, China, Southeast Asia, and South America are located in areas with water stress. We also evaluated the risk of flooding (overflowing rivers), high tides, and droughts in conjunction with our response to the TCFD recommendations and confirmed that future changes in operational risk will be limited.

Moving forward, Epson will continue to act to reduce its water usage and explore water risk assessment methodologies in basins at actual sites.

Water Usage by Region and Baseline Water Stress Map (FY2021)



●: The percentage of Epson's total water usage in each region is shown on a baseline water stress map from Aqueduct Global Maps 2.1 (WRI). The size of the circles visually indicates the percentage of water usage in each region.

* This map is a derivative of the World Resources Institute's Aqueduct Global Maps 2.1, created by Seiko Epson Corp. under the Creative Commons license provided by www.wri.org.

Case study - Preservation of Water Resources

Topic 1: Reducing Water Use by Improving Production Processes

PT. Epson Batam, which manufactures ink for inkjet printers and ink bottles for printers with high-capacity ink tanks, has been reducing its water use since 2018, chiefly by improving its production processes. In FY2021, it reduced the cubic volume of water used by approximately 6,800 tonnes compared to FY2017.

Improvement 1: Introduction of a cooling water circulation system (FY2018-2020)

A new cooling water circulation system, which consists of a cooling system, flow meter, temperature sensor, and other components, reduced the amount of cooling water used when reusing waste after ink bottles are formed.

Improvement 2: Utilization of distilled water produced in waste ink treatment (FY2021)

The introduction of a high-efficiency waste ink treatment system with an evaporation system produces a more condensed form of waste ink, reducing the amount of ink sludge that is recycled as industrial waste. The amount of distilled water produced when the waste liquid is condensed increased, and the distilled water is reused for lavatories, leading to a reduction in the amount of water used.



Conceptual illustration of waste ink treatment by the waste ink treatment system (Improvement 2)

Topic 2: Preserving Water Resources and Reducing Organic Waste

Jakarta, the capital of Indonesia, is struggling with land subsidence caused by flooding in the rainy season and groundwater shortages when it is dry. P.T. Indonesia Epson Industry (IEI), a large-scale printer production site, has introduced biopores, holes in the ground where rain can infiltrate. This solution has gained a lot of attention as something even households can do. In FY2018, IEI put biopores in 260 spots on its premises. These allow about 8,400 liters of rain to go into the ground every year. They also help prevent flooding and the pooling of water where mosquitoes breed. Additionally, fallen leaves and other organic waste can go into the biopores, which enabled IEI to reduce waste by 272 kg. The organic matter turns into compost, which enriches the soil.

IEI plans to continue installing biopores until it has them in 779 spots total, and to extend the initiative outside its premises.

Building Biopores

- 1 A hole is dug and a special pipe (10 cm wide, 100 cm long) is inserted. It has many holes on its sides to allow water to pass.
- 2 IEI pours organic waste (such as kitchen waste or fallen leaves) into the pipe.
- 3 IEI checks biopore effectiveness. (soil enrichment, etc.)

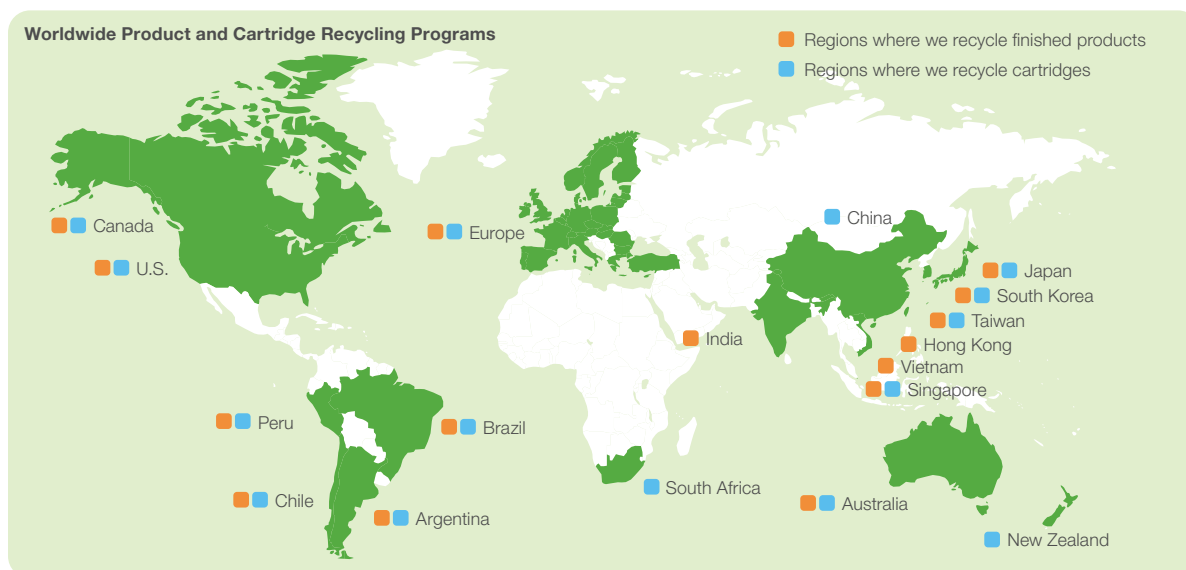


IEI employee digs hole for a biopore; a biopore in the ground

Product Recycling

To expand the resource reuse and recycling loop, work with customers, communities, and others in the industry to collect and recycle end-of-life products in countries around the world.

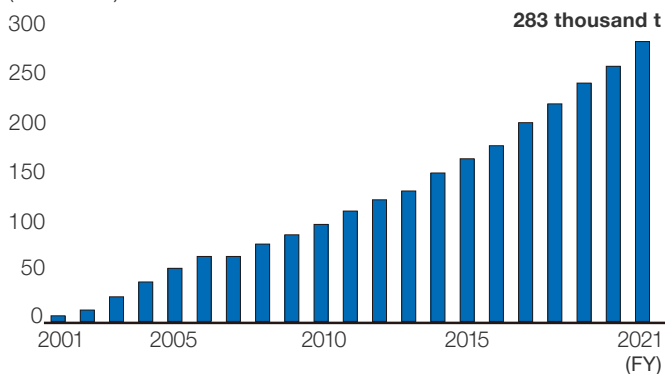
Epson's Global Collection and Recycling Systems



Collection Trends for Products and Cartridges

Finished Products Collected (cumulative through fiscal year)

(thousand t)

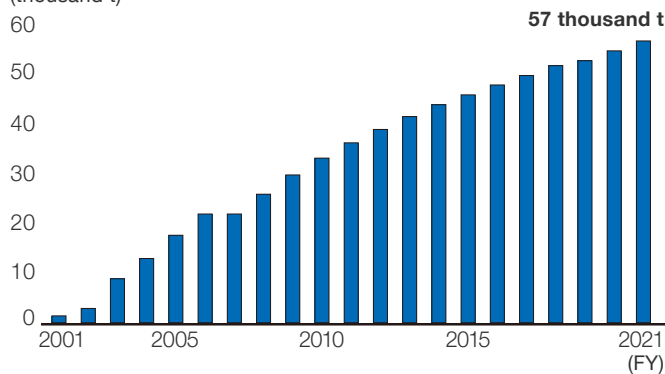


* Collected either voluntarily or as mandated by local law

* Sum of amount actually collected and amount expected to be collected

Cartridges Collected (cumulative through fiscal year)

(thousand t)



Summary of Activities in Each Region

Europe

- Finished Products

The European WEEE (waste electrical and electronic equipment) directive has been effective since 2005, and has been reflected in national legislation. To comply with the European WEEE directive, Epson is building recycling systems in each country. Moreover, Epson implements environmentally-conscious design in response to the WEEE directive 2012, that requires manufacturers to increase recyclability of products. Epson also acts quickly to comply with similar legislation that is expected to be adopted in EMEA^{*1} nations that are not EU member states.

^{*1} Europe, the Middle East and Africa

- Cartridges

Epson Europe B.V. (EEB) is building a collection and recycling system for cartridges while monitoring customer needs and legislative trends. In 2013, EEB rebuilt the system to provide customers with more collection options and to increase recycling efficiency.

• Postal Collections

Customers request empty pre-printed envelopes, and return filled envelopes via post for consumer inkjet and LabelWorks cartridges. Customers simply request and attach a return label, and return up to ten cartridges in a package.



• Epson Express Center

Customers return consumer inkjet, laser printer, and LabelWorks cartridges to the nearest Epson Express Center.

• Box Collections

After customers go online and sign up to the program they receive a collection box for large format printer and laser printer (more than 10) cartridges. When the box is full, it will be collected by the recycling company.



Americas

- Finished Products

In Canada and the United States, some states are seeking to introduce laws requiring manufacturers to collect and recycle products. In the U.S., Epson America, Inc. (EAI) has run a voluntary take back program since 2002.



In addition to the recycling program, EAI and the National Cristina Foundation have joined together with the goal of helping those who are facing economic challenges or have disabilities gain access to the technology of today.



In Brazil, the National Solid Waste Policy (PNRS) was launched in 2010, requiring the electronics industry to implement reverse logistics. Epson do Brasil Industria e Comercio, Ltda. (EDB) implemented a Collection Program for disposing of used products and consumables. The Collection Program operates throughout Brazil, with more than 100 collection points countrywide. Products and supplies collected are sent to an approved recycler who disassembles and then sends the item to recycling and/or co-processing¹ as required.

¹ Use of waste to replace new resources and fossil fuels.

- Cartridges

In the U.S. and Canada, EAI has created a mail-based recycling program for ink cartridges. In the U.S., customers can return toner cartridges by attaching an electronic return label printed from a website.

Asia

- Finished Products

In India, Epson India Pvt. Ltd. works on promoting recycling program by making an original logo under the India e-waste (Management and Handling) Rules, 2011 Directives.

In Taiwan, Epson Taiwan Technology & Trading Ltd. complies with the Resource Recycling Act.

In South Korea, Epson Korea Co., Ltd. (EKL) is a member of KERC (Korea Electronics Recycling Cooperative) and complies with the Act on the Resource Circulation of Electrical and Electronic Equipment and Vehicles.



- Cartridges

In Taiwan, Epson Taiwan Technology & Trading Ltd. set up a system in 2001 using a toll-free number and a website to accept collection requests directly from customers to facilitate on-the-spot collection.

In Singapore in 2012, Epson Singapore Pte. Ltd. joined with Canon Inc. to cooperate with the Singapore National Environment Agency and National Library Board to begin promoting The Homecoming Project to collect ink and toner cartridges. Under the program, consumers can deposit ink and toner cartridges from any manufacturer in collection boxes installed in 21 branches of the national library.



Project Homecoming
A Joint-Brand Ink & Toner Cartridge Recycling Programme

Oceania

- Finished Products

Epson Australia Pty Limited (EAL) has partnered with EPSA (Electronics Product Stewardship Australasia), a member of the global recycling industry Sims Group Limited, to have its end of life E-Waste recycled. EPSA is a government approved co-regulatory arrangements for implementation of the Australian Government's Product Stewardship Act 2011, which began in 2012.



- Cartridges

EAL participates in the Cartridges 4 Planet Ark program. EAL is a founding member of this promotion to recycle ink cartridges and toner cartridges. The aim of the program is to prevent cartridges from entering the waste stream and thereby reduce the potential environmental impact arising from the end of life disposal of cartridges.



- Lamps

EAL has in place a projector lamp recycling program whereby used projector lamps are recycled, and EAL will recycle any brand lamps - not just Epson. Approximately 95% of the weight of the lamp is recycled.

Japan

- Finished Products

Since 2003 Japan has legally required producers to collect and recycle unwanted computers from individuals and as businesses. In 1999, Epson launched a voluntary program to collect and recycle other Epson-brand waste electrical and electronic equipment (WEEE) also, such as printers, scanners, and projectors, from businesses ahead of the enforcement of applicable laws.

- Cartridges

Epson has built various cartridge collection schemes while monitoring customer needs. In addition to being good for the environment, Epson's cartridge recycling program provides employment to persons with disabilities at Epson Mizube Corporation, a special subsidiary to support the employment of disabled individuals within the Epson Group.

- Take-Back Service

Epson has set up a collection service for customers who consume large numbers of cartridges. As part of this service Epson makes donations to OISCA¹ and NACS-J², organizations that work on environmentally sustainable development.

¹ The Organization for Industrial Spiritual and Cultural Advancement-International.

² The Nature Conservation Society of Japan.

- Bellmark Program

Epson has participated in the Bellmark program since 2005. In addition to reducing wastes and helping to preserve the environment, the Bellmark program supports participating schools by awarding them points for ink cartridges collected. Schools use these points to purchase educational materials and equipment.



- Cartridge Collection Program at Epson Sites in Japan

Epson began collecting used ink cartridges at Epson Group sites in Japan in 2011 in order to expand aid to the Bellmark program. Collection boxes have been installed at every Epson business site to collect cartridges from employees, business partners, and members of the community. The collected cartridges are recycled and Bellmark points are granted based on the number of cartridges collected. The points are then donated to the Bellmark Educational Support Foundation, local schools, or schools that were damaged by natural disasters. We donated approximately 97,000 points to the Bellmark Educational Support Foundation in fiscal 2021.



- Ink Cartridge Satogaeri (Homecoming) Project

Printer manufacturers in Japan joined forces in 2008 to form the Ink Cartridge Satogaeri (Homecoming) Project, a program that uses approximately 3,600 post offices and local governments across Japan to collect used ink cartridges. The project has donated to environmental protection organizations, allowing customers to indirectly participate in social contribution activities.



Collection box

- Joint Environmental Program

In April 2012, Epson and Catalina Marketing Corporation launched an environmental program where used ink cartridges from coupon printers are collected and refilled. Under the program, Epson collects used ink cartridges from nearly 30,000 inkjet coupon printers installed in retail stores across Japan. Epson then refurbishes and refills the cartridges for reuse at the stores. Except for the label, almost all parts of the cartridge are reused and product quality is managed just as it is for new cartridges.

Eco Benefits

- Life cycle environmental impacts per cartridge reduced by 56%
- CO₂ emissions reduced by 39.5 tons per year

* Calculated under Epson's test conditions. Compared with when users dispose of new ink cartridges after use.

Pollution Prevention & Chemical Management

Pollution Prevention & Chemical Management

To minimize the effects we have on the ecosystem and human life, Epson is working to control substances of concern in products, manage chemicals used in production processes, and manage environmental risks. Epson also emphasizes communication with stakeholders.

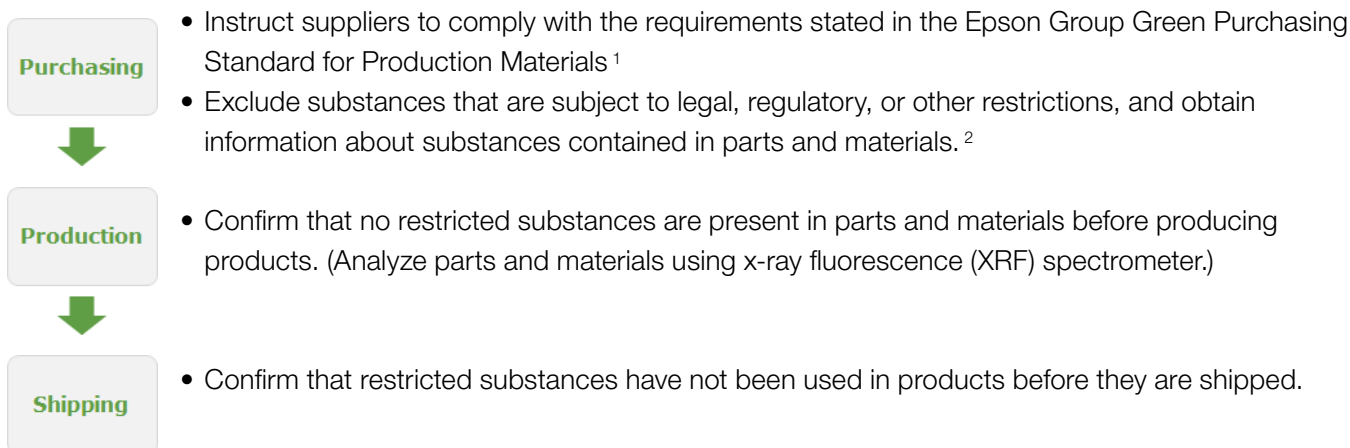


Management of Chemical Substances in Products

Epson gives preference to lower-impact alternatives when selecting the components and raw materials that make up its products.

Management of Chemical Substances in Products

The European RoHS Directive, REACH Regulation, U.S. TSCA, and other international chemical substance regulations have become stricter, making it more important than ever to properly manage the chemical substances that are used in products. Epson systematically controls product substance content at the purchasing, production, and shipping stages to ensure compliance with these restrictions.



¹ A written standard that sets forth requirements for the building and maintenance of a substance control system by suppliers who provide parts and materials used in Epson products. The standard also defines requirements relating to the elimination or exclusion of legally restricted substances and requirements for providing information on substances present in parts and materials.

² Use of the industry standard information sharing scheme chemSHERPA

Examples of Management of Chemical Substances in Products

Legal and Regulatory Compliance

More and more nations are regulating chemicals. We investigate regulations and chemical hazards as early as possible by using such as an industry standard survey tools, analyze the information we obtain, and then supply products accordingly.

- Measures for Meeting the RoHS Directive¹

Epson has made compatibility with the European RoHS directive a standard feature of its entire lineup of products throughout the world, regardless of whether a particular product is bound for the European market or not.

¹ The European RoHS Directive restricts the use of the following 10 hazardous substances in electrical and electronic equipment: lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl (PBB), polybrominated diphenyl ether (PBDE), phthalates DEHP, BBP, DBP and DIBP.

- Actions for REACH Compliance

European REACH (Registration, Evaluation, Authorization and restriction of Chemicals) Regulation requires that we register the import and production of chemical substances and that we communicate and report when products contain harmful substances (e.g., substances of high concern: SVHC).

Epson is meeting these requirements by submitting information in SCIP, the database for information on Substances of Concern in articles as such or in complex objects (Products) established under the European Waste Framework Directive, which became mandatory from January 2021. We also make information on the chemicals used in ink available to customers in the form of safety data sheets (SDS) published in 24 European languages on the websites of our European sales companies.

We are also responding to countries and areas besides Europe, to similarly meet our legal and societal obligations, as well as the needs of our customers.

- Response to GHS²

The United Nations declared in 2003 that a globally harmonized set of rules was needed to inform consumers and dealers about the hazards and appropriate handling of chemicals.

Different nations and regions have enshrined these rules as law and made them obligatory at different times. Epson has continued to respond to the rules as they primarily apply to ink cartridges and toner cartridges.

² GHS (the Globally Harmonized System of Classification and Labelling of Chemicals) provides a unified, worldwide set of rules on harmful chemical substances. It harmonizes classification standards and labels for the hazards associated with individual chemicals and the way safety data sheets are written.

- IEC 62474 compliance

Epson tracks the chemicals contained in Epson products by obtaining composition data on products from its suppliers based on the IEC 62474 Declarable Substances List (DSL).

With the exception of some substances, such as those that are exempt from the European RoHS Directive and SVHC of the European REACH Regulation, Epson products do not contain substances on the IEC 62474 DSL.

Providing Ink for All Types of Printed Matter

We provide inks with safe chemical properties as required for products made with inkjet technology (labels, stickers, fabric, etc.).

- The Highest Level of Textile Product Safety

Eco Passport³ certification

Epson's textile printer inks⁴ have acquired Eco Passport certification, indicating that they meet international safety standards for chemical substances used in textile production. Even printed textiles that directly contact the skin of infants and toddlers are safe.



³ Eco Passport by Oeko-Tex® is a system by which textile chemical suppliers demonstrate that their products can be used in sustainable textile production.

⁴ UltraChrome DS inks for textile printers, UltraChrome DG inks and dedicated fabric processing agents for garment printers, digital textile printer inks.

- Safe Printing Ink for Food Labels

Compliant with Food Contact Material regulation

Epson's SurePress digital inkjet label presses and ColorWorks on-demand color label printers inks are compliant with Food Contact Materials (FCM) - EU Regulation framework (EC) No. 1935/2004, Good Manufacturing Practices Regulation (GMP) (EC) No. 2023/2006, Plastics Implementation Measure Regulation.



Sample of food packages

Switching to Safer Materials (e.g. Eliminating Harmful Substances)

Epson standards specify substances that are prohibited from inclusion in products, and substances whose inclusion must be controlled. Information on these substances is collected and managed in a database. This database is used to ensure safety in all processes, from design and procurement to volume production. Epson is proactive in eliminating from its products substances that could adversely affect the environment or human health.

Production

Epson has a system in place to control chemical substances in its production processes. We specify what substances are prohibited or restricted within the Epson Group and carefully assess the safety of chemicals before they are used at any Epson site. We use a "E-Chem" chemical substances management system to register information about chemical substances used in production as well as in other areas. The system is also used to track the quantities of substances used, volatile organic compound (VOC) released into the environment, and emissions of substances subject to reporting under the Pollution Release and Transfer Registers (PRTR) system. We report and publish data on these chemical substances and communicate with local communities to build trust.

Environmental Risk Management

Any environmental pollution resulting from Epson's business activities could have a serious impact on residents of the surrounding area, as well as for the rest of the region or country. We follow Group-wide standards for pollution control and ensure that all members are well acquainted with the ideas and laws of environmental risk management. Each promotion unit uses ISO 14001 to identify and assess the risk of failing to meet standards or of experiencing environmental complaints or incidents in an ongoing effort to continuously mitigate those risks.

In FY2021, there was an incident in which the terms of an agreement were violated. However, the environmental impact was not serious, and the problem was promptly reported and dealt with. No legal limits were exceeded, nor were there administrative penalties or complaints.

Type	Description
Agreement violation	A cafeteria drainage pipe burst, and wastewater entered a rainwater channel on the premises. (This was a violation of an agreement with an industrial park.)

Environmental due diligence

We investigate the environmental aspects prior to acquiring new businesses and land through M&As as part of due diligence. We investigate all sites, and not only manufacturing sites, to confirm whether there are any problems involving things such as soil and groundwater pollution and hazardous wastes prior to entering into new contractual agreements.

Soil and Groundwater Remediation

Epson is pumping and treating groundwater contaminated by chlorinated organic solvents at several sites in Japan, including at its Head Office. In addition, we have barriers in place to prevent further contamination. The concentration of trichloroethylene in groundwater is under long-term management and is moving toward compliance with environmental standards.

Site Groundwater Data and Remediation Methods

Groundwater trichloroethylene concentration trend (annual average in wells with highest concentration at each site)

Site	Unit	FY2019	FY2020	FY2021	Remediation
Head Office	mg/L	18	11	11	Barrier, pump and treat, monitoring
Shiojiri	mg/L	0.12	0.10	0.19	Barrier, pump and treat, monitoring
Fujimi	mg/L	0.008	0.013	0.010	Barrier, pump and treat, monitoring
Suwa-Minami	mg/L	0.049	0.038	0.022	Barrier, pump and treat, monitoring

Reference: Trichloroethylene standards

- Environmental quality standard for groundwater under Japan's Basic Environmental Law: 0.01 mg/L max.
- Groundwater remediation standard under Japan's Water Quality Pollution Control Act: 0.01 mg/L max.
- Groundwater standard under Japan's Soil Contamination Countermeasures Law: 0.01 mg/L max.

Drainage Management

Epson's Chitose Plant is located upstream from Lake Utonai, which has been designated as a national wildlife protection area and a Ramsar Site.

Wastewater generated in manufacturing processes is detoxified and then discharged into sewers. To prevent leaked chemicals and other substances from leaking offsite, rainwater is collected in a retention basin to monitor the pH and oil levels before flowing into Lake Chitose and Lake Utonai via the Bibigawa River. All chemicals, waste materials, and wastewater treatment systems are located indoors to prevent them from leaking off the site.

Waste Management

Epson's internal policy specifies that wastes must be processed in the country in which they originate. We do not directly import or export any wastes, including hazardous wastes specified under the Basel Convention.

However, we employ subcontractors who satisfy the requirements of the Basel Convention to process fluorescent lamps, etc., that originate in countries and regions where it is difficult to process them domestically.

PCB Waste Storage

PCB waste storage in the domestic Epson Group is summarized below. PCB waste that was discovered by FY2021 and kept in storage has been disposed of. We plan to finish disposing of newly discovered PCB waste by the legal deadline.

Type	Situation (as of June 2022)
Private-use electric facilities	One (low concentration) unit is awaiting disposal. All others have been disposed of.
Non-private-use electric facilities	Lifts as well as machinery and equipment were investigated for the presence of PCBs. (No PCBs were found to be present.)
Fluorescent light ballast	Four units are awaiting disposal. All others have been disposed of.

Asbestos

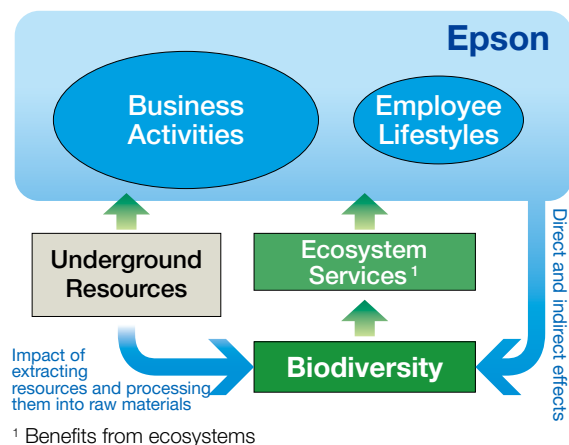
All buildings owned by the Epson Group in Japan were investigated for asbestos by the end of the 2019 fiscal year. Level 1 asbestos (extremely high friability) and level 2 asbestos (high friability) are enclosed, sealed or, when necessary, removed to prevent human exposure. We also regularly test for airborne asbestos dust indoors in areas where asbestos-containing building materials are used, including where asbestos has been enclosed and sealed, to verify safety.

Biodiversity Conservation

Biodiversity Conservation

We both benefit from and affect biodiversity in myriad ways. Epson believes that preserving biodiversity is also vital to maintaining our business activities and our employees' lifestyles. Basically, we look to preserve biodiversity throughout our business activities and to raise employee awareness of its importance.

Epson and Biodiversity



We are steadily mitigating the impact of five factors that cause biodiversity loss with initiatives in climate change strategy, resource recycling and conservation, and pollution prevention and chemical management.

Factor	Relationship to Epson	Theme	Main Initiatives
Climate change	Greenhouse gas emissions	Climate change strategy	Energy-saving product designs Production and transport measures
Land use	Land alternations accompanying underground resource mining	Resource recycling Resource saving	Reduced-resource products and recycling Reduced resource inputs Waste recycling
Non-native species	Introduced along with imports of raw materials, parts, etc.		
Overconsumption	Consumption of timber resources		
Pollution	Release of chemicals into the environment due to insufficient control	Pollution prevention and chemical management	Reduced inclusion in products and use during manufacturing of hazardous substances



Conservation of Wildlife

Conservation of Wildlife Resources in Taiwan



The Pinglin district, the famous tea-growing region in the north of Taiwan, is the natural habitat of the Taiwan blue magpie, a unique bird of Taiwan. The district is part of the Feitsui Dam water preserve, but in recent years, large-scale tea cultivators in this region have become over-reliant on agrochemicals. These agrochemicals are contaminating the land and water and are threatening the survival of local wildlife. To protect the Taiwan blue magpie, which is registered as a species of least concern on the IUCN Red List of Threatened Species (Ver. 3.1), some local tea growers have been focusing on organic cultivation. However, these organic growers, who cannot use any agrochemicals and who have to pick the leaves entirely by hand, have seen their harvests cut nearly in half. Currently only about 10% of the tea gardens in Pinglin are organic.



From 2017 to 2019, Epson Taiwan Technology & Trading Ltd. (ETT), along with a number of major companies, participated as a corporate sponsor in a program to help preserve wildlife in the Feitsui watershed. During those three years, a total of about 100 ETT employees and family members dress up in the traditional costumes of tea leave pickers and go out to organic tea gardens two or three times a year to help harvest the leaves, which must be picked entirely by hand. The organic tea gardens are home to butterflies and other insects, but the participants were most excited by the discovery of several Taiwan blue magpies.

ETT will support biodiversity conservation activities as it looks to raise employee awareness of environmental issues.



Activities in Protected Area (U.K.)

Epson Telford Ltd. (ETL) is a core production site for manufacturing ink cartridges for European market and textile ink. It was the first site within the Epson group to achieve ISO14001 and participates in many environmental preservation activities such as recycling of wastes and energy-saving. With an area of 220, 000 m², the site includes a nature reserve that many rabbits have made their home.



ETL has not only reduced its production based environmental impact, but also protects and supports its local environment by:

- Setting aside about 1/3 of its land for the nature reserve,
 - Creating special areas to preserve the habitat of the crested newt and great burnet² which have been specified as rare species in the U.K.
 - Planting trees to offset company car emissions
 - Introducing bee hives within the site so as to improve the diversity of local living creature and preserve bee species.

Also other local species have visited or have made homes within the sites.

- Raptors: Buzzards, kestrels, owls
- Birds: Partridges, red starts, yellow hammers, green woodpeckers
- Others: Foxes, etc.

² Both species have been registered by the International Union for Conservation of Nature (IUCN) on the Red List (Least Concern: LC).



Bee hives introduced in the site



Pond in the special area

Conservation of Natural Environment

Coral Reef Transplant Project (Indonesia)

PT. Epson Batam (PEB) has been helping to back a coral transplant project on Abang Island since 2015 to preserve biodiversity. The project, which involves people from Indonesia's fishing and tourist industries as well as government and NGOs, is growing coral reefs (coral gardens) by transplanting about 500 coral fragments every year over a gradually larger area. Residents of Abang Island are hopeful that the transplanted coral can improve the environment for fish and increase their numbers.

Activities were limited due to the COVID-19 pandemic, but PEB employees themselves dove under the sea to check coral growth.



Greening and Beautification Activities (Global)

Epson employees around the world participate in local greening and beautification activities to keep our communities looking nice and to foster a spirit of community volunteerism and activism.

Employees of Epson Wuxi Co., Ltd. (China) and members of their families have been participating in local tree planting events that have taken place every March since 2010. In 2021, 20 participants planted trees at Panlongshan Park in Jiangyin City, which is near the lower reaches of the Yangtze River, contributing to the ecosystem conservation and restoration of the Yangtze River basin.

* The event was canceled in 2020 due to COVID-19.



Tree planting in the Yangtze River basin

Started in 1992, employees of Epson Portland Inc. (U.S.) volunteer their time to pick up garbage several times a year along a section of U.S. Highway 26, which runs just north of the company.



Highway clean-up

PT. Epson Batam (Indonesia) participated in the National Waste Care Activity in March 2019. This activity was conducted in response to a call from administrative agencies such as Batam's Ministry of Environment. At the coast of Tanjung Uma, 13 employees picked up plastics and organic waste, which they then delivered to a recycling facility.



Before



After

Conservation of Forests

Epson is working to preserve the world's forests by curbing environmental destruction caused by illegal logging and by enriching communication through the use of sustainable paper.

Using Limited Resources Effectively by Leveraging Our Unique Paper Recycling Technology

Paper is produced from wood taken from the forests, but the A-8000 spares our forests by producing new copy paper from used documents right in the office.

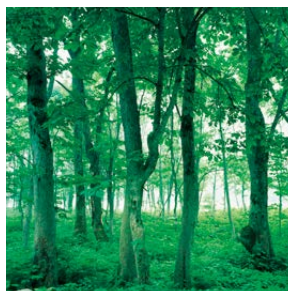
Epson uses the A-8000 extensively to recycle and reproduce paper used on its own sites. Since 2018, this recycled paper has been used to produce orientation training materials and business documents. It is being used for calendars and employee business cards. This paper is also used for notebooks and memo pads, and we plan to further expand uses in the near future. The production of paper and paper-based goods has expanded the range of job opportunities for the staff of Epson Mizube Corp., a special subsidiary that supports the employment of persons with disabilities and is involved in these activities. Epson also uses a machine that employs dry fiber technology to upcycle recovered paper into waste-ink pads for inkjet printers and sound absorbing materials for the A-8000.



Calendars made using
recycled paper



Waste ink pads for inkjet
printers
(maintenance box)



PaperLab A-8000
Dry-process office papermaking system

Epson Paper Products Procurement

Epson manages its entire supply chain from the immediate supplier all the way back to the forest to ensure the legality, sustainability and environmental safety of the paper products we procure.

Eco Community

Eco Community

We are working to achieve new socially and economically sustainable practices through environmental community action centered on products and services.

Eco Education

Epson wants its employees to remain mindful of the environment while on the job. We feel it is important for them to consider how their conduct, both at work and at home, affects the environment and we want them to take the initiative in coming up with solutions. Toward that end, Epson provides environmental education and promotes correct understanding of ecological practices.

Epson also contributes to broader environmental preservation by sharing its knowledge and experience with outside organizations.

In-House Environmental Education

Our environmental education curriculum for employees consists of a general education program, a professional education program, and general awareness-building activities.

The general education program consists of a mandatory Basic Environmental Training course as a first step, followed by echelon-based training courses in which non-management employees, managers, and executives learn what action they need to take in their respective positions to address environmental issues. In the professional education program, employees select the courses they need in their particular area in order to acquire the skills and knowledge required for environmental action. We also build general environmental awareness among all personnel in a variety of ways, including through environmental messages from management to all employees and by implementing special actions during Environmental Sustainability Month and Energy Conservation Month.

Environmental Education System (Japan)

Training		Management	Mid-level employees	General employees
General education	e-Learning	Basic Environmental Training II		
	By rank	Training for new managers		Training for new employees
		Training for employees to be transferred overseas		
Professional training	Professional skills	ISO14001 environmental auditor training		
		Energy Star® measurement technician training		
		Pollution control officer training		
		Emissions control officer training		
		Hazardous materials management training		
Awareness		Internal notices, Environmental Awareness Month, events (best practices presentations), lectures, Websites, local clean-up projects, etc.		

FY2021 Environmental Education (Japan)

Training	Participants (Certification Recipients) ¹
Basic Environmental Training II (2021 Edition)	17,490
ISO14001 environmental auditor training	117 (1,207)

¹ This is the number of persons who took Basic Environmental Training II during the period it was offered (June 2021 to March 2022). ISO 14001 figures show the number of certified person as of the end of March 2022.

Development of local and social environmental human resources

Assistance for Glocal Human Resource Development

Nagano Senior High School, in Nagano Prefecture, has been designated by the Ministry of Education, Culture, Sports, Science and Technology to participate in a glocalization project to promote innovation in high school education in collaboration with local communities. The aim is to develop human resources who can recommend solutions to local issues from a global perspective.



In November 2021, first-year students who are doing research into local sources of renewable energy and into the question of what companies and individuals can do to address global environmental problems visited Seiko Epson as part of their fieldwork. Epson shared knowledge that we have accumulated in these areas through our own activities, provided real-life examples, and talked about the concept of co-creation and the adoption of locally generated renewable electricity for realizing our environmental vision.

Students were also shown products such as Epson's PaperLab, which is a dry-process office papermaking system, and large format printers that are capable of printing on paper and a variety of other materials. In this way, the students learned more about the resource-related issues that Epson sees as important and about our products and services that help to reduce environmental impacts.



ESG Finance Awards Japan (Minister of the Environment Award)

The ESG Finance Awards Japan recognize progressive, exemplary initiatives driven by investors, financial institutions, financial services providers, and companies that have made an impact by actively engaging in ESG financing or environmental and social enterprises with the goal of encouraging the spread and expansion of ESG financing. In the Environmentally Sustainable Company category, companies are evaluated on the quality of their information disclosures concerning things such as risks, business opportunities, and strategic opportunities related to environmental issues that could have a substantial impact on corporate value and on the effectiveness that the initiatives they have disclosed have had on corporate management.



Epson was selected this year as an “Environmentally Sustainable Company” for having produced disclosures that meet certain criteria. We were selected for the Minister of the Environment Award and won Silver in the Environmentally Sustainable Company category in recognition of having set ambitious environmental goals and for the actions we are taking to synchronize environmental issues with business sustainability. Epson is committed to achieving its environmental goals and to actively disclosing environmental information.

Reasons Epson Was Selected (as Announced by the Ministry of the Environment)

Epson was recognized for having reduced its GHG emissions in line with the 1.5 °C scenario over the past year and for having advanced toward its goals of becoming carbon negative and underground resource free by 2050. In addition, Epson has declared that it will spend on decarbonization and a closed resource loop and will reduce GHG emissions in the supply chain by more than 2 million tons by 2030. Epson also won high marks for its willingness to try to synchronize environmental issues with business sustainability. Going forward, we will keep an eye on concrete actions to establish and apply an effective PDCA cycle toward achieving these ambitious goals, and particularly on collaboration with business partners.



Environmental Value Award at the 3rd Annual Nikkei SDGs Management Grand Prix

The Environmental Value Award is granted to companies that earn a high overall score for initiatives relating to climate change, resources, and biodiversity. Companies are evaluated on things such as policies regarding the analysis of risks and opportunities and environmental audits; greenhouse gas emissions, the scope of emissions measured, and actual GHG quantities; quantitative measurement and long-term targets for wastes, power consumption, and water resources; climate change adaptation measures and environmental solutions; and activities to protect ecosystems.

Seiko Epson won its first Environmental Value Award in recognition of its efforts to reduce its own greenhouse gas emissions and, increasingly important, those of its business partners, as well as for its support for the TCFD recommendations and disclosure of emissions information in securities reports, and its ambitious targets for introducing renewable electricity.

Epson will continue to strive to contribute to the world through its technologies, products and services in order to achieve a better, more sustainable world as envisioned by the SDGs.



Discussion with Other Companies (Japan)

The Kansai Productivity Center (KPC) is a non-profit organization that assists companies that have a large presence in the Kansai Region, a large area of Japan that includes cities such as Kyoto, Osaka, and Nara, with management innovation and human resources development. In December 2021, Epson responded to a request by the KPC to host a group of visitors taking a course in management strategy at the KPC's Management School. The visitors, who were from four leading Kansai companies in various industries, were exploring the topic of management's response to environmental problems, which they believe will be an important part of business administration in the future. They discussed a number of subjects with Seiko Epson executives, including the impact that decarbonization and carbon neutral initiatives will have on society and companies. Both sides benefited from the exchange of information.



In addition, we familiarized the visitors with Epson and some of its business activities by giving them a tour of Epson's Monozukuri Museum and paper recycling center, where paper used internally is recycled using the PaperLab, a dry-process office papermaking system, and by showing them Epson Mizube, a special subsidiary that employs a large number of people with disabilities, providing them with reasonable accommodations and jobs that fit their abilities.

Eco Technology

Introduction of corporate citizenship programs that leverage Epson's technologies.

Loggerhead Sea Turtle Protection Project

Epson has been working with Kamogawa Sea World and the Japanese government since June 2010 in a project to help protect and preserve endangered loggerhead sea turtles. The project is part of the company's ongoing desire to preserve biodiversity and to test its sensing technology in the field.



Hatchlings headed for the ocean

Release of a Simple Tool for Measuring PFCs

Perfluorocarbons and some other gases used in semiconductor and LCD fabrication have extremely high global warming potential—a level that is about 10,000 times greater than that of CO₂. But measuring PFC gases was difficult until 2000, when Epson independently developed a simple method for measuring PFCs¹ that enables easy and accurate measurement using Fourier transform infrared spectroscopy (FT-IR). This method enabled Epson to sharply reduce PFC gas.

Epson patented the simple method for measuring PFCs but grants a free license, subject to certain conditions, to others. This method is now being used by numerous enterprises to reduce PFC gas.

¹ Formerly called the "Epson Method"

Environmental Management

Environmental Management

As stated in its Management Philosophy, Epson's business is anchored in a commitment to environmental conservation. Epson carries out environmental programs under uniform standards and goals in every country and region of the world. Our basic environmental stance is set forth in Epson Principles of Corporate Behavior and in the Environmental Vision 2050. In recent years our customers, along with society in general, have become interested in reducing their environmental impacts. The desire to deliver reduced environmental impact products and services that surprise and delight our customers is embodied in the Exceed Your Vision tagline.

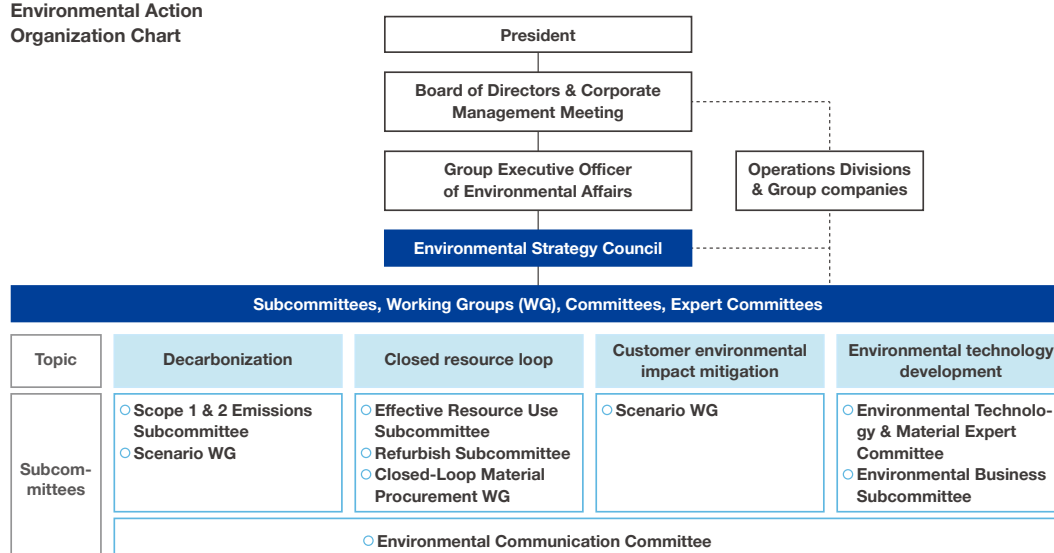
Environmental Management System

Business units within the Epson Group establish their own environmental action plans based on the Epson 25 Renewed Corporate Vision, and carry out the activities using an Environmental Management System (EMS). We conduct internal audits to check performance against the plans and take corrective action against nonconformances.

We operate our EMS in compliance with the international ISO 14001 international standard, and we implement a planning and control cycle to effect continuous improvement. Epson's main global manufacturing, sales, and service sites are pursuing integrated business process and environmental management initiatives as required by ISO 14001 (2015), and are renewing their certifications.

All financially consolidated companies in the global Epson Group have environmental programs and, in the FY2021, environmental data was gathered from 52 of those companies (representing 95% of revenue).

**Environmental Action
Organization Chart**



Social

138	Approach to Customer Commitment ↗	194	Respecting Human Rights ↗
140	Customer Satisfaction ↗	201	Fostering a Better Workplace ↗
141	Quality Improvement ↗	208	Health and Productivity Management ↗
144	Product Safety ↗	215	Occupational Safety and Health ↗
146	Universal Design ↗		
		221	Approach to Corporate Citizenship ↗
149	Supply Chain CSR Vision ↗	222	Education for Young People ↗
152	Supplier Guidelines ↗	225	Culture and the Arts ↗
154	Supply Chain Initiatives ↗	226	Community Events ↗
165	Communication and Training ↗	228	Social Welfare ↗
168	Responsible Sourcing of Minerals ↗		
173	Green Purchasing ↗	229	Stakeholder Engagement ↗
174	Paper Products Procurement ↗	232	Shareholders & Investors ↗
		234	Customers, Local communities ↗
175	HR Development ↗	239	NGO/NPO, International Organizations ↗
182	Diversity, Equity and Inclusion ↗	241	Business Partners & Consortia ↗



Customer Commitment

Approach

Epson's CS and quality policies and organizations are designed to achieve customer satisfaction, one of the core commitments included in Epson's Management Philosophy.

Quality Policy

Epson seeks to provide products and services that earn customer satisfaction with an all-hands commitment to the quality policy below.

Quality Policy

1. We will solve problems by directly observing all of our operations and processes.
2. We will quickly complete the Plan, Do, Check & Act (PDCA) cycle in all situations.
3. We will thoroughly analyze any failures, and establish procedures based on that analysis, so that mistakes are never repeated.
4. We will proactively consider our customers' satisfaction so they will genuinely prefer purchasing Epson products and feel confident using them.
5. We will seize the opportunity presented by customer comments and complaints to inform our decisions when designing new products.
6. We will readily report even negative information.
7. We will foster a climate in which attention is paid to even the most commonplace events.

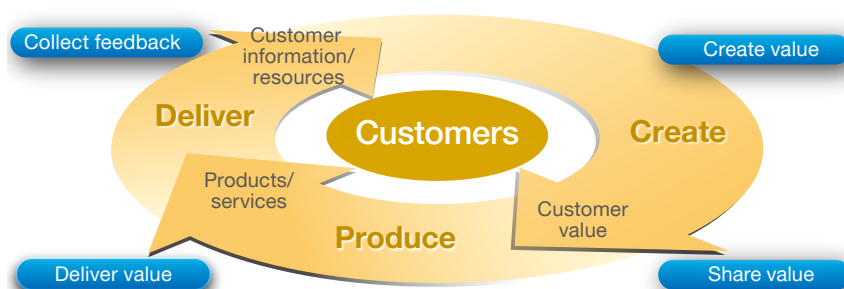
Vision for Mid-Range CS & Quality Initiatives

Epson implements CS & quality programs in line with its Mid-Range CS & Quality Action Policy, which is based on its Quality Policy and that stipulates its vision for creating products and services that please customers and earn their trust.

Goal

Earn strong trust from customers by taking innovative approaches to improving the quality of the overall product commercialization process and quickly achieving a level of quality that exceeds customer expectations.

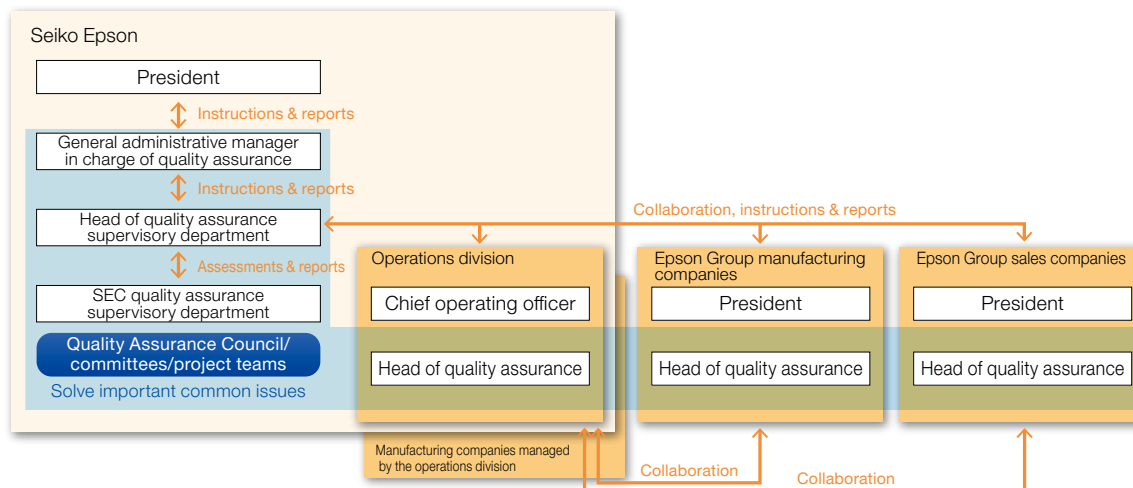
CS & Quality Vision (Creating Customer Value)



Quality Assurance Program Organization

Epson carries out actions to assure quality across the Epson Group. A Quality Assurance Council and project teams solve shared issues and serious problems. In addition, we manage our quality assurance programs by periodically assessing and reviewing the state of quality and the progress of actions, reporting the results to the president, and formulating and implementing policies for further improvement.

Quality Assurance Program Organization



Customer Commitment

Customer Satisfaction

Epson undertakes various activities to provide our customers with satisfaction that exceeds their expectations through our products, services, production and sales from product design stage to after-sales service.

Product Design

Epson seeks to meet the expectations of customers from the product design stage. As part of this effort, our design engineers personally visit customers to listen first-hand to their thoughts and needs. They also visit information centers to gather and analyze information on the types of problems customers may be having.

Advertising Initiatives

We work to avoid incorrect product descriptions, deceptive advertising, and any product appeal that might lead to an incorrect understanding. Our goal is to ensure that customers correctly understand our products' functions when making a purchase.

At Epson, we have a control system in place to check images and text before we publish them on web pages, advertising, and the like. This ensures that the images and text provide accurate information, are not unethical or discriminatory, and are compliant with copyright and personal data laws. We also have Group standards on the use of social media and work to ensure that the information we share on such media is fair and appropriate.

Initiatives of Sales Companies

Product Service and Support that Keeps Businesses Running

Users of business printer can find their work interrupted if their printer breaks down or if it runs out of consumables. To avoid such work interruptions, sales company Epson Taiwan Technology & Trading Ltd. (ETT) began in 2016 offering business inkjet printer users a package that includes regular on-site service. This is the first service of its kind in Taiwan's office printing industry. Support staff members with thorough product knowledge visit customer sites to inspect and maintain their printers. They also let customers know when they can expect to run out of ink based on print use patterns. This service has sharply reduced printer breakdowns and ensures stable print quality. And since ETT is able to deliver ink before it runs out, work interruptions are far less frequent. These regular site visits are also an important opportunity to get feedback directly from users.

Epson, whose products are used by customers around the world, is increasing customer satisfaction by having local sales companies provide service and support that meets local needs.

After-Sales Service for Epson PCs

Epson Direct Corporation's support policy reads as follows: "Every second counts. Never make customers wait. Earn customer satisfaction and ongoing loyalty."

Our customers' work does not wait when their PC fails. Obviously a strong quality program is essential for preventing PC failures in the first place, but when failures do occur, minimizing customer downtime becomes the top priority. We provide a one-day guarantee on repairs, during both the standard warranty period and for the extended pick-up warranty. If an Epson PC should fail during the coverage period, Epson Direct will repair it and return it the next day, weekends included.

Customer Commitment

Quality Improvement

Epson conducts activities to improve the quality of its products, services, manufacturing and sales in order to provide quality that exceeds customer expectations and earns their trust.

Supplier Quality Assurance

Epson internally manufactures key components such as printheads for inkjet printers. At the same time, our suppliers also provide us with many of the parts needed for manufacturing. Therefore, our quality assurance programs go beyond the Epson Group. We share our approach to quality with our suppliers and work with them to improve quality.

For example, we stipulate our basic quality assurance policies and requirements in quality assurance standards, verify the quality of parts by visiting suppliers, and give them advice about ways to improve.

Quality Control Improvement in Manufacturing Processes

The role of manufacturing processes is to create products that accurately reflect the voice of the customer captured in product plans and designs. In manufacturing processes, we build products that meet specified quality requirements. We specify a lot of quality controls for product components and processes. Quality control engineers are sent to manufacturing sites worldwide to introduce quality improvement activities so that we can strictly manage required controls at the sites and assure quality.

We collaborate with local engineers to solve problems logically, develop the talents of manufacturing professionals, and improve quality at plants around the world.



Improvement in collaboration with an overseas affiliate

Global Sharing of Service & Support Information

Epson has built service and support organizations around the world so that our customers can use our products and services with confidence.

We hold an annual Epson Group Services and Support Conference that is attended by people in charge of these functions at our overseas regional sales headquarters and some sales companies. The purpose of the meeting is to improve the quality of our service and support. At the meeting, we share technical information about service and support, as well as about the use of our products and services by customers. We also review actions and discuss issues to formulate long-term strategies. The results of the meeting are used in our Group companies around the world.



Epson Group Services and Support Meeting

Improvement of Employee Quality Control Skills

Training

Epson provides quality control training to all employees so that they can help improve quality. Manufacturing personnel, engineers, and office workers separately receive training for the basics of QC first. After that, they receive systematic training to learn the skills required to fulfill their duties and participate in E-kaizen programs (see below).

In addition, we train and certify QC trainers at overseas production sites and certify trainers so that our overseas employees can receive the same level of training as our employees in Japan.

Epson aims to develop people who are able to identify and address the root causes of problems so that we can produce and sell products and services that exceed customer expectations.

Quality Control Training Program

	Primary	Intermediate	Advanced
Common	QC introduction course	QC-A course (Manufacturing)	
		QC-B course (Engineering)	
		QC-C course (Administration)	
Small group/Team		Problem-solving type QC story course	
		Target-achievement type QC story course	
		Why-Why analysis course	
Professional course		Reliability specialty course - Accelerated test, Sampling test - Weibull analysis of field data	
		Quality Engineering practice course (Robustness evaluation, Parameter design, etc.)	

* QC-ABC courses shall be selected one or more.

Standard QC Courses for All Employees (FY2021, Japan)

Course	People trained	% trained
QC Introduction	403	90%
QC-ABC	320	77%

Licensed Quality Control Training Trainers

Region	Number of Production Sites with Licensed Trainers	Licensed Trainers ¹
Southeast Asia	7 companies	78
China	5 companies	49

¹ Number of licensed trainers as of March 31, 2022.

Kaizen Activities

The entire Epson Group participates in continuous improvement activities. Called “E-Kaizen” at Epson, these activities are used by both teams and individuals to solve problems.

Epson holds an annual Worldwide Team Presentations conference at which the best teams from each of four blocs (Japan, China, Southeast Asia, and Europe/ America) present the results of their kaizen activities. Their accomplishments are judged, and the teams that report the most outstanding accomplishments are recognized with awards. In addition to sharing kaizen presentations within each bloc, Epson reports best activities in the company newsletter and on the company intranet to motivate others to learn and make their own improvements.

Rather than gathering in one place, the FY2021 Worldwide Team Presentations conference was held online due to the coronavirus pandemic. A total of 12 teams participated. There were four teams from two companies in Japan, four teams from four companies in Southeast Asia, and four teams from one company in China. Cai Hong (“Rainbow”), a team from Epson Engineering (Shenzhen) Ltd. in China, was presented with the President’s Award in recognition of outstanding actions taken to build an efficient operations model for on-site LFP logistics.



The members of the President’s Award-winning “Rainbow” team

Activities to Raise Awareness

November is CS & Quality Month across the global Epson Group. During the month, all personnel are encouraged to think about what a commitment to customer satisfaction, as enshrined in the Management Philosophy, means, and to look back on the quality of their own work. In FY2021, events were carried out under the slogan “Achieve reliable quality, win more Epson fans.”

One of the featured events was a talk by the chief executive of a company in Japan that is recognized as a leader in the building of a loyal fan base. He shared detailed stories about the practices his company uses to create and keep customers. A large number of employees listened to the talk live in the main hall and at the 16 sites to which it was broadcast. Others listened to a video of the talk that was posted on the company intranet. We also provided an online training course focused on customer satisfaction to Epson Group employees in Japan, more than 90% of whom completed the course. The course emphasized that employee satisfaction is a crucial element of customer satisfaction. The material for the course was translated into English and Chinese and was also used to train people at our Group companies overseas. In addition to the foregoing activities, each of our operations divisions and global sales and manufacturing affiliates carried out their own events designed to deliver customer satisfaction. Through activities like these, we are endeavoring to win more Epson fans, not only by demonstrating a commitment to customer satisfaction but also by showing all stakeholders that Epson genuinely is a good company.



CS & Quality Month poster (English)



CS & Quality Month poster (Japanese)



CS & Quality Month poster (Chinese)

Customer Commitment

Product Safety

Approach to Product Safety

Epson has established unified Epson Group regulations governing quality assurance and product safety management to help ensure that it offers the same product quality to customers around the world.

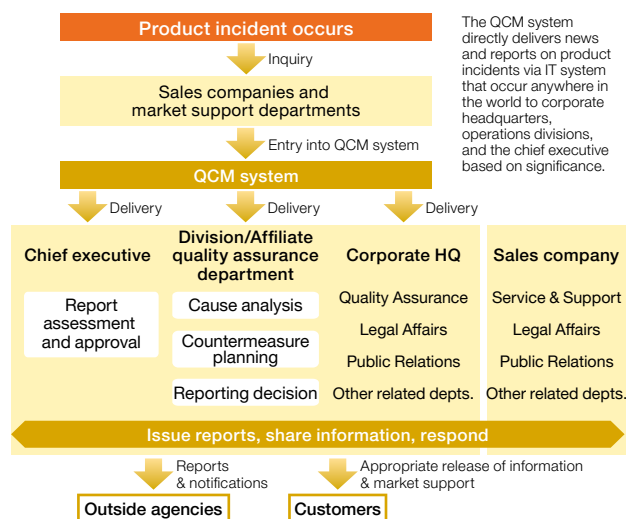
Our product safety and environmental compliance requirements are set forth in the Epson Quality Standard (EQS), a set of unified standards implemented across the entire Epson Group. EQS specifies independent controls that we widely implement to meet or exceed legal and regulatory requirements in each country. Epson painstakingly evaluates product safety in every area and from all angles to prevent product incidents and provide our customers with safe, secure products.

Process for Rapidly Responding to Product Incidents

If there is an incident involving a product, an Epson sales company or market support organization immediately issues a preliminary report using the Epson Group's Quality Crisis Management (QCM) system.

Departments are notified of the incident via the QCM system, and the quality assurance department of the operations division or affiliated company rapidly responds by analyzing the cause and planning countermeasures. The chief executive and affected departments, including those at corporate Head Office, exchange information whenever an incident occurs and, putting the needs of the customers first, announce the incident to the public, provide market support, and furnish outside organizations with the reports and notices required by all applicable laws and regulations.

Epson Product Incident Response Process



Analyses to Prevent Product Incidents

Electronic components procured for use in Epson products, and especially those that are crucial in terms of safety, are evaluated and analyzed to judge their quality, safety and reliability.

Epson uses analytic techniques learned and honed over the years to analyze in-market safety incidents and determine root cause. The lessons learned are shared throughout the Epson Group to prevent recurrence of similar incidents.

Epson has set up a combustion laboratory that enables it to conduct tests that cannot be performed in ordinary laboratories, such as tests that use flames or could cause parts or products to ignite, emit smoke, or rupture. In this lab Epson analyzes the causes of incidents and researches combustion-resistant structures and materials. We use the findings from these and other tests and studies to develop standards for creating safe, secure products, therefore seeking to prevent product-related incidents.



Burning test at combustion laboratory

Safety Evaluations on Substances Released by Products

Products can sometimes release trace amounts of chemical substances during use. Epson goes beyond simply evaluating releases of controlled substances specified under the requirements for environmental labels such as Japan's Eco Mark and Germany's Blue Angel¹, and also evaluates the level and safety of substances for which the Japanese Health, Labor and Welfare Ministry has issued indoor concentration guideline values². An in-house laboratory enables us to swiftly feed the findings from these evaluations back into our products.

Epson seeks to deliver safe, secure printers, projectors, and other products by verifying that releases from these products meet Epson's strict, independent standards that exceed the rigorousness of the Health, Labor and Welfare Ministry's indoor concentration guideline values.



Measurement of substances released by products

¹ Blue Angel, introduced in Germany in 1978, is the world's first environmental label.

² Indoor concentration guideline values are the levels of airborne chemical substances that are considered to be unlikely to have harmful personal health effects even if persons take in throughout life the substances at the indicated concentrations.

Product Information Security Initiatives

Once reserved for laser, business inkjet, and other office printers, network connectivity is now routinely provided with home inkjet printers and other consumer devices, which can be accessed via wireless LANs, smartphones, tablets, and other Wi-Fi-capable equipment. Network connectivity is a great convenience, but it also exposes users to security risks, such as cyber-attacks that could lead to the destruction of data or the theft of confidential information by persons or organizations who exploit network device software vulnerabilities³.

To ensure the security of Epson products, Epson evaluates the vulnerability of embedded software, printer drivers, and other software based on information security requirements included in the Epson Quality Standard (EQS). Requirements for web services such as Epson Email Print were also included in the EQS, in 2012.

³ Software vulnerabilities are system flaws or design problems that hackers or other cyber-criminals can use to hijack a computer, network, or other information system or to steal or alter confidential information.

Customer Commitment

Universal Design

Approach to Universal Design

Seiko Epson recognizes the importance of providing products and services that reflect universal design principles so that consumers of all ages, genders, nationalities, and abilities and so forth can use them. We try to make our products accessible to the widest possible audience by exercising the utmost care from the development stage to design products that anyone can easily use.

Universal Design within Epson

Internal Guidelines

Epson has prepared two sets of written guidelines that describe universal design and color universal design features that must be incorporated into our products and services to help ensure the widest possible product accessibility. We make sure that our products reflect universal design principles by using a process to verify that universal design elements are incorporated in each step of the product commercialization process, from planning and design to manufacturing.

Internal Monitor Program

Seiko Epson invites employees and members of their families to participate in a monitor program. Registered monitors evaluate product usability and design from an ordinary user's perspective.

In FY2021, we had 206 registered monitors and asked them to evaluate the products prior to release, including printers, projectors, and wearables, to identify things such as product operability, visibility, and receptiveness.



Some of Epson's Universal Design Features

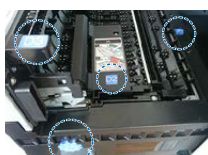
To enable anyone anywhere to operate our products, we decide the configuration of operating panels as well as dimensions, colors, textures, and markings based on data about usage environments and usage applications. We try to maximize the ease with which each product can be handled.

High-Speed Linehead Inkjet MFPs

- The tilt of the control panel can be adjusted for clear viewing by people in wheelchairs and people of any height.



- Different colors are used for internal items such as levers, instruction labels, and edge guides to increase visibility.



- Fin-shaped projections on the paper output tray make it easier to pick up sheets.



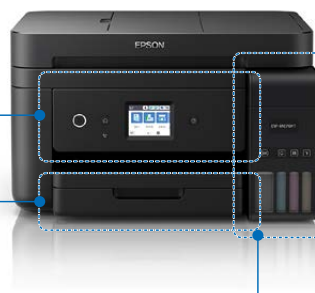
- Components move lightly and can easily be operated with one hand.

High-Capacity Ink Tank MFPs

- A movable control panel was used to accommodate different vantage points and operating methods.



- Easy-to-see, simple icons make setting paper intuitive.



- The amount of remaining ink is easy to check with front-loading ink tanks and ink windows that repel moisture.



- A unique tank inlet and bottle spout design for each color of ink prevents misfilling.

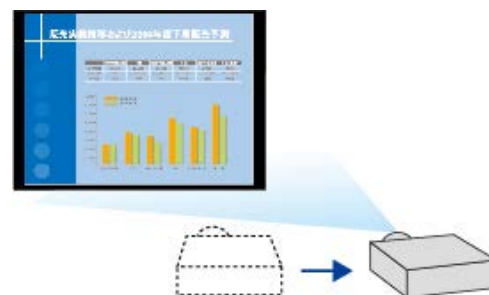


- Simply insert the spout of an ink tank and wait for the cartridge to automatically finishing refilling. No ink-stained hands, no hassles.

Automatic Keystone Correction for Quick Set-Up (Business Projectors)

Projectors produce vertically or horizontally distorted (“keystone”) images when they are set up at an oblique angle to the screen for some reason. These keystone effects need to be corrected by pressing a button.

Epson’s EB-1795F business projector has one-touch image position and adjustment features that enable even novice users to effortlessly align images so that they sharp and clear. By eliminating troublesome and time-consuming set-up, we have enabled anyone to smoothly prepare a projector for business meetings.



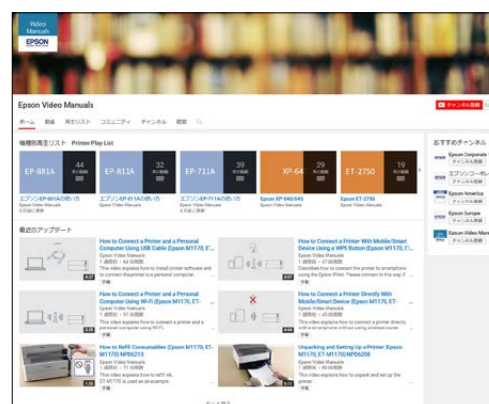
Easy-to-Follow Video Manuals

In 2013, Epson began uploading PC- and smartphone-accessible video manuals to YouTube to provide Epson printer users with easy-to-understand guides for using their products.

First-time users of a product, even if they are used to operating earlier Epson printers or printers from other companies, can get lost even after reading the manual because of difficulty in intuiting or imaging new operating procedures. Providing them with a video-based simulated experience can enable them to smoothly operate their actual product and facilitate understanding of instructions in the manual.

You can access the Epson Video Manuals channel at the following link:

<https://www.youtube.com/channel/UCc9-a3II0xcXQRuZFjYATpg>



* The video above was provided using the service of YouTube™. YouTube™ is a trademark of Google Inc.

Color Universal Design

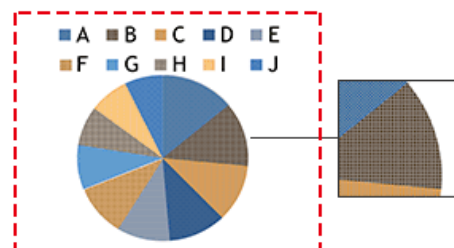
We are also employing color universal design¹ principles to create products, manuals, and software that are easy to use for people with various forms of color vision deficiency or color blindness.

¹ Designs that use color in a way that enables information to be clearly conveyed to the widest possible audience, including people who see color differently (such as people with congenital color blindness, cataracts, or glaucoma).

Improving Visibility with Color Universal Design

Epson business printers are equipped with a color universal design function² that adds underlines or textures to text that requires emphasis and that converts the colors in graphs to corresponding patterns to make them easier to distinguish for people who see color differently.

² This technology was developed based on Epson's own criteria and does not guarantee visual accessibility to all.



Colors on Control Panel LCDs, LED Lamps, and Buttons

Large Format Printers

Blue LEDs are used for power buttons, and high-brightness orange LEDs are used for warning lamps. Universal design principles are also followed for colors used for on-screen instructions.



Business Inkjet Printers

Epson revised the colors used for control panel buttons and lamps to ensure visual accessibility for the greatest number of people, regardless of type of color blindness.



Interactive Projectors

A color palette for people with partial color blindness is available for the Drawing toolbar in Whiteboard mode.



Supply Chain CSR

Vision

Supply Chain CSR Vision

Epson aspires to be an indispensable company, one that seeks to build mutually beneficial relationships with all its business partners, including suppliers, by asking them to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.

Epson cites “realizing responsible supply chains” as a key sustainability topic that has been mapped to the Sustainable Development Goals (SDGs) of the United Nations.

We will help to achieve the SDGs by strengthening supplier CSR activities across the entire Epson Group.

These supply chain ethics requirements are based on the Responsible Business Alliance Code of Conduct. The Responsible Business Alliance (RBA) is a supply chain alliance in the electronics industry. Epson has joined the RBA and supports the RBA’s mission and code of conduct, which consists of internationally recognized, ambitious CSR requirements covering human rights, health and safety, the environment, and ethics. The RBA Code of Conduct is regularly reviewed and revised to establish common requirements that the electronics industry should work toward together. As a regular member of the RBA, Epson is working to strengthen its supply chain CSR and is requesting suppliers to do so, as well.



Responsible Business Alliance

Advancing Sustainability Globally

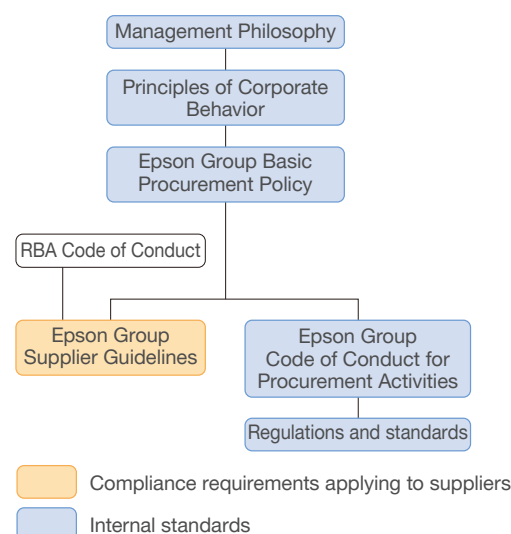
Sustainable Procurement Policy

Maintaining mutually beneficial relationships with suppliers is one of the keys to attaining the goals outlined in Epson’s Management Philosophy. This is why Epson’s Principles of Corporate Behavior states that Epson seeks to maintain mutually beneficial relationships with its suppliers, sales channels, collaborators, and other business partners, whom Epson asks to live up to the highest standards of ethical conduct while respecting their autonomy and independence.

In addition to good partnerships with suppliers, Epson’s Basic Procurement Policy requires adherence to high ethical standards and strict compliance in all supply chain operations. Further, it states that we will strive to reduce the environmental impacts of our procurement activities and always seek stable and reasonable QCD (quality, cost and delivery) from suppliers.

The Epson Group Supplier Guidelines includes a Code of Conduct pertaining to labor, health, safety, environment, ethics, and management systems. This Code of Conduct is based on the Responsible Business Alliance (RBA) Code of Conduct. Epson uses the Epson Group Procurement Guidelines to inform all suppliers about our requirements and to request their adherence to them.

CSR Procurement Policies



Supply Chain CSR Strategy

Epson has strategically established priority items for medium- and long-term objectives for supply chain CSR to realize the Epson Group Management Philosophy and Principles of Corporate Behavior. We have set two major actions: actions to ensure worker's rights and safety and actions to realize a sustainable society. Our efforts will help to achieve the targets of the 17 SDGs by 2030.

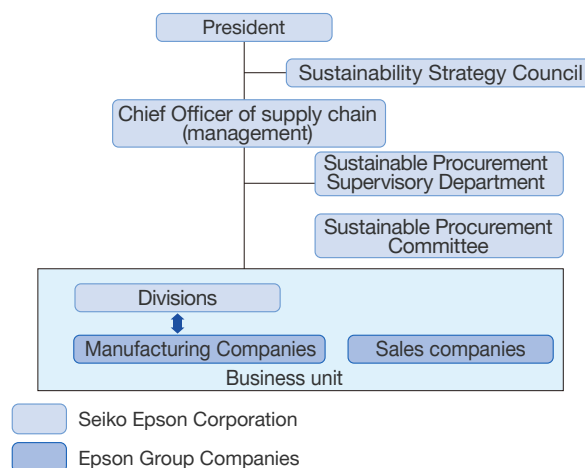


Organization

The Epson Group's global supply chain is managed to ensure sustainability and the responsible sourcing of minerals.

The Sustainable Procurement Committee is made up of personnel from all of Epson's divisions and manufacturing companies, with the department that supervises sustainable procurement at Seiko Epson providing administrative oversight. The committee discusses targets and action plans to address supply chain issues. After they are approved by the chief officer of supply chain management (SCM), the targets and action plans are communicated throughout the Epson Group. The chief officer of SCM monitors the progress of action plans, and progress is regularly reported to the Sustainability Strategy Council, a corporate management meeting that includes members of the board of directors.

Organization of Supply Chain CSR



Mid-term Target (KGI) and KPI

Epson has set mid-term objectives and major action items for each year.

Mid-term objectives (achieve by FY2025)

Supply chain CSR: Ensure that all major suppliers are ranked low risk in terms of CSR.
Responsible mineral sourcing: Make products conflict-mineral-free¹ and disclose product information

¹ Use 3TG only from RMAP smelters recognized to be conformant by the RMI

FY2021 Major Action Items, Plans, and Results

	Major Action Items, KPI	Result
1	Strengthening CSR SAQ (self-assessment questionnaire) for major suppliers 1) Major suppliers provided with feedback on CSR SAQ results: KPI 100% 2) Corrective action taken for critical items ¹ : KPI 100% improved	1) 100% 2) 100% (Critical items)
2	Strengthening conflict mineral survey 1) Elimination of non-CF certified smelters by performing due diligence 2) Collecting survey answers: KPI 100% collection	1) 100% (Asked all suppliers to use only conformant smelters) 2) Return rate CMRT: 99% ² CRT: 98% ³
3	Ensure engagement with suppliers 1) Supplier CSR communication: KPI 100% on major production sites 2) Acquire agreement to the Epson Supplier Guidelines: KPI Major suppliers 100%	

¹ Suppliers with a high human rights risk are asked to take corrective action against indicated items.

² CMRT (Conflict Mineral Reporting Template): An Excel template containing the 3TG survey

³ CRT (Cobalt Reporting Template): An Excel template containing the cobalt survey

FY2022 Major Action Items

	Major Action Items, KPI
1	Strengthening the detailed CSR evaluation (due diligence) 1) CSR SAQ results: high risk 0%, middle risk: 6% or less 2) Completion rate of risk mitigation activities for specified priority items: 100%
2	Strengthening conflict mineral survey 1) Elimination of non-CF certified smelters by performing due diligence 2) Collecting survey answers: KPI 100% collection
3	Ensure engagement with suppliers 1) Supplier CSR communication: KPI 100% on major production sites 2) Discussions (or dialog) with suppliers on CSR: 20 companies

Supply Chain CSR

Supplier Guideline

Supplier Guideline/Epson Supplier Code of Conduct

Epson believes that to achieve the goals stated in its Management Philosophy, its suppliers must understand the Management Philosophy and comply with the Epson Supplier Code of Conduct.

The Epson Group Supplier Guidelines (now called the Supplier Guidelines) were created in 2005 to inform suppliers about Epson's procurement policies and requirements. In 2008, the Epson Supplier Code of Conduct was added as an appendix to the Epson Group Supplier Guidelines. Epson's Code of Conduct was based on the code of conduct created by the Electronic Industry Citizenship Coalition (EICC), now called the Responsible Business Alliance (RBA).

The Epson Group Supplier Guidelines reflect international requirements. They are intended to help ensure that our suppliers work with us as partners to meet quality, cost, and delivery (QCD) obligations and maintain compliance with requirements in areas such as human rights, labor, health and safety, environment, ethics, and trade control and security, as well as information security. The content is periodically revised to maintain consistency with the latest RBA Code of Conduct.

Over the 17-year history of the Guidelines, we have asked all suppliers to comply with the requirements and have asked our major direct suppliers of production materials to sign a formal agreement.

As a member of the RBA, Epson is working to improve CSR across the supply chain.

Requirements Under the Supplier Code of Conduct

The Epson Supplier Code of Conduct, which is part of the Epson Group Supplier Guidelines, is based on the RBA Code of Conduct. It specifies supply chain requirements in the areas of labor, health and safety, environmental, ethics, and management systems.

The RBA requires compliance with local law, as well as compliance with RBA requirements when RBA requirements and standards are stricter than local law. This idea ensures a high level of control regardless of the legal requirements and standards of the countries and regions in which the supplier is located, and regardless of the labor practices of the area.



A. LABOR (Human rights)	B. HEALTH AND SAFETY
A1 Freely Chosen Employment (e.g., prohibiting forced labor) A2 Young Workers (prohibiting child labor) A3 Working Hours (maximum working hours, holidays, voluntary overtime) A4 Wages and Benefits A5 Humane Treatment A6 Non-Discrimination/Non-Harassment A7 Freedom of Association	B1 Occupational Safety B2 Emergency Preparedness B3 Occupational Injury and Illness B4 Industrial Hygiene B5 Physically Demanding Work B6 Machine Safeguarding B7 Food, Sanitation and Housing B8 Health and Safety Communication
C. ENVIRONMENT	D. ETHICS
C1 Environmental Permits and Reporting C2 Pollution Prevention and Resource Reduction C3 Hazardous Substances C4 Solid Waste C5 Air Emissions C6 Materials Restrictions C7 Water Management C8 Energy Consumption and Greenhouse Gas Emissions	D1 Business Integrity D2 No Improper Advantage D3 Disclosure of Information D4 Intellectual Property D5 Fair Business, Advertising and Competition D6 Protection of Identity and Non-Retaliation D7 Responsible Sourcing of Minerals D8 Privacy
E. MANAGEMENT SYSTEMS	
E1 Company Commitment E2 Management Accountability and Responsibility E3 Legal and Customer Requirements E4 Risk Assessment and Risk Management E5 Improvement Objectives E6 Training	E7 Communication E8 Worker Feedback, Participation and Grievance E9 Audits and Assessments E10 Corrective Action Process E11 Documentation and Records E12 Supplier Responsibility

Supply Chain CSR

Supply Chain Initiatives

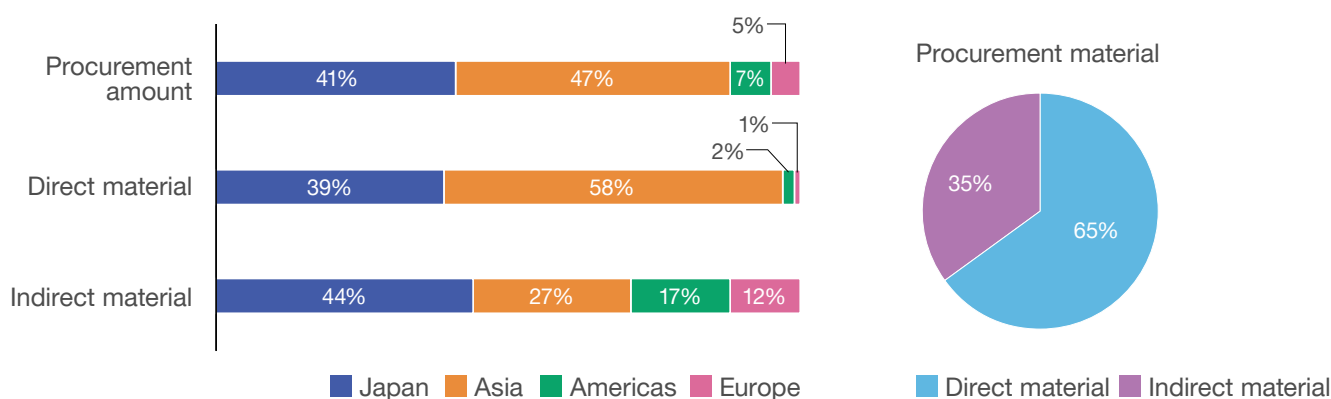
Supply Chain Overview

Epson considers suppliers to be important partners in its business activities. As such, our procurement activities are designed to develop mutually beneficial trusting relationships with our business partners based on fairness, transparency, and respect.

Epson procures goods and services from all over the world. Domestic Japanese procurement accounts for about 41% of our total procurement spend. Asia accounts for the large majority of the remaining 59%.

Our procurement spent for direct materials (production materials and outsourced manufacturing) accounts for about 65% and indirect materials (including factory consumables, machinery, public relations, logistics, and staffing) for about 35%. Epson has business with 1,700 direct material suppliers mainly in Asia where our main manufacturing sites are located, and about half of our indirect materials spend is in Japan.

Procurement Over View



Supplier Evaluation Program

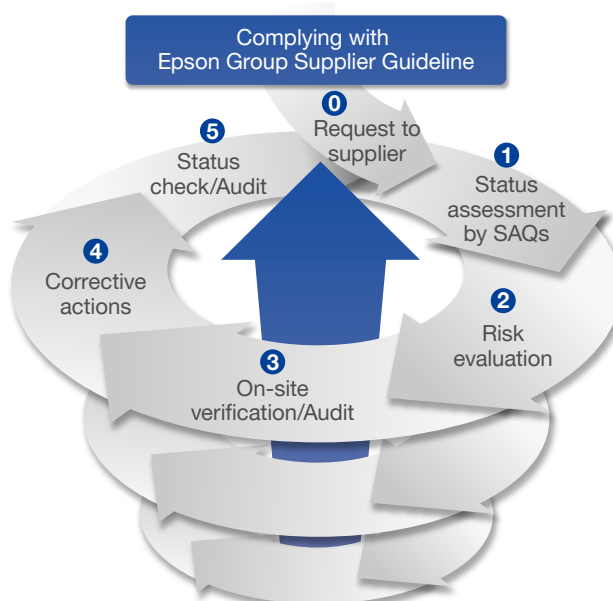
Epson evaluates all suppliers, both direct materials suppliers and indirect materials suppliers. Suppliers are evaluated from multiple angles on the basis of a supplier evaluation program. The program consists primarily of an indirect evaluation and a direct evaluation (periodic evaluation). The indirect evaluation is based on information from a credit investigation service. The direct evaluation is a self-check that suppliers do to evaluate their own QCD and other performance metrics.

Epson Group Supplier Evaluation Program	Evaluation Frequency
Indirect evaluation Evaluation based on information from a third-party credit investigation Evaluation items: Credit score, business history, capital composition, business size, profit/loss, financing status, management, etc.	Twice per year
Direct evaluation (Annual evaluation) Self-assessment of QCDEM Evaluation items: Quality management (Q), cost management (C), delivery management (D), environmental management (E) and business management (M)	Once per year
Detailed CSR evaluation Self-evaluation and check of compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) Evaluation items: Labor, safety and health, environmental, ethics, management systems	Once per year
Evaluation of emergency response capabilities Self-assessment of ability to respond in the event of a natural disaster, fire, or other emergency. Evaluation items: Management attitudes, risk countermeasures, ability to respond to emergencies, recover from disasters, continue supplying goods, maintain procurement, and manage inventory, etc.	Once per year
Safety management evaluation Self-assessment of response to fires and other emergency risks Evaluation items: Management of electrical hazards, hazardous materials, fire prevention, etc.	Once per year

Socially Responsible Procurement Program

Epson's socially responsible procurement program is an annual cyclical activity. It consists of steps in which we ask suppliers to comply with Epson's Supplier guideline and complete self-assessment questionnaires (SAQ). Epson then analyzes and evaluates risks, verifies the facts on site or audits certain high-risk suppliers, and supports and works with suppliers on corrective actions.

Socially Responsible Procurement Program



Direct Evaluation (Annual Evaluation)

All suppliers are required to complete an annual self-assessment. They are asked questions in the categories of quality, cost, delivery, environment, and management systems. Management system questions include the management of hazardous substances in products, the handling of personal data, and compliance with legal requirements concerning things such as international trade control and bribery. Suppliers that receive a score of 60 points or less in the evaluation are considered to be high risk. Epson will be forced to discontinue business with suppliers that do not demonstrate improvement.

Section	Number of questions
Q. Quality	12
C. Cost	5
D. Delivery	5
E. Environment	5
M. Management system	15
Total	42

Prospective new suppliers are also required to complete the self-assessment. Transactions with those that receive a score of 70 points or less are permitted on the condition that corrective action is taken to resolve noncompliance.

We concurrently survey suppliers to check their information security and defenses against the recent global surge in cyberattacks and information leaks.

Direct Evaluation Results

	FY2019	FY2020	FY2021
Number of suppliers	942	902	959
Number of accounts	1,525	1,440	1,572
% of completed the self-assessment	100%	100%	100%

Detailed CSR Evaluation

The detailed CSR evaluation is a part of Epson's supplier CSR due diligence program. Every year, Epson evaluates supplier compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) based on a detailed self-assessment questionnaire (SAQ). Suppliers are asked to take corrective action, depending on the results of the SAQ. We also have a process for verifying supplier answers via audits, field checks, and direct questioning.

Each supplier chooses and answers an SAQ from either RBA online or an SAQ prepared by Epson that is based on the site audit standards of the Responsible Business Alliance (RBA). The Epson SAQ is designed to thoroughly check labor conditions (respect for human rights) and has many questions in the labor section.

As a regular member of the RBA, Epson asks major suppliers (direct material suppliers, on-site service vendors, and HR agents) to complete an SAQ every year.

Suppliers who are deemed high risk are audited in accordance with RBA standards and asked to take corrective action as needed.

Composition of Questions on the SAQ (2021)

Section	Scope & Number of questions	
	Direct supplier	Indirect material supplier
A. Labor (human rights)	40	37
B. Health and safety	29	9
C. Environment	12	-
D. Ethics	13	8
E. Management system	15	9
Total	109	63

Risk Rank by SAQ

Risk rank	Score	Remarks
Low risk	86-100 pts.	> Suppliers who comply the requirements of RBA Code of Conduct.
Medium risk	66-85 pts.	> Suppliers who do not meet some of the requirements of RBA Code of Conduct but are expected to take corrective action themselves if needed.
High risk	65 pts. or less	> Suppliers who do not meet many of the requirements of RBA Code of Conduct, and need to be monitored based on an improvement plan for corrective action. > To be asked to receive RBA (VAP) audit.

In 2021, we conducted a detailed CSR evaluation of major direct materials suppliers and indirect material suppliers including on-site service vendors, HR agents and logistic warehouse operators at key manufacturing sites.

1) Major direct suppliers

- 80% of the Group-wide spend
- Selected by a business unit, including single source suppliers

2) Indirect material suppliers

(a) On-site service vendors

- Vendors on Seiko Epson and production sites, regardless of the value of transactions and number of workers.

(b) HR agencies

- Recruitment agency and HR contractors used by Seiko Epson and production sites, regardless of the value of transactions and number of workers.

(c) Logistics warehouse operators

- Warehouse operators at Seiko Epson and production sites, regardless of the value of transactions and number of workers

Direct material suppliers

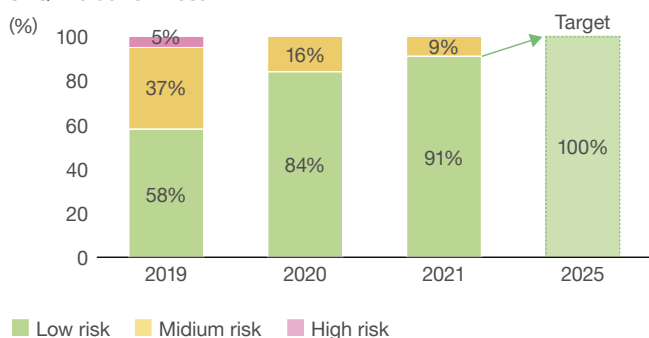
In 2021, we asked 297 critical Tier 1 direct material suppliers to complete the SAQ (Self assessment questionnaires). We received completed questionnaires from 293 of them (497 facilities). We also asked Tier 2 suppliers to complete the SAQ when the Tier 1 supplier was a trading company.

Epson provides suppliers and vendors with their SAQ score as well as with feedback, including advice on corrective actions. We monitor the progress of critical corrective action items.

SAQ Evaluation Results (Direct material suppliers)

	2019	2020	2021	
Number of evaluated suppliers	312 Suppliers (358 sites)	222 Suppliers (391 sites)	293 Suppliers	
			Epson SAQ (427 sites)	RBA SAQ (70 sites)
Mid-term target (by FY2020)	● Previous target: % of high-risk suppliers: 0% Achieved in FY2020 ● Current target: All major suppliers are ranked low risk in terms of CSR by 2025.			
Low-risk (> 85 pts.)	58%	84%	91% (443 sites)	
Medium-risk (66-85 pts.)	37%	16%	9% (53 sites)	0% (1 sites)
High-risk (=< 65 pts.)	5%	0%	0% (0 sites)	0% (0 sites)

SAQ Evaluation Result



Example of SAQ answer (FY2021)

- Priority: Using child labor (0%, 0 site)
- Priority: Using slavery labor or forced labor (0%, 0 site)
- Worked for 7 consecutive days or more (9%, 40 sites)
- Working hours exceed the maximum of 60 hours a week (21%, 91 sites)
- Delayed payment of wages (0%, 0 site)
- Evacuation drills were not conducted once a year (1%, 3 sites)
- Suitable PPE was not provided free of charge (0%, 1 site)
- Safety measures for pregnant and nursing mothers were insufficient (10%, 44 sites)
- Clean accommodation for nursing mothers was not provided (14%, 61 sites)

* We ask suppliers who have problems and/or issues to take corrective actions.

Indirect material suppliers

Service vendors are essential business partners for running our production operations, so Epson requires them to understand and follow the RBA code requirements. Since 2019, we have asked our major indirect material suppliers, including on-site service vendors, HR agents, and logistics warehouse operators, to complete the SAQ and take corrective action depending on the SAQ results.

In addition to the SAQ, we conduct audits to check the working environment and employment conditions of on-site service vendors, and we request improvements where needed. We provide support until we can verify that issues found in areas such as long working hours, granting time off, consecutive days worked, and paying appropriate overtime have been corrected. SAQ scores have risen because of these efforts.

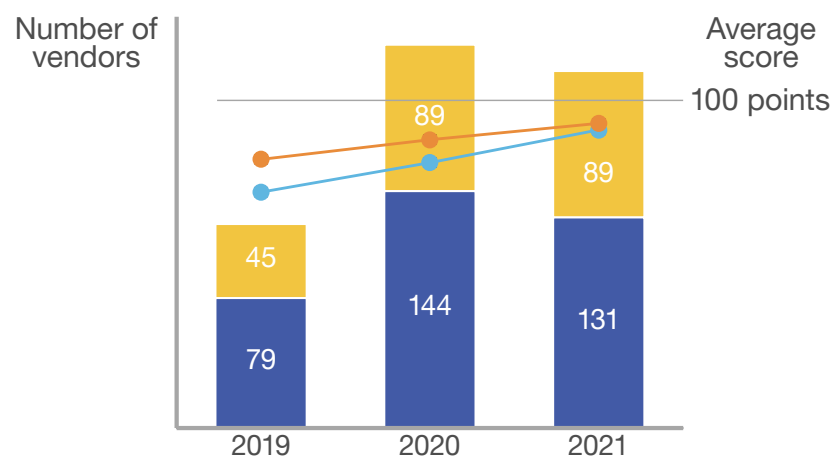
In 2021, we received a completed SAQ from all 220 companies with operations at Seiko Epson plants and offices and at Epson's key production sites.

SAQ Evaluation Result (Indirect material suppliers)

Type		2019		2020		2021	
		Number of vendors	SAQ average score	Number of vendors	SAQ average score	Number of vendors	SAQ average score
On site service vendor	Security	7	85	15	84	15	92
	Canteen	12	71	18	78	13	89
	Cleaning	10	78	16	77	13	89
	Facility maintenance	6	84	15	83	16	88
	Others	44	78	80	82	71	92
	Total	79	78	144	81	128	91
Logistics warehouse operators*				*	*	3	91
HR agencies		45	82	89	88	89	93

* 2020 results are included in the on-site service vendors category, under "Others."

SAQ Evaluation Result



Number of vendors ■ Vendors & Warehouse operators ■ HR agent
SAQ average score — Vendors & Warehouse operators — HR agent

Audits, on-site verification, and corrective action support

Epson supports the corrective action efforts of high-risk and medium-risk suppliers.

Epson schedules field audits and on-site verification primarily of major suppliers because it believes that it is important, as part of the detailed CSR evaluation due diligence process, to understand the situation. Since 2020, COVID-19 has made it difficult to travel to suppliers' production sites, so we have been performing checks online and doing additional follow-up verification of SAQ answers. We provide corrective action support to at-risk suppliers.

Third-party audits

As a regular member of the RBA, Epson is required to have suppliers that are found to be high risk based on the SAQ undergo a third-party audit (compliant with the RBA's VAP audit). In 2020, no third-party audits were performed, since, in addition to the effects of Covid-19, no suppliers were found to be high risk.

Again, in 2021, no supplier was deemed to be high risk based on the SAQ, so Epson did not ask any supplier to undergo an RBA (VAP) audit. However, the number of suppliers that voluntarily undergo RBA (VAP) audits is growing.



Initial audits often reveal issues in the areas of labor (human rights) and health and safety. We monitor whether suppliers are correcting issues by means of corrective action plans (CAP) and closure audits. Labor (human rights) and health and safety are areas where we are stepping up our supplier CSR initiatives.

* As a regular member of the RBA, Epson is obligated to ask high-risk suppliers to undergo an RBA (VAP) audit.

Second party audits, on-site verification, and support for corrective action

For suppliers that are not asked to undergo a third-party audit, Epson manufacturing company staff members visit their sites to verify conditions on-site and help them improve. Through these activities, we not only help them address CSR issues but also support them when they struggle in other areas, such as in introducing fire prevention measures or establishing business continuity plans.

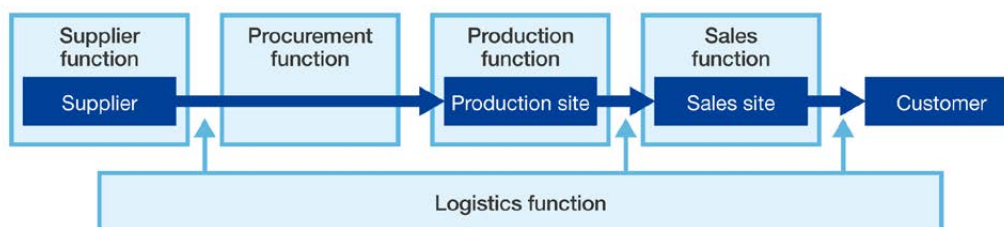
For on-site service vendors, Epson employees conducted a second-party audit to improve the working conditions by, for example, closely monitoring working hours, granting time off, paying appropriate overtime, and ensuring that workers are not made to pay hiring fees.

Audit and On-Site Verification (number of facilities, Japan and other areas)

Audit/Verification		2019	2020	2021	
3rd party audit	Initial audit	1	1	0	
	Follow up audit	-	1	0	
RBA (VAP) audit	Initial audit	16	9	16	
	Closure audit	8	7	6	
2nd party audit, on-site verification		248	323	218	
				Direct supplier	163
				Indirect supplier	55

Supply Chain Business Continuity Management

Epson promotes business continuity management (BCM) across the supply chain to ensure that it is able to fulfill its delivery commitments to customers by restoring supplies within a target recovery time in the event of a disaster, accident, epidemic, or other disruption.



Evaluation of Emergency Response Capabilities

As part of our supply chain BCM program, we ask suppliers to manage their own business continuity so that supplies of products we procure from them are not disrupted. We check their preparedness by having them periodically complete a self-evaluation of their ability to respond to emergencies, and we provide them with feedback on the results as well as with any support they need to make improvements.

Result of Emergency Response Capability Evaluation

	FY2019	FY2020	FY2021
Suppliers asked to complete an evaluation	1,336	1,465	1,233
Suppliers who completed the evaluation (Sites that completed the evaluation)	1,127 (1,934)	1,245 (1,941)	1,154 (1,879)
Completion rate	84%	85%	94%

* Up to FY2020, we only provided data on the number of sites. This year we broke the data down into number of companies and number of sites to provide a clearer picture.

Safety Management Evaluation

Epson also conducts an annual safety management evaluation to evaluate the ability of suppliers to respond in the event of a fire or other emergency. After suppliers conduct a self-assessment covering things such as electrical hazards, hazardous materials, and fire prevention, members of Epson's safety management staff verify their answers on-site and discuss corrective actions.

Result of safety Management Evaluation

	FY2019	FY2020	FY2021
Suppliers asked to complete an evaluation	1,402	1,384	1,245
Suppliers who completed the evaluation (Sites that completed the evaluation)	1,190 (2,139)	1,083 (1,805)	1,184 (1,930)
Completion rate	85%	78%	95%

* Up to FY2020, we only provided data on the number of sites. This year we broke the data down into number of companies and number of sites to provide a clearer picture.

Human Rights Initiatives

Epson has declared in its Human Rights Policy that both Epson and its suppliers shall respect human rights. The policy also states that we shall observe the United Nations Charter of Human Rights and principles of conduct relating to business and human rights. Moreover, we support the purpose of the RBA and, as a member, we seek to ensure that our suppliers also comply with the RBA Code of Conduct.

Through these initiatives, we aim to ensure that workers' rights are respected throughout the Epson product supply chain, and we have a program that covers the entire supply chain and includes the following:

1. Fostering an understanding of human rights and requirements (conferences and education)
2. Making suppliers aware of the need to implement a human rights program
3. Checking of human rights performance via self-assessments and audits
4. Requesting corrective action where needed

To foster understanding of human rights, we ask suppliers to read the Epson Group Supplier Guidelines. We also hold supplier conferences and human rights seminars that many suppliers attend.

A self-assessment questionnaire (SAQ) is used to ascertain how closely suppliers are adhering to the RBA Code of Conduct in the areas of human rights. We provide feedback to each supplier site regarding issues that need to be addressed, and we request that they take corrective action.

The RBA Code of Conduct (the RBA CoC) covers a wide range of human rights issues, particularly the Labor section. Taking into account the ILO core labor standards and the principles of the United Nations Global Compact, we have identified the following priority human rights issues and have made improvement in these areas mandatory:

- Child labor (A2 in the RBA CoC)
- Forced labor (A1 in the RBA CoC)
- Suitable working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA CoC)
- Proper payment of wages (payment of the legal minimum wage and overtime, and timely payment of wages) (A4 in the RBA CoC)
- Humane treatment (no harassment) (A5 in the RBA CoC)
- Non-discrimination (A6 in the RBA CoC)
- Freedom of association and the right to collective bargaining (A7 in the RBA CoC)
- A safe and healthy work environment (B. Health and Safety in the RBA CoC)

When we become aware of a human rights issue through an audit or a report by a whistleblower employed by a supplier, we provide support until the issue is resolved. Issues have been resolved in cases involving things such as working hour records, payment of overtime and holiday allowances, and granting of time off.

Epson encourages the reporting of human rights issues so that it can provide relief and protection to suppliers and their employees.

Supply Chain Environmental Initiatives

Epson is pursuing ambitious environmental initiatives under the Epson 25 Renewed corporate vision. We are looking to decarbonize and close the resource loop. We are also developing environmental technologies and providing products and services that reduce environmental impacts. Reducing the environmental impact early in the life cycle, at the procurement stage, is a particularly important issue, and one that Epson is addressing in cooperation with suppliers.



GHG Emissions Targets

Epson has set greenhouse gas (GHG) emissions targets in line with an approach championed by the Science Based Targets initiative (SBTi). The SBTi has validated Epson's 2025 targets for scopes 1, 2, and 3 GHG emissions measured in accordance with the GHG Protocol. Epson's validated target for scope 3 emissions, which are emissions from an organization's value chain, is to reduce GHG emissions as a percentage of business profit out to 2025.

Epson joined the international initiative RE100, which aims to drive a transition on the part of corporations to the use of 100% renewable electricity for their business activities by 2050, and we have set a goal of switching to 100% renewable energy to meet the electricity needs at all Epson Group sites¹ around the world by 2023. In the future, we will switch to a more ambitious reduction target that is in line with the 1.5°C scenario and will endeavor to reduce emissions throughout the supply chain.

¹ Excludes some sales sites and other leased properties

Response to Climate Risk

There is a shared global awareness that climate change poses serious and urgent business risks that must be addressed. Epson has suppliers across Asia, including in Thailand, where severe floods are a regular occurrence, and in China, where there is high potential water risk. Epson recognizes that interrupted or delayed deliveries from suppliers due to floods and droughts, two typical climate risks, could seriously impact the manufacture and sale of Epson products and need to be addressed to avoid inconveniencing customers.

Supplier Support Initiative

Under its supplier engagement program, Epson asks suppliers to complete a self-assessment questionnaire (SAQ). Suppliers are sorted by risk level based on their SAQ score and given feedback on the results. Epson helps high-risk suppliers improve through on-site verification and audits. Moreover, to encourage the pursuit of environmental sustainability, Epson selects the suppliers who account for 80% of the value of Epson's procurement spending and, in conjunction with a detailed CSR evaluation, asks them to report the policy and initiatives for renewable energy use, their water use, and the amount of electricity, gas, and other sources of CO₂ emissions actually consumed for parts they sell to Epson. Epson shares this data with its suppliers and engages them to help drive production line improvements that reduce the amount of electricity and water used and improvements that will reduce the environmental impact of transport.

Requests Made at the Annual Supplier Conference (April 2022)

- Decarbonization : Set GHG emissions reduction targets and implement reduction measures.(For example, reduce emissions by 4.2% a year, introduce renewable electricity)
- Closed resource loops : Evaluate products and improve processes to make use of recycled and biomass materials.
- Product substance control : Manage compliance in line with the latest version of the Epson Group Green Purchasing Standard for Production Materials.

Introduction of Environmental Management² by Suppliers

	Direct Material Suppliers
Surveyed suppliers	332 companies
Suppliers that have introduced an environmental management system	288 companies (86.7%)

* Note: The figures in the table represent only the direct material suppliers of Seiko Epson, who were evaluated on the annual evaluation program in 2021.

² Environmental management systems such as those prescribed by ISO 14001, Ecostage, EcoAction 21, etc.

Partnerships with External Organizations

In addition to our own initiatives, Epson supports and actively participates in alliance activities in order to resolve CSR issues, including human rights issues in the supply chain. We have joined the RBA and JEITA to work on solving social issues around the world and improving supply chain CSR through industry collaboration.

【Global initiative】

- Responsible Business Alliance (RBA) regular member



Responsible Business Alliance

Advancing Sustainability Globally

【Domestic Japanese industry initiative】

- The Japan Electronics and Information Technology Industries Association (JEITA), CSR Committee

Example activities:

Issuing and promoting the Responsible Business Conduct Guideline

Study of human rights due diligence and grievance mechanisms

Study of the global regulatory situation

Supply Chain CSR

Communication and Training

Communications with Suppliers

Annual Supplier Conference

In addition to its commitment to delivering quality products, Epson believes that maintaining human rights, labor standards, and environmental conservation throughout its entire supply chain is an important part of its corporate responsibility. Epson therefore considers all suppliers to be important business partners.

Epson engages its suppliers throughout the year in many forms and at many different levels. An annual supplier conference is held in Japan as a top-level event at which we explain our procurement policies. We provide suppliers with an overview of our operations and share with them our important policies.

Epson's president and executive officers explain the company's policies and the business policies. The executive in charge of procurement requests that suppliers practice socially responsible procurement, take steps to cope with challenges in procuring chips and other electronic parts, and strengthen their business continuity management. Many suppliers attend this event every year.

Since 2021, the conference has been held online due to Covid-19, but prior to that it served as a valuable opportunity for meeting and speaking with suppliers directly.

Supplier Conference for CSR

At an annual socially responsible procurement supplier conference (held since 2016), we talk about CSR trends and our socially responsible procurement activities. We also ask our suppliers to engage with us in our efforts. Suppliers attend the conferences held at Epson manufacturing sites in Japan, China, and Indonesia.

At the conference, we ask suppliers to comply with our Sustainable Procurement Policy and the Epson Supplier Guidelines. We provide guidance for completing self-assessment questionnaires (SAQ) used to evaluate suppliers' CSR efforts and emergency response capabilities. We also ask suppliers to cooperation in conflict mineral surveys. Furthermore, due to the impact of natural disasters and infectious diseases on procurement and logistics in recent years, we remind suppliers of the importance of business continuity management.

	Area				Total number of attended companies
	Japan	China	Indonesia	Others	
FY2019	510	58	193	63	824
FY2020	764	77	17	40	898
FY2021	550	22	145	97	814

Human Rights Seminar for Suppliers

In addition to explaining social demands and RBA requirements at supplier conferences for CSR, we also hold seminars and conferences to provide further detail and ask for cooperation. Many suppliers attend these events every year.

Epson believes that it is important for suppliers to take the initiative in launching their own CSR programs based on a solid understanding of the reasons for them. We see human rights as a priority issue-and one in which the expectations of society are rapidly evolving. We therefore hold seminars taught by outside consultants to provide suppliers with expert information.

FY2021	Human rights seminar and SAQ briefing
FY2022 (plan)	Human rights seminar, SAQ briefing, conflict minerals survey conference

Whistleblowing System for Suppliers

Epson has established compliance hotlines as grievance mechanisms that suppliers can use to report or discuss violations or potential violations of legislative requirements and the Epson Group Supplier Guideline. These hotlines are being used to further promote ethical corporate conduct, so we encourage their use. Reports may be made anonymously, and whistleblowers shall be protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson's internal regulations.

Suppliers can use the hotlines to report:

- real or suspected misconduct or legal, regulatory, or ethical violations relating to Epson's operations or involving Epson officers or employees;
- ideas or complaints relating to health and safety; and
- concerns relating to conflict minerals

How to report:

- For suppliers in Japan
- For suppliers of Epson group companies outside Japan: Use the comments/opinions box located in the facility or refer to the facility's supplier guidelines to learn about other reporting channels.

Internal Training

The Epson Group's Management Philosophy champions respect for the individual and teamwork. Principles of Corporate Behavior, meanwhile, outlines conduct for creating a corporate culture by fostering employee independence and confidence through professional development. We believe it is particularly important to understand legal and other requirements to ensure compliance and sustainability in procurement. Epson thus provides general procurement training for all employees, as well as courses tailored to the needs of procurement staff.

Procurement Compliance Seminar (Japan domestic)

Procurement Compliance Seminar

Course	Description	For		FY2019	FY2020	FY2021
Procurement compliance seminar			Achieved rate by persons	71%	75%	82%
Procurement compliance seminar	1. CSR/SDGs and procurement 2. Code of conduct for procurement 3. Laws and regulations 4. Operation process 5. Case studies	New procurement staff	Target			
			Persons	830	600	400
			Result			
			Persons	719	533	522
Procurement compliance seminar (updated)	1. CSR/SDGs and procurement 2. Law and regulations 3. Case studies	Procurement staff, every 5 years	Target			
			Persons	2,700	3,149	2,470
			Result			
			Persons	1,783	2,272	1,840

Basic online course

Description	For		FY2019	FY2020	FY2021
1. Code of conduct 2. Laws and regulation, case studies	All Epson personnel, staffing agency employees, and other partners	Achieved rate by persons			
		Target	90%	92%	90%
		Result	96%	95%	91%

RBA (Supply Chain CSR) Professional Training (Worldwide)

Epson provides professional training for procurement staff to manage supplier CSR. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standards, including A. Labor, B. Health and Safety, C. Environment, D. Ethics, and E. Management Systems. Some programs are conducted by outside consultants.

Course	Description
RBA seminar (101)	General training course regarding the RBA Code of Conduct and RBA system
RBA seminar (Advanced)	Professional training course regarding the RBA Code of Conduct and detailed requirements concerning labor, health and safety, environment, ethics and management system
Workshop for RBA (VAP) audit	Workshop training for implementing RBA requirements and preparing for an RBA (VAP) audit
CSR auditor training for supplier audit	Internal auditor training for supplier onsite audit
Worker interview training for supplier audit	Internal auditor training for supplier onsite audit
RBA Fundamentals (online course)	General training in the RBA Code of Conduct and RBA system (for all Epson group employees including procurement staff)
Responsible sourcing of minerals training	General training course regarding responsible sourcing of minerals (requirements of D7 in the RBA Code of Conduct) and expert training focused on surveys.

Supply Chain CSR

Responsible Sourcing of Minerals

Responsible Minerals Sourcing

Policy for High Risk Minerals

Where minerals such as tin, tantalum, tungsten, gold (3TG) and cobalt are mined in conflict-affected or high-risk areas such as the Democratic Republic of Congo (DRC) and adjoining countries, the revenue from the mining and trading of these minerals is a source of funding for armed groups and anti-government forces carrying out atrocities and human rights abuses. Minerals sourced from such conflict-affected or high-risk areas have the potential to promote conflict, human rights violations and environmental degradation.

Epson considers mining to be an intensive process involving social and environmental risks, and believes the mining of metals and minerals, including conflict minerals (3TG) and cobalt mined in the DRC, as well as other minerals mined in other regions, must be managed.

Epson's policy is that we want no part in any human rights violations or environmental destruction. While sourcing minerals that originate in conflict-affected or high-risk areas, we will not, by any means, tolerate, knowingly profit from, contribute to, assist with or facilitate the commission by any party of any form of human rights violations or abuses, or support operations that result in the degradation of socioeconomic and environmental stability.

Management recognizes that responsible mineral procurement is a social issue that needs to be addressed. Epson has thus declared its commitment to responsible mineral sourcing in the Principles of Corporate Behavior, Epson's corporate code of conduct. Moreover, as a member of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), we require our suppliers to adhere to this policy and expect them to support and promote compliance within the supply chain. We also ask them to understand and comply with the Epson Group Supplier Guidelines and the Epson Supplier Code of Conduct (RBA Code of Conduct). In 2020 and 2021, Epson had direct material suppliers submit an agreement letter stating that they would comply with responsible mineral sourcing requirements and cooperate in a conflict minerals survey.

Responsible Minerals Survey Program

Epson recognizes that the responsible sourcing of minerals is an important societal issue that it should address. To ascertain whether minerals are being sourced responsibly throughout the supply chain, Epson has established a survey system as stated in Principles of Corporate Behavior. The nature of actions to be taken are set forth in Key Sustainability Topics. Policies and results are discussed and reported at meetings of the Sustainability Strategy Council, a corporate management meeting that includes members of the board of directors.

Epson also established the Epson Group Responsible Minerals Survey Standard to use as a guide for conducting surveys throughout Epson's supply chain to check that Epson products contain responsibly sourced minerals. This standard is based on the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD).

Using the Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT, to be called the Extended Mineral Reporting Template, or EMRT, from 2022) provided by the Responsible Minerals Initiative (RMI), we identify upstream smelters and refiners of conflict minerals (tin, tantalum, tungsten, gold, and cobalt) with the cooperation of direct material suppliers. We also check the country of origin by obtaining answers about the supply chain.

We seek to source minerals only from conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP). If it is unclear whether a smelter is a CFS, Epson tries to mitigate risk by asking tier 1 suppliers to source minerals from a different supplier.

Epson also uses socially responsible procurement supplier conferences and various other opportunities at our production facility sites around the world to promote understanding of Epson policies, asks suppliers to improve survey accuracy, and shares information about trends involving prioritised minerals. Epson will continue working with suppliers to make sure that minerals used in our products fulfill the standards set in our responsible minerals sourcing policy.

To responsibly source minerals used in Epson products, our program follows a five-step framework according to the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by OECD.

STEP 1: Establish strong company management systems.

Epson has established a Group-wide policy, a supply chain due diligence program, concludes written agreements with suppliers, and has established a grievance mechanism.

STEP 2: Identify and assess risks in the supply chain.

Epson identifies and assesses risks in our supply chain by conducting surveys.

STEP 3: Design and implement a strategy to respond to identified risks.

Epson reports the results of risk assessments to the Chief Procurement Officer, discusses risk mitigation plans with tier 1 suppliers, and monitors their performance.

STEP 4: Carry out independent third-party audit of smelter/refiner's due diligence practices.

Epson uses the results of the RMI's Responsible Minerals Assurance Program (RMAP) is assessments.

STEP 5: Report annually on supply chain due diligence.

Epson discloses its due diligence status on the company's official Web site, in an annual integrated report, and in other media formats.

Target and Results

The CMRT and CRT provided by the RMI is designed to allow the selection of (1) Company-wide, (2) Product (or List of Products), or (3) User-Defined as the declaration scope. However, we ask that suppliers select Product and answer with respect to specific products that are delivered to Epson so that we can verify the smelter of the minerals included in parts and materials used in Epson products. We believe that conducting the survey in this way will enable us to identify where we should mitigate risk and lead to effective due diligence.

In 2021, Epson conducted a survey of 3TG and cobalt¹ and received completed surveys from 99% of the suppliers of parts/materials containing 3TG and 98% of the suppliers of parts/materials containing cobalt. If a smelter cannot be identified by analyzing answers received from a supplier, if there is a smelter that is not RMI-certified, or if there is a shortage of the parts subject to survey, we ask suppliers to conduct an additional, change suppliers, or take other action to mitigate risk.

Epson is not required to report to the US authorities as we are not listed in the United States, but we disclose identified smelter and refiner information.

3TG Survey Results

	FY2019	FY2020	FY2021				
			Total	Tin	Tantalum	Tungsten	Gold
Number of identified smelters ¹	344	340	416	117	44	64	181
Number of CFS ²	268	242	239	56	39	43	106
Response rate from suppliers	91%	97%	99%	-	-	-	-

¹ For information (name, country, etc.) on identified smelters, see List of the RMI-recognized smelters and refiners identified in Seiko Epson's supply chain.

² Conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP).

For detailed information on conflict minerals surveys for individual products, please contact your local Epson sales company.

Cobalt Survey Result

	FY2021
Number of identified smelters	86
Number of CFS ¹	23
Response rate from suppliers	98%

¹ Conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP).

For detailed information on conflict minerals surveys for individual products, please contact your local Epson sales company.

3TG Survey Results (for procured parts)

About 70% of the 80,000 parts and materials that were subject to the 2021 survey contained 3TG. We were able to identify that 57 percent of these (roughly 50,000 parts) were sourced from RMI-certified conformant smelters.

Providing Information and Education to Suppliers

Epson believes that responsible sourcing of minerals is an important societal issue that needs to be addressed, and since supplier cooperation is essential for achieving this, Epson strives to inform and educate its suppliers.

Throughout the year, we provide the following tools and information to ensure that suppliers always have up-to-date and easily accessible information:

- Excel Check Tool to check a smelter's or refiner's current certification information
- Certification renewal information for smelters and refiners

In addition, we analyze the answers of suppliers who complete the surveys and provide them with detailed feedback on results, indicating what might have been missing and where risk mitigation is needed.

The feedback, which is issued on each reporting template, is intended to clearly indicate where a supplier needs to exercise due diligence.

We also explain the reporting templates and provide individual support for completing them in response to requests from suppliers.

Result of Third-Party Audit

Epson receives RBA VAP audit at manufacturing site in the world.

VAP (RBA Validated Assessment Program) Audit result in 2020 and 2021, all sites comply with the standards required by the RBA on section D7, Responsible Sourcing of Minerals

Manufacturing Site	Country	Main Products Manufactured
PT. Indonesia Epson Industry	Indonesia	Printers
Epson Engineering (Shenzhen) Ltd.	China	Printers Projectors Robots
Epson Precision (Philippines), Inc.	Philippines	Printers Projectors
Epson Precision (Thailand) Ltd.	Thailand	Device products
Epson Precision Suzhou Co., Ltd.	China	Device products
Epson Precision Malaysia Sdn. Bhd.	Malaysia	Device products

Requirement of RBA Code of Conduct D7 (Responsible Sourcing of Minerals):

Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

Partnerships with External Organizations

Epson believes that, in addition to our individual efforts, it makes sense to support and participate in alliances and/or initiatives to address the issue of conflict minerals.

To promote responsible sourcing of minerals and to foster cooperation to promote activities and conflict mineral surveys in the supply chain, Epson has joined the following initiatives:

1. Global initiative

The Responsible Minerals Initiative (RMI)



2. Domestic Japanese industry initiative

The Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA).

Examples of activities: Participation in RMI, researching and sharing the regulatory situation in other countries, training and educating suppliers, encouraging RMI uncertified smelters to undergo audits, etc.

Grievance Mechanism

Epson complies with the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD) and accepts notification from suppliers concerning mineral sourcing risks.

Supply Chain CSR

Green Purchasing

Green Purchasing

The Epson Group (“Epson”) is asking suppliers who deliver parts and raw materials to Epson to cooperate in Epson’s green purchasing activities for production materials.

Introduction

Epson is committed to a policy of creating and providing earth-friendly products. The elimination of harmful substances and resource conservation are a point of emphasis for us, and we have thus made the procurement of supplies that have a lower environmental impact a priority.

Epson will continue to promote efforts throughout the supply chain to strengthen product substance assurance by tracking and controlling the use of substances in products at every stage from product planning and design to shipping and sales.

We ask for your understanding and cooperation in our efforts.

Basic Principles of Product Substance Assurance

Epson procures production materials on the basis of the following five principles:

1. Comply with applicable laws and regulations.
2. Procure materials from suppliers that can comply with conditions specified in this standard regarding banned substances (e.g., thresholds, parts and locations where substances are present, uses).
3. Procure materials from suppliers who can guarantee that banned substances are not present in their products.
4. Procure materials from suppliers who can provide data on target substances present in their products.
5. Accept goods that have been guaranteed by the supplier.

Supply Chain CSR

Paper Products Procurement

The illegal logging of forests is a very serious issue for those seeking to protect the environment on the global scale and practice sustainable forest management. Around the world, greater efforts are being made to ensure legality and sustainability during the procurement of wood products.

Epson thus manages its entire supply chain from the immediate supplier all the way back to the forest to ensure the legality, sustainability and environmental safety of the paper products we procure. We ask that suppliers understand the intent and nature of these initiatives and give us their full support.

Stance on Procurement of Paper Products

Epson has established a procurement policy for paper, the major forest product we procure. Under this policy, we adhere to the practices below that support, the social, economic and environmental sustainability of forests.

1. We make effective use of used paper and other recycled pulp.
2. When virgin is used as a raw material in paper goods we procure, we confirm its
 - legality
 - sustainability
 - chemical safety
 - environmental management

Our People

HR Development

Human Resources Strategy

Our goal under the Epson 25 Renewed corporate vision is co-creating sustainability and enriching communities to connect people, things, and information by leveraging our efficient, compact, and precision technologies and digital technologies. As such, we are pursuing a strategy covering five areas of innovation.

Epson is working to secure specialists in these five areas, especially in growth areas. We are also bolstering human resource development by giving personnel more professional education and more rapidly rotating them through jobs that will widen their knowledge and experience, then assigning these personnel to priority areas.

Epson is also actively endeavoring to create an organizational climate and workplaces that capitalize on these persons. We seek to create an organizational climate in which diverse personnel are encouraged to engage in free and open communication, thereby enhancing the quality of relationships, maximizing the power of the team, and allowing both the company and its employees to continually grow. We are also working to foster a better work environment, one that meets the needs of employees working under a variety of arrangements.

At Epson, our hope is that these efforts will enable both our businesses and our employees to grow and will realize our aim of achieving sustainability and enriching communities.

Human Resource Management

Proactive Acquisition of External Human Resources

Epson formulates a staffing plan based on a forecast of changes in the workforce structure and the workforce required to realize its business strategy. In accordance with the plan, we systematically and steadily hire new graduates and proactively recruit highly specialized mid-career talent. Epson is allocating human resources in the growth areas of printing (office, commercial, and industrial) and production systems (robotics). We are also allocating human resources in new areas, including the environmental business, environmental technology development, and sensing. DX and sales strategy execution are two other areas where staffing is being increased, as these are the foundation of management and business administration.

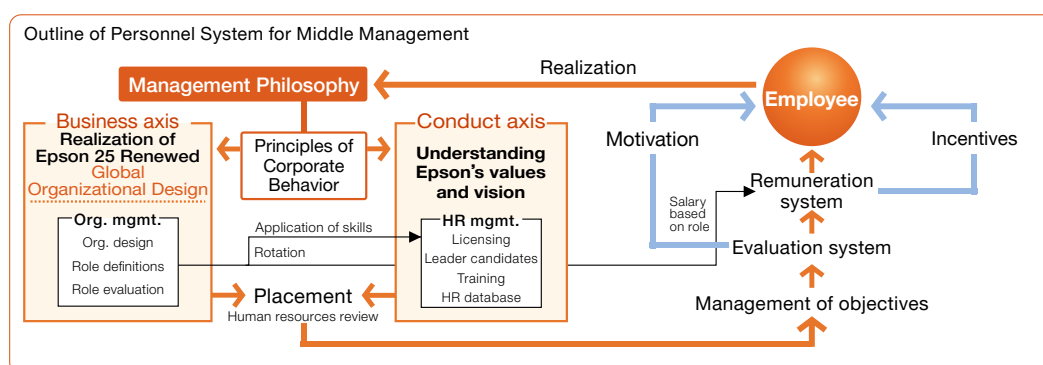
In addition to recruiting the numbers we need, we are looking to increase diversity and are actively recruiting women, seniors, persons with disabilities, and foreign nationals. We have set a hiring goal of 25% women for new graduates. Employment of foreign nationals will be examined from multiple angles. Some foreign nationals will be hired in Japan. Others may be brought over from our overseas subsidiaries. Things will be looked at from a site strategy perspective, as well. We have already transferred some printer design functions to a Group company in Indonesia.

Accelerating Rotation, Shifting Human Resources to Priority Areas, and Developing Human Resources

To realize Epson's aspirational goal of achieving sustainability and enriching communities, the company needs talented people with initiative who understand what customers need and can independently create value for them. For this, they must understand our Management Philosophy and values and must embrace our vision. They must also have a broad perspective, a high level of expertise, and the ability to respond quickly to changes. Epson has thus established an education system based on development through on-the-job training. We also provide training by echelon, as well as many types of specialized off-the-job training. Our people are also given a chance to broaden their abilities, experience, and knowledge via transfers to priority areas and job rotations. In the past, job rotations were often held up because they required management approval. Now, to facilitate job rotation we (1) allow employees to apply for job openings within the company without their manager's approval; (2) made rotation a requirement for promotion; (3) fill openings left by employees who rotated to another position; (4) added rotation-related items to management objectives and appraisals; and (5) are creating an education system for transferees. The rotation rate for FY2019 was 6%. We are working toward achieving an annual target of 15% (9.0% in FY2021).

Human Resource Review and Succession Planning

The concept of "role" is the basis for the placement of human resources and their assignment to positions. The basic approach is to design a global organization to execute business strategies, define the roles of each position within the organization, and then allocate and appoint the most appropriate people to that role. To achieve this, the company conducts an annual human resources review at each echelon of the organization to get a bird's eye view of the staffing situation, list potential successors for each position, and review their skill development needs.



HR Development

We assist employees achieve their dreams of self-fulfillment, and we develop people who connect and support all the companies in the Epson Group. We provide various trainings so that our people understand their roles and what is expected of them as members of the Epson team. Training enables them to work and communicate effectively, solve problems and achieve goals, and experience personal and professional growth.

Training System (Japan)

	Future Leader	Job/Lvl-Specific	Group-Wide	Specialist	Global	On-Site
Director		Director training				
COO	F1				GES/GIS	
GM	F2	GM training				
Manager		Manager training				
		Management practices	Problem solving skills	Human skills	Compliance	Specialist job training
Senior Staff	F3	AM/OL training				
		Senior staff training				
C-Level		C-level training				
New Hire		New hire				

* F1/ F2/ F3: Future leader training

* AM: Assistant manager, OL: On-site leader

Approach

A feature of human resource development at Epson is that we provide level-based group training at every juncture along the career path, from entry level jobs through management, and give employees a chance to put into practice on the job the knowledge they acquire.

After completing group training, new hires undergo a one-year practicum. Other employees who complete other group trainings undergo a three-month practicum. During the practicum, employees prepare action plans based on what they learned and put these plans into action on the job under the supervision of their supervisors, thus enhancing their ability to use the knowledge and skills they learned during training, in their actual jobs.

Epson has used a management by objectives systems for more than 30 years. All employees of every grade are subject to the systems, and managers and their subordinates work together to set objectives that they can both agree on. Progress toward the objectives is periodically reviewed, end results are evaluated, and new, higher objectives are set. The management by objectives system is itself an on-the-job human resource training system. It is a win-win development cycle in which individual growth leads to the growth of the organization and the company.

Training Initiatives

Echelon-based Training

Seiko Epson requires that employees complete a course in management practices before being appointed to a management position. This course prepares them to meet the requirements as a manager by ensuring that they understand their role in terms of both business and actions. On the business end, they learn the skills they need to understand strategic business objectives and respond rapidly and nimbly to internal and external changes in the business environment. On the action end, they learn the skills they need to support the growth and development of the people who report to them by putting organizations and individuals in a position to succeed.

In addition, we provide training for new employees, group training for each grade, and various open-type training to develop people who will fulfill roles as future middle managers step-by-step.

Leadership Training

In addition to a course in management practices for managers and employees who will be appointed to a management position, Epson provides training (F1, F2, and F3 course) to selected employees. In the F1 course, director candidates learn the skills needed to be a top executive. The F2 course is used to prepare middle managers to take the reins of a business or division. In the F3 course participants learn the basics of business through simulated exercises. Through these courses, Epson develops future leaders across the group.

Training for New Employees in Japan

Epson considers the first year of employment to be a training period during which new employees learn about the Epson approach to work. For the first three weeks, new employees in Epson Group companies in Japan gather for group training, where they learn the following:

- Conduct expected of them as Epson employees
- The mindset and attitude necessary for practicing “monozukuri” or the art and science of manufacturing, which is the foundation of Epson’s efficient, compact and precision technologies
- The importance of working cooperatively as a team



Training to think about customer satisfaction

Training ranges from lectures on the Epson Code of Conduct to hands-on training in manufacturing. New employees learn the importance and enjoyment of working in teams, through group activities that take place throughout the training period.

After they complete group training, new employees are sent to the department where they have been assigned. There they learn their job through on-the-job training under a mentor. Mentors are usually selected from among young employees with three to five years of experience. They produce training plans tailored to the individuals they will be mentoring and, for a full year, provide them with the support they will need to stand on their own. Mentors themselves are expected to grow through this experience.

At the end of the first year, the new employees gather again for follow-up group training, where they can observe how they and others have grown and developed. To further solidify the foundation they have built as a business professional, they review the previous year and consider action plans for the next year and beyond to achieve further growth and expand their contributions to the company.

Overseas dispatch of young employees

Epson is actively developing human resources who can work effectively globally.

Young employees are dispatched to Epson Group companies overseas in order to develop global-minded human resources. (Trainee program)

Number of Employees Assigned to Overseas Training Programs

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Number	8	20	34	38	29	28	22	13

(This program was suspended in 2020 and 2021 due to COVID-19.)

Lifetime Career Support

Epson continuously implements initiatives aimed at being an organization that promotes personnel development. We provide support towards building motivating and challenging careers that encourage growth. To help our employees set their own medium- and long-term career goals and take actions toward achieving them, we have been offering Lifetime Career Support (LTCS) since FY2016. The LTCS provides age- and grade-specific training, which gives employees an opportunity to independently plan their own career path.

FY2021 training results

LTCS50 training (for all employees age 50)

- 463 people (2,227 since FY2016)

LTCS40 training (for all employees age 40)

- 253 people (1,749 since FY2016)

Creating Value That Exceeds Customer Expectations and the Monozukuri Juku

Epson's Monozukuri Juku, or Manufacturing School, aims to enhance the customer value we create. To this end, we teach our personnel basic technology and skills and have them experience monozukuri (the art and science of manufacturing) by performing specific manufacturing tasks step by step. This helps them tackle jobs from different angles. To give a specific example, employees learn the basics of component processing technology (molding and pressing). Once they learn these, employees have the skills to make the various parts that go into a product. Employees also learn by mastering essential skills for making production lines more efficient (e.g., automating lines or operating them with fewer staff).



In addition, we contribute to the community and society by giving practical training for new employees of local businesses, offering corporate experiences to junior and senior high school students, and providing instruction for technical skill trainings. We also send experts abroad to take part in official development assistance for building technical skill evaluation systems at the request of the Japanese Ministry of Health, Labour and Welfare.

Developing Human Resources to Support Company-wide Production Strategies

Recently, we have faced labor shortages in manufacturing due to rapidly rising wages and workers' preference for non-manufacturing jobs. In addition, we have suffered from logistics being disrupted due to natural disasters and the spread of COVID-19, causing delays in delivering products to customers. It has become difficult for Epson to manage these changes with conventional manufacturing, which assumes an abundant and low-cost labor force and centralized production. In our Epson 25 Renewed corporate vision we therefore proposed promoting smart factories using automation and digital technologies and strengthening distributed and local production.



Training engineers at an overseas affiliate (Philippines)

Monozukuri Juku provides opportunities for employees to learn. We hold more than 200 training courses a year to develop the technical abilities of engineers supporting production lines. The training includes mechanical drafting and calibration necessary for manufacturing equipment, as well as machining skills. In addition, we offer basic mechatronics training to help cultivate engineers who will promote automation by teaching them basic technologies such as pneumatic and electrical control, the basics of equipment assembly and adjustment, FA robot training, image processing training, and practical mechatronics training to allow them acquire more practical technologies and skills.



Remote training

Monozukuri Juku does not only train Japanese engineers but also engineers from our manufacturing affiliates worldwide, where we seek to educate the employees about manufacturing and machine maintenance in order to develop future local leaders.

Due to difficulties in overseas travel, we have established remote training system so we can provide our training program on schedule even in difficult times.

Through these efforts, we will promote optimal human resource development and improve the process control level of each of our worldwide affiliate companies so we can respond strategies such as distributed production.

Developing Young Technicians through National Skills Competition

As a manufacturing company, Epson uses training for WorldSkills competitions to develop “groundbreaker technicians”¹ who have acquired essential manufacturing knowledge and skills at an early age. As a rule, individuals are allowed to take part in WorldSkills trainings just once. The purpose of the short-term intensive trainings is to help participants learn technical skills at the all-Japan level. Every year we send 10-15 individuals to the National Skills Competition associated with WorldSkills to compete in six selected occupational categories that are applicable to our employees’ work: Instrument making, Plastic die engineering, Mechatronics, Industrial electronics, Web design, and Watch repair.

New employees sent to Monozukuri Juku as WorldSkills trainees experience monozukuri (the art and science of manufacturing) in such forms as filing and sawing. They also learn basic knowledge about machinery, electricity, and other general topics in each occupational category. In conjunction with everyday occupation-specific training, there are training camps three times a year. Participants lodge together, run a long distance, set targets, and the like. All of this helps to build a sense of solidarity as a team.

To recreate the feel of the national competition, we also hold joint training events with other companies that take part in WorldSkills. Additionally, our employees actively pursue such national qualifications as machining technician, electronic device assembly technician, web design technician, and watch repair technician. After participants finish WorldSkills trainings, they get practical training to help them build the basic skills learned there into skills they can use to make products. Each participant then joins an operations division. The units they join often praise these employees for performing beyond expectations.

¹ Technicians with the ability to break from precedent to create innovative technologies and systems.



Everyday training



The 59th National Skills Competition of Japan
2021

FY2021 Workforce Composition and Training Data

Main Online Courses (Japan)

Course	Trainees
Fundamentals of Export Control (2021)	17,844
Epson's Compliance (2021)	20,018
Basic Information Security (2021)	20,258
Basic Environmental Training II(2021)	17,490
Introduction to Procurement 2021 (Ethics and code of conduct)	17,167
J-SOX (2021)	18,673
Basic Harassment Preventive Training (2021)	16,296
Occupational Safety Training (2021)	15,750
Diversity & Inclusion - Basic (2021)	16,234
Diversity & Inclusion - Working with Persons with Disabilities (2021)	16,575
Health Course: Exercise (2021)	17,065
Health Course: Sleep (2021)	15,851

* The number of persons completing the course by March 31, 2022.
(Seiko Epson and domestic group companies)

Training by Employee Level

Training	Who	People Trained	Percent Trained
New employee orientation	New hires	200	100%
C-level employee training	New C-level staff	279	97.1%
Senior staff training	New senior staff	227	95.0%
Section manager training	New section managers	173	98.3%
General manager training	New general managers	42	72.4%

* Data for Seiko Epson Corporation employees as of March 31, 2022.

* Employees who have not received training are scheduled to do so in FY2022.

Training Hours

Training	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Training by regular employee	Hrs.	9.5	11.0	11.1	7.4	20.9
Total training hours	Hrs.	-	-	-	-	228,696

Seiko Epson HR Department training for regular employees and time spent on online courses. Education and training courses of functional supervisory departments and operations divisions are also included in FY2021.

Our People

Diversity, Equity and Inclusion

Why We Promote Diversity, Equity, and Inclusion

Epson believes that diversity, equity and inclusion are essential to the practical observation of the Epson Group's Management Philosophy and to continuous innovation.

We want to create a fair and bias-free environment in which individuals of all backgrounds gather from all over the world, respect each other, enjoy work, conduct themselves as responsible members of society, and continue driving innovation by taking on challenges and growing along with the company.

CEO Message

Epson's customers are the people around the world who use our products and services. To fulfill our goal of enriching the lives of as many people as possible, we must understand these diverse customers and deliver new value that surprises and delights them, and to do that, we must be diverse ourselves. An environment where differences are acknowledged, accepted, and respected is essential. Without it, we could not take advantage of that diversity. To sustain corporate growth, we must develop a corporate culture in which all employees can enjoy working and can participate in discussions as equals, regardless of background. I believe that such a workplace is indispensable for a company seeking to address and solve societal issues. In other words, the foundations for creating a free and open workplace are mutual respect and a commitment to diversity, equity, and inclusion.

Commitment

Diversity is one of our most important management issues. I will work with the management team to develop a corporate culture in which all people can make the most of their abilities by eliminating any gender gaps and other forms of inequity, creating systems for incorporating diverse opinions, and providing various work arrangement options. Through these activities, I aim for us to be a company where neither majorities nor minorities exist in the minds of our employees, and I will transform the company into a place where employees embrace different values, ways of thinking, and unique new ideas.

Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Closing the Gender Gap

Seiko Epson has long been an equal opportunity employer. In 1983, Seiko Epson eliminated the gender pay gap and has sought to enable employees to enjoy a good work-life balance by providing leaves of absence, shorter workdays for women with young children, and financial assistance to help defray babysitter expenses. These and other actions have met with some success, as women stay with the company longer than men, on average. However, there is still a gender gap when it comes to promotion to management and other leadership positions in Japan. Seiko Epson recognizes this as an issue and is continuing to make improvements. We will move forward on additional actions to ensure that all employees have an opportunity to shine.

Goal

Seiko Epson has introduced measures to promote more women and close the gender gap. We aim to enable all employees to live up to their full potential, regardless of gender or other attributes. The goal is to have women at every level of management, and for this to happen organically.

Organization

In 2016, Seiko Epson created a Female Empowerment Project team in the Human Resources Department to create a climate of support for employees who want to advance their careers, regardless of gender. The project team was dissolved in October 2020, and a Diversity and Inclusion Project that reports directly to the president was launched.

Initiatives to Close the Gender Gap

Plans for promoting women's participation and advancement in the workplace

- We are aiming to have female employees account for 5% (40 people) of management positions and 7% (350 people) of leadership roles (equivalent to assistant manager) by FY2022.
- We are increasing the pool of candidates to increase the number of women in management positions in the future.
- We will recruit new graduates, with a goal of securing a hiring class composed of at least 25% women.
- We will expand and enhance a variety of policies and measures to enable women to shape their long-term careers at Epson. (For example, we will provide them with opportunities for discussions and encourage them to participate in management and leadership training seminars.)
- We will expand work from home and other more flexible work arrangements.

Overview of Initiatives

Issue	Direction of Actions	Concrete Policies/Measures
I. Unconscious bias (employees, managers, organizations)	<u>Education</u> - Changing mind-set Separate education programs for all employees, women, and managers	- Senior executive messages - Diversity management training (mandatory for managers) - Diversity and inclusion training (online course)
II. Diversification of work arrangements (organizations & managers)	<u>Systems</u> - Dealing with time constraints - Offering flexible work location options and work hours - Enhanced support for care-work balance - Encouraging men to take paternity leave <u>Work arrangements</u> - Changing how managers work - Changing attitudes toward work	- Performance evaluation system that does not put time-constrained employees at a disadvantage - Work-from-home system - Babysitter subsidy - Seminar for working caregivers
III. Lack of growth opportunities (Managers: no career model) (Employees: no role model)	<u>Systems</u> - Performance evaluation system <u>Development</u> - Providing growth opportunities under the leadership of chief operating officers	- Promotion examination system changes - Selection and training of management candidates
IV. Other		- Advisory service for women - Infertility treatment - Help for employees with children on waiting lists - Hiring - Retention - Networking

Actions

<Unconscious bias>

Senior executive messages

Epson's senior executives stress the importance of diversity at bi-annual Group policy meetings. They arrange discussions to speak with women employees, and the president communicates company policies and his thoughts about diversity and the advancement of women through messages posted on the company intranet.

Diversity and inclusion training

To drive home the importance of diversity and to build awareness of the critical role that unconscious bias plays in hindering diversity, we had all employees of Seiko Epson and its domestic affiliates take on an online course in unconscious bias in 2020 and an online course in the fundamentals of diversity and inclusion in 2021.

(The online course in unconscious bias: 18680 participants / participation rate 95%. The online course in the fundamentals of diversity and inclusion: 17790 participants / participation rate 91%, as of the end of July 2022)

Diversity management training

We began diversity training for all managers in the Epson Group. The aim is to change the prevailing mind-set, teach the importance of diversity and inclusion, and ensure psychological safety. This content will also be built into the training curriculum for new managers.

<Diversification of work arrangements>

Performance evaluation system that does not put time-constrained employees at a disadvantage

The criteria for evaluating employees who work a full day and employees who work shorter hours are identical. This was done to ensure a level playing field when it comes to advancement and promotions, even for individuals whose working hours are limited for personal reasons. Employees are evaluated based on their achievements with respect to goals that are considered achievable within their respective workdays.

Remote work system for child-rearing and nursing/caregiving employees

Seiko Epson introduced a system in FY2018 that gives time-constrained employees the opportunity to work from home so that they can provide care to dependents, including children and other sick or ill family members. In 2020, the work from home option was expanded to encompass all employees. Those with child-rearing and nursing/caregiving responsibilities can work from home flexibly on an hourly, half-day, or per-day basis. For example, parents can leave work during regular working hours as needed to participate in school events. Or, when their child gets sick, they can work a certain minimum number of hours while their children are sleeping. Whereas parents previously may have had to take paid leave for these situations, they now can work more flexibly around them. Employees can also work remotely from approved locations outside the home, providing even greater flexibility.

Fathers' involvement in childcare

For working mothers to fully participate and advance in the workplace, their partners must share the burden for housework and childcare. There has been an increase in recent years in the number of men who want to be more actively involved in raising and caring for their children. Seiko Epson thus created a paternity leave guidebook in 2014 and posted it on the company intranet. We also encourage fathers to be more involved in childcare by sharing stories from men who have taken paternity leave. Moreover, the subject of paternal engagement is taken up at length in mandatory diversity management training for managers.

Our goal in FY2022 is for 100% of eligible fathers to take paternity leave.

Babysitter subsidy

From October 2005, we have offered subsidies for babysitting services. We have gradually increased the subsidy, and currently we pay the full amount for up to 16 hours.

Seminar to retain employee caregivers

To help employees understand public and private caregiving options and to prepare them for risks associated with the emergence of sudden caregiving responsibilities, we invite experts to give seminars for working caregivers so that they can stay in the workforce.

In addition, we have introduced group long-term care insurance as part of the benefits package to help cover caregiving costs. We also hold seminars on caregiving costs to ease the minds of employees facing a caregiving situation.

Exploration of work arrangements

We have expanded the purposes for which employees may take wellbeing leave. Now parents can take time off to care for their children when schools temporarily close or to help their children get gradually accustomed to daycare.

Furthermore, a labor-management subcommittee on work arrangements is exploring changes that will give time-constrained employees who have childcare or nursing/caregiving responsibilities more work flexibility.

<Lack of growth opportunities>

Promotion examination system

To be eligible for promotion exams, employees formerly had to write a dissertation and pass a written exam in the same year. Since a considerable amount of time was needed to write the dissertation and prepare for the written exam, employees who had limited free time faced additional challenges. Another stumbling block was that employees who qualified to take the exam had to do so (and pass) within a three-year period, after which eligibility expired, so those taking maternity leave could end up losing eligibility.

To remove these obstacles and make it easier for time-constrained employees to gain promotion, we changed the system, in April 2018. We eliminated the expiration period and made it so that employees could maintain eligibility even if they pass only certain test subjects over a multi-year period. In October 2020, we made it even easier for time-constrained employees to try to earn promotion and ascend the grade scale by recognizing the writing of a dissertation as an opportunity for professional development and allowing them to write their dissertation and take the written exam during work hours.

<Other>

Advisory service for women

We have installed a career counseling service for women employees who are having trouble envisioning their career path or who are otherwise undecided about their future career. This service puts them into contact with a female mentor who can help them think positively about their career at Epson. We also have a health consultation service for women who wish to speak with an occupational physician or qualified obstetric nurse.

Infertility treatment

We have made it possible for employees to take wellbeing leave for fertility treatment.

Help for employees with children on waiting lists

A growing number of children in recent years have been put on waiting lists for childcare services not only in the Tokyo area but also in Nagano Prefecture, where our main offices are located. Therefore, we are promoting a partnership with company-led nursery schools in the areas where employees live. (There were seven schools as of July 2022.)

Promotion of hiring & retention - interviews with third-year employees

The Human Resources Department interviews young employees who joined the company right out of school and are in their third year with the company to help them quickly improve their effectiveness and to encourage retention. By listening to their concerns about work, the work environment, and their career design, and by following up with them and their workplace, we have seen an increase in retention rate.

Networking - dialog between executive management and female employees

Seiko Epson will continue to hold meetings between members of the executive management team and female employees. These meetings are designed to create a mutual support environment and help women network with female managers, manager candidates, and other employees who share similar concerns at around age 30. In the 2021 fiscal year, discussions were held between female employees (31 in total) and the president on six occasions, while women also met to discuss issues with an outside director. Members of executive management who participate in these meetings learn first-hand about the needs of women in the workplace, such as the ability to work from home during the childrearing years and availability of a temporary day care space in emergencies. These talks lead to the development of actual trials and the creation of new programs.

The network of female employees is expanding through programs such as dialog sessions among women at the same site or in the same or different business. Now, women who met through dialog sessions are sharing their concerns with one another and communicating about career design and work-life balance support.

Certification by External Parties



Certification as an "Eruboshi" company (2016)



Acquisition of Platinum Kurumin (2016)

Future Initiatives to Close the Gender Gap

Seiko Epson will roll out further actions to expand the career advancement possibilities for women and increase diversity.

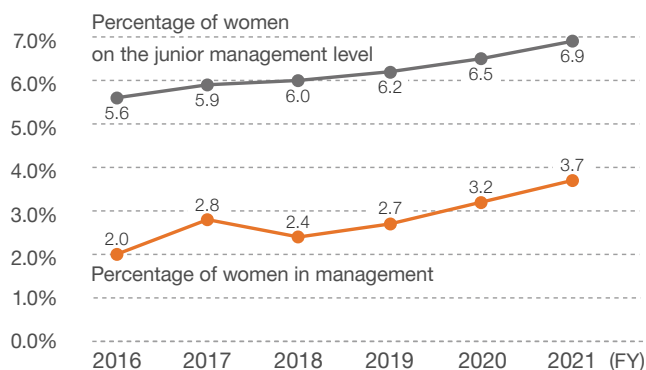
Progress in Closing the Gender Gap (as of March 2022)

Percentage of women in workplace and in management
(All affiliated companies/domestic affiliated companies/Seiko Epson)

	Group total		Japan		Except Japan	
	Male	Female	Male	Female	Male	Female
Percentage of regular employees	54.4%	45.6%	80.7%	19.3%	44.4%	55.6%
Percentage of managers	82.0%	18.0%	92.7%	7.3%	63.7%	36.3%

* Managers means all managers including junior manager level (e.g. leaders, supervisors)

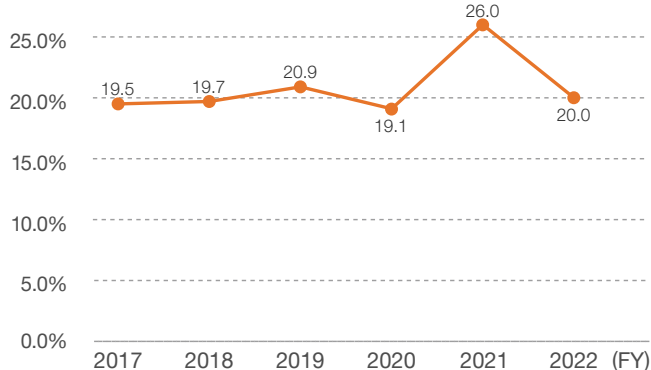
Percentage of Women in Management and on the Junior Manager Level



Data for Seiko Epson Corporation employees as of March 31, 2022.

Management means section manager or higher.

Percentage of Women Among New-hires Directly Out of School



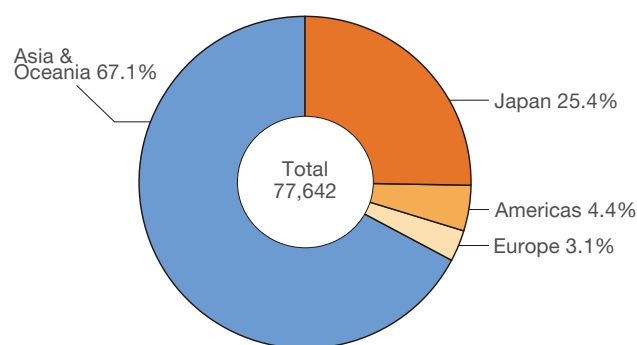
Data for Seiko Epson Corporation employees as of April 30, 2022.

Drawing on Global Talent

Epson has sites around the world to accurately identify and swiftly and flexibly meet the changing needs of customers at different times and in different regions. The Epson Group currently employs about 78,000 people.

Epson is vertically integrated, which means we have control over the value chain, from product development and production to sales. Epson Group companies around the world all play a role in this process. We hire talented people around the world who understand the cultures and customs in the regions we operate. These people are entrusted with running and managing local business operations. At the same time, it is essential that we harness the full power of the Group by ensuring that our operations divisions in Japan and Epson Group companies overseas are on the same page in terms of business vision and policies. That is why we bring people together at global meetings and at various other events to share information and exchange ideas within the many organizations, functions, and projects of our operations divisions and Head Office.

Employee Numbers by Region (Current as of March 31, 2022)



Global Talent Management

Epson actively recruits and utilizes overseas human resources. Using the same role evaluation tool as is used in Japan, we measure the size and weight of responsibilities that accompany each position in Epson Group companies overseas. Key positions are identified and their roles and requirements are specified. Then, through 360-degree evaluations and other means, we collect information about all potential candidates and their capabilities so that we can select the most appropriate people for each position, regardless of age, gender, nationality, and so forth. This information is used to conduct the same type of human resources reviews as are performed in Japan, ascertain personnel needs, and review succession plans.

As a result of these actions, Epson now has home-grown talent in leadership positions at its overseas affiliates. The CEO of Epson's regional head office in the US is an American who owns responsibility for all administrative and business operations at Epson companies in North, Central, and South America. The regional head office in Southeast Asia is also headed by a local who is responsible for sales operations in the region. In Europe, all local affiliates controlled by the regional head office are headed by locals, and a number of Epson sales and manufacturing affiliates around the globe have also recruited or promoted locals to run their operations. Currently, 37% of directors at overseas affiliates are non-Japanese, while 60% of those affiliates' CEOs are non-Japanese.

Initiatives to Globally Develop Human Resources

The Global Incubation Seminar (GIS)

The Global Incubation Seminar (GIS) is a program for developing global leaders who will be a driving force in the Epson Group. At the seminar, we share Epson's vision and values with up-and-coming leaders from around the world and empower them to put these into practice in their own organizations. Since 1999, the first year of the program, more than 380 people have participated in GIS training and nearly all the chief executives of Epson's overseas affiliates are graduates of the program.

For five days in February each year, about 25 persons participate, both members of overseas affiliates and a few employees from Japan. Through direct communication with executive management, they get a deeper understanding of Epson's long-term vision and business strategy and learn the importance of compliance in Epson management. The participants, who work in different regions, functions, and businesses, share the problems they each face and what they are doing to overcome them. They each consider how they can play a central role in their organizations to create Epson value. On the final day of the seminar, they reveal their personal action plans to executive management. After that, they carry out those plans.



Currently, the seminar is on hiatus because of the COVID-19 pandemic. With that exception, we will offer this training on a continuing basis, hoping to develop diverse global talent who will drive Epson to new heights in the future.

Global Executive Seminar (GES)

In FY2017, Epson launched the inaugural Global Executive Seminar (GES) to further strengthen executive management at overseas affiliates. The seminar is designed to develop leaders who are capable of devising strategies and analyzing issues, leaders who can help guide us toward Epson's long-term goals, understand the roles that they and their companies should play, and identify changes to make in a business environment where the future is hard to read. The seminar starts with a three-day group training session (session 1) and is followed by a year-long period during which participants apply lessons in actual practice, after which they gather to report the results over two days (session 2).

Six people (four overseas affiliate members and two employees from Japan) took part in GES 2019-20 session 1 in FY2019. They did their session 2 online in FY2020 owing to the COVID-19 pandemic. The participants each gave a presentation on the management issues they tackled over the past year. The seminar concluded with them promising further growth and development in the future. (The 2020-21 GES has been suspended since session 1.)

Through programs like these, we are laying a more robust business foundation worldwide for responding to change and executing strategies.

Employees Sent to Japan for Training

Epson invites interns from its overseas manufacturing sites to stay in Japan for a period of three months to one year to participate in educational programs that give them an opportunity to learn skills and techniques not available in their home countries and helps them enhance their understanding of work processes.

In FY2019, a total of 34 technical interns and trainees from Group companies were invited to Japan, bringing the total since 1988 to more than 1,800.



The photo shows technical interns inspecting parts manufactured with dies they made themselves.

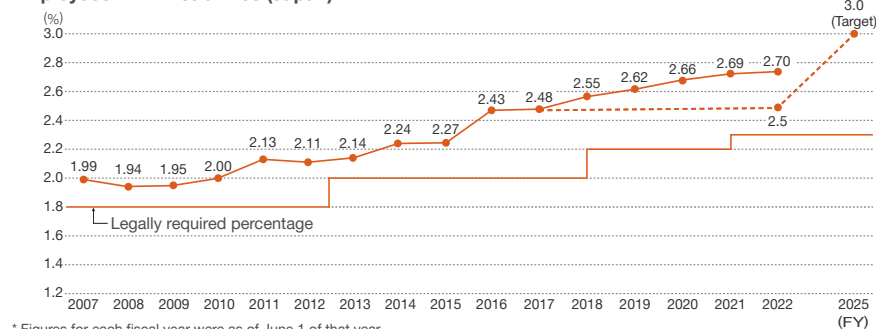
Epson also recently introduced a program that is designed to deepen the insights of young employees at Epson sales companies. The program enables them to get a different perspective on projects they are working on through interaction with people from the operations divisions and Head Office supervisory departments in Japan. It also enhances their appreciation of Epson and Epson values.

(This program is currently on hiatus because of COVID-19.)

Employing and Supporting Persons with Disabilities

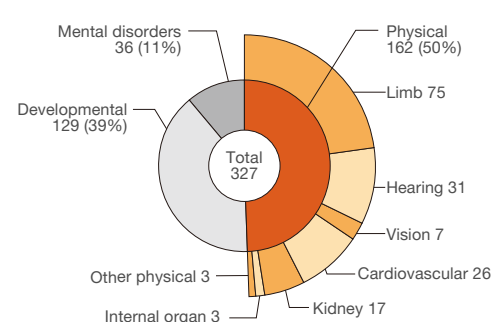
Epson employs a large number of persons with disabilities. For this reason, we accommodate special needs in a variety of ways. For example, we provide easy-access restrooms, parking spaces, and other facilities. We also provide the support needed to do their jobs, including IT tools and services such as sign language interpretation for in-house training and interviews. Two special subsidiaries, Epson Mizube Corp. and Epson Swan Corp. have made special provisions to accommodate employees with disabilities and allow them to make the most of their talents, and they are now expanding job opportunities for disabled employees.

Employees with Disabilities (Japan)



* Figures for each fiscal year were as of June 1 of that year.

Type of Disability (Japan)



* The data is current as of June 1, 2022.

Epson Mizube Corp.

Epson Mizube was founded in 1983 as a special subsidiary of Seiko Epson. It began with a workforce of 15 people, 11 of whom had disabilities. Since then, it has steadily expanded job opportunities for persons with disabilities in the Epson Group and in the local community.

Epson Mizube's stated purpose is to contribute to society and realize employee happiness through diversity and inclusion. It embraces respect, unity, study, autonomy, and sincerity as common values.

As of the end of March 2022, Epson Mizube employed 149 persons with disabilities at seven sites. They are engaged in a wide variety of capacities in offices, manufacturing, environmental recycling, and more.

Facilities cleaning services, which were launched in 2008, have grown into a core business. As of the end of March 2022, Epson Mizube employs 58 people on its cleaning crews. Since 2017, a PaperLab upcycling model line has expanded employment opportunities for persons with disabilities while reducing Epson's environmental impact. Employees on the line sort used paper, operate the PaperLab systems, and use the dry-fiber paper (DFP) created to produce business cards, notebooks, and other items.



Board assembly



PaperLab upcycle center



Sorting used ink cartridges



Cleaning company facilities

Abilympics Participation

Many of Epson's employees with disabilities have amazing skills that are invaluable to the company. At the National Abilympics competition in Aichi, Japan in FY2019, Shoichi Yokouchi earned silver in the electronic device assembly event and Katsunori Nakajima competed in the building cleaning event. Yokouchi, an Abilympics veteran who has won six medals over the years, including a gold in electronic circuit assembly, is also helping to train his younger coworkers. His mere presence is a source of encouragement for other employees with disabilities and helps to invigorate the workplace.

(Epson did not participate in the FY2020 and FY2021 Abilympics because of COVID-19.)



Shoichi Yokouchi at the National Abilympics competition in Aichi, Japan

Their Imperial Majesties Emperor and Empress Pay Virtual Visit to Epson Mizube

On December 17, 2020, during the COVID-19 pandemic, Their Imperial Majesties Emperor and Empress made a virtual visit to Epson Mizube Corp.

Their Majesties showed great interest in the effort that Epson Mizube employees were putting into their jobs and had warm, heartfelt messages for each.

At the end, His Majesty the Emperor remarked that “I am grateful to have had this conversation with persons who have disabilities.” Her Majesty the Empress also expressed her appreciation, saying, “I’m glad to hear how actively you are all working. COVID-19 is creating challenges for everyone. Please take care of yourselves.”

Their Majesties’ visit will encourage persons with disabilities working throughout Japan. For Epson Mizube employees, it was a once-in-a-lifetime experience that they will never forget.



Source: Imperial Household Agency website



Misaki Kamijo of Kanbayashi Plant conversed with the royals while Takamasa Arai served as facilitator.

Epson Swan Corp.

Epson Swan Corp. started operating in March 2002, when it was established as a special subsidiary of Tohoku Epson Corporation in Sakata, Yamagata Prefecture. It was the first certified special subsidiary in Yamagata Prefecture. It is presently a special subsidiary of Seiko Epson Corporation. Located on the grounds of Tohoku Epson, Epson Swan employs 23 persons with disabilities (as of April 1, 2022) to clean cleanroom suits and provide facilities cleaning services within Tohoku Epson. In October 2020, the staff also began preparing materials (sorting paper) for processing with PaperLabs. Cleanroom suit cleaning has been a part of Epson Swan’s operations since its founding. It provides this service to multiple Seiko Epson sites as well as to other local companies.



Cleanroom suit cleaning (washing process)



Cleanroom suit cleaning (folding process)

In addition to employee and leisure support, Epson Swan also focuses on professional development. As part of this, they compete in the facilities cleaning category at the Abilympics. In FY2021, they came in first place at the Yamagata Prefecture competition and qualified for the national competition for the first time in three years. Epson Swan periodically publishes the magazine “Smile” to promote communication within and beyond Epson. The magazine, available on the company’s internal website and in print form, is packed with all types of information about Epson Swan. A total of 47 issues have been released, counting the most recent published in January 2022.



Cover of Smile

Workforce Composition and Service Period

Workforce Composition

Male/Female Ratio		Mgmt. Diversity [*]		Junior Mgmt. Ratio ¹	
Female	16.9%	Female	3.7%	Female	6.9%
Male	83.1%	Male	96.3%	Male	93.1%

^{*} Data for Seiko Epson Corporation employees as of March 31, 2022.

¹ Team leader

Length of Employment

(Unit: Year)

Total	Female	Male
19.3	20.3	19.1

^{*} Data for Seiko Epson Corporation employees as of March 31, 2022.

Turnover Rate

	FY2017	FY2018	FY2019	FY2020	FY2021
Total turnover ratio	3.6%	4.5%	4.1%	4.5%	4.4%
Voluntary turnover ratio	1.5%	1.8%	1.5%	1.4%	1.5%

^{*} Data for Seiko Epson Corporation and domestic major affiliated companies as of March 20, 2022.

Our People

Respecting Human Rights

Human Rights Initiatives

We at Epson believe that respecting human rights in everything we do is an essential part of our corporate responsibility. This commitment is reflected in the Epson Group's Management Philosophy and Principles of Corporate Behavior. We established Policies Regarding Human Rights and Labor Standards of the Epson Group in 2005 based on the United Nations Global Compact, and we have been practicing conduct that is aligned with the 2011 United Nations Guiding Principles on Business and Human Rights ("the Guiding Principles"). In April 2019, we joined the Responsible Business Alliance (RBA), a non-profit organization that supports the rights and welfare of workers and communities affected by global supply chains, and we and our suppliers conduct our business in line with the RBA Code of Conduct.

Epson has overhauled Policies Regarding Human Rights and Labor Standards of the Epson Group in light of recent changes in the way that the international community views human rights and human rights issues. The new Epson Group Human Rights Policy, which is based on the Guiding Principles and has been approved by the Seiko Epson Board of Directors, took effect on April 1, 2022.

 [Epson Group Human Rights Policy \(Please refer to page 303 of "Appendices"\)](#)

Epson's human rights initiatives are spearheaded by Seiko Epson's human resources department under the supervision of the executive officer in charge of human resources. They work in concert with corporate supervisory departments and the HR departments of our global affiliates to guide initiatives to prevent human rights abuses and unjust labor practices. Epson uses the Epson Group Human Rights Policy and the RBA Code of Conduct to identify potential human rights risks such as child labor, forced labor, other exploitative labor, workers' rights abuses and unfair labor conditions, discrimination, and inhumane treatment including harassment. Seiko Epson and Epson Group companies conduct an annual CSR assessment survey to evaluate and mitigate these human rights and labor risks*. Workers and the labor union and other labor groups are important stakeholders, and Epson Group companies engage them in genuine dialog and discussions based on local labor practices and so forth.

* Results of the FY2021 CSR assessment showed that there were no major cases of human rights violations in the form of child labor, forced labor, discrimination, and the like, either at Epson or its Group companies.

We have been educating people particularly in the human resources departments at Seiko Epson and Epson Group companies at home and abroad about the RBA Code of Conduct and its requirements, and in 2021 we also held study sessions to familiarize members of the board, personnel in Seiko Epson's corporate functions, and certain personnel at our global affiliates with the revised Epson Group Human Rights Policy.

Epson has set up the Epson Helpline and various other channels that can be used to report harassment, long working hours, and other concerns involving issues such as human rights and labor. All personnel are regularly notified of disciplinary actions and other actions taken by the company in response to incidents related to labor, harassment, and other forms of human rights abuses to prevent similar incidents in the future. Furthermore, Epson has whistleblowing systems and support centers that customers, investors, people in the local community, and other stakeholders can use to report grievances, which Epson then appropriately addresses.

We are working on these human rights risks throughout the Epson Group because we consider them to be a key sustainability topic. To also address potential human rights issues in the supply chain, we have our socially responsible procurement supervisory department notify and educate suppliers regarding Epson's human rights policies and code of conduct. We also have them assess risks and drive improvements where needed. Finally, we have established whistleblowing systems that suppliers can use to report human rights abuses.

Epson Slavery & Human Trafficking Statement

Epson issues annual slavery and human trafficking statements. These statements disclose Epson's modern slavery and human trafficking policy and report the results of actions taken to eradicate these from the supply chain pursuant to the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, and the U.S. California Transparency in Supply Chain Act 2010 (SB 657).

 [Epson Slavery & Human Trafficking Statement for Financial Year 2021](#)
(Please refer to page 309 of "Appendices")

Human Rights Due Diligence

Epson continually practices human rights due diligence as based on the United Nations Guiding Principles on Business and Human Rights. Group companies as well as business partners fall within the scope of this process. Human rights due diligence concerns human rights risks like forced labor, child labor, harassment, and discrimination in value chains connected to the business activities of product development, manufacturing, and sales. The due diligence process seeks to identify and study potential and emerging human rights risks, isolate the problems, and correct, improve, and prevent them.

The human rights due diligence process in Epson's business is as follows:

1. Establish policies
2. Identify human rights risks and assess their impact
3. Plan improvements and stop, prevent, and mitigate negative impacts
4. Monitor results and progress
5. Communicate and report
6. Take remedial action

Specific aspects of human rights due diligence are as follows:

(1) Establishing policies and making commitments

Epson respects internationally recognized human rights set forth in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights At Work, and our approach is based on United Nations Guiding Principles on Business and Human Rights. In addition, as a member of the Responsible Business Alliance (RBA), Epson will work towards adhering to RBA's Code of Conduct and various standards and procedures which it enacted with reference to those international human rights norms.

(2) Method of identifying and assessing risks

When we assess human rights risks, we focus particularly on employees, workers, and migrant workers, because of all Epson stakeholders (customers, shareholders and investors, local communities, business partners, NGOs and non-profits, employees, etc.), it is they who should be given greatest priority in terms of human rights.

Group total	Japan	Except Japan
Employees of Seiko Epson Corporation and Epson Group	Freedom of employment (forced labor), young workers, working hours, wages and benefits, humane treatment (harassment, etc.), discrimination, freedom of association	RBA-compliant self-assessment
Dispatch workers	Same as above	Same as above
On-site vendor employees	Same as above	Same as above
Supplier employees	Same as above	Same as above
Migrant workers	Same as above	Same as above

Epson administers a CSR self-assessment questionnaire compliant with the RBA Code of Conduct and SAQ template. We started asking suppliers in turn to fill it out in FY2015 and began asking overseas manufacturing sites to do so in FY2017. Since then, we have continued taking similar annual CSR self-assessment questionnaire of business sites, Group companies in Japan and overseas, and suppliers.

(3) Assessment results, correction, and prevention

Based on the above assessment, we identify places where there may be human rights risks. We direct companies and sites to take action to correct, improve on, and mitigate the identified risks.

The following are human rights risks that we identified in FY2021 and are correcting or addressing:

- Contracts between a labor agent and its workers did not meet all legal requirements.
- Inadequate overtime records (labor agent)
- Error in the calculation of withholding amounts (labor agent)
- Workers were required to temporarily pay the cost of a physical checkup on behalf of their employer at the time of employment

The following are examples of human rights risks that we have addressed to date:

- Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
- Holding migrant workers' passports
- Agreement process with workers regarding overtime work
- Long working hours

(4) Monitoring

Epson continues to take CSR self-assessment questionnaire once a year and to confirm improvements being made by companies and sites that do not meet the RBA Code of Conduct. Moreover, major manufacturing sites voluntarily undergo the RBA's Validated Assessment Program (VAP) audit. These assessments help the subject company accurately grasp how well they are conforming to the RBA Code of Conduct and identify issues for correction and improvement.

(5) Communication and reporting

Each year, after the responsible executive officer has reviewed the results and progress of efforts to carry out improvement plans, the findings are disclosed on the web and released as a Sustainability Report. We also report on the Epson Group's global initiatives in our Epson Slavery & Human Trafficking Statement.

(6) Taking remedial action

Epson has set up a whistleblowing system and support centers that are particularly geared toward Epson Group employees, dispatch workers, on-site service vendor employees, and supplier employees, migrant workers, as well as stakeholders including customers, investors, and local communities. We respond appropriately to any grievances.

CSR Self-assessments by Epson Group Companies

Epson has all its Epson Group plants, offices, and companies around the world complete a self-assessment questionnaire to evaluate their performance with respect to CSR requirements since 2017. The purpose of the SAQ is to identify and address risks and potential threats in areas such as human rights.

Every year since joining the Responsible Business Alliance (RBA) as a regular member in April 2019, Epson has used the RBA Self-Assessment Questionnaire (SAQ) to assess Epson Group compliance with RBA requirements and has reported the results to the RBA. The questionnaire is based on the RBA Code of Conduct and consists of 400 questions concerning human rights, labor, health and safety, environmental issues, ethics, and management systems for them. The RBA mandates that manufacturing sites complete a self-assessment. However, Epson uses the same SAQ to also evaluate its sales sites and other plants, offices, and subsidiaries so that all are held to the same standard.

Questionnaire Content

Major category	Minor category examples
A: Labor	Freely chosen employment, young workers, working hours, wage and benefits, humane treatment, non-discrimination, freedom of association
B: Health and safety	Occupational safety, occupational injury and illness, dormitory & canteen, etc.
C: Environmental	Environmental permits & reporting, pollution prevention & resource reduction, hazardous materials, wastewater & solid waste, air pollution, energy consumption & greenhouse gas emissions, etc.
D: Ethics	Business integrity, intellectual property, fair business, advertising & competition, responsible sourcing of minerals, privacy, etc.
E: Management system	Company commitment, management accountability & responsibility, risk assessment & risk management, training, supplier responsibility, etc.

SAQ Overview

Items	Details
When the SAQ is conducted	April - June, 2022
Surveyed business units	11 Seiko Epson facilities 8 domestic affiliated companies (6 manufacturing companies and 2 sales companies) 50 overseas subsidiaries (17 manufacturing companies and 33 sales and other companies)
Questionnaire form	RBA Self-Assessment Questionnaire (SAQ)
Analysis	August - September, 2022
Corrective action	Plants, offices, and subsidiaries will begin taking corrective action from Oct. 2022
Status check	The status of corrective action will be checked by having companies complete another SAQ in April 2023

Rankings Based on SAQ Scores

Risk rank	Assessed points	Explanation
Low risk	86-100 pts.	It basically meets the requirements of the RBA Code of Conduct. It is able to independently correct weaknesses.
Medium risk	66-85 pts.	It does not meet all the requirements of the RBA Code of Conduct but is able to independently correct weaknesses.
High risk	65 pts. or less	It needs to be monitored based on an improvement plan to meet the requirements of the RBA Code of Conduct.

2022 SAQ results

Risk rank	Total score	Seiko Epson		Domestic affiliates						Overseas subsidiaries						Grand total	
				Manufacturing		Sales and others		total		Manufacturing		Sales and others		total			
		Number of facilities	%	Number of companies	%	Number of companies	%	Number of companies	%	Number of companies	%	Number of companies	%	Number of companies	%	Number of sites	%
Low risk	86-100 pts.	11	100	6	100	2	100	8	100	17	100	19	58	36	72	55	80
Medium risk	66-85 pts.	0	0	0	0	0	0	0	0	0	0	14	42	14	28	14	20
High risk	65 pts. or less	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		11	100	6	100	2	100	8	100	17	100	33	100	50	100	69	100

Summary

- All Epson plants, offices, and Group companies were found to be either middle risk or low risk as a result of the CSR self-assessment questionnaire. No serious human rights, compliance or ethics problems were found.
- In the 2021 fiscal year, five manufacturing sites were found to be medium risk. The Seiko Epson Head Office thus took the following actions to enable these sites to earn a low-risk rank so that 100% of manufacturing sites were low risk:

- (1) Familiarized the sites with Epson Group regulations and provided guidance to meet them
- (2) Explained the SAQ questions and corrected answers where the answers did not match the actual situation
- (3) Identified areas of noncompliance with the RBA Code of Conduct by having the sites undergo an RBA VAP audit and then corrected issues.

In total, the number of middle-risk sites decreased from 35% in the previous year to 20% this year.

- In the 2022 fiscal year, we will build further awareness and understanding of Group policies, Group regulations, rules, guidelines and so forth at our business sites. We will also solidify a policy for sales companies and other sites and will check the content of answers in detail to eliminate potential priority non-conformances and further reduce the number of medium-risk sites.

Anti-harassment Initiatives

Power Harassment Prevention Training

Epson seeks to create a fair and pleasant working environment. Toward this end, we have set up a harassment advisory service and are addressing claims to prevent and stamp out harassment. Power harassment prevention training seminars have been rolled out to Epson Group companies. Every year, we have all personnel, including those in non-management roles, take an annual online harassment prevention course. Meanwhile, we also provide echelon-based training seminars tailored to executive management, middle management, leaders, and employees preparing to work overseas, respectively. Training seminars for middle managers are designed to remind them of the seriousness of the impact that power harassment can have. Participants engage in discussions, share examples of power harassment, and consider actions to address the situation. In addition, since FY2021, we have been working to create a power-harassment-free organizational climate by taking individually tailored action in each workplace. This action takes many forms, including individual follow-up with workplaces in which health management information indicates that stress levels are high and the establishment of consultation services for managers.

Anger Management Training

Anger management training is said to be an effective way to prevent so-called power harassment (abuse of authority at work).

Seiko Epson has provided anger management training since 2016 to teach employees skills needed to control feelings of anger at work. Echelon- and department-based anger management training is offered about 70 times a year. An introductory course teaches people the skills they need to defuse their anger and improve their control long-term, while a course in constructive criticism teaches managers and others effective communication skills. More than 9,600 Epson Group employees in Japan have taken a course. By providing its people with the proper training and skills, Epson hopes to eliminate power harassment from the workplace.

Power Harassment Prevention Training/Anger Management Training

	Course	2014	2015	2016	2017	2018	2019	2020	2021	People Trained
All	Harassment preventive e-learning	●				●	●	●	●	Mandatory for all employees and executives
	Awareness building for all employees	●	●	●	●	●	●	●	●	Educate the entire workforce about corporate efforts and about reporting/counseling services
	Anger management training			●	●	●	●	●	●	Voluntary training for those who wish it
Executive	Power harassment prevention training/anger management training for executive		●	●	●	●	●	●	●	Mandatory
Management	Power harassment prevention training for managers		●	●						1,303 people at 70 trainings at 27 sites in Japan
	New general manager training					●	●	●	●	FY2021: 42 people
	New section manager training			●	●	●	●	●	●	FY2021: 72 people
	Anger management training						●	●	●	FY2021: 126 people
Overseas Assignees	Power harassment prevention training prior to assignment overseas		●	●	●	●	●	●	●	FY2021: 67 people at 6 trainings
	Anger management training								●	FY2021: 67 people at 6 trainings
Junior management	Power harassment prevention training for junior management			●						2,561 people at 131 trainings at 27 sites in Japan
	New senior staff training				●	●	●	●	●	FY2021: 271 people
Other	Harassment prevention/anger management training conducted by division			●	●	●	●	●	●	Conducted upon demands of the division or the affiliated company

Current as of March 31, 2022

Security Personnel Trained in Human Rights

Seiko Epson outsources security operations to security companies and asks them to train those employees in human rights policies or procedures. In FY2021 we conducted a CSR self-assessment questionnaire to confirm that those suppliers, as well as other suppliers of indirect materials, provided human rights training to those people.

Our People

Fostering a Better Workplace

Initiatives for Fostering a Better Workplace

At Epson, our hope is to enable both our businesses and our employees to grow as we realize our aim of achieving sustainability and enriching communities. To this end, we seek to create an organizational climate in which diverse personnel are encouraged to engage in free and open communication, thereby enhancing the quality of relationships, maximizing the power of the team, and allowing both the company and its employees to continually grow. We are also working to foster a better work environment, one that meets the needs of employees working under a variety of arrangements.

In addition, we are addressing such issues as the management of working hours, health and productivity, diversity, equity & inclusion, and harassment prevention in order to create a satisfying work environment.

Initiatives for fostering a better workplace



Improving the Organizational Climate

Epson seeks to create an environment that encourages free and open communication, thereby improving the quality of relationships and solidifying an organizational climate that promotes the continuous growth of both employees and the company.

To attain this goal, Epson began conducting annual employee motivation surveys in 2005 to assess the state of the organizational climate. In 2020, this survey was replaced with an organizational climate assessment survey. Survey results are reported to the president and other members of executive management, and workplaces are provided with feedback. Managers analyze the survey results to find out the state of the organizational climate. They then act to address issues and challenges.

Team and organization performance is an important factor for improving the quality of relationships, yet this was an area where survey scores were consistently low. Epson thus launched a company-wide effort to improve in this area. As a result, FY2020 score of 3.62 rose to 3.68 in the second half of FY2021, nearly reaching the target of 3.7. To support management's efforts, Epson brings together managers from organizations across the company to discuss issues. These discussions provide insights into underlying problems and encourage behavioral changes. Epson has also set up an advisory service for managers and arranges mentors.

To encourage executive management to take the initiative in changing the organizational climate, Epson has made organizational management and harassment prevention efforts a component of manager selection and dismissal decisions, as well as compensation evaluations.

In addition to improving the quality of relationships, we are working to create an even more vibrant environment where all employees take initiative and experience job satisfaction. As part of this, we will begin conducting engagement surveys from FY2022 and will improve workplaces based on the results.

Diversification of Work Arrangements

Epson specifies its work goals and work culture. Our goal is for all employees to maintain and improve their physical and mental health while working efficiently in a vital, rewarding work environment, without excessive labor demands. In this way, the company will develop in perpetuity, raising its corporate value and ensuring a win-win relationship with its employees.

Seiko Epson has been driving additional work reforms since 2017. In Phase I (FY2017-2019), we prioritized the management of overtime and the prevention of long working hours. In Phase II (FY2020-2022), we have been introducing a wider range of work arrangement options. The introduction of a work-from-home option was a particularly important move, one made swiftly in response to COVID-19. Over time, however, issues with the system became apparent. To help resolve them, employees were surveyed and the issues were discussed with the labor union. The outcomes will be used to shape policies that will enable us to create a healthy and vibrant work environment in Phase III, which will begin in FY2023.

The diversification of work arrangements is bringing a wide range of issues to the forefront in areas such as human resources management and organizational operations. Everything from health to how we communicate and how we evaluate/appraise personnel are affected. As a part of our efforts to create a healthy and vibrant work environment, we will also review our human resources systems and provide management with support.

Measures to Accommodate Diversification of Work Arrangements

	Initiatives	Concrete measures	FY2021	FY2022
Diversification of work arrangements	Offering flexible work location options and work hours	Make morning meetings more flexible	●	
		Make days on which overtime requires permission more flexible	●	
		Expand the work-from-home system		●
		Allow employees to take time off by the hour		●
		Introduce flex-time without core hours		●
	Balancing work and caregiving	Amend the paternity leave system		●
		Extend the period of time employees are eligible to work reduced hours during childcare/caregiving		●
	Supporting the balance between work and treatment	Introduce flexible working conditions	●	

Offering Flexible Work Location Options and Work Hours

Remote work system

Seiko Epson introduced a system in FY2018 that gives time-constrained employees the opportunity to work from home so that they can provide care to dependents, including children and other sick or ill family members. In 2020, the remote work option was expanded to encompass all employees. This allows employees to work from home even if they are not constrained by childcare or nursing/caregiving responsibilities.

Employees can also work remotely from approved locations outside the home, providing even greater flexibility. Or, when their child gets sick, they can work a certain minimum number of hours while their children are sleeping. Whereas parents previously may have had to take paid leave for these situations, they now can work more flexibly around them.

Effective from July 2022, Seiko Epson expanded the work location options so that employees can also work from the home of their parents or their spouse's parents or at the home of their spouse who lives separately.

In addition, the company will begin to pay a work-from-home allowance from October 2022 and better align the system with the situation.

Time Off by the Hour

From October 2022, employees will be allowed to request time off by the hour at any time during the workday. This is meant to strike a better balance between work and the care of a child or family member or with one's own medical care. Enabling employees to take up to five days' worth of annual paid leave by the hour will help to improve the work-life balance.

Flex Time without Core Hours

Epson will amend its flex-time system to eliminate the requirement to be present during core hours. This change will take effect in March 2023 to provide greater flexibility in the use of the system that is available to many employees. The elimination of core time will give employees a wider range of options about when to start and end the workday.

Enhanced Support for Balancing Work with Treatment

Seiko Epson is creating an environment that facilitates a better work-life balance so that employees can continue to work with peace of mind while adapting to changes in their situation. In FY2022, we will extend the period during which employees are eligible to work reduced hours to care for a child or sick or injured family member. We will also encourage all fathers to take paternity leave.

Childbirth and Childcare Support

To create an environment in which all employees, regardless of gender, are able to advance their careers if they wish to do so, we are also strengthening childcare support equally for both men and women so that they can continue to work after the birth of a child. Specifically, we offer time off, leaves of absence, shorter working hours and other benefits so that they can give attention to their children and achieve a healthy work-life balance. Thanks to improvements such as these, 100% of women have opted to take childcare leave in recent years.

Childcare Leave Trends

FY	Childcare Leave				Employees using parental reduced hours
	Total ¹	Women	Ratio of women granted leave ²	Men ³	
2021	169	38	100%	131(76)	123
2020	109	37	100%	72(50)	137
2019	102	41	100%	61(42)	147
2018	75	35	100%	40(33)	160
2017	64	44	98%	20(14)	170

* Data for Seiko Epson Corporation employees as of March 20, 2022.

¹ Including individuals who took wellbeing leave.

² Number of individuals granted childcare leave/ eligible individuals.

(Individuals who have had a child and are eligible for childcare leave)

³ Numbers in parentheses indicate employees who took wellbeing leave.

Responding to Employee Caregiver Needs

With advancing population aging, the number of people requiring care is on the rise. Consequently, the number of employees acting as caregivers for their families is also on the rise. Aiming to eliminate turnover due to caregiver needs, Epson provides the following types of support to caregivers.

- Launched a website related to caregiving to provide information related to in-house programs and nursing care insurance systems.
- Conducting nursing care preparation seminars to equip employees with the knowledge that will enable them to respond calmly to sudden nursing care needs.
- We contracted with an outside advisory service that employees can privately consult about caregiving issues.
- Enable the use of the following programs to support balance between work and caregiving.

Caregiving Program

Name	Overview
Caregiver leave	May take up to 1 year and 6 months per applicable family member
Caregiver reduced hours	Can be taken up to March 20th after three full years from start of use An extension will be granted if ongoing care is necessary. (The underlines indicate amendments that came into effect on April 1, 2022.)
Caregiver overtime exemption	Exempt employees from overtime exceeding nominal hours
Caregiver overtime restriction	Restricts employee overtime to less than 24 hours per month or 150 hours per year
Caregiver night shift restriction	Restricts night shift assignments for employee
Caregiver telecommuting program	Enables telecommuting up to limited time specific for each work shift
Caregiver leave	Allows employee to take 5 days/year for 1 applicable family member or 10 days/year for 2 applicable family members as caregiver leave (unpaid)

Caregiver Leave Trends

FY	Caregiver Leave	Employees using caregiver reduced hours
2021	5	6
2020	2	4
2019	6	4
2018	2	5
2017	2	2

* Data for Seiko Epson Corporation employees as of March 20, 2022.

Epson's Wellbeing Leave Program

Seiko Epson introduced a special paid leave program in March 1998 that allows employees who do not use all their annual paid vacation days during the year to stockpile the remainder, up to 60 days, in a separate account. They have the option of using special paid leave days in the event of personal injury or illness, or to care for children or family members, or to participate in school events for their children in elementary and middle school.

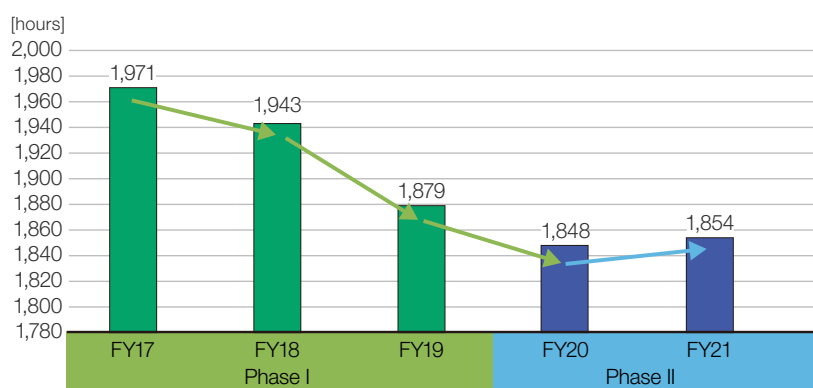
Managing Working Hours

Seiko Epson has been acting to more closely manage working hours and prevent long working hours in conjunction with the work reforms that it began introducing in 2017. In addition to ensuring legal compliance by familiarizing employees with an operations manual for managing working hours, we monitor in-out times and hours spent at work with automated tracking systems. We also remind personnel of the importance of maintaining reasonable working hours.

<Working hour and paid leave targets and results>

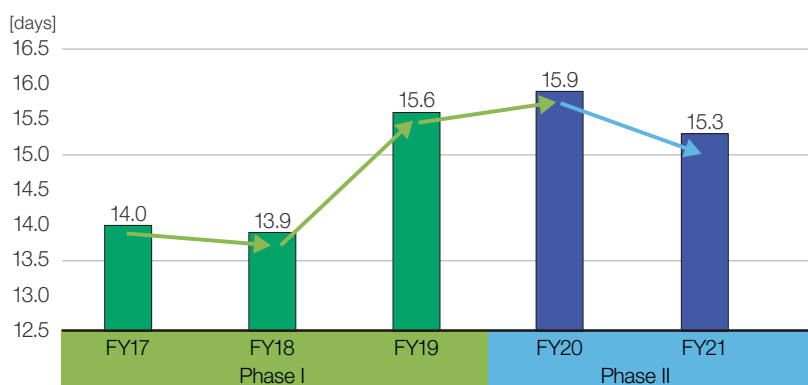
FY2022 target for annual total working hours per employee: 1,845 hours

Annual Total Working Hours per Employee



FY2022 target for days of paid leave taken: 20 days (100% usage)

Number of paid leave used



Wages

Epson's wage standards are compliant with the local labor regulations in the countries where we operate. Our standards provide for things such as suitable wages, allowances, and extraordinary pay.

The Epson Group Human Rights Policy states "Epson promotes equality of opportunity and treatment in respect to employment, occupation, and remuneration, with a view to eliminating any discrimination." In Japan, Epson pays its people based on the principle of equal pay for equal work, regardless of type of employment, as required by law. The wage system does not discriminate by age or gender.

In Japan, for regular employees who are not in management positions, we have introduced a qualified grade-based system wherein compensation is determined by the employee's job and competencies. For leaders, we have a system wherein the compensation is determined by their job, which is given based on their competencies, and the level of roles they are fulfilling. We have a role-based grade system for managers wherein compensation is determined by the size of the person's role. The suitability of non-management employee and leader wages and the wage system are reviewed once a year by a committee made up of members of management and the labor union.

In every country and region outside Japan, we establish rules that are compliant with all local wage-related regulations governing things such as minimum wages, legal benefits, and overtime. Wages, deductions, and so forth are calculated based on these rules, and employees receive an electronic or printed pay stub showing the details of each pay period. Payment is made directly to employees on the appointed date.

Labor-Management Relations

As a union shop, Seiko Epson requires all regular employees, except those in management or in certain other management-related positions, to join the labor union.¹

A labor-management council forms the basis of the labor-management relationship. Held regularly and as needed, this council is where management explains important management matters to labor union representatives and where the two sides discuss proposed changes to employment conditions. In addition to the labor-management council, Seiko Epson has formed labor-management committees, the safety and health committee, as well as some other committees, to discuss and solve issues related to things such as working styles, family support, and benefits and wages.

Informal discussions are also held on the division and department level to provide a venue for bidirectional communication between employees and managers. Management communicates its thoughts and wishes to employees as well as get direct feedback from them.

¹ Rate of joining the labor union among all regular employees: 86.4%

Main Employee Welfare and Benefits Systems (Japan)

Category	Description of System
Insurance	Health insurance, welfare pension, long-term care insurance, employment insurance, workman's accident compensation insurance
Pensions	Corporate pension fund, defined contribution pension plan
Assistance	Commuting expense subsidy, employee cafeterias & shops, uniforms
Leisure	Workplace event subsidies, clubs for people with shared interests
Personal development	Distance learning and license/qualification acquisition subsidies
Asset-building	Employee savings scheme, employee stock ownership plan
Housing	Company housing and apartments for singles
Medical & health	Company infirmaries and therapy (massage)
Caregiving	Time off, leaves of absence, reduced hours, and home care services for employees who are caring for children or other family members
Other	Congratulatory and condolence payments, long-term service awards, group insurance, etc.

Our People

Health and Productivity Management

Health and Productivity Management Initiatives

Epson believes that providing and maintaining a safe and healthy work environment and promoting physical and mental well-being are the foundation of a healthy company. We understand that safety and health are the lifeblood of the company and have instituted occupational health and safety activities globally, so that all workers in the Epson Group can enjoy working in a healthy environment and in the knowledge that they are safe and secure.

In Japan, we regularly revise and communicate mid-range health plans under which we implement health and productivity management programs designed to improve employee health and increase corporate value. The latest mid-range health plan, "Health Action 2025," was established in April 2022, and is linked with work reforms and actions of the health insurance association. The president of SEC has made free and open communication, enjoyment of work, and changes in the organizational climate priorities. In conjunction with this, Epson established a Health Management Office, publicly announced the Health and Productivity Management Declaration below as a management commitment and is strengthening the initiatives of relevant organizations.

Outside Japan, we are working continuously to improve employee health in ways that fit the situation at each company. Occupational health and safety laws vary by country and region, so each overseas affiliate manages employee health based on local law.

Health and Productivity Management Declaration

At Epson, the health of our employees is our top priority.

The company and its employees will work together to create an enjoyable and dynamic workplace environment to ensure the physical and mental wellness of all.

Our goal is to energize all employees with a vital workplace, produce results that surprise and delight the world, and make the world a better place.

Yasunori Ogawa

President and CEO

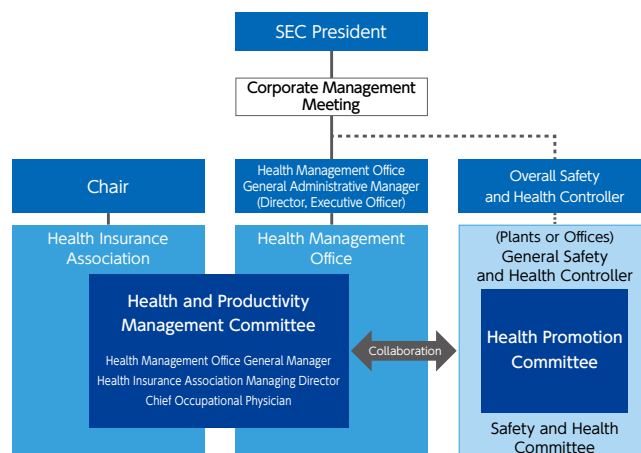
Seiko Epson Corporation

Health Management Objectives and Organization

Objectives. The Company considers the health of its employees to be the top priority. Accordingly, we want to see employee health improve and to create a positive, energetic workplace that is conducive to job satisfaction in line with the Management Philosophy, Basic Occupational Health and Safety Policy, and the Epson Group Health and Productivity Management Declaration. We believe this will ultimately result in better financial performance and higher corporate value.

Organization. Epson established a Health Management Office to drive initiatives under the president, who is responsible for health and productivity management. The office director is an executive officer who also serves as the general administrative manager of the Human Resources Division, the chair of the Health Insurance Association, and the overall health and safety controller. The office director also participates in Corporate Management Council meetings and is responsible for the general management of health and productivity. A Health and Productivity Management Committee, which is jointly run by the Company and the health insurance association, is responsible for health and productivity-related data analysis, measures and policies, and health evaluations and improvements. The committee regularly meets to coordinate activities of the health promotion committees at the various plants and offices. Health promotion committees are chaired by the general managers of the General Affairs Departments at Epson plants and offices. An officer of the labor union serves as the vice-chair. An occupational physician and a public health nurse serve in an advisory capacity.

Epson Health Management Organization



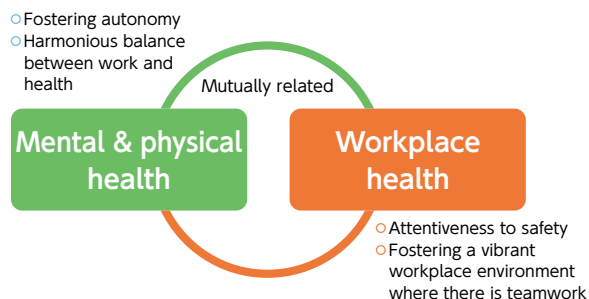
Initiatives under Health Action 2025

Epson has instituted mid-range health plans since FY2001. These plans are periodically renewed. In FY2022, we introduced the latest plan, called Health Action 2025. In creating this plan, we took into account the results of activities under the previous plan, Health Action 2020, as well as the issues that arose and the societal changes that we anticipate.

Significant changes are anticipated in things such as work arrangements, which are becoming more flexible, and the composition of the workforce, which is getting older. To meet the challenges that these changes will pose, it is important for employees to understand the state of their own health and to work toward personal wellness. We are working on two important areas. One is mental and physical health, where we are looking to foster autonomy and strike a harmonious balance between work and health. The other is workplace health¹, where we aim to ensure safety and foster an organizational climate in which teams work in an enjoyable and dynamic manner. Health Action 2025 programs are being carried out under the slogan “Notice, learn, act, and acknowledge.”

¹ Epson coined and has used the term “workplace health” since FY2016. It is based on the World Health Organization’s definition of health as “a state of complete physical, mental and social well-being” but also incorporates the idea of health and productivity management, which has elements of both mental and physical well-being coupled with how we work. It is creating a safe, dynamic, communicative workplace in which everyone feels energized and enjoys job satisfaction.

Conceptual Diagram of Health Action 2025



Slogan

Notice, learn, act, and acknowledge

Breaking Down the Slogan

 Notice	<ul style="list-style-type: none"> Monitor mental and physical health with health examinations Self-measure (weight, blood pressure, and steps) Notice changes in yourself and your surroundings (Don't ignore the signs when you don't feel quite right)
 Learn	<ul style="list-style-type: none"> Do your own research and allow yourself to be taught Utilize the training and education Get the right knowledge
 Act Increase the things you can do now to improve your health	<ul style="list-style-type: none"> Don't smoke Manage stress Good sleep quality Get the necessary tests and treatment Move more than you do now Eat healthily
 Acknowledge	<ul style="list-style-type: none"> Greet with a smile Encourage and thank each other Help each other Listen to others

First Selection under the Health & Productivity Management Stock Program

In March 2022, Epson earned its first selection as a Health and Productivity Management Stock.

The Health and Productivity Management Stock program, which was launched jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, is meant to promote corporate initiatives in the area of health and productivity management. Under the program, companies that demonstrate excellence in terms of health and productivity management are selected and highlighted as attractive companies for investors who see long-term improvement in corporate value as a priority.

Epson was recognized for having made balanced improvement in four areas of health management: management philosophy and policy, organization, program and action implementation, and evaluation and improvement. Epson's total score was the first ranking in the electronics industry. As a result of its ongoing efforts, Epson has also been certified for six consecutive years under the Certified Health and Productivity Management Organization Recognition Program (White 500), which was started in 2017 by METI and the Nippon Kenko Kaigi as a way to recognize companies that practice excellent health and productivity management.



Health and Productivity Management and Work Reforms

The health promotion committees at our various sites have been operating since the 1990s in a cooperative effort among management, the union, and the health insurance association based on THP (Total Health Promotion Plan) guidelines to maintain and improve health and revitalize/energize the workplace. Employees selected by their workplace plan and lead activities from an employee perspective.

Initiatives designed to increase workplace health, which are described in Health Action 2020, preserve the spirit of work and work culture goals set forth in 2004 in a labor-management agreement regarding overtime work and work on days off. They are aligned with Epson's position regarding health and productivity management. Epson has been carrying out work reforms to achieve our work and work culture goals. These reforms are driving the improvement of workplace health.

Introductory Statement to “Epson’s Work Goals and Work Culture”

Our goal is for all employees to maintain and improve their physical and mental health while working efficiently in a vital, rewarding work environment, without excessive labor demands. In this way, the company will develop in perpetuity, raising its corporate value and ensuring a win-win relationship with its employees.

We aim to achieve this beneficial working style and work culture both for the individual and the company.

Main Health and Productivity Management Activities

Creating an Enjoyable and Dynamic Workplace Environment

We are working to improve mental and physical health by helping employees to better recognize and manage stress through self-care. At the same time, we are trying to improve workplace health and reduce mental health issues by building a greater sense of unity through workplace environment improvements and by fostering a team-oriented, positive workplace environment.

Counseling and Assistance

The Health Management Offices at Epson sites have medical professionals (occupational physicians, nurses, and clinical psychologists) who counsel and educate employees about mental and physical health. Meanwhile, Employee Counseling Offices are staffed with industrial counselors who provide both mental health and career counseling. Mental health action plans are created via a collaborative effort involving various departments. A wide range of actions are being undertaken, from offering individual support to providing site support to improve workplace communication.

Stress Checks

Since 2004, all employees have been asked to fill out a questionnaire to evaluate their occupational stress before they undergo their annual medical exam. The main purpose is to help employees practice self-care when they feel stress. Occupational physicians, nurses, and industrial counselors follow up with employees diagnosed as highly stressed. This evaluation facilitates early detection and early treatment of mental health issues.

The results of the occupational stress evaluation are grouped by manager, which allows us to see where problems exist and plan workplace improvements. In FY2017, we began sharing the results of analyses of occupational stress evaluations with managers and employees. In FY2018, we began holding workshops for improving the workplace environment. In FY2019, we began providing concrete support to workplaces with issues as well as to workplaces that ask for assistance in making improvements. In 2020, we began evaluating occupational stress twice a year to enable us to quickly detect changes and further strengthen support. These actions have enabled us to improve our total health risk score (the national average is 100) from 95 in FY2020 to 86 in 2021.

Training

We have offered ongoing mental health training since 2000. Group training is provided separately for new employees, mid-level employees, and managers. During the COVID-19 pandemic, we began holding online courses and continue to do so.

One of the more distinctive self-care training courses is called “Around 35: Mental Health for the Prime of Your Career.” This course is for employees who are about 35, an age at which their role in the company tends to change and when there are often important changes in their personal lives. Since 2012, a total of 2,837 employees have taken this course, which has been conducted 220 times.

We provided staff care training for middle managers at Epson Group companies in Japan from FY2019 to FY2020 because we saw a need for managers of all ages to redouble their efforts to improve the workplace environment. The training course, which was based on training given in the past on a site basis, was taken by 1,253 managers (99% of the total). In FY2021, an online course for workplace leaders was taken by 3,057 (97%) of the people in this supervisory position. Epson plans to periodically provide this type of training in the future as well.

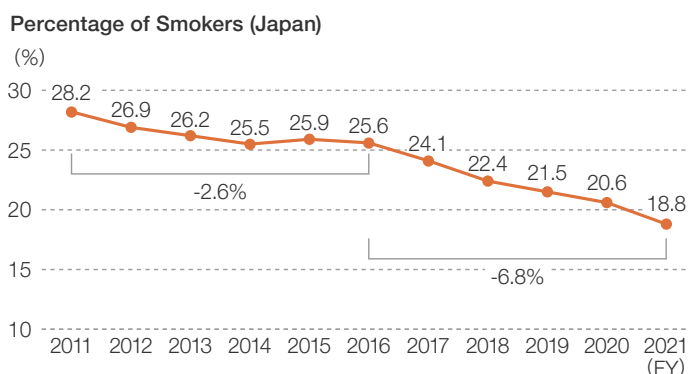
In February 2020, a lecture was held for all executives, managers, and supervisors on the topic of “Creating a lively workplace that supports health management: focusing on work engagement.”

Recurrence Prevention

Employees whose mental health issues have caused them to take time off from their jobs can benefit from our back-to-work program. The program has helped smooth the transition back to the workplace and prevent relapses. We have strengthened our efforts to review what led each individual to take a leave of absence when they return to work and have been successful in reducing relapses. Medical professionals and industrial counselors come together to consider how to respond as a team, and they work closely with the individual's primary care physician, workplace manager, and human resources department to provide better support.

Providing a Clean, Smoke-Free Work Environment

We have been stepping up actions to protect employees from harm caused by tobacco smoke. In 2016, we began to gradually reduce the number of smoking areas at our sites in Japan and to move them outdoors. Furthermore, in April 2018, we banned smoking during working hours, except for during the lunch break, and, on October 1, 2020, instituted a complete smoking ban on the premises for additional protection against passive smoking.



We have also been promoting smoking cessation among employees by drawing their attention to associated risks on World No Tobacco Day, offering professional counseling, and fully subsidizing the cost of treatment at a smoking cessation outpatient clinic. These actions have accelerated the rate at which employees in the domestic Epson Group have quit smoking. Whereas the percentage of smokers declined by 2.6% over the five years from FY2011, it declined by 6.8% over the five years since FY2016. In FY2021, the percentage of smokers was 18.8%.

Improving Lifestyle Habits by Increasing Health Literacy

As part of our efforts to increase physical activity in FY2021, Epson and the Health Insurance Association jointly held two company-wide walking events in which employees were encouraged to set goals for the number of steps taken during a given period. A total of 10,341 employees participated. We also offered an online course in exercise and sleep to build health awareness.

Lifestyle initiatives are more important in Health Action 2025. All Epson sites plan and carry out their own activities to address their particular health-related issues, but in addition to these, a newly formed company-wide organization will plan and carry out activities to better address company-wide issues. The maintenance of a proper body weight was made a key focus of our health-building activities in FY2022, and we plan to continue holding company-wide walking events.

In addition to the activities of the health promotion committees, we are also conducting regular activities to build health awareness. In FY2022, we plan to offer an online course in self-care.

Epidemic Prevention and Life-Saving Initiatives

Global Roll-out of Measures to Prevent Infections

Epson considers infectious diseases to be a serious risk to its global business activities. To eliminate disease-related plant closures, we have been taking action to ensure that our people are alert to infectious diseases and that they practice measures to prevent their spread in the workplace. Epson Group companies around the world maintain their own business continuity plans (BCP) to control risks associated with emerging infectious diseases. These BCP are tailored to their specific needs and serve not only to protect their employees but to minimize harm and ensure the continuity of business operations. In 2017, we stepped up our inspection and improvement programs at our overseas manufacturing companies to prevent the spread of infectious diseases such as tuberculosis, malaria, and Middle East respiratory syndrome (MERS).

Epson Group companies around the world maintain their own business continuity plans (BCP) to control risks associated with emerging infectious diseases. These BCP are tailored to their specific needs and serve not only to protect their employees but to minimize harm and ensure the continuity of business operations.

Support for Japanese Employees Working Overseas

The Health Management Office has set up a global health support desk to provide consultation services and health-related information to Epson employees from Japan who are working overseas. Previously, occupational physicians and public health nurses visited Epson Group companies to help reduce mental and physical health risks, but due to the coronavirus pandemic, we have begun using an IT tool.

An occupational physician in charge of overseas provides information and education about the three priority diseases (HIV, malaria, and tuberculosis) to employees before they are transferred overseas. Materials that cover a broad range of mental and physical health risks are also posted on the company intranet and are available for viewing by all employees.

Measures to Prevent COVID-19 Infections

The health and safety of our employees, customers, and other stakeholders are our top priority. The Epson Crisis Management Committee, under the direction of senior management, has therefore been at the forefront of measures to prevent the spread of COVID-19. In FY2021, we provided vaccinations for employees and their families at three of our sites in Japan. In total, our occupational physicians and nurses vaccinated 7,687 people. We will continue to work to prevent the spread of infections in accordance with internal and external trends.

Training in Life-Saving Procedures

There have been incidents in the past in which individuals have suffered cardiopulmonary arrest at Epson sites. In view of this, Epson began to spread awareness of emergency procedures at Group companies in Japan so that we can provide the best first aid and life-saving treatment if we should ever be present when someone suffers such an event. Executives and other personnel have been given hands-on training in cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators (AEDs). As of the end of March 2022, approximately 16,000 employees had received training.

Our People

Occupational Safety and Health

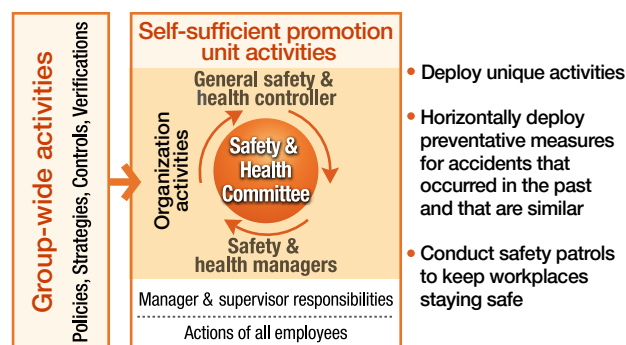
Approach to Occupational Health and Safety

Safety, health, and compliance take precedence over performance at Epson. Epson believes that initiatives to promote a healthy and safe work environment and to protect physical and mental wellbeing are essential for a healthy company. We therefore run occupational health and safety knowledge that they are safe.

Epson established the New Epson Safety & Health Program (NESP) and Basic NESP Policy in FY2000. Based on an occupational safety and health management system (OS-HMS) that conformed to International Labour Organization (ILO) guidelines, the program and policy covered safety, health, fire prevention, disaster management, and facilities. NESP was replaced in April 2022 with a new Basic Occupational Health and Safety Policy that better articulates Epson's occupational health and safety activities, thereby facilitating understanding among officers, employees, and partners.

 [Epson Group Basic Occupational Health and Safety Policy \(Please refer to page 302 of "Appendices"\)](#)

Basic Concept of Occupational Health and Safety Activities



Commitment

We are evolving the Epson Group's occupational health and safety programs based on the ISO 45001 international standard and will further improve the workplace health and safety environment. Understanding that safety, security, and health are the most important thing to us as a company, we observe all applicable local laws and regulations as well as company rules. We also do all that we can to maintain and promote the mental and physical wellbeing of our people, work together to eliminate serious occupational accidents and industrial incidents as well as occupational illnesses, and lay the groundwork for achieving sustainability and enriching communities.

Eiichi Abe

Executive Officer
General Administrative Manager, Human Resources Division /
Health Management Office
and Overall Health and Safety Controller

Occupational Accidents

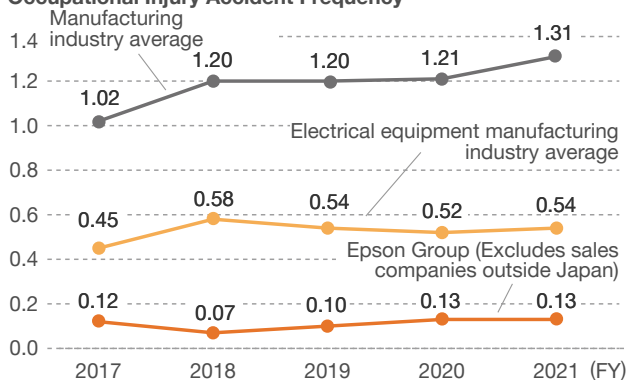
In the FY2021, we had a serious occupational accident¹ in which an employee lost a foot. The accident occurred when a forklift slipped on an oily floor in an overseas warehouse and the driver's leg got caught between the forklift and a wall. Immediately after the accident, the staff examined conditions in the warehouse, performed a why-why analysis, identified risks. All other Epson sites were then instructed to inspect the way they care for and use their forklifts. Based on the lessons learned, we established rules for reporting potentially hazardous conditions, provided forklift safety training, and posted warnings to indicate hazards in work areas. These practices were shared across the Epson Group in an accident report to help prevent future accidents of this nature.

The frequency rate and severity² of occupational accidents in the Epson Group were lower than the national average.

¹ An accident that results in death, residual disability, or the equivalent

² The frequency rate and severity of occupational accidents are indicators that are calculated in accordance with a formula provided by the Ministry of Health, Labour and Welfare, Japan

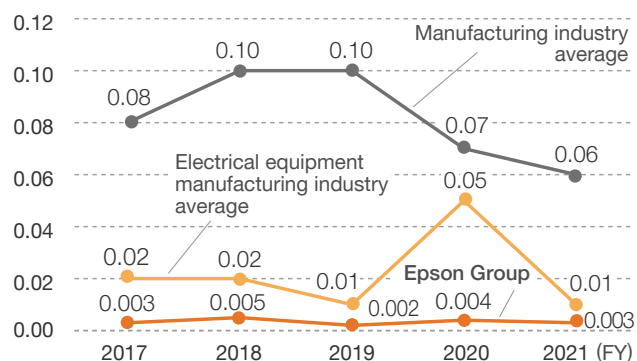
Occupational Injury Accident Frequency



$$\text{Occupational injury accident frequency} = \frac{\text{Number of injury accidents}}{\text{Total actual working hours}} \times 1,000,000$$

* Occupational injury accident frequency: the number of injury accidents per million work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Occupational Injury Accident Seriousness



$$\text{Occupational injury accident seriousness} = \frac{\text{Number of working days missed}}{\text{Total actual working hours}} \times 1,000$$

* Occupational injury accident seriousness: the number of working days missed per 1,000 work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Workdays lost are calculated based on the criteria below.

- Fatality: 7,500 days
- Permanent total disability: days of disability level 1-3 (7,500 days)
- Permanent partial disability: 50 to 5,500 days depending on disability level from 4-14
- Temporary disability: the total number of lost days, including scheduled day off, multiplied by 300/365

Number of Occupational Accidents, by Type, in FY2021

Reaction to motion and over-exertion	Cuts and scrapes	Falls	Ignition, fuming	Collision	Other	Total
10	7	7	5	3	9	41

* Definition of accident: In Japan, an accident resulting in one or more hospital visits.

Safety Management Initiatives

Epson's FY2022 safety targets are as follows.

- Zero serious occupational accidents and industrial incidents
- Frequency rate of less than 0.13 and severity of less than 0.003

Actions for FY2022

We analyzed occupational accidents in FY2021 and will act to prevent accidents, including repeat accidents, in FY2022 by focusing on the actions below.

- Reaction to motion and over-exertion: Raise awareness of heavy objects (e.g., post weights), analyze worker motion and lines of movement, assess risks, and take action to mitigate identified risks.
- Cuts and scrapes: Draw attention to hazards to which workers could be exposed so that they are taken seriously, analyze their causes, and develop countermeasures. Do so not only for equipment and machinery but also for general tools and fixtures.
- Falls: Continue activities to prevent falls using hazard prediction (KY), raise awareness of falls, and promote efforts to eradicate occupational accidents.

Obtaining ISO 45001 Certification

To protect employees from occupational health and safety risks, Epson will systematically acquire certification under the ISO 45001 international standard for occupational health and safety management systems, mainly at manufacturing sites, over a three-year period. As of June 2022, four of our 15 overseas manufacturing sites have acquired ISO 45001 certification, for an acquisition rate of 27%.

Global Sharing of Information on Occupational Health and Safety Activities

Epson seeks to improve its occupational health and safety activities around the world by holding regular meetings at our production sites in Japan and overseas to share information and discuss issues at the executive management and operational levels.

At the executive management level, the chief operating officers and presidents of Epson Group companies and sites in Japan gather twice a year for meetings of the general health and safety controllers to update one another about occupational health and safety activities and discuss issues to identify opportunities for improvement. Their counterparts overseas do the same.



A January 2022 general health and safety controllers' meeting in Japan

At the operational level, managers and health and safety personnel also meet regularly to share information. In Japan, they meet every other month to discuss important topics and issues. Overseas, in China and Southeast Asia, representatives from each manufacturing affiliate meet regularly to develop a common understanding on shared issues, discuss key actions to ensure compliance with applicable local legal and regulatory requirements, and drive improvement.

Raising Employee Awareness with Accident Reports

Epson analyzes all occupational injuries and accidents in the Epson Group, identifies causes, and makes plans for preventing similar incidents. Occupational injuries and accidents are reported in the form of Safety News bulletins that describe accident causes, countermeasures, and actions that all sites are to take to prevent similar accidents in the future. These reports are placed on the intranet and discussed with employees.

Professional Development through Health and Safety Education

Epson considers health and safety education vital for protecting employees. The education curriculum is tailored to the position, roles, and responsibilities of employees. Education for non-management employees focuses on practical techniques such as risk assessment and hazard prediction. Education for managers and supervisors focuses on leadership. All Group companies use the same education curriculum.

In the FY2021, we offered an online safety course in Japan that was taken by 98.28% of managers and supervisors (2,387 people) and by 99.05% of non-management employees (15,629 people). We also planned and implemented basic education (including in safety standards) for managers and supervisors overseas. The course was taken by 100% of managers and supervisors in Greater China (717 people) and by 100% in the Southeast Asia territory (1,258 people).

Fire and Disaster Prevention

Epson is committed to fire safety and disaster management. Our independent fire brigades help to protect lives and property. We hold fire and disaster drills and practice extinguishing small fires to help minimize damage in the event of a wide-scale disaster. The actions both increase our preparedness and heighten employee awareness.

Formation of Independent Fire Brigades

Epson has had independent fire brigades in place for 68 years. The first was formed in 1955, with 15 employees dedicated to protecting their factory from fire. As our business has grown, so has the number of fire brigades. There are now approximately 900 employee firefighters active at business sites at our facilities around the world. Fire brigades train year-round to protect life and company property.



Members of the Group's first independent fire brigade (1955)

Purpose and significance of independent fire brigade initiatives

- Regular training teaches members about firefighting techniques and skills and raises their safety awareness so they can take immediate and proper action in an emergency. This is part of company safety education.
- Preserve the safety of personnel (render first aid) and extinguish fires early to limit damage to facilities and equipment in the event of an occupational accident or natural disaster.
- Employees who learn about safety and firefighting techniques and skills become key members of the workplace to instruct others there. They model fire/disaster prevention and safety for all employees, which raise workplace awareness of the same.
- Initiatives to fight fire enhance communication. Fire brigades are a good place to foster friendships between members from different departments, develop character, and cultivate human resources.

Fire Brigade Competitions

Epson has held a fire brigade competition annually in September that gives brigade members around the world a chance to demonstrate how quickly they are able to take the proper action in an emergency and to demonstrate their skills in extinguishing a small fire.

About 700 people in 43 teams, including 15 from overseas, took part in the 2019 Competition. The 43 teams consisted of 23 in the small pump division, 12 in the indoor fire hydrant division, and eight in the bugle band division. The high level of fire safety awareness was evident from the seriousness with which the teams competed in bad weather, showing that the spirit to protect lives and property under which the brigades were first formed is alive and well. The entire Epson Group will continue to improve our fire and disaster prevention and management programs.

Competitions have been canceled for the past three years due to COVID-19, but the fire brigades continue to routinely practice basic fire-fighting skills to extinguish fires early.



A men's small pump team preparing for spraying water



Members of a ladies' indoor fire hydrant team spraying water while maintaining the trajectory



Drum and bugle corps performing

Facility Safety Maintenance

Epson maintains safe facilities in line with the Epson Group Basic Occupational Health and Safety Policy to prevent accidents caused by faulty buildings, equipment, and facilities.

Facility safety maintenance covers all domestic and foreign Epson Group buildings and building equipment, including but not limited to electrical equipment, air conditioning and sanitary equipment, drainage equipment, disaster management equipment, communication equipment, and equipment for supplying gas and chemicals to production machinery. Maintaining the soundness of buildings and building equipment, preventing damage from fires and earthquakes, and ensuring the safety of employees and others will help Epson to ensure business continuity and deliver products and services on time. Epson thus has in place a variety of facility safety measures.

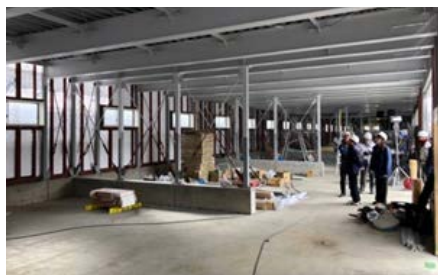
For example, before a new building or new building equipment is constructed, installed, refurbished, or removed, a safety assessment is conducted to identify potential problems and improve designs. In addition to managing safety during construction, we also conduct post-construction safety assessments where we check whether buildings and building equipment were constructed or installed as designed. If there is a problem, we have it fixed, and if it is not fixed, the building or equipment cannot be used until the problem is resolved.

In addition to ensuring compliance with applicable laws, regulations, and codes when conducting safety assessments, we are also working to build safer buildings and building equipment by establishing our own standards and preventing the recurrence of past accidents and problems.

In many cases, we hire outside contractors to do the actual construction work. When we hire a contractor, we carefully manage safety by communicating the construction rules, controlling access to the site, ensuring that confidentiality is maintained, and providing instructions for working safely. We also try to raise safety awareness among contractors by holding safety conferences.

To encourage employees to acquire the licenses and qualifications needed for facility management and to maintain and raise the level of facility management, Epson provides employees with ongoing professional education. To help ensure electrical safety, Epson created its own program for training and qualifying electrical equipment technicians. Only qualified technicians are allowed to perform electrical work and maintenance on machinery used at Epson sites worldwide.

We at Epson will continue to try to eliminate occupational accidents through activities like these.



Building safety assessment



Contractor safety conference



Electrical equipment technician training

Corporate Citizenship

Approach

Epson is committed to harmonious coexistence with society through programs rooted in local communities throughout the world based on its commitment to being “an indispensable company, trusted throughout the world,” as stated in its Management Philosophy.

Recognizing that companies are expected to be even more socially involved, each and every employee will continue to contribute to Epson’s standing as a good corporate citizen and facilitate mutually beneficial relationships. Epson’s contributions go beyond financial support. Epson emphasizes contributions involving the technologies and knowledge that underpin its business as a way to give something back to society. Going forward, Epson will continue to engage in corporate citizenship activities, including contributions involving manpower.

Total Corporate Citizenship Expenditures (millions of yen)

Contribution Type	FY2017	FY2018	FY2019	FY2020	FY2021
Cash contributions	352	462	438	280	386
Employee volunteer activities during work hours (including self-directed program activities)	38	127	124	57	154
Provision of products and services	100	79	62	52	43
Others ¹	121	154	271	187	183
Total	611	822	895	576	766

¹ Includes salaries and wages of personnel engaged full-time in corporate citizenship work as well as wages of personnel who engaged in volunteer activities outside work hours

* Our social contribution activities were sharply limited by COVID-19 in the 2020 fiscal year.

Corporate Citizenship

Education for Young People

Support for marketing classes that connect students with the local community (Japan)

From 2020 to 2021, Seiko Epson, along with local professional football (soccer) club Matsumoto Yamaga FC and 11 local companies, provided support for a hands-on marketing class for 60 students specializing in marketing at Suwa Vocational High School.

The purpose of the class is to teach students the basics of marketing and the importance of communication through actual corporate work experience and direct interaction with people in the field. The students played the role of sales representatives of Matsumoto Yamaga FC, devised a sales plan to enlist the support of local companies, and actually visited companies to present their proposals. Seiko Epson advised the students in planning process.

Students said that it was a valuable experience, one that showed them what a company is thinking when it goes about its work. It also served as an opportunity to think about community engagement and showed them the importance of not just proposing a project but of convincing others about its benefits.

Seiko Epson is committed to contributing to the development of our local youth together with Matsumoto Yamaga FC and local companies.



Online Factory Tours for Elementary School Children (Japan)

Akita Epson Corporation provides factory tours and opportunities to experience the fun of producing things to students of all ages. With it difficult to hold in-person events due to the COVID-19 pandemic, the EDION Group's Youmemiru Inc., Epson Sales Japan Corp., and Akita Epson collaborated to hold online factory tours for elementary school students. Nine tours were given from September 4 to 24, 2021. A total of 841 children from all over Japan (and some from overseas) who are studying at the "Robo-Done" robot programming class sponsored by Youmemiru Inc. participated in the tours and learned about things such as robot capabilities and advanced wristwatch assembly technology. Akita Epson employees urged the children to pursue their dreams, and the parents and children who participated told us how amazed they were that six-axis robots move like a hand and that they want to support their children's dreams.



"This is what's amazing about Epson!"



"We want you to find what you like and that interests you."

Educational Assistance for Children (India)

Epson India Pvt. Ltd. (EPIL) believes in the importance of future childhood education and has an assistance program that focuses on underprivileged children. Over the past several years, EPIL has been distributing books, notebooks, and backpacks to public schools that serve underprivileged children primarily in the states of Karnataka, in southwest India where EPIL is located, and in the western state of Maharashtra. The number of recipient schools has been increasing by the year. The children were happy with their new gear that helped with their studies.



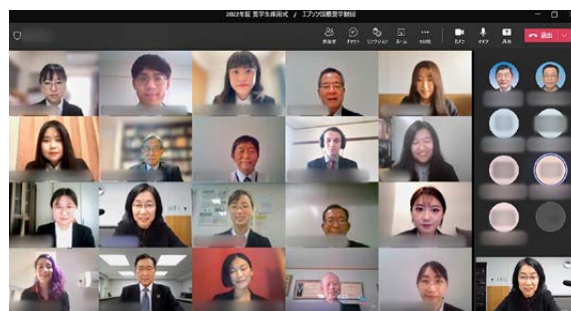
Public Interest Incorporated Foundation: Epson International Scholarship Foundation (Japan)

The Epson International Scholarship Foundation provides scholarship assistance to outstanding students from abroad who wish to study in Japan and to students from Japan who wish to study abroad. Scholarships provide ambitious university students with the extra support they need to study abroad. This is especially important now since the pandemic has made it more difficult than ever for students to earn enough to live on.

The Foundation also hosts events to promote social interaction, but these have been held online for the past two years due to COVID-19. (The photo shows the 2022 ceremony for new scholarship recipients.)

The year 2022 marks the 25th year since the Foundation was established. To date, it has provided scholarships to 286 students, and scholarship alumni are making an impact in many different areas in countries around the world.

Among other things, the Foundation also provides subsidies for research conducted by young researchers in engineering fields and for participation in international exchange programs.



Epson Information Science Vocational School (Japan)

Our society is increasingly built around information. To meet the needs of changing times, we established the Epson Information Science Vocational School in 1989. Its purpose is to develop technical personnel who are trusted by the community and can make wide-ranging contributions to society. The school had 2,883 graduates as of March 2022.

Most of the instructors are engineers and developers who have corporate experience, including at Epson. Classes are designed to ensure that students acquire technical skills they can put to practical use on the job. As a result of the school's efforts, at least 95% of the students in each graduating class over the 30 years since the school first opened its doors have received informal employment offers before graduation. Moreover, 100% of the students in the class graduating in March 2022 had received offers.



Students have their choice of three disciplines: Information Systems, Information and Electronic Systems, and Information Business. The school is accredited by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). Moreover, MEXT recognizes all three disciplines as Professional Post-Secondary Courses¹. A special class has also been set up to enable the top students to join Epson on school recommendation after graduation.

In February 2020, we received the Minister of Education, Culture, Sports, Science and Technology Award, an award granted to the highest achieving companies and schools in Japan in a Digital Technology Certification test². Only two organizations, our school and another one, won the group award, meaning that the efforts of our students earned recognition nationwide.

¹ Courses recognized by MEXT have a curriculum designed to impart the latest practical skills and knowledge through close cooperation with enterprise and systematically seek to ensure the quality of more practical vocational training.

² This is a certification that tests a wide range of knowledge from ICT and automatic control theory to designing and practical usage skills.

Corporate Citizenship

Culture and the Arts

Supporting the Seiji Ozawa Matsumoto Festival (Japan)

Seiko Epson has continuously served as a special corporate sponsor of the annual Seiji Ozawa Matsumoto Festival (originally the Saito Kinen Festival Matsumoto) since its inception, in 1992. The festival was organized to promote music and the arts as well as to contribute to the education and development of youth. (In 2020 and 2021, the festival was canceled due to the COVID-19 pandemic.)

In addition to regular concerts during the festival's run, there will be special events geared toward children, including musicales and an opera. To date, invitations have been extended to 13,000 sixth-graders, seventh-graders, and to schools for the deaf, blind, and disabled in Nagano prefecture. This education program provides a valuable opportunity for the children to see young musicians perform and to hear live orchestra music, thus serving as a catalyst for interest in classical music.



Corporate Citizenship

Community Events

Donation of PaperLab Recycled Paper and Notebooks (Japan)

In FY2022, Seiko Epson is donating about 480,000 sheets of A4 paper and 50,000 notebooks to elementary and junior high schools in Japan. The paper and notebooks are made from paper that was used within Epson and recycled using PaperLab dry-process office papermaking systems, which apply Epson's unique Dry Fiber Technology. The donated items are used in school environmental education programs and serve as an opportunity to teach children that paper recycling can contribute to the SDGs.



Support for the 2022 Suwako 8Peaks Triathlon (Japan)

Seiko Epson helped to support the inaugural Suwako 8Peaks Middle Triathlon, held in June 2022. The race took place along a 100 km course in and around Lake Suwa and out to the base of Mt. Yatsugatake. Seiko Epson, together with the event organizing committee, co-created and developed a global positioning system that utilized sensing technology to enable the organizers to see the location and movements of all 752 athletes in real time in order to ensure their safety.



Lake Suwa Fireworks Festival Sponsorship (Japan)

Seiko Epson helps to stimulate the local economy and community by serving, since 1956, as a sponsor of the annual Lake Suwa Fireworks Festival, held in the city of Suwa, Nagano prefecture, where the company is headquartered. An incredible 40,000 fireworks explode over the lake, their sound reverberating off the surrounding hills. The display ends with a cascade of sparkles along a two-kilometer stretch of the lake. This festival, one of the largest in Japan, is a local summer tradition that attracts some 500,000 visitors.



290 Days of Social Commitment (Germany)

Epson Deutschland GmbH (EDG) has been running its “190 Days of Social Commitment” program since 2008. The program began when 190 EDG employees each took one day of paid leave at their own convenience to serve the community by volunteering their time at social welfare facilities or schools in the area around the Meerbusch office. EDG changed the name to “290 Days of Social Commitment” in FY2017 because the number of employees had increased to 290.



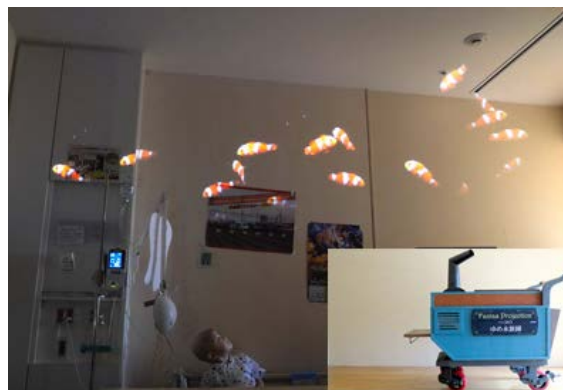
In FY2020-21, volunteer activities became all but impossible due to the pandemic, so EDG found new ways to give back to society, including by donating laptop PCs to children in need so that they could learn from home and by supporting the creation and publication of magazines at nursing homes.

Corporate Citizenship

Social Welfare

“Fantas Aquarium” Using Projected Images (Japan)

Seiko Epson has been bringing the Fantas Aquarium to hospitals and special-needs schools around Japan since 2015. In FY2019, the company staged this projection-based production at 17 locations nationwide, welcoming 7,341 visitors. The shows are set up and run with the help of employee volunteers, whom the company encourages and supports by providing paid time off. With the pandemic making it all but impossible for employees to visit facilities for the past couple years, Epson has been loaning equipment (a mobile projection cart called a Fantas car) so that facilities can put on their own shows. In the 2021 fiscal year, these shows were enjoyed by 5,368 people at 13 facilities across the nation.



We often hear from facility employees and from the families of children who stay there. They tell us about how the children smile and reach out toward the projected images and about how this exceptional experience creates special memories for children who are unable to leave the hospital. Seiko Epson will take the Fantas Aquarium on the road once again in 2021.

Blood Donations (Worldwide)

Epson employees donate blood every year.



Japan



Indonesia



U.S.



China

Stakeholder Engagement

Stakeholder Engagement

To guide its businesses toward solving societal issues, Epson believes it is important to understand and reflect the expectations of stakeholders in its strategies while also striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

Stakeholder engagement¹ is an important bridge that connects Epson with stakeholders. Epson provides the following three types of value to all stakeholders:

Social Value

Societal issue resolution & mental and cultural enrichment

Environmental Value

Coexistence of industry & the environment

Economic Value

Steady reallocation of economic added value

We contribute to society by focusing on the priority areas of the environment, education and culture, and life and community in line with the following three basic principles:

- Contributing to the SDGs
- Achieving sustainability and enriching communities
- Developing programs rooted in local communities around the world



¹ Companies-stakeholder discussions Engagement enables companies to understand the interests of stakeholders and influences the company operations and decisions.

Shareholders & investors



To proactively engage investors and individual shareholders in order to build strong communication that leads to sound business operations and investment decisions.

To further strengthen the disclosure of information and means of interaction in response to market demand.

Customers



To create products and services that surprise and delight our customers and, moreover, to create value by strengthening communication and working jointly with customers toward further improvement.

Suppliers



We seek to maintain mutually beneficial, trusting relationships with our suppliers, as they are essential partners in realizing our Management Philosophy. At our home base of Nagano and at our major overseas production sites, we hold annual supplier conferences to share our business and procurement policies. Members of Epson's executive management team endeavor to strengthen supplier cooperation by listening directly to supplier concerns and deepening mutual understanding.

We also evaluate suppliers every year and support their efforts to improve to help fulfill our responsibility to society.

Employees



Our employees underpin everything we do. Accordingly, we are effecting changes in the organizational culture to create a dynamic, vibrant environment in which to work.

- Hold discussions to encourage free and open communication
- Perform organizational climate assessments and mental health assessments
- Issue messages from the president and collect opinions and thoughts from employees

Business partners & consortia



Solving social issues and achieving sustainability require collaboration with partners who have their own fields of expertise. So, we are strengthening co-creation and building broad partnerships.

- Pararesin Consortium
- Smart City Aizuwakamatsu
- Kita-Kyushu innovation center
- Tokyo Shibuya Point 0 open platform
- Shinshu University (small-scale recycling living innovation), etc.

Local communities



In addition to traditional donations and support, we will continue programs that lead to sustainable coexistence in collaboration with communities and organizations around the world.

- Support for the Tobitate Japan Scholarship Program, Seiji Ozawa Matsumoto Festival, museums, and photo contest
- Sponsorship of Matsumoto Yamaga FC, community cleanups, festivals, Lake Suwa fireworks, Cikarang Japanese school
- Assistance for students and development of local human resources through the Epson International Scholarship Foundation and Epson Information Science Vocational School

NGO/NPO, international organizations



Engage in value creation activities with various groups to contribute to social sustainability (value sharing).

- Flower Festa, Wild Bird Society, tree planting, coral transplantation, environmental education for children, The Ocean Cleanup, ink cartridge collection
- Fantas Aquarium, blood drives, and support for sports for persons with disabilities (intellectual and physical) and local hospitals
- Typhoon No. 19 donation Nagano Prefecture & Red Cross Society, Chikuma River disaster volunteer expenses, support associated with COVID-19

Stakeholder Engagement

Shareholders & Investors

Discussions with Shareholders and Investors

- Encouraging sound investment decisions and improving the quality of management -

IR Policies and Guidelines

Epson, led by the PR & IR Department and the Sustainability Promotion Office, continuously and proactively engages capital markets throughout the year to build good communication that leads to sound investment decisions. Feedback gained from communicating with shareholders and investors is shared with management and used to improve management quality.

Although the number of shareholders and investors we can meet in person is limited, we are actively using tools such as bulletins and websites to convey our ideas to as many people as possible. We are focusing particularly on creating a website that can deliver information to a large audience simultaneously and are constantly updating sustainability and IR information.

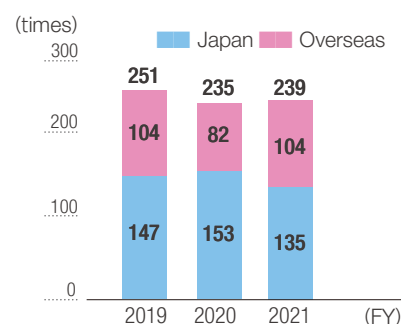
Analyst and investor meetings¹

FY2021 meetings

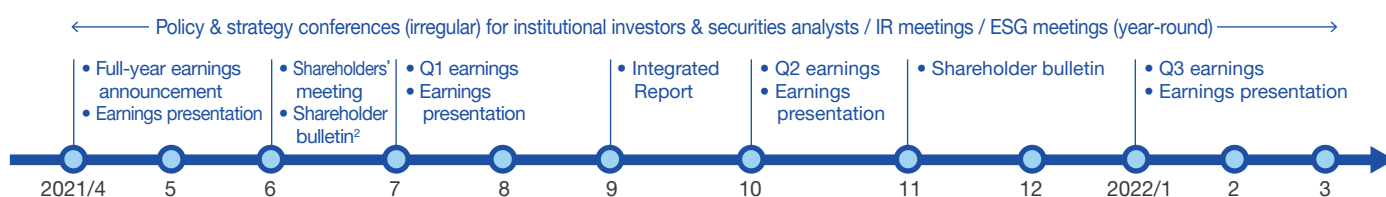
Total meetings 239

▶ **Japan 135** ▶ **Overseas 104**

¹ In addition to face-to-face interviews and meetings, this includes telephone and online interviews and conferences.



Annual IR Cycle



² We ceased issuing the year-end shareholder bulletin in 2022.

Other IR-related activities

- Examine improvements to IR & sustainability tools and information
- Early release and enhancement of materials related to the shareholders' meeting
- Providing English language information to overseas investors
- Updating and enhancing the content of the sustainability site
- Ensuring compliance with the Corporate Governance Code and disclosure of actions taken
- Web-based IR activities, such as remote interviews during the pandemic

FY2021 Engagement Activities

Events to Build Knowledge of Epson's Growth Strategies

Epson has businesses in areas other than printing yet is often thought of as a home printer company. However, Epson is prioritizing certain growth areas that are relatively new for us. These include commercial and industrial printers, multifunction printers for offices, and production systems such as robots. In FY2021, to help investors understand Epson's growth strategy, we held events focused on these growth areas. Events included small meetings about commercial and industrial inkjet printers (finished products business) and conferences about our strategies in the manufacturing solutions business. In addition, we have been exploring different ways to conduct investor relations activities both during and post-COVID-19, and in FY2022 we resumed small group events and in-person IR meetings.

Dialog between Institutional Investors and Outside Directors

Institutional investors and our five outside directors engaged in an online discussion in March 2021. This was the second such event, the first being in 2019. The outside directors answered a variety of primarily ESG-related questions from the institutional investors. Events like this build mutual understanding and help to improve the effectiveness of the Board of Directors. The contents of the discussions will be released mostly unedited because we believe doing so will build stakeholder trust.

Stakeholder Engagement

Customers

Creating Value with Customers

- Creating products and services that delight customers and earn their trust -

Hankyu Hanshin Department Store/Revitalization of Sales Floors and Events with Textile Printing and Projection

Creating New, Digitally Enabled Customer Value

An Epson digital textile printer and projectors were used at Kimono Creation, an event held in collaboration with Hankyu Hanshin Department Store and Digina, a textile printer, kimono production, and sales company. Unique Yukata designed by creatives were selected and printed on-demand. The yukata were displayed virtually, allowing the store to limit the number of physical samples and save sales floor resources.

Epson's digital technology led to sales by enabling designers to physically reproduce their designs and shoppers to choose from a variety of designs.

Getting Shoppers to Stop

Hide Nobu Yamamoto

International Fashion Sales Manager,
Gofuku Sales Department
HANKYU HANSHIN DEPARTMENT STORES, INC.



In retail stores, it is important to get customers to stop. Visual presentation is a tried-and-true tactic for getting shoppers to stop, and this is where projection excels. In addition, projection not only captivates shoppers but also has environmental benefits because it reduces waste that accompanies store displays.

We also expect digital textile printing to create new product categories and bring new value to the kimono industry, which has been shrinking in recent years.

Reinventing Stores and Sales Floors

Projection was used in this sales floor event to minimize the resource waste that accompanies in-store displays.

Six yukata, each a unique prize-winning design printed using an Epson digital textile printer, were displayed. Projection mapping was used to display additional yukata designs recruited from the designer community, giving shoppers a selection of some 90 designs from which to choose. By discussing the customer's wishes and exploring the future of in-store displays with them, we suggested a new way to advertise on the sales floor so that the customer can eliminate waste from unsold items and produce effective displays in limited space.

Efforts like this will lead to the creation of new styles and value in store decoration, apparel design, commercialization, and sales.



Expanding Horizons

Hisakatsu Iuchi
Digina Corp.



We simply asked for submissions for the event and were surprised to quickly receive nearly 100 entries. It again showed that, if you connect digitally, word about creative events like this will spread far more widely than before. I also realized that they have even greater potential, so I want to try to gradually expand the scope of activities. Digital collaboration will enable us to protect our precious craftspersons and leave traditional techniques on a digital platform for future generations.

Dialogue and Creative Activities

Digital printing and projection applications for the office have rapidly expanded, and in unexpected directions. We at Epson will put even greater emphasis on dialogue with customers and business partners in order to discover these endless possibilities. This event with Hankyu Hanshin Department Store and Digina was the embodiment of collaboration and good communication.

In a digital world, it is not uncommon for new value to be created with a sudden idea or for a new business model or market to be created in a blink of an eye. The speed with which the world is changing makes it especially important to listen to our customers and partners, improve our products, and create new cultures.



Provide Quality Education Projection and Networks & Create New Economy

Tanzania/Providing Quality Education in Africa is the Goal for Epson and World Mobile

Program

The world of education is struggling with numerous challenges. In developing countries, there are not enough places or opportunities for education because the infrastructure has not been built. In developed countries, there are not enough educators.

In November 2021, Epson Europe B.V. (EEB, Netherlands) and World Mobile Group (WM, UK) jointly launched a project to build quality educational environments in African schools. WM is providing network connectivity at schools and EEB is sending Epson inkjet printers and projectors. Through the partnership, we aim to realize an educational environment of high quality even for remote users and provide a fair, high-quality educational environment to all, so that no child is left behind.



The networks the project provides and the schools that serve as a public resource are at the heart of newly emerging communities and industries.

Henning Ohlsson
Epson Europe B.V.
Sustainability Director



“Providing a quality education for all is a key goal to achieve a sustainable society. Our partnership with World Mobile is about focusing on until now disadvantaged local communities and providing the young people there with opportunities to flourish. The COP27 Climate Change Conference puts a strong focus on education in Africa and leads with time for action on the ground.”

Micky Watkins
World Mobile Group
CEO



“We do not believe that the opportunities to learn, earn and grow as a human beings should be dictated by the place of birth. We believe in equal opportunities for all.

We believe that working together is very beneficial to people in Africa because our combined efforts will allow children to be part of the connected world and to enjoy an enhanced educational experience due to Epson's technologies.”

Partners

- Electricity generation/Network carrier: World Mobile Group
- Government: Tanzania Ministry of Education

Form of Involvement

- Supporting high-quality education using projectors and education from developed countries
- Building networks to create new economic foundations that bring people together

Issues Addressed and Benefits

Certain parts of the world do not have sufficient educational environments because of a lack of facilities, equipment, and educators. By providing quality educational environments using the power of IT, we are helping to train human resources who will be a foundation for future local development. The networks the project provides and the schools that serve as a public resource are at the heart of newly emerging communities and industries.

Provide The Place and Knowledge to Develop Youth Skills.

- Using printing technology to create new business and expand employment -

South Africa/Providing Education, Tools and Training

Epson South Africa has established a new venue with great potential to support the local community.

Retrain and Reimagine is a new initiative that will look to support individuals to learn new skills. Unemployment is >32% in South Africa and this initiative will offer valuable knowledge and experience to the individual and more broadly benefit society.

Epson South Africa will seek to work with local companies and education institutions to develop this initiative.

Through a partnership with Print SA, the printing industries federation of South Africa, Epson South Africa will have the ability to contribute to and sponsor individuals to attend learning programmes which will prepare them to enter the printing industry.



Targets

- Students
- Artists
- Entrepreneurs
- Business partners

Form of Involvement

- Sponsorship to attend learning programs
- Free use of the Epson Commercial and Industrial Facility
- Expert advice about specialized printing applications (signage, textile and photo printing, etc.)
- Technical support for production workflows

Issues Addressed and Benefits

In a region suffering heavy unemployment, we support new businesses and creativity by providing students, young entrepreneurs and artists with learning programs, expert advice and technical support about specialized printing applications and production workflows.



Creating Value in Partnership with Communities

- Promoting sports tourism to make communities more appealing -

Japan/Hosting Triathlon in Partnership with Local Community and Tourism Facilities

Local Development through Sensing Technology

Local governments in Nagano Prefecture's Suwa area, along with local chambers of commerce and industry and the Nagano Prefecture Triathlon Association, put on the Suwako 8Peaks Middle Triathlon in June 2022. Epson assisted with triathlon operation by tapping its GPS and sensor technology. Epson supports athletes by using fall detection and location information to ensure safe and secure operations, which is the most important aspect of sporting events. We partner with local governments and businesses to ensure a safer, more enjoyable event, which leads to repeat attendance, make the community more appealing, and further expand events to encourage local development.



Sports Tourism Unique to the Suwa Area

Kazumi Shirotori
Proprietress
RAKO Hananoi Hotel



In recent years, the needs and values of our guests have changed dramatically. Visitors are looking for new tourism content that makes the most of the resources unique to the Suwa area. Through the triathlon this year, we are trying to create new tourism content through partnerships among the different fields of technology, sports, and sightseeing. We use digital devices to protect the safety of our guest as well as to then use data to provide new services and an enjoyable experience. We are looking forward to providing hospitality that will make more guests enjoy the charms of the Suwa.

Stakeholder Engagement

NGO/NPO, International Organizations

NGO/NPO, International Organizations

– Social support for sustainability (value sharing) –

Tonga/JICA: Using Banana Paper (Turning Waste into a Valuable Resource)

Program

Epson was impressed with a program to deliver original picture books that was planned by the Japan Overseas Cooperation Volunteers of the Japan International Cooperation Agency (JICA) and offered to use its Micro Piezo inkjet technology to print and bind the books free of charge. The books, which were distributed to schools in Tonga in early July through the JICA and the Embassy of Tonga, will be used to educate children about the SDGs. In addition, 1% of the paper purchase price will be donated to an environmental protection organization through the supplier of the banana paper used for the picture book.

Cooperating Partners

- JICA Komagane Training Center, Tonga volunteers
- Embassy of Tonga
- One Planet Café
- Epson Mizube Corporation
- Seiko Epson Corporation

Form of Involvement

- Produce original Tongan picture books from an SDG perspective
- Coordinates with the Japanese government & Tonga
- Provides banana paper printing media
- Prints books on inkjet printers
- Overall planning & coordination

Issues Addressed and Benefits

Activities and Approach

Discussions with JICA Tonga volunteers turned from hardware support in the form of printing to the idea of creating value from waste, and Epson is now helping to realize a circular economy in Tonga and Africa by using banana paper produced from the fibers in banana tree trunks (actually pseudo-stems), which are normally burned as waste, and using paper made from used office paper with Epson's PaperLab dry process office papermaking system.



Value Provided

- Gave tangible shape to the vision of JICA volunteers
- Provided SDG learning materials utilizing Epson's printing and papermaking technology
- Donated 1% of banana paper purchase price to environmental group

Mexico/Bee2Be: Endangered Animal Protection and Economic Activity

Program

Epson is supporting the efforts of Mexican NPO Bee2Be to protect endangered Melipona bees. Bee2Be uses sales of honey to help fund its protection efforts. Epson contributes additional funding by working with designer Anna Fusoni to produce and sell scarves designed with bee motifs. This initiative also provides employment to local women.

Epson supports the production of scarves and other products with digital printing technology, contributing to the generation of steady income for local citizens and this NPO.

Cooperating Partners

- Bee2Be (NPO)
- Designer Anna Fusoni
- Local women
- Epson de Mexico, S.A. de C.V.

Form of Involvement

- Secures funding for the protection of endangered bees and organizes programs to expand employment
- Designs scarves and other items of clothing with a bee motif
- Participates in local protection efforts & sales and acts as local guides
- Provides printers and technical support for digitally printed scarves, etc.

Issues Addressed and Benefits

Activities and Approach

We collaborated with others to provide new benefits to an initiative that lacks financial resources and people, thereby raising awareness and securing funding for an initiative that provides local jobs.

Value Provided

- Supported a sustainable conservation initiative that creates revenue
- Created a new business model by selling goods such as scarves designed with a bee motif
- Provided new jobs and employment



Stakeholder Engagement

Business Partners & Consortia

Collaboration with International Consortia

– Co-creation of sustainable social value that helps solve societal issues –

CSR Europe/Participation in Sustainability Activities in Europe

Leading Sustainability Events in Europe

CSR Europe is an organization that makes recommendations on guidelines and principles for the European Commission. As a leading European business network, it supports the CSR efforts of business, industry, government, and NGOs. Epson Europe B.V. joined CSR Europe in 2017. As a member of the executive board since 2019, Epson Europe has been a leader in the building of a global network and the creation of sustainability policies for a sustainable future and sustainable business growth.



Henning Ohlsson

Director Sustainability, Epson Europe B.V./
Managing Director, Epson Deutschland GmbH/
Member of the board of directors, CSR Europe
Top 100 CSR Influence Leaders



My aim is to reinforce the sustainability benefits of our products, technologies, and solutions and ensure their regulatory compliance. I also lead local and regional initiatives that promote our company's commitment to sustainability values.

I am constantly working to make our ambitious sustainability targets and initiatives tangible for our customers and for all our stakeholders.

Governance

- 243 Corporate Governance [⌵](#)
- 258 Internal Control System [⌵](#)
- 265 Initiatives of Internal Control [⌵](#)
- 269 Security [⌵](#)



Organizational Governance

Corporate Governance

To achieve our goals, promote sustainable growth, and increase long-term corporate value, Seiko Epson continuously improves corporate governance to ensure transparent, fair, and fast decision-making, including by ensuring that independent outside directors comprise at least one-third of the board, and by establishing committees to nominate officers and determine compensation.

Structured as a company with an Audit & Supervisory Committee, Seiko Epson will further improve the supervisory function of the Board of Directors, enhance discussions at Board of Directors meetings, speed up management decision-making, and continue to further increase the effectiveness of corporate governance.

Principles of Corporate Governance

The general principles of corporate governance at Epson are as follows:

1. Respect the rights of shareholders, and secure equality.
2. Keeping the interests of shareholders, customers, communities, business partners, employees and other stakeholders in mind, work in an appropriately cooperative manner with them.
3. Disclose company information as appropriate and ensure transparency.
4. Directors, Executive Officers, and Special Audit & Supervisory Officers shall be aware of their fiduciary responsibilities and shall fulfill the roles and responsibilities expected of them.
5. Epson shall engage in constructive dialogue with shareholders.

Corporate Governance Structure

Seiko Epson ("the Company") has established itself as a company with an Audit & Supervisory Committee with the aim of strengthening the supervision and monitoring of management and of speeding up decision-making by separating the management supervision and execution of operations.

The main corporate management bodies and their aims are described below.

Board of Directors

The Board of Directors, with a mandate from shareholders, is responsible for realizing efficient and effective corporate governance, through which the Company will accomplish its social mission, sustain growth, and maximize corporate value over the medium and long terms. To fulfill its responsibilities, after establishing the strategic direction of the Company, the Board of Directors supervises general operations to ensure that operations are fair and transparent. The Board of Directors also makes decisions on important business affairs of the Company, such as decisions on the formulation of important business matters, such as the establishment of management plans and business plans and decision on investment projects that exceed a certain fixed amount of money. The Board of Directors establishes a Basic Internal Control System Policy so that business affairs are efficiently conducted under suitable internal controls and shall put in place and monitor the use of a system to manage compliance and risks.

The Board of Directors operates in accordance with the Articles of Incorporation and regulations that were approved by resolution of the Board of Directors. The Board of Directors is composed of 10 directors¹, including five Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. Meetings of the Board of Directors are chaired by the Chairperson of the Board (who is a Non-Executive Director) per the Board of Directors Regulation. The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations. Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. Under the company with an Audit & Supervisory Committee structure, the scope of business affairs delegated by the Board of Directors to executive management, such as making decisions on investment projects that are less than a certain fixed amount of money, has been expanded. As such, matters discussed by the Board of Directors are limited to motions of the highest importance (e.g., governance, capital policy, compliance, risk management, deliberations on megatrends and mid- to long-term strategies), thereby speeding up business decision-making and increasing the agility of business. The Company has specified in the Corporate Governance Policy that at least one-third of the members of the Board of Directors shall be Outside Directors.

¹ As of June 30, 2022

Audit & Supervisory Committee

The Audit & Supervisory Committee, with a mandate from shareholders, is responsible for independently and objectively auditing and monitoring the execution of Director duties and for ensuring the sound and sustained growth of the Company. The Audit & Supervisory Committee establishes criteria for properly evaluating potential External Financial Auditors. After selecting External Financial Auditors, the Audit & Supervisory Committee verifies whether External Financial Auditors possess the necessary independence and can provide the requisite audit quality, etc. In addition, the Audit & Supervisory Committee conducts audits in cooperation with internal audit departments and Financial Auditors.

The Audit & Supervisory Committee operates in accordance with the regulations that were approved by resolution of the Audit & Supervisory Committee. The Audit & Supervisory Committee is composed of four Audit & Supervisory Committee members², three of whom are Outside Directors. It is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are generally held once per month and as needed.

² As of June 30, 2022

Compliance Committee

The Compliance Committee hears and discusses important matters concerning the Company's compliance program in order to supervise whether the compliance program is being properly implemented along the executive line. It reports its findings and offers opinions to the Board of Directors.

The Compliance Committee operates in accordance with the regulations that were approved by resolution of the Board of Directors. As an advisory body to the Board of Directors, the Compliance Committee is composed of all 5 Outside Directors and Directors who are full-time members of the Audit & Supervisory Committee³. It is chaired by the full-time member of the Audit & Supervisory Committee, and meetings are held once every six months and as needed. Financial Auditors and the head of the internal audit administrative department can attend meetings of the Compliance Committee as observers.

A Chief Compliance Officer ("CCO") is chosen by the Board of Directors to oversee and monitor the execution of all compliance operations. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

³ As of June 30, 2022

Director Nomination Committee & Director Compensation Committee

The Company has established a Director Nomination Committee and a Director Compensation Committee as discretionary deliberative bodies for the selection and compensation of Directors, Executive Officers and Special Audit & Supervisory Officers. The committees operate in accordance with the regulations that were approved by resolution of the Board of Directors. With the aim of ensuring the transparency, objectivity and independence regarding selections for and compensation of Directors, Executive Officers and Special Audit & Supervisory Officers, the Committees are composed of a majority of Outside Directors and a Chairperson will be elected by the Board from among the Outside Directors. The committees shall be composed of all the Outside Directors, and the President and Representative Director. Directors who are full-time members of the Audit & Supervisory Committee can attend either meeting as observers. The human resources department is the secretariat of the committees.

The outline of each Committee is as follows:

The Mandates, Roles, and Activities of the Director Nomination Committee

The Company establishes as an advisory body to the Board of Directors a Director Nomination Committee to impartially examine through a transparent and objective process the selection of Director candidates and the dismissal of Directors as well as to evaluate and supervise the status of Director successor development plans created by the President and Representative Director, the issues therein, and Director succession plans created by the President and Representative Director.

The Committee met 15 times during the period from April 2021 to the June 2022 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including succession plans for the President and Representative Director, policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers) and candidate proposals, changes in the Outside Director selection process, and the selection of a Director Nomination Committee chairperson.

The Mandates, Roles, and Activities of the Director Compensation Committee

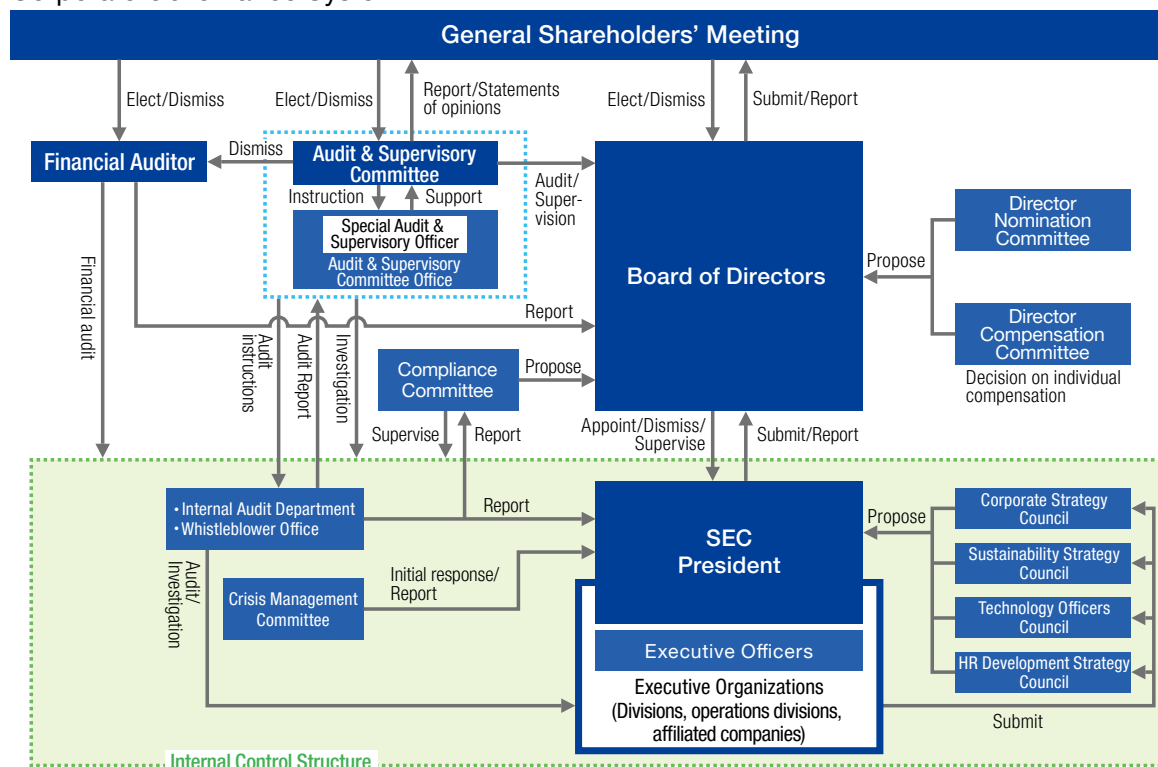
The Company establishes as an advisory body to the Board of Directors a Director Compensation Committee to impartially examine through a transparent and objective process proposals and discussions concerning matters such as the compensation system and bylaws for Directors of the Company as well as Directors' individual compensation. The Director Compensation Committee, with a mandate from the Board of Directors, decides the individual compensation of Directors who are not Audit & Supervisory Committee members.

The Committee met 11 times during the period from April 2021 to the June 2022 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including things such as the amount of base compensation and bonuses for each Director, changes to the officer compensation system, changes to the officer compensation decision-making process, selection of the Director Compensation Committee chairperson, compensation of the chairpersons of the Director Nomination Committee and Director Compensation Committee, the performance-based coefficient for stock compensation, and the Company compensation system.

Corporate Strategy Council

The Corporate Strategy Council is an advisory body to the President and Representative Director. It was created to help ensure that the right decisions are made based on the advice and views of executive management. Meetings of the Corporate Strategy Council are held to discuss important matters that affect the entire Epson Group and matters brought up before the Board of Directors. The Corporate Strategy Council is composed of Directors, Executive Officers, and Special Audit & Supervisory Officers.

Corporate Governance System



Nomination of Officers

To ensure transparency and objectivity, Director candidates who are submitted for their appointments to the General Meeting of Shareholders are determined by the Board of Directors after going through a fair, transparent, and rigorous screening and reporting by the Director Nomination Committee, which is chaired by an Outside Director and composed of a majority of Outside Directors.

The policies and procedures for nominating Director candidates and for selecting and dismissing Executive Officers (including the President and Representative Director) and Special Audit & Supervisory Officers are as follows:

Policies

1. Considering the role that Officers of the Company are required to fulfill and the nomination criteria that Epson has established, Officers must meet the standard requirements of insight, accountability, and ethics. They must also satisfy the selection criteria in 2), depending on their respective roles, and must be able to contribute to an increase in corporate value.
2. In addition to the foregoing requirements, Officers of the Company shall satisfy the selection criteria below.
 - a. Non-Executive Director candidates
Oversight capability, management knowledge, professional knowledge
 - b. Executive Director candidates
Oversight capability, foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
A candidate for President and Representative Director in particular shall possess the following:
 - The ability to face societal issues, construct a vision based on deep insight, and the courage to carry out that vision
 - A strong sense of ethics and the ability to humbly accept diverse values, tap the initiative of employees, and be a unifying force that consolidates the power of the entire company
 - c. Executive Officers
Foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
 - d. Special Audit & Supervisory Officer
The ability to influence and lead the Company, creativity, the ability to drive change, management ability, the ability to lead a group, management knowledge, professional knowledge
3. Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established "Criteria for Independence of Outside Directors."

* As a general rule, Outside Directors shall not concurrently serve as either a Director or a Kansayaku of more than three publicly listed companies other than Epson per the bylaws established by resolution of the Board of Directors.

* Per Epson policy, Directors shall attend at least 75% of the meetings of the Board of Directors per year.

Procedures

Nomination, selection, and dismissal are decided by the Board of Directors after a fair, transparent, and rigorous screening by the Director Nomination Committee, which also presents its opinion. The consent of the Audit & Supervisory Committee is required for nominating Director candidates who are Audit & Supervisory Committee members and for appointing Special Audit & Supervisory Officers.

Criteria for Independence of Outside Directors

The Company has established the criteria below to objectively determine whether potential Outside Directors are independent.

1. A person is not independent if:
 - I. The person considers the Company to be a major business partner¹, or has served as an executive² within the past five years in an entity for which the Company is a major business partner;
 - II. The person is a major business partner³ of the Company or has served as an executive within the past five years in an entity that is a major business partner of the Company.
 - III. The person is a business consultant, certified public accountant, or lawyer who has received a large sum of money or other forms of compensation⁴ (other than remuneration as an officer) from the Company or has, within the past three years, performed duties equivalent to those of an executive as an employee of a corporation or group, such as a union, that has received a large sum of money or other forms of compensation from the Company;
 - IV. The person is a major shareholder⁵ of the Company or has, within the past five years, been an executive or Audit & Supervisory Board Member of an entity that is a major shareholder of the Company;
 - V. The person is an executive or Audit & Supervisory Board Member of an entity in which the Company is currently a major shareholder;
 - VI. The person is a major lender⁶ to the Company or has been an executive of a major lender to the Company within the past five years;
 - VII. The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past five years;
 - VIII. The person has been employed by a leading managing underwriter of the Company within the past five years;
 - IX. The person has received a large donation⁷ from the Company or, within the past three years, has performed duties equivalent to those of an executive as an employee of a corporation or a group, such as a union, that has received a large donation from the Company;
 - X. The person came from an entity that employs someone from the Company as an Outside Director; or
 - XI. A spouse or relative within the second degree of kinship of a person having the interests listed in (I) through (IX) above.
2. Even if any of the foregoing criteria apply to a potential Outside Director, the Company can elect that person as an Outside Director if that person satisfies the requirements for Outside Directors set forth in the Companies Act, and the Company deems the person suitable as an Outside Director of the Company in light of his or her personality, knowledge, experience, or other qualifications upon explaining and announcing the reasons thereof.

Notes

1. A person (usually a supplier) considers the Company to be a major business partner if 2% or more of its consolidated net sales (consolidated revenue) has come from the Company in any fiscal year within the past three years.
2. "Executive" means an executive officer, executive director or operating officer, or an employee occupying a senior management position of department manager or higher.
3. A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated revenue has come from that partner in any fiscal year within the past three years.
4. "A large sum of money or other forms of compensation" means an average annual amount for the past three years that is:
 - I. no less than 10 million yen for an individual; or
 - II. no less than 2% of the annual revenues in any fiscal year for a group.
5. "Major shareholder" means a shareholder who directly or indirectly holds 10% or more of the voting rights.
6. "A major lender" means a financial institution or other major creditor that is indispensable for the Company's financing and on which the Company depends to the extent that it is irreplaceable in any fiscal year within the past three years.
7. "Large donation" means a donation whose annual average amount for the past three years exceeds either:
 - I. 10 million yen or
 - II. 30% of the annual expense of the group, whichever is higher.

Reason for Appointed as Outside Directors, and Attendance at Meetings of the Board of Directors

Name	Reason for Appointment	Attendance at meetings of the Board of Directors
Hideaki Omiya	<p>Mr. Omiya has served as the President and a Chairman of the Board of Mitsubishi Heavy Industries, Ltd. and has considerable experience and insight as a chief executive and engineer.</p> <p>He has monitored corporate management by expressing opinions actively including findings and proposals regarding overall managerial issues from a perspective of a corporate manager well-versed in the global corporate management in the heavy industry, a different business field.</p> <p>We have nominated him as a candidate for independent Outside Director with the expectation that he will utilize his wealth of experience and insight to monitor corporate management appropriately in order to achieve sustainable growth and improve the Company's corporate value over the medium and long term.</p>	13/13 meetings (100%)
Mari Matsunaga	<p>Ms. Matsunaga has created new business models and has a wealth of experience and considerable insight through her involvement in the management of multiple companies as an Outside Officer.</p> <p>She has effectively monitored corporate management by actively speaking out on and proposing solutions to managerial issues. As an Outside Director of the Company, she has appropriately monitored management, actively pointing out business issues and offering recommendations particularly from the viewpoint of promoting open innovation.</p> <p>We have nominated her as a candidate for independent Outside Director with the expectation that she will utilize her wealth of experience and insight to monitor corporate management appropriately in order to achieve sustainable growth and improve the Company's corporate value over the medium and long term.</p>	13/13 meetings (100%)
Yoshio Shirai	<p>Mr. Shirai has served as Directors at Toyota Motor Corporation, Hino Motors, Ltd. and Toyota Tsusho Corporation.</p> <p>He has considerable insight, a wealth of experience as a corporate manager, and a track record of achievements as an Outside Director and member of the Company's Audit & Supervisory Committee. We have nominated him as a candidate for Outside Director and Audit & Supervisory Committee member with the expectation that he will appropriately supervise and contribute to the soundness of the Company's management so as to achieve sustainable growth and improve the Company's corporate value over the medium and long-term.</p>	13/13 meetings (100%)
Susumu Murakoshi	<p>Mr. Murakoshi possesses a high level of professional knowledge and insight as an attorney. Given his extensive experience in the legal community, which has included stints as the Chairman of the Japan Federation of Bar Associations and the Chairman of the Political Federation of Japan Patent Attorneys, the Company believes that Mr. Murakoshi can be expected to contribute to the effective supervision and soundness of management so as to help ensure sustained growth and enhance long-term corporate value. Mr. Murakoshi has been appointed as an Outside Director who is an Audit & Supervisory Committee member.</p>	13/13 meetings (100%)
Michiko Ohtsuka	<p>Ms. Ohtsuka possesses a high level of professional knowledge and insight as a certified public accountant. Given that she has experience and considerable insight as an Outside Officer in a public company, the Company believes that Ms. Ohtsuka can be expected to contribute to the effective supervision and soundness of management so as to help ensure sustained growth and enhance long-term corporate value. Ms. Ohtsuka has been appointed as an Outside Director who is an Audit & Supervisory Committee member.</p>	13/13 meetings (100%)

Matrix of Areas of Expertise Particularly Expected for Directors

The Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, the Company has a fundamental policy of assembling a Board of Directors that is well balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill, without regard to things such as gender, race, ethnicity, nationality, cultural background, or age.

The current Board of Directors reflects this policy and has articulated a management organization for realizing the Management Philosophy and corporate vision so as to enable the Company to achieve sustainable growth and improve corporate value over the medium to long term.

The areas and skills where there are particularly high expectations for Directors are as below.

Title	Name	Areas of expertise and skills particularly expected by the Company						
		Corporate management	Development Design Technology Production	Sales Marketing	IT Digital	Finance Accounting	Legal affairs Compliance	Global (Internationality)
Chairman and Director	Minoru Usui	●	●	●				
President and Representative Director	Yasunori Ogawa	●	●		●			
Representative Director Senior Managing Executive Officer	Koichi Kubota	●		●				●
Director Senior Managing Executive Officer	Tatsuaki Seki				●	●	●	
Outside Director	Hideaki Omiya	●	●		●			
Outside Director	Mari Matsunaga			●	●			
Director Full-Time Audit & Supervisory Committee Member	Masayuki Kawana					●	●	
Outside Director Audit & Supervisory Committee Member	Yoshio Shirai	●	●					●
Outside Director Audit & Supervisory Committee Member	Susumu Murakoshi					●	●	
Outside Director Audit & Supervisory Committee Member	Michiko Ohtsuka					●	●	

* Up to three areas of expertise particularly expected are stated.

* As of June 30, 2022.

Succession Plans

The Company's Director Nomination Committee, which is chaired by an Outside Director and is composed of a majority of Outside Directors, discusses enhancements to succession plans and the Director appointment process, reviews the roadmap, selects Director candidates, establishes and implements development plans, and reviews the process for evaluating, narrowing down, and replacing candidates.

The Company selects candidates for senior management positions in order to systematically develop these individuals as future executives. After their development is assessed, the HR Development Strategy Council, an advisory body to the President and Representative Director, devises and implements a concrete development plan. The state of development and issues are reported to the Director Nomination Committee, and development activities are further enhanced under the supervision and advice of the Outside Directors. Candidates to succeed the President and Representative Director are identified through the aforesaid process and developed by appointing them to key management roles and by providing them with other essential training opportunities.

Compensation of Officers

Officer compensation is decided by resolution of the general meeting of shareholders and the Board of Directors or the Audit & Supervisory Committee pursuant to the Corporate Governance Policy after a fair, transparent, and rigorous review by the Director Compensation Committee, which is chaired by an Outside Director, composed of a majority of Outside Directors, and issues an opinion, to ensure transparency and objectivity.

To enhance and strengthen corporate governance, the Board of Directors passed a resolution that gives full discretionary authority for deciding the compensation of Directors who are not Audit & Supervisory Committee members to the Director Compensation Committee.

Policies

Compensation of Officers Who Have Executive Duties

1. Compensation shall provide incentive to improve business performance and shall show a commitment to that in order to sustain growth and increase long-term corporate value.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
3. Compensation shall be commensurate with period performance so that they can demonstrate their management capabilities to the fullest during their tenure.
4. Compensation shall show a clear connection between officer compensation and share price and shall strengthen the awareness that their interests are aligned with those of shareholders.
5. Compensation shall have a built-in mechanism to control misconduct.
6. The process for determining compensation shall be highly transparent, objective, and fair.

Compensation Policies for Officers Who Do Not Have Executive Duties

1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

Compensation System

The Officer compensation system consists of the following components: base compensation, which is comprised of fixed compensation, bonuses, which are performance-linked compensation, and stock compensation, which is non-monetary compensation. Non-Executive Officers receive base compensation only, a fixed amount, because their role is to supervise general management, etc. They do not receive bonuses and stock compensation.

Base Compensation (fixed and variable)

Base compensation is fixed monetary compensation that is determined in accordance with the individual's position and the size of his or her role and assigned duties. It is paid monthly during their tenure. Base compensation may be raised or lowered by the Board of Directors if warranted by Company performance or for other reasons.

Bonuses (variable)

Bonuses are performance-linked monetary compensation paid once a year to Officers who have executive duties, the amounts varying depending on achievement with respect to single-year performance indicators and individual objectives.

In consideration of the nature of bonuses as a short-term incentive, annual Group ROE is used as a performance indicator, with factors such as achievement with respect to individual objectives taken into account. The basic bonus amount is an amount obtained by multiplying the annual total compensation calculated based on position, duties, and so forth by the bonus ratio (25% to 30%) for each position, and the bonus payment amount is calculated by multiplying the basic bonus amount by a coefficient (0% to 200%) according to the achievement with respect to index values such as company-wide ROE targets and a coefficient ($\pm 40\%$) according to the level of achievement with respect to individual objectives.

The final payment amount is decided at the ordinary general meeting of shareholders to ensure transparency.

Restricted stock compensation (variable)

The Company introduced restricted stock compensation in place of performance-linked stock compensation (officer compensation BIP trust) at the Ordinary General Meeting of Shareholders of June 28, 2022. Restricted stock compensation is stock-based compensation that is designed to further share value with shareholders and provide greater incentive than before to increase the share price, sustain growth, and increase long-term corporate value. It is paid once a year to directors who have executive duties.

Pursuant to the resolution of the Board of Directors, the Company will pay monetary compensation claims up to the annual amount of 200 million yen as compensation, etc., for restricted stock. In turn, eligible Directors will pay all monetary compensation claims provided by the Company as in-kind contributions and will receive an allotment of restricted stock. The aforesaid monetary compensation claims will be paid on condition that eligible Directors have agreed to the aforesaid in-kind contributions and have concluded a restricted stock allotment agreement. The total number of restricted stock shares to be allotted to eligible Directors will not exceed 200,000 shares annually.

Restricted stock allotment agreements shall include provisions on the content below.

I. Nature of restrictions on transfer

Eligible Directors shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose of restricted stock (hereafter "Allotted Stock") during the period from the date of allotment to the date on which they resign or retire from their position as either a Director, Executive Officer, or employee of the Company.

II. Gratis acquisition of restricted stock

If an eligible Director resigns or retires from his or her position as a Director, Executive Officer or employee of the Company before the end of the period, the Company will rightfully acquire the Allotted Stock without compensation, unless there are extenuating circumstances that the Company's Board of Directors deem reasonable.

III. Lifting of the transfer restrictions

The Company will lift transfer restrictions for all Allotted Stock upon the expiration of the transfer restriction period, provided that the eligible Director holds the position of Director, Executive Officer or employee of the Company continuously from the date the transfer restriction period starts to the date of the first Ordinary General Meeting of Shareholders thereafter.

IV. Malus and clawback provisions

The Company will establish provisions to acquire without contribution some or all of the Allotted Stock granted to eligible Directors or common shares of the Company for which transfer restrictions have been lifted, or to be paid an amount equivalent to the value of the Allotted Stock or common shares of the Company for which transfer restrictions have been lifted, in cases in which the Board of Directors recognizes that eligible Directors have violated laws, regulations, or internal rules, etc. in any material respect during the transfer restriction period or after the lifting of the transfer restrictions, and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses, etc.

V. Treatment in organizational restructuring, etc.

If, during the transfer restriction period, matters concerning organizational restructuring, etc., of the Company are approved at an Ordinary General Meeting of Shareholders, the Company will, by resolution of the Board of Directors, lift the transfer restrictions prior to the effective date of the organizational restructuring, etc., for the number of Allotted Stock that is reasonably determined based on the period from the date the transfer restriction period starts to the date the organizational restructuring, etc., is approved.

The Company plans to also allocate restricted stock like the restricted stock described above to Executive Officers who are not Directors of the Company.

To share the benefits and risks of changes in stock price with general shareholders and to provide eligible Directors with a greater incentive to increase the stock price, sustain growth, and increase long-term corporate value, the Company uses achievement with respect to indicators such as Group ROIC and sustainability targets as indicators.

The base amount of compensation is obtained by multiplying the annual total compensation calculated based on the position, duties, and so forth of each Director by a coefficient (80% to 120% for all) based on achievement with respect to indicators such as stock compensation depending on position (20% to 25%), Group ROIC, and sustainability targets. The base amount of compensation is then divided by the price per share of transfer restricted shares set by the Board of Directors to find the number of Allotted Stock for the period.

The amount of monetary compensation claims to be paid to each Director as compensation, etc., for transfer restricted stock shall be calculated by multiplying the number of shares of Allotted Stock by the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors relating to the issuance or disposal of Allotted Shares.

Performance-linked Compensation (variable)

No additional contribution will be made to the officer compensation BIP in the future, and the intent is for the plan to terminate upon the completion of the delivery and payment pertaining to the points already granted of the Company's common shares and the cash equivalent to an amount obtained through the conversion of the Company's common shares into cash.

Officers who have executive duties are compensated with Seiko Epson shares under a trust scheme. Under this system, the Company contributes money up to 500 million yen in total for each target period, which covers a period of three consecutive fiscal years, to the trust as compensation for officers eligible for this system. During each target period, the trust uses the entrusted money to acquire up to 300,000 shares (in the event of a share split, share consolidation, etc., the said maximum number of shares will fluctuate in proportionate to the ratio of split or consolidation) of the Company's ordinary shares from the stock market or the Company (disposal of treasury shares). Every July during the trust period, basic points are granted based on positions and other factors. The number of points will fluctuate by multiplying the basic points by a performance-based coefficient determined based on the achievement level of the Company's medium- to long-term performance targets (the maximum number of total points per year is 100,000 points, and one point is equivalent to one share). In principle, after the elapse of three years from the date of grant of basic points, approximately 50% of the Company's ordinary shares equivalent to the number of points after multiplying the performance-based coefficient determined based on the achievement level of the Company's medium-term performance targets, which include business profit, ROS, and ROE, are delivered from the trust, and the remainder is paid as money equivalent to the cash value of the Company's ordinary shares for the purpose of appropriating it as funds to pay withholding taxes and other taxes.

The ratio of stock compensation to base compensation increases or decreases from 10% to 22% depending on position, while the number of shares delivered is linked to the achievement level of the performance indicators during the target period (3 years).

The Company has introduced provisions (malus and clawback provisions) under this stock compensation system that will cause Officers to lose their right to receive stock and require them to pay back an amount equal to the value of the stock already issued if they are found to have violated any laws, ordinances, or company regulations, standards, or other policies.

The Company has selected quantitative evaluations (business profit, ROS, ROE, cash flows from operating activities) as well as qualitative evaluations as indicators, so that the performance-linked compensation based on performance indicators can provide appropriate incentives to Directors and for the purpose of showing its commitment to promoting sustainable growth and increasing its medium to long-term corporate value. The Director Compensation Committee qualitatively evaluates performance based on progress against the previous Mid-Range Business Plan financial targets, the effects of currency volatility, progress in ESG management (environment assessment, CSR survey ranking and evaluation of the effectiveness of the Board of Directors), etc.

Compensation to Directors (FY2021)

(Millions of yen)

Category	Number of individuals (Persons)	Base compensation		Performance-linked compensation		Total
		Fixed (monetary)	Variable (monetary)	Bonuses (monetary)	Stock compensation (non-monetary)	
Directors who are not Audit & Supervisory Committee members (of which, Outside Directors)	9 (2)	264 (29)	11 (-)	64 (-)	29 (-)	369 (29)
Directors who are Audit & Supervisory Committee members (of which, Outside Directors)	5 (3)	81 (48)	- -	- -	- -	81 (48)
Total	14	364	11	64	29	451

Notes

- The Company has introduced an officers' shareholding association system to link compensation more closely to shareholders' value. A portion of the base compensation is discretionally allotted for the acquisition of the Company's shares. The Company has established the criteria for shareholding by its officers based on internal regulations defined by the Board of Directors to demonstrate its commitment to and responsibilities for the management to all shareholders.
- The amount above includes bonuses to be paid to Directors in the amount of 64 million yen (amount to be paid to three Directors excluding Chairman and Director without the right of representation, Outside Directors, and Directors who are Audit & Supervisory Committee Members), subject to the approval of the proposal concerning the payment of bonus to Directors to be proposed at the Ordinary General Meeting of Shareholders scheduled on June 28, 2022.
- The Company introduced a performance-linked stock compensation plan (stock compensation) by employing a framework referred to as the officer compensation BIP (Board Incentive Plan) trust, for the purpose of showing its commitment to promoting sustainable growth and increasing its medium to long-term corporate value, in addition to strengthening the sense of sharing common interests with its shareholders. No additional contribution will be made to the officer compensation BIP in the future, and the intent is for the plan to terminate upon the completion of the delivery and payment pertaining to the points already granted of the Company's common shares and the cash equivalent to an amount obtained through the conversion of the Company's common shares into cash. The stock compensation stated above represents the amount recorded based on Japanese Generally Accepted Accounting Principles (JGAAP) concerning the stock delivery points granted in the current fiscal year.
- The number of individuals above includes two Directors who are not Audit & Supervisory Committee Members, one Director who is an Audit & Supervisory Committee Member who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2021, and one Director who is not an Audit & Supervisory Committee Member who retired on January 31, 2022.
- Stock options are not granted

Actions to Ensure Board Effectiveness

The Board of Directors of the Company analyzes and evaluates the effectiveness of the entire Board of Directors every year based on Article 28 of the Corporate Governance Policy.

Evaluating the effectiveness of the Board of Directors (general principles)

- When evaluation is performed: February to March
- When evaluation results are analyzed and issues are selected: April to May
- Disclosure of issues in a Corporate Governance Report: June
- Interim report to the Board of Directors (regarding actions taken to resolve issues): October
- Final report to the Board of Directors (regarding action take to resolve issues): February of the following year
- Disclosure in a Corporate Governance Report of the results of actions taken to resolve issues: June of the following year

FY2020 Evaluation Results

The results of actions taken to address issues that were raised when the effectiveness of the Board of Directors was evaluated for the 2020 fiscal year are provided below. The effectiveness of the Board of Directors in the 2020 fiscal year was evaluated by having all Board members complete a questionnaire. The questionnaire results showed that the Board of Directors is functioning effectively.

(1) Promoting diversity initiatives

The Board conducted numerical improvement simulations up to the goal of promoting women in the workplace and revised the targets leading to the goal. Issues in the Company were found to fall under the categories of unconscious bias, long working hours, insufficient growth opportunities, and a small number of women in the workforce. The Board focused its efforts on resolving these issues, regularly discussing them at the Board meetings during the 2021 fiscal year. The direction in which to steer actions to promote the participation and advancement of women was thus clarified, an owner was appointed from each operations division and division, and activities commenced in each organization. The Board will continue to collaborate with the operations divisions and divisions to promote the participation and advancement of women in the workplace primarily through a special project team called the Diversity and Inclusion Project.

Moving forward, the Board will also advance other diversity-related initiatives to hire foreign nationals and mid-career workers and to hire more persons with disabilities. For details, see “Promotion of Diversity” at our web-site. ([WEB https://corporate.epson/en/sustainability/our-people/diversity/index.html](https://corporate.epson/en/sustainability/our-people/diversity/index.html))

(2) Promoting DX initiatives

The Board of Directors formulated, planned, and drove DX strategy to achieve the DX initiatives in Epson 25 Renewed (initiatives to contribute to customer success by building a robust digital platform, connecting people, things, and information, and co-creating solutions that continue to meet customer needs). They examined issues in the Company, organized the degree of evolution of DX from a customer perspective and an employee perspective, and have been improving the infrastructure.

Moving forward, they will address the priority issue of capturing the necessary DX and IT talent. Time is regularly set aside at Board meetings to discuss DX, and the Board has discussed the direction and method of promoting DX, but given that DX forms the core of the Epson 25 Renewed corporate vision and that work in this area needs to be further strengthened, the Board decided to pursue the actions described in 3. below as one of the issues in Board effectiveness evaluations.

FY2021 Evaluation Results

- (1) Composition, functioning, and operation of the Board of Directors
- (2) Functions of the Audit & Supervisory Committee
- (3) Functions and operations of advisory bodies to the Board
- (4) Evaluation, compensation, succession planning, and training of the management team
- (5) Dialogue with shareholders
- (6) Other

The results of the evaluation showed that the Board of Directors as a whole is functioning effectively. However, given recent trends in corporate governance and the results of the 2020 fiscal year effectiveness evaluation of the Board, the Board identified the following issues in order to improve effectiveness in the future.

- (1) Set aside more opportunities to discuss progress and issues related to the environment, DX, and co-creation to accelerate the realization of Epson 25 Renewed.
- (2) Deepen discussions on succession plans and training of the management team and drive further improvement. An evaluation by a third-party organization was not conducted because it is the Company's policy to implement them once every three years. In the future, we will work to further improve effectiveness by addressing these issues.

Responding to Large-Scale Acquisitions of Seiko Epson Shares

Epson's Corporate Governance Policy stipulates the following:

1. Whether to accept a bid to purchase a number of shares that would give the acquirer control over the Company's financial and business policies ("large-scale acquisition" hereafter) should ultimately be decided by the shareholders.
2. Epson shall ask persons who attempt to make large-scale acquisitions of Company shares to provide a sufficient amount of the information needed to determine the desirability of the large-scale acquisition from the perspective of ensuring and enhancing corporate value and the common interests of shareholders, after which Epson shall disclose the opinions of the Company's Board of Directors regarding the proposed large-scale acquisition, thereby doing its due diligence to provide shareholders with the time and information they need to consider the desirability of the large-scale acquisition. The Company shall also take appropriate actions based on the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations.

Organizational Governance

Internal Control System

Epson's Management Philosophy outlines the vital business principles to which the global Epson Group is committed, while Epson's Principles of Corporate Behavior describes the conduct required to live up to these principles. Epson has established the basic concept of internal control in the Basic Internal Control System Policy, and is taking action to steadily improve internal control across the entire Group.

Group Governance

The Epson Group is managed based on the concept: global consolidated responsibility of product-based divisions; and global responsibility of the Head Office supervisory functions. The head of the business operations divisions take the responsibility for the business execution systems of subsidiaries. And the head of Head Office supervisory sections take the responsibility for Group-level corporate functions. With this system, Epson strives to streamline operations throughout the Epson Group, including subsidiaries.

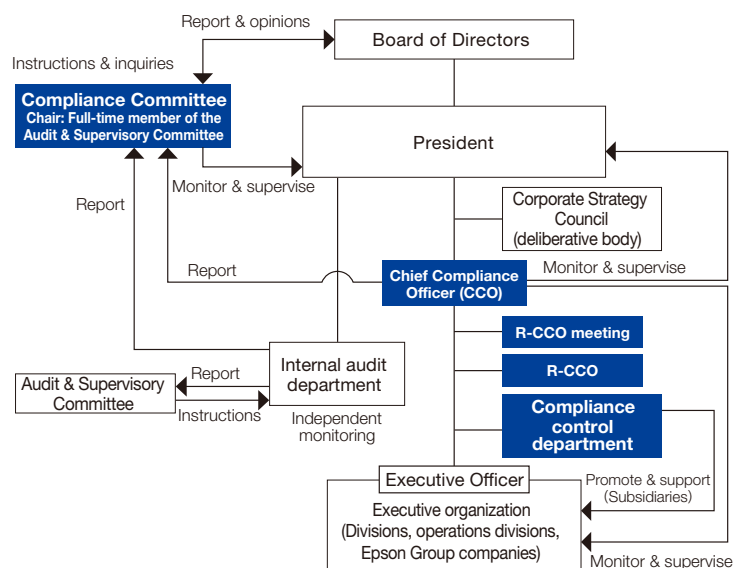
Compliance and Risk Management

Epson's goal is to continuously create value that exceeds customer expectations while building trust with all stakeholders based on the company's Management Philosophy. To maintain and strengthen this trust, Epson seeks to increase management transparency and fairness and effectively manage compliance through faster decision-making. There were no legal or regulatory violations subject to disclosure in FY2021, nor were there fines or settlements subject to reporting in audited financial statements.

Compliance Organization

As an advisory body to the Board of Directors, the Compliance Committee is made up of five outside directors and one director who is a full-time member of the Audit & Supervisory Committee. It is chaired by the full-time member of the Audit & Supervisory Committee, and supervises business affairs by discussing important compliance activities and making reports and suggestions to the Board of Directors. The Chief Compliance Officer (CCO) supervises and monitors the execution of all compliance operations, including that of the president, and periodically reports the state of compliance affairs to the Compliance Committee. The Regional Chief Compliance Officers (R-CCOs) assist the CCO as instructed by the CCO in order to promote effective compliance activities that take into account local laws, business practices and other societal demands. They promote and enforce compliance in their respective subsidiaries within the scope of their responsibilities. The CCO and R-CCOs periodically hold R-CCO meetings to discuss important matters relating to compliance activities at subsidiaries. In addition, a compliance control department monitors compliance in general, making corrections and adjustments as needed to enhance the completeness and effectiveness of compliance activities.

Compliance Organization Chart



The compliance organization is defined in the Epson Group Compliance Basic Regulation.

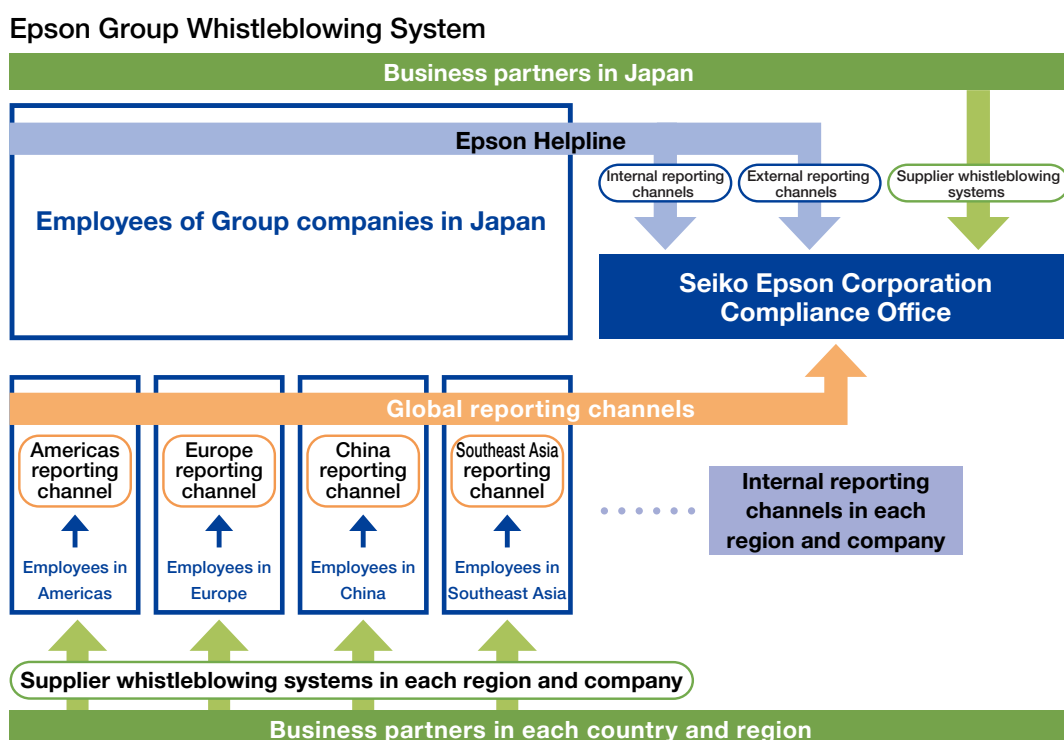
Whistleblowing Systems and Reporting Channels

Epson provides reporting channels to obtain information from officers, regular employees, contract employees, and temporary workers to quickly call our attention to potential compliance problems that might go undetected. We set up a process for escalating reports of concern. The basic rules for whistleblowing systems, such as the need to strictly manage information contained in reports, forbid reprisals against whistleblowers, and protect anonymity, are set forth in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. Seiko Epson and all the Group companies provide reporting channels based on them. Whistleblowing systems comply with the laws and regulations of each country and region. They are available in Group companies in their local language.

Reporting channels are prescribed in the Epson Global Code of Conduct and accessible on the intranet. We inform officers, employees, and temporary workers about the channels and urge their use through Compliance Month activities every October and online courses.

In addition, Seiko Epson and all the Group companies have set up Supplier whistleblowing systems to receive reports from suppliers and other third parties. Suppliers are notified about supplier whistleblowing systems at supplier conferences and are encouraged to use them.

Whistleblowing system use and reports received in the Epson Group are reported regularly to the Board of Directors, Audit & Supervisory Committee, Compliance Committee, and Corporate Strategy Council. The identity of whistleblowers is kept confidential.



Support System in Japan

Epson has set up two types of Epson Helpline reporting channels. One type is operated internally. The other is operated by a third-party provider. Officers, employees, and temporary workers in domestic Group companies can use either type of channel to report their concerns. Instructions for using Epson Helplines are provided in a user manual posted on the company intranet. Trainings and other opportunities also cover helpline use. Reports can be lodged by e-mail or phone 24 hours a day, 365 days a year. We investigate reports from whistleblowers and take corrective action as needed. We have been taking the initiative in developing the whistleblowing system since establishing the first reporting channels for employees and temporary workers in conjunction with the enforcement of the Whistleblower Protection Act in 2006. In compliance with the amended Whistleblower Protection Act that came into force in June 2022, we are taking further action to establish internal systems under which we designate personnel to be engaged in receiving whistleblowing reports and that enable the company to respond to such reports from employees and temporary workers up to one year after leaving the company.

Our reporting channels in Japan received 93 reports, an increase of 15 over the previous fiscal year. Whistleblowers reported possible cases of internal rule violations, misconduct, and lawbreaking. Epson responded appropriately to each of these reports. Aside from Epson Helplines, we set up advisory services for specific concerns for officers, employees, and temporary workers. This helps us to maintain and operate an environment that makes it easier to seek advice.

Counseling and Support Services in Japan

- Harassment counseling
- Management advisory service
- Counseling related to overwork and long working hours
- Career counseling
- Employment counseling for persons with disabilities
- Diversity counseling
- Women's health counseling
- Employee counseling
- Corruption (bribery) regulations advisory service
- Competition laws advisory service
- Insider trading advisory service

Support System Outside Japan

All overseas Group companies have set up reporting channels that allow officers, employees and temporary workers to report. Each reporting channel complies with local laws and regulations. Information contained in reports is strictly protected and reprisals against whistleblowers are prohibited. Reports may be made anonymously.

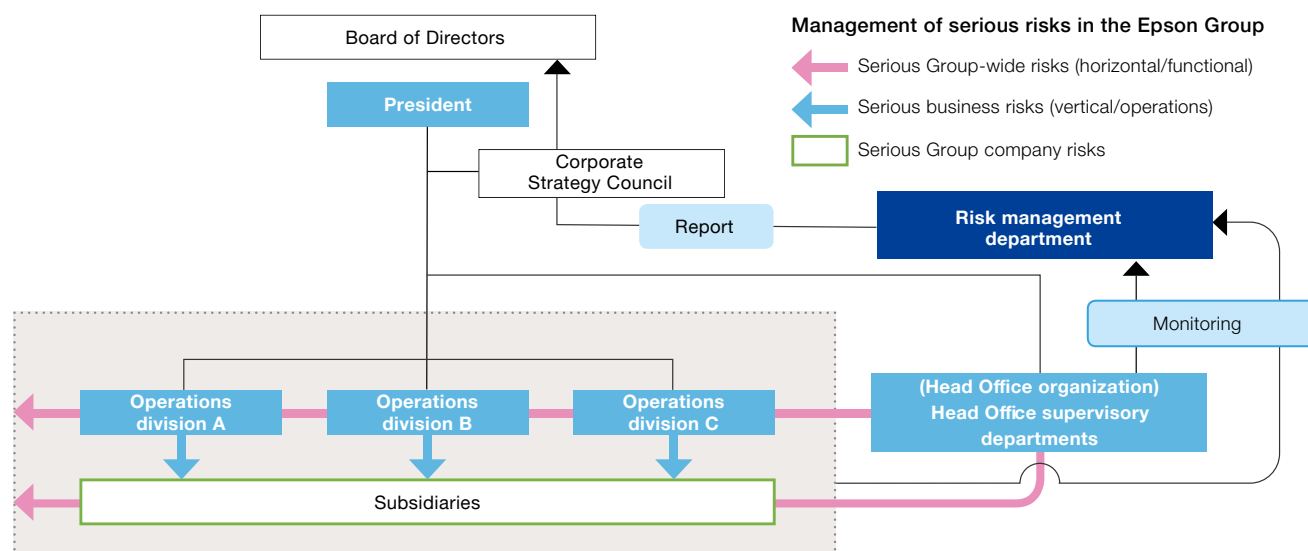
We have also introduced an Epson Executive Compliance Hotline, a global reporting system that Epson uses to directly receive compliance-related reports involving executives in subsidiaries outside Japan. The system helps us to improve the completeness and effectiveness of the reporting system in the Epson Group.

Risk Management

The president of Seiko Epson acts as the Chief Risk Management Officer in the Epson Group, including subsidiaries. Group-wide risks are globally managed by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Seiko Epson risk management department monitors overall risk management in the Epson Group, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs.

The risk management organization is defined in the Epson Group Risk Management Basic Regulation.

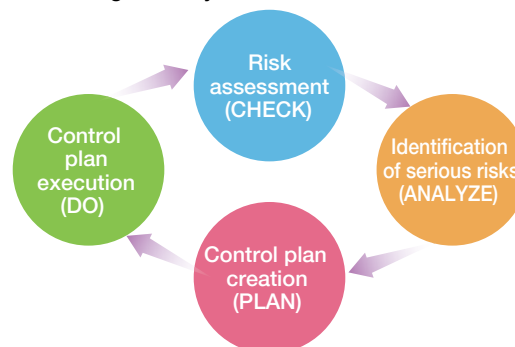
Risk Management Organization Chart



Epson identifies business operations risks, business ethics risks, such as participation in bribery and cartels, and other serious risks that could materially impact the company. Epson evaluates these risks using The Committee of Sponsoring Organizations (COSO) and ISO 31000 as guides and sets priorities.

- Risks that could have serious adverse effects on Epson Group management are considered “serious Group-wide risks.”
- Risks that could have serious adverse effects on business operations are considered “serious business risks.”
- Risks that could have serious adverse effects on subsidiaries’ management are considered “serious Group company risks.”

Risk Management Cycle



Epson drafts and executes plans to control these serious risks and periodically monitors plan progress. The company also strives to ensure control plan effectiveness by evaluating serious Group-wide risks every quarter, evaluating serious business risks and serious Group company risks every six months, and revising the plans as needed. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly.

Crisis Management

Epson has a standing Crisis Management Committee. The committee is chaired by the president. The general administrative manager in charge of risk management serves as vice-chair. The rest of the committee is made up of the general administrative managers of supervisory departments at the Head Office. An organization and a predetermined crisis management program are in place to enable us to rapidly mount an initial response in a crisis.

Epson responded to COVID-19 by invoking the Crisis Management Committee in accordance with the provisions of the crisis management program and, under the direction of top management, ascertained the situation at our global sites, issued specific instructions, and took actions according to the severity of local outbreaks. Measures were deployed to prevent infection and ensure the safety of Group personnel and their families, prevent the spread of infections, and the continuity of business.

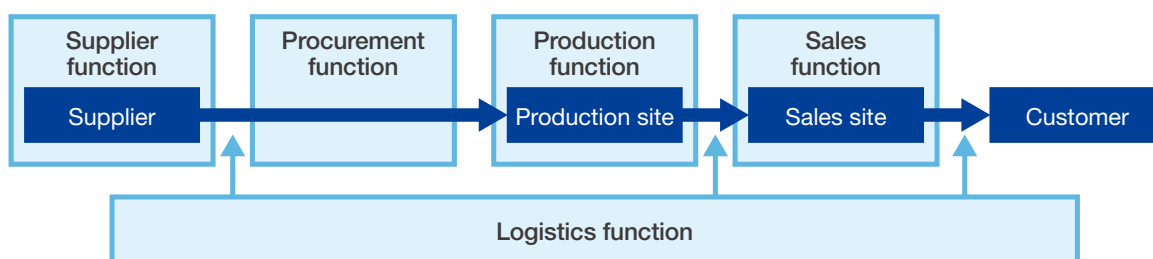
The Crisis Management Committee regularly reports the situation to executive management, including outside directors, as well as to the Corporate Strategy Council and the Board of Directors.

Supply Chain Business Continuity Management

Each business in the Epson Group formulates a business continuity plan (BCP). BCPs are intended to ensure that the business fulfills its responsibility to supply products and services and minimizes its losses in the event of a disaster, accident, outbreak of emerging infectious disease, or other disruption in the supply chain. Epson also implements supply chain business continuity management (BCM) to ensure that these BCPs are properly maintained and improved.

The Epson Group's Supply Chain BCM

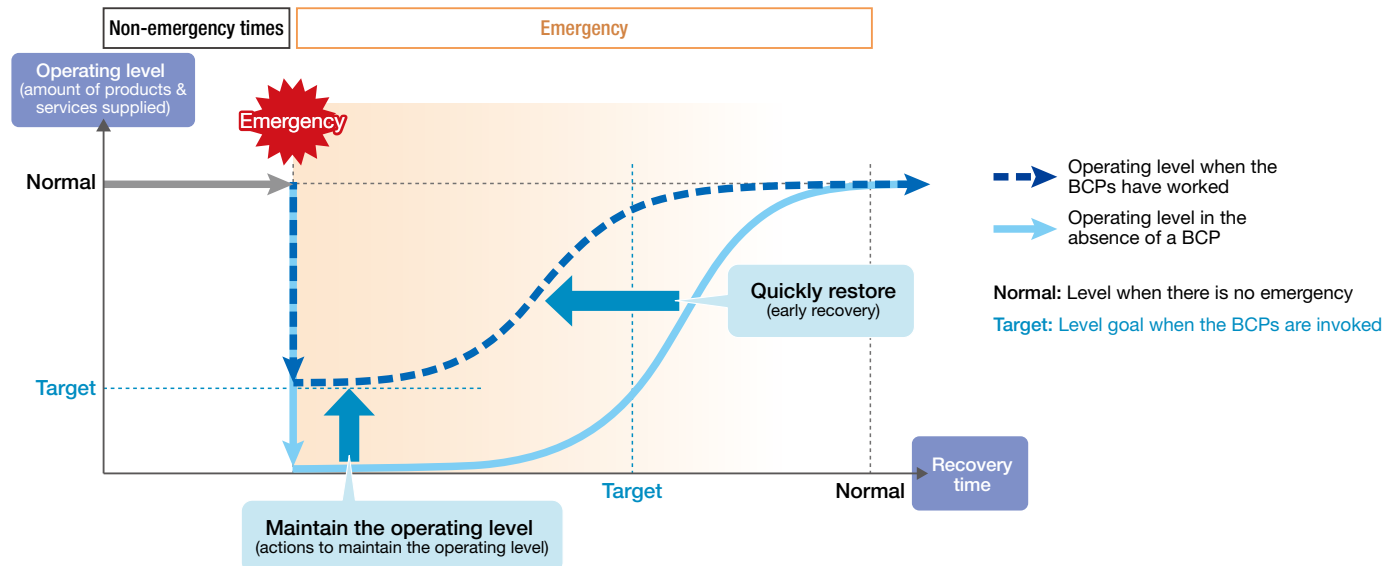
To establish a more robust supply chain, one that can withstand the challenges that tend to arise with increasing sophistication and complexity, we have established a basic strategy of distributing functions, securing alternatives, and increasing resilience. We have divided the functions into five categories and are addressing the priorities that have been set for each.



Functions	Initiatives
Suppliers	Acting on suppliers to enhance their own supply continuity capabilities by, for example, evaluating their emergency response capabilities and their safety management
Procurement	Multi-sourcing, securing alternative sources for procured goods, executing long-term procurement contracts, strengthening partnerships, and maintaining inventory of parts and raw materials* Applies to direct materials and parts and to indirect materials
Production	Strengthening the distributed production organization, increasing the resilience of facilities, strengthening measures to prevent the spread of infectious diseases, and securing product inventories
Sales	Maintaining operations sites, human resources, and an IT backup system
Logistics	Securing space on ships by strengthening relationships with shipping companies, improving the accuracy of shipping plan management, and securing multiple logistics modes and methods (carriers, transportation routes, and warehousing functions)

Schematic Diagram of the BCP

The vertical axis on this graph shows the operating level while the horizontal axis is recovery time. In an emergency, the operating level declines and stays at that level for a period of time. However, implementing actions in the BCM enable a business to keep the operating level as high as possible even in an emergency or enable it to quickly restore operations in the event of a shutdown.



Responding to Supply Chain Risks

1. Production

As COVID-19 infections spread, operations at the Epson Group's production sites either stopped or were slowed due to lockdowns or surges in worker infections and PCR testing. Our factories took steps to protect employees, first and foremost, and to stabilize operations by rearranging layouts to alleviate crowding and stepping up testing and vaccinations. We are also distributing production of key products at multiple sites to ensure that we are able to fulfill our responsibility to supply products.

2. Procurement

There is a global shortage of semiconductors and electronic parts due to a combination of factors, including US-China friction, the pandemic, and disasters at key manufacturers' sites. In addition, a protracted war in Ukraine could affect the procurement of raw materials and noble gases by parts manufacturers. Epson is working to secure parts and indirect materials by strengthening relationships with suppliers, multi-sourcing, and switching to alternative products. Moving forward, we will further stabilize procurement by increasing the visibility of our parts and raw materials supply chain and by forging strategic partnerships with suppliers.

3. Logistics

A rise in the number of people staying home due to COVID-19 helped to drive demand for goods so high that it exceeded shipping capacity. This created a serious shortage of space and shipping containers, schedule delays, and skyrocketing freight charges, especially in international ocean freight. Epson is trying to secure long-distance shipping by cooperating with the production sites to manage the volume of shipments and speed up dispatch and by strengthening ties with shipping companies. We will attempt to stabilize our logistics operations through partnerships with shipping companies, improved container loading efficiency, and greater shipment uniformity.

Internal Audits

The internal audit department conducts audits in accordance with a code of conduct to check for compliance and corporate ethics violations and to facilitate self-directed internal control at all Group divisions as well as subsidiaries and related organizations in Japan and overseas. Audits are used to check compliance and the effectiveness and efficiency of these units' risk management, internal controls, and governance processes. If problems are found, the internal audit department helps minimize business risks by conducting a follow-up audit to check the status of improvements. To ensure effective Group governance, the internal audit department also centrally oversees internal audits throughout the Group in collaboration with auditing departments at regional headquarters in Europe, the Americas, China, and Southeast Asia.

Each year, the units to be audited are chosen by assessing the risk at each division and each subsidiary and related organization in Japan and overseas. Then an auditing cycle is set that is designed for effectiveness and efficiency. Audits are then performed systematically. In the 2021 fiscal year, the internal audit department audited 19 business units and provided them with concrete advice on correcting 60 observed nonconformities. In the 2022 fiscal year, business units were grouped into 71 organizations. The internal audit department conducted risk assessments on the groups, selected the units to be audited, and is performing the audits.

Internal Controls over Financial Reporting

Every year, we audit internal controls to ensure the reliability of financial reporting (J-SOX). The Epson Group uses an autonomous distributed implementation system in which operations divisions and subsidiaries subject to external audits conduct a self-assessment on the design and operation of their internal controls, while the J-SOX Compliance Department ensures the validity of the assessment results. Operations divisions, subsidiaries, and affiliates not subject to external audits are required to independently assess their internal controls and make such improvements as are necessary.

Organizational Governance

Initiatives of Internal Control

Anti-Corruption/Anti-Bribery

Basic Principles

Principle 5, “Ensuring effective governance and compliance,” in Principles of Corporate Behavior, states that we will not tolerate any form of bribery, corruption, dishonest marketing, cartels, insider trading, or conflict of interest and that we will conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.

To put this principle into practice, Epson created the Epson Global Code of Conduct, which explains how employees are expected to implement the Principles of Corporate Behavior. The code impresses upon employees the need to seek profits by proper means and to immediately report conduct that is or could lead to a violation.

Principle 7, “Working with business partners for mutual benefit,” in Principles of Corporate Behavior strictly forbids acts of bribery and collusion with business partners and strongly urges business partners to refrain from engaging in illegal or unethical business practices themselves. They are also strongly urged to avoid acts of bribery for business purposes in Anti-Bribery, Anti-Corruption and Competition Law (Antimonopoly Act) Guidelines for Business Partners. Epson Group Supplier Guidelines stipulates that Epson conducts business in a way that does not depend on entertainment or the like from suppliers. We ask our business partners to promptly report violations or potential violations by Epson personnel to Epson Group companies.

Epson Group Anti-Bribery Regulation

Established in 2014 and based on the Principles of Corporate Behavior and the Epson Group Compliance Basic Regulation, this regulation, reflecting the resolve of the Board of Directors to preempt bribery, prescribes an anti-bribery framework and rules.

In addition to prohibiting employees from bribing public servants and those in similar positions, this regulation stipulates that departments must take steps to prevent bribery under an anti-bribery organization headed by the president. In addition, it also stipulates that if agencies are used, they shall not order, consent to, or abet acts of bribery.

Anti-Corruption Activities

Anti-corruption activities at Epson are overseen by a compliance control department per the Epson Group Anti-Bribery Regulation, and various supervisory departments work together to monitor and control entertainment and gift-giving, invitations, donations, sponsorships, agency management, hiring, and much more.

Topic	Description
Response to risks	Anti-corruption law violations are cited as an important company risk. Risks are evaluated based on the likelihood of corruption (per the Corruption Perceptions Index) in countries and territories around the world and at Epson's overseas subsidiaries, as well as on the impact that an incident of corruption would have. For high-risk organizations, we formulate and execute control plans every year, regularly check plan progress, evaluate action effectiveness, and report the findings to the board of directors.
Business partners	Bribery and collusion with business partners are prohibited. Departments with primary responsibility for oversight of business partners are in charge of anti-bribery and anti-corruption activities. The procurement department evaluates new suppliers prior to the start of business transactions and evaluates existing suppliers by means of a detailed annual CSR self-assessment questionnaire.
Entertainment and gift-giving	Illegal and unethical gifts and entertainment are prohibited, and prior approval is required for gifts and entertainment. Advance requests are submitted, examined, and checked to determine whether gifts and entertainment are acceptable.
Education	We formulate annual education plans to officers, regular employees, contract employees, part-time employees and others, share information about cases of bribery and corruption, and require all personnel to complete an online course during October of each year, which we have designated as Compliance Month. We also provide anti-bribery and anti-corruption education to our people in procurement, sales, development, and design, as these organizations are at higher risk of bribery and corruption.
Response to incidents	If a violation that has a material impact on Group management should occur, the Crisis Management Committee will be called upon to invoke the crisis management program.

Compliance Promotion Activities

To instill internal compliance awareness, Epson provides online courses, training, and more on a regular basis to all personnel, including officers, regular employees, contract employees, part-time employees and others, in keeping with the Epson Global Code of Conduct.

We invite outside experts to give instruction in compliance training courses for executive management. We also provide online compliance courses and compliance training by internal instructors for all personnel. At our affiliates outside Japan, our efforts include providing compliance training that reflects local conditions.

October is Compliance Month at Epson, a period during which we raise employee compliance awareness throughout the global Epson Group based on our Management Philosophy and Principles of Corporate Behavior. This helps employees recall the importance of compliance to the realization of the Management Philosophy.

We raised by 1) issuing compliance messages by the chief compliance officer and the heads of our business units and subsidiaries, 2) familiarizing personnel with the Epson Global Code of Conduct, 3) giving compliance training, and 4) conducting compliance awareness surveys of all personnel. The compliance awareness surveys are checked and analyzed on the operations division, division, and domestic and overseas Group company level. The results are fed back to these respective business units and used to plan activities for the following year.

Global Compliance Activities

Epson has built and is operating an R-CCO (Regional CCO) organizational system centered on the CCO in order to expand compliance activities globally. Since different regions of the world have their own languages and cultural norms, the sales company that supervises a region leads the compliance activities in that region, and Group companies cooperate to carry out the activities. We have established a vision of compliance management to which Epson aspires and are implementing a Global Compliance Program to realize this vision. Under this program, Epson sets targets for each year and follows a cycle of evaluation, assessment, and improvement of systems and operations at Group organizations and subsidiaries. By so doing, we aim to achieve our targets by sharing compliance policies, issues, and measures throughout the Group.

International Trade Initiatives

Epson is a multinational corporation with production centers, sales centers, customers, and business partners around the world. Smooth international trade operations are essential for delivering Epson products and services to customers in a timely manner.

Meanwhile, we must observe numerous conventions and frameworks governing international trade that have been put in place to maintain international peace and security.

To maintain compliance with these and to ensure smooth trade, Epson has established comprehensive systems and processes that have enabled Group companies to earn certification from the relevant authorities for compliance with international trade programs. (See the table below.)

Certifications

Company	Program (certifying agency)	Program overview
Seiko Epson Corporation	Special general bulk export license (Ministry of Economy, Trade and Industry)	The program grants a blanket license to export certain items (or provide certain information) to certain destinations without an individual application if an export control system is found to be in place.
Seiko Epson Corporation	Authorized exporter (Ministry of Finance, Tokyo Customs)	The program enables certified parties to get export permission even if goods are not brought into a bonded facility, etc., if an export security control and compliance system is found to be in place.
Seiko Epson Corporation	Authorized importer (Ministry of Finance, Tokyo Customs)	The program enables certified parties to separate import declarations from tax declarations and accept goods before filing a tax declaration if an import security control and compliance system is found to be in place.
Epson America Inc.	Customs-Trade Partnership Against Terrorism (C-TPAT) (US Customs)	The program is designed to strengthen security of goods imported to the US and security of import channels to the US.
Epson Portland Inc.		

Tax Compliance Policy

Epson seeks to fulfill its corporate social responsibility by paying appropriate taxes in compliance with the spirit as well as the letter of the tax laws and regulations in the countries and regions where it operates. In accordance with this basic policy on taxes, we are taking the actions below to maintain and improve tax compliance.

1. Tax governance

- The Board of Directors is responsible for overseeing tax risk, and Epson's Chief Financial Officer is the responsible official of Group tax affairs. The group that is in charge of tax affairs reports and manages taxes is under the supervision of the Chief Financial Officer.
- Epson considers tax risk to be an important risk, and regularly reports such risks to the board of directors and the Corporate Strategy Council, which is composed of directors of the company.
- Employees are trained in the tax-related regulations and business process standards that Epson has established to ensure that it properly fulfills its tax obligations. We conduct periodic internal tax audits and report the findings to top management and to the Audit & Supervisory Committee.

2. Monitoring tax affairs

- We appropriately respond in a timely manner to changes in local tax systems and taxation trends through regular reporting among the group that is in charge of tax affairs and Epson's local subsidiaries.
- We enlist the support of tax accounting firms and other external experts for advice on taxes and for tax support in each country and region.

3. Tax planning and Tax avoidance

- Around the globe, we strive to effectively use preferential taxation systems where possible in our normal business activities to ensure a suitable tax burden.
- We do not transfer value created to low tax jurisdictions, and do not use tax structures intended for tax avoidance without the spirit of the law.

4. Dealing with uncertainty

- Tax risk uncertainty is expected to increase as countries and regions around the globe strengthen their tax reporting obligations, tax audits, and tax enforcement. Epson controls tax risks by identifying situations that could potentially pose serious tax risks.

5. Transfer pricing taxation

- Epson complies with local tax laws and OECD guidelines to control transfer pricing tax risks. We have established transfer pricing guidelines for the Epson Group to help ensure appropriate transfer pricing transactions. In line with these transfer pricing guidelines, we control the profitability range of our global subsidiaries to ensure that transactions are made at arm's length.
- We use an advance pricing arrangement (APA) for transactions with subsidiaries in high-risk countries.

6. Anti-tax haven rules (also known as Japanese Controlled Foreign Company rules, or "CFC")

- Epson sets up foreign subsidiaries to carry out its ordinary business activities, but does not do so in "tax haven" jurisdictions to avoid taxes. When anti-tax haven rules apply, Epson properly files and pays taxes.

7. Relationships with tax authorities

- Epson strives to work in good faith with tax authorities and to maintain and improve good tax corporate governance.

Organizational Governance

Security

Epson, in a code of conduct called “Principles of Corporate Behavior,” states “We protect the security of people and company assets, and we exercise strict care in the management of all information.” The company has put in place a system for ensuring the security of employees and visitors. Employees recognize the importance of security and follow good security practices. The company’s assets (financial, tangible, intellectual, brand, information, and other assets) are properly managed, and the assets of other parties are respected. We strictly control personal data and confidential information to prevent leaks.

Information Security

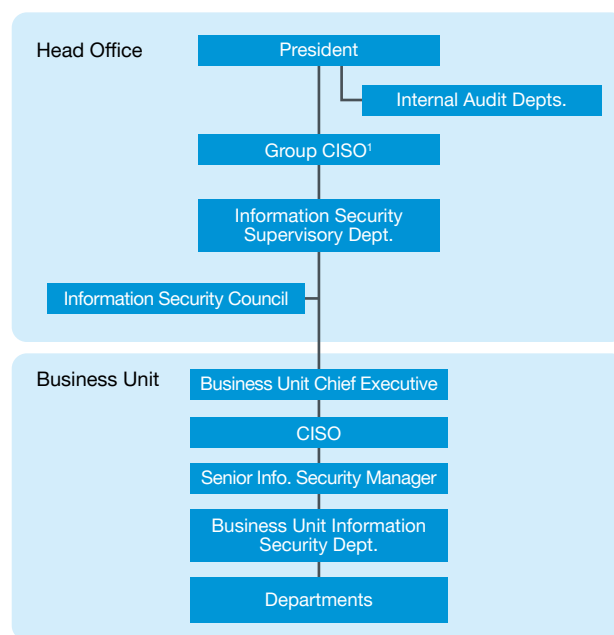
Epson has set forth essential information security principles and rules in a Basic Information Security Policy. The company is building an information security governance framework and fostering a corporate culture that reflect the importance and principles of good information security practices.

 [Basic Information Security Policy \(Please refer to page 307 of “Appendices”\)](#)

Information Security Framework

Epson’s various business units build and maintain their own information security systems based on Group-wide rules. The senior executive of the company serves as the Group Chief Information Security Officer and promotes the information security governance. Under this organization, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively. A maturity indicator has also been established for information security actions to gauge the maturity level of each business unit.

Information Security Organization



¹ Chief Information Security Officer

Program

Epson conducts the following programs in line with the Epson Group Basic Information Security Policy:

- Programs to maintain compliance by revising internal systems and understanding the trends in laws, regulations, and guidelines of nations and regions
- Programs to raise awareness and educate employees
- Risk assessments

Cyber Security

We have established a grand design that specifies policies concerning cyber security measures to enable us to contend with cyber security threats and respond to attacks, which are becoming increasingly sophisticated and insidious. As references, we used the Cybersecurity Management Guidelines issued by the Ministry of Economy, Trade and Industry and the Cyber Security Framework set up by the US National Institute of Standards and Technology.

As part of this effort, we have begun activity of monitoring security log that covers Asia, Europe, and the Americas. This center responds swiftly to attacks by malware, including ransomware. It also uses case studies of past incidents as training material and revises procedures on how to respond.

We have also installed a new type of anti-malware software on PCs that detects malicious behavior and shuts down attacks of all types before PCs can be exposed to danger. We will continue improving and reinforcing our readiness to the ever-changing threats.

Training

The following training programs are implemented to increase employees' information security awareness and ability to respond to various external threats:

- An information security course that all officers and employees are required to complete
- A training on responding to targeted e-mail attacks
- Risk assessment education for managers
- Inspection programs that check whether the company's information security is improving

Personal Data Protection

We at Epson are acting to protect the personal data of our customers, business partners, and employees to reward their trust and fulfill our social responsibility. Countries and regions around the world are establishing and amending laws and regulations governing personal data protection and privacy protection. The E.U.'s General Data Protection Regulation (GDPR) is a prominent example.

Epson is part of the Japan Electronics and Information Technology Industries Association and reviews its internal rules to identify necessary revisions regarding the protection of personal data.

Basic Approach to Personal Data Protection

Internal regulations at Epson require us to establish controls based on the 11 principles outlined in ISO/IEC 29100. Group companies furthermore establish their own Privacy Statements and Privacy Policies based on laws and regulations in their own countries and publish them on their national websites.

Personal Data Management Framework

At Epson, personal data is part of our information security and we work to protect it with our information security organization and systems.

Training

Epson trains its employees on data handling rules and the importance of personal data protection in accordance with the type and level of personal data.

- A course for employees who handle personal data
- Online courses regarding Europe's General Data Protection Regulation

List of certifications

Information Security Management System (ISMS) Certification (As of August 2022)

Name of organization	Seiko Epson Corporation
Certification standard	ISO/IEC 27001:2013 / JIS Q 27001:2014
Scope of certification and registration	<p>The following business in DX Division</p> <ul style="list-style-type: none"> - Operation management of cloud service to accounts business - Operation management of common platform - Operation management of subscription platform <p>The following business in Printing Solutions Division</p> <ul style="list-style-type: none"> - Operation management of cloud print and scan service - Operation management of remote monitoring system <p>The following business in VSM Project</p> <ul style="list-style-type: none"> - Operation management of health guidance
Certifying organization	BSI Group Japan Co., Ltd.
Certification registration No.	IS 507352

Name of organization	Epson Avasys Corporation
Certification standard	ISO/IEC 27001:2013 / JIS Q 27001:2014
Scope of certification and registration	<ul style="list-style-type: none"> - The embedded software development and application development for IT devices - The Technical documentation and translation for the above-mentioned IT related products and services - The Quality evaluation for IT devices and application software - The Business application system development - The Operation and administration of internal backbone network, servers, and information systems
Certifying organization	BSI Group Japan Co., Ltd.
Certification registration No.	IS 85200

ISMS Cloud Security Certification (As of August 2022)

Name of organization	Seiko Epson Corporation
Certification standard	JIP-ISMS517-1.0 (ISO/IEC 27017:2015)
Scope of certification and registration	ISO/IEC27001 (JIS Q 27001) Certificate Number:IS 507352 The ISMS cloud security management system for the provision of "Common platform services" (AWS) operation as a cloud service provider and for the use of Amazon Web services as a cloud service customer
Certifying organization	BSI Group Japan Co., Ltd.
Certification registration No.	CLOUD 688933

Privacy Mark (As of August 2022)

Name of organization	Epson Sales Japan Corporation
Certification standard	JIS Q 15001
Period of validity	April 12, 2021 to April 11, 2023
Certifying organization	The Association of Computer Software
Certification registration No.	No. 10520010 (09)

Name of organization	Epson Direct Corporation
Certification standard	JIS Q 15001
Period of validity	December 12, 2020 to December 11, 2022
Certifying organization	BJapan Institute for Promotion of Digital Economy and Community
Certification registration No.	No. 10580040 (08)

Intellectual Property Protection

Epson protects the rights to its proprietary technologies so as to support the smooth and ongoing development of its existing businesses and the development and growth of new businesses. These actions ensure that our IP portfolio contributes to corporate earnings. We also respect the rights of others and implement measures to prevent infringement of those rights.

ESG Data/Appendices

274	ESG Data	297	Appendices
274	Environment	297	Management Philosophy
282	Social	298	Principles of Corporate Behavior
293	Governance	301	Basic Policy on Product Safety
		302	Epson Group Basic Occupational Health and Safety Policy
		303	Epson Group Human Rights Policy
		307	Basic Information Security Policy
		308	Basic Procurement Policy
		309	Epson Slavery & Human Trafficking Statement for Financial Year 2021



ESG Data

Environment

Global Environmental Data

Energy

Use of energy

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Gas/oil	MWh	330,257	332,795	331,509	350,307	306,884
	Electricity/steam	MWh	467,629	357,552	360,543	361,612	181,696
Overseas	Gas/oil	MWh	19,592	14,450	15,804	16,869	16,957
	Electricity/steam	MWh	341,322	341,566	343,183	309,855	263,240
Total		MWh	1,158,800	1,046,364	1,051,039	1,038,644	768,778
Per unit of business profit (include renewable energy)		GWh/100 million yen	1.6	1.7	2.9	1.9	1.3

* Totals do not add up in some cases due to rounding off of fractions.

Use of renewable electricity

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan		MWh	257	118,504	119,302	118,974	335,408
	Purchased electricity	MWh	0	118,248	119,070	118,879	317,532
	Generated onsite	MWh	257	256	232	95	150
	Renewable Energy Certificate ¹	MWh	-	-	-	-	17,727
Overseas		MWh	9,215	18,901	18,695	37,466	94,201
	Purchased electricity	MWh	7,063	15,190	13,757	32,117	88,015
	Generated onsite	MWh	2,152	3,711	4,938	5,349	6,186
Total		MWh	9,473	137,405	137,997	156,440	429,610

* Totals do not add up in some cases due to rounding off of fractions.

* Overseas purchased electricity includes Renewable Energy Certificate.

¹ Includes electricity generated by cogeneration system.

Status of electricity sources

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Renewable electricity	MWh	9,473	137,405	137,997	156,440	429,610
Non-renewable electricity	MWh	850,359	738,868	741,546	707,408	442,530
Total	MWh	859,831	876,273	879,543	863,849	872,140
Ratio of renewable electricity	%	1.1	16	16	18	49

* Totals do not add up in some cases due to rounding off of fractions.

* Includes electricity generated by cogeneration system.

Greenhouse gas (GHG)

Greenhouse gas emission (Scopes 1, 2, and 3)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1	thousand t-CO ₂ e	137	128	122	125	118
Scope 2	thousand t-CO ₂ e	455	374	363	345	230
Scope 3	thousand t-CO ₂ e	3,261	3,263	3,024	2,516	2,392
Total	thousand t-CO ₂ e	3,853	3,765	3,510	2,987	2,740

* Totals do not add up in some cases due to rounding off of fractions.

Greenhouse gas emission (scopes 1, 2)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1	t-CO ₂ e	136,734	127,737	122,263	124,929	117,788
Japan	t-CO ₂ e	122,479	108,210	104,470	109,613	102,250
Overseas	t-CO ₂ e	14,255	19,527	17,793	15,316	15,537
Scope 2	t-CO ₂ e	455,110	374,347	363,490	345,151	229,883
Japan	t-CO ₂ e	246,022	185,520	184,748	179,890	72,881
Overseas	t-CO ₂ e	209,088	188,827	178,743	165,261	157,002
Total	t-CO ₂ e	591,844	502,084	485,753	470,079	347,670
Per unit of business profit	thousand t/100 million yen	0.79	0.71	1.19	0.76	0.38
FY2025 target (science-based): reduce 34% total emissions from FY2017						-41%

Scope 1: Direct GHG emissions (LPG, LNG, natural gas, kerosene, heavy fuel oil, gasoline, PFCs, etc.)

Scope 2: Indirect GHG emissions (electricity and steam, etc.)

* CO₂ conversion factor of greenhouse gas emissions

- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry. Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
- GHGs other than CO₂: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

* Totals do not add up in some cases due to rounding off of fractions.

Greenhouse gas emission (scope 3)

			Unit	FY2018	FY2019	FY2020	FY2021
Scope 3 ¹			thousand t-CO ₂ e	3,263	3,024	2,516	2,392
	Category 1	Purchased goods and services ²	thousand t-CO ₂ e	1,141	1,064	928	932
	Category 2	Capital goods	thousand t-CO ₂ e	248	217	125	128

		Unit	FY2018	FY2019	FY2020	FY2021
Category 3	Fuel- and energy-related activities not included in scope 1 or scope 2	thousand t-CO ₂ e	36	36	36	36
Category 4	Upstream transportation and distribution	thousand t-CO ₂ e	201	181	167	182
Category 5	Waste generated in operations	thousand t-CO ₂ e	5	4	3	4
Category 6	Business travel	thousand t-CO ₂ e	19	32	6	9
Category 7	Employee commuting	thousand t-CO ₂ e	35	45	45	43
Category 8	Upstream leased assets	thousand t-CO ₂ e	5	5	3	4
Category 9	Downstream transportation and distribution	thousand t-CO ₂ e	7	7	6	5
Category 10	Processing of sold products	thousand t-CO ₂ e	68	61	29	44
Category 11	Use of sold products ²	thousand t-CO ₂ e	1,413	1,297	1,106	947
Category 12	End-of-life treatment of sold products	thousand t-CO ₂ e	85	75	61	58
Category 13	Downstream leased assets	thousand t-CO ₂ e	N/A	N/A	N/A	N/A
Category 14	Franchises	thousand t-CO ₂ e	N/A	N/A	N/A	N/A
Category 15	Investments	thousand t-CO ₂ e	N/A	N/A	N/A	N/A
FY2025 target (science-based): reduce 44% per unit of business profit from FY2017 (categories 1 and 11)						-38%

¹ Scope 3: Indirect GHG emissions of the entire value chain

² Data verified by a third party

Calculation method

Category 1	Multiplied the mass of materials that comprise sold products by their emission factors
Category 2	Multiplied the capital expenditure in each investment account by emission factors
Category 3	Multiplied the amount of each type of energy used at each site by their emission factors
Category 4	Emissions from transportation to Epson of products and services purchased from suppliers, and emissions from the transport of goods by Epson, were calculated by multiplying the mass of transported goods and the distance transported by emissions factors
Category 5	Multiplied the amount of each type of waste generated at each site by their emission factors
Category 6	Multiplied the transportation expenses for each transportation mode and lodging expenses by their emission factors
Category 7	Multiplied the transportation expenses for each transportation mode by their emission factors
Category 8	For emissions from the operation of leased assets (excluding those not already included in scope 1 or scope 2 inventories), the floor area of leased buildings was multiplied by emission factors
Category 9	Multiplied the sold product not shipped by Epson and the average distances of transported volumes by their emission factors per unit

Category 10	Multiplied the electricity consumed in the processing of intermediate products into finished products by emission factors
Category 11	Multiplied the estimated electricity consumption over the lifetime of sold products by an emission factor
Category 12	Multiplied the mass of each type of waste treated by the emission factor for each type of waste treatment
Category 13	Not applicable (We have no assets leased to customers)
Category 14	Not applicable (We have no franchise business)
Category 15	Not applicable (We do not engage in investment management)

Third-party verification of greenhouse gas (GHG) emissions

We have a third party verify our calculations to ensure reliability. Our FY2021 GHG emissions (scopes 1, 2 and 3) and energy use data were verified as having been measured and calculated accurately, and a independent verification report was obtained.



Third-party verification report

https://corporate.epson/en/sustainability/esg-data/pdf/verification_report.pdf

Industrial waste

Industrial waste emissions

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Waste generated	thousand t	14.3	14.7	14.3	13.7	14.6
	Recycled	thousand t	13.9	14.1	13.7	13.1	13.9
	Waste (disposed of)	thousand t	0.4	0.6	0.6	0.6	0.6
	Landfilled	thousand t	0.4	0.6	0.6	0.6	0.6
Overseas	Waste generated	thousand t	20.2	18.6	18.3	19.8	18.6
	Recycled	thousand t	17.3	15.6	15.3	17.8	16.5
	Waste (disposed of)	thousand t	2.9	3.0	3.0	2.0	2.1
	Landfilled	thousand t	2.5	2.3	2.1	1.5	1.3
Total waste generated		thousand t	34.4	33.3	32.6	33.5	33.2
Per unit of business profit		t/100 million yen	46	47	79	54	37
Target: amount of emissions (waste generated) previous year or less							-1.1%

* Totals do not add up in some cases due to rounding off of fractions.

Water

Water withdrawal by source

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Municipal water	thousand m ³	5,016	4,990	5,031	4,992	4,949
	Ground water	thousand m ³	742	773	692	638	731
	(Returned water to the source)	thousand m ³	(419)	(465)	(415)	(373)	(411)
	Subtotal	thousand m ³	5,758	5,763	5,724	5,629	5,680
Overseas	Municipal water	thousand m ³	2,566	2,588	2,407	2,296	2,360
	Ground water	thousand m ³	0	0	0	0	0
	(Returned water to the source)	thousand m ³	(0)	(0)	(0)	(0)	(0)
	Subtotal	thousand m ³	2,566	2,588	2,407	2,296	2,360
Total		thousand m ³	8,324	8,351	8,131	7,925	8,041
Per unit of business profit		thousand m ³ /100 million yen	11.1	11.9	19.9	12.8	8.9
Target: amount of usage (water withdrawal) previous year or less							+1.5%

* Industrial water is included in municipal water.

* No water was withdrawn from other sources.

Recycling water

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Recycled water	thousand m ³	1,526	1,548	1,527	1,693	1,750
Recycled ratio	%	15	16	16	18	18

* Recycled ratio=recycled water/(water usage + recycled water)

Water discharge by destination

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Sewerage	thousand m ³	2,348	2,082	2,021	2,003	2,065
	Rivers	thousand m ³	2,899	3,012	2,779	2,863	2,892
	Subtotal	thousand m ³	5,247	5,095	4,800	4,867	4,957
Overseas	Sewerage	thousand m ³	2,285	2,361	2,178	2,068	2,131
	Rivers	thousand m ³	0	0	0	0	0
	Subtotal	thousand m ³	2,285	2,361	2,178	2,068	2,131
Total		thousand m ³	7,532	7,455	6,977	6,935	7,088

* Totals do not add up in some cases due to rounding off of fractions.

* Water consumption=Total water withdrawal-Total water discharge

* No water was discharged into other destinations.

Third-party verification of water

We have a third party verify our FY2021 data.



Third-party verification report

https://corporate.epson/en/sustainability/esg-data/pdf/verification_report.pdf

Chemical substance

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	PRTR ¹ substance emissions	t	1.7	1.7	1.9	1.8	1.8
	Per unit of business profit	kg/100 million yen	2.2	2.4	4.5	2.8	2.0
Japan	VOC ² emissions	t	86	85	81	76	81
	Per unit of business profit	kg/100 million yen	115	121	199	123	90

¹ Pollutant Release and Transfer Register.

² Volatile Organic Compounds. We report VOC emissions based on the voluntary action plans of four electric and electronic organizations.

Coverage of environmental reporting

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Company number	company	57	54	54	50	52
Percentage of coverage (Revenue)	%	97	96	95	95	95

* Company number includes Seiko Epson Corporation.

ISO 14001 Certification List

Japan: Development divisions/Operations divisions/Group companies

Region	Certified sites
Japan	Seiko Epson Corporation Production Planning Division Technology Development Division Human resources Division Visual Products Operations Division Microdevices Operations Division Manufacturing Solutions Operations Division MSM Business Project VSM Project
	Tohoku Epson Corporation Akita Epson Corporation Miyazaki Epson Corporation Epson Direct Corporation Epson Logistics Corporation Epson Swan Corporation
	Seiko Epson Corporation Printing Solutions Operations Division
	Epson Atmix Corporation

Overseas: Regional headquarters/Sales/Service subsidiaries and affiliates

Region	Certified sites
Asia/Oceania	Epson (China) Co., Ltd.
	Seiko Epson Corporation, Hong Kong Office
	Epson Taiwan Technology & Trading Ltd.
	Epson Australia Pty. Ltd.
Europe	Epson Europe B.V.
	Epson Deutschland GmbH
	Epson Europe Electronics GmbH
	Epson France S.A.S.
	Epson Italia S.p.A.
	Epson Iberica S.A.U.
	Epson Iberica S.A.U., Portugal Office
	Epson (U.K.) Ltd.
Americas	Epson America, Inc.

Overseas: Manufacturing industry

Region	Certified sites
Asia/Oceania	Tianjin Epson Co., Ltd.
	Epson Precision Suzhou Co., Ltd.
	Epson Engineering (Shenzhen) Ltd.
	Epson Precision (Philippines) Inc.
	Epson Precision (Johor) Sdn. Bhd.
	Singapore Epson Industrial Pte. Ltd.
	PT. Epson Batam
	PT. Indonesia Epson Industry
	Epson Precision Malaysia Sdn. Bhd.
	Epson Precision (Thailand) Ltd.
	Epson Wuxi Co., Ltd.
	Epson Precision (Shenzhen) Ltd.
Europe	Epson Telford Ltd.
Americas	Epson Portland Inc.
	Epson Portland Inc., Longview Office
	Epson Paulista Ltda.

Product Recycling

Collection

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Finished products ¹	thousand t	23.0	19.2	20.9	17.5	24.2
Cartridges	thousand t	1.7	1.8	1.8	1.5	2.3

¹ Collected either voluntarily or as mandated by local law. Sum of amount actually collected and amount expected to be collected.

Education

Environmental education (Japan)

Training		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Basic environmental training II ¹	Participants	Persons	16,991	17,379	17,008	18,626	17,490
ISO 14001 environmental auditor training ²	Participants	Persons	444	182	175	114	117
	Certification recipients	Persons	697	869	1,012	1,131	1,207

* Figures of Certification Recipients show the number of certified persons as of the end of fiscal year.

¹ This is the number of persons who took Basic Environmental Training II during the period it was offered.

² Started using ISO14001: 2015 from FY2017.

ESG Data

Social

HR Development

Main online courses (Japan)

Course	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Fundamentals of security export control	Persons	14,092	16,072	16,204	-	-
Import/Export control	Persons	13,968	15,986	16,149		
Fundamentals of Export Control	Persons	-	-	-	17,332	17,844
Epson's compliance(code of conduct etc.)	Persons	18,821	18,331	19,347	20,891	20,018
Basic information security	Persons	18,658	19,924	19,550	21,982	20,258
Basic environmental training II	Persons	16,991	17,379	17,008	18,626	17,490
Introduction to procurement (Subcontract Act.)	Persons	-	16,801	-	17,801	-
Introduction to procurement(Ethics and code of conduct)	Persons	15,302	-	15,974	-	17,167
J-SOX	Persons	17,770	18,497	18,642	-	18,673

* The number of person completing the course by March 31 of that year. (Seiko Epson Corporation and domestic group companies)

Training by employee level

Training	Who	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
New employee orientation	New hires	Persons	293	298	311	344	200
		%	100	100	100	100	100
C-level employee training	New C-level staff	Persons	236	182	285	350	279
		%	93.4	96.3	95.0	98.3	97.1
Senior staff training	New senior staff	Persons	266	247	206	231	227
		%	93.3	91.1	95.8	97.4	95.0
Section manager training	New section manager	Persons	138	130	90	130	173
		%	97.2	93.5	91.8	98.5	98.3
General manager training	New general manager	Persons	33	31	30	53	42
		%	92.7	86.9	85.7	93.0	72.4

* The number of person completing the course by March 31 of that year. (Seiko Epson Corporation and domestic group companies)

Training Hours

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Training by regular employee	Hours	9.5	11.0	11.1	7.4	20.9
Total training hours	Hours	-	-	-	-	228,696

* Seiko Epson HR Department training for regular employees and time spent on online courses. Education and training courses of functional supervisory departments and operations divisions are also included in FY2021.

Quality control training (Japan)

Course		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
QC introduction	People trained	Persons	414	457	413	366	403
	% trained	%	90	91	88	90	90
QC-ABC	People trained	Persons	266	194	168	389	320
	% trained	%	80	76	75	77	77

* Number of licensed trainers as of March 31 of that year

Licensed quality control training trainers

Region		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Southeast Asia	Number of production sites with licensed trainers	Companies	7	7	7	7	7
	Licensed trainers	Persons	89	97	80	77	78
China	Number of production sites with licensed trainers	Companies	8	7	6	6	5
	Licensed trainers	Persons	71	79	61	52	49

* Number of licensed trainers as of March 31 of that year

Promotion of Diversity

Employees with disabilities (Japan)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	Persons	295	308	317	324	327
Employment ratio	%	2.55	2.62	2.66	2.69	2.70
Target: Employment ratio of disable employees	%	2.5	2.5	2.5	2.5	2.5

* Figures for fiscal year as of Jun 1 of that year

Workforce composition

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Women/Men ratio	Women	%	16.0	16.3	16.3	16.6	16.9
	Men	%	84.0	83.7	83.7	83.4	83.1
Management diversity	Women	%	2.8	2.4	2.7	3.2	3.7
	Men	%	97.2	97.6	97.3	96.8	96.3
Target: Female management position ratio by FY2022 (%)							5
Junior management diversity ¹	Women	%	5.9	6.0	6.2	6.5	6.9
	Men	%	94.1	94.0	93.8	93.5	93.1
Target: Female junior management position ratio by FY2022 (%)							7

* Data for Seiko Epson Corporation employees as of March 31 of that year

¹ Team leader

Employees by age group

Age	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Less than 20	Persons	41	49	42	45	30
20-29	Persons	1,319	1,533	1,671	1,804	1,728
30-39	Persons	2,357	2,208	2,080	1,983	1,928
40-49	Persons	3,804	3,714	3,650	3,487	3,293
50-59	Persons	3,637	3,724	3,777	3,900	3,946
60-69	Persons	1	0	0	1	0
70 and over	Persons	0	0	0	0	0

* Data for Seiko Epson Corporation regular employees as of March 31 of that year

Employees by age and by gender (Global)

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Less than 20	Women	%	2.0	2.4	1.2	0.6	0.9
	Men	%	1.3	1.0	0.7	0.3	0.5
	S. Total	%	3.3	3.4	1.9	0.9	1.4
20-29	Women	%	20.9	20.4	21.0	19.6	19.5
	Men	%	18.5	18.2	17.6	16.9	15.6
	S. Total	%	39.4	38.6	38.6	36.5	35.1
30-39	Women	%	12.1	12.0	12.0	12.1	12.8
	Men	%	13.2	13.5	13.4	14.5	14.6
	S. Total	%	25.3	25.5	25.4	26.6	27.4
40-49	Women	%	7.2	7.7	8.2	8.5	8.8
	Men	%	12.9	12.7	12.9	13.1	13.1
	S. Total	%	20.1	20.4	21.1	21.6	21.9
50-59	Women	%	2.6	2.6	2.9	3.4	3.5
	Men	%	8.7	8.9	9.4	10.2	10.3
	S. Total	%	11.3	11.5	12.2	13.5	13.8
60 and over	Women	%	0.2	0.2	0.3	0.3	0.2
	Men	%	0.4	0.4	0.4	0.6	0.3
	S. Total	%	0.6	0.6	0.7	0.9	0.5
Total	Women	%	45.0	45.3	45.5	44.5	45.6
	Men	%	55.0	54.7	54.5	55.5	54.4
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies regular employees as of March 31 of that year

Percentage of mid-career hires of regular workers to the number of hired regular workers

	Unit	FY2018	FY2019	FY2020	FY2021
Percentage of mid-career hires of regular workers	%	22.7	29.6	8.0	19.4

Length of employment

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total	Years	19.5	19.4	19.2	19.1	19.3
Women	Years	22.1	21.5	20.9	20.4	20.3
Men	Years	19.0	18.9	18.9	18.9	19.1

* Data for Seiko Epson Corporation employees as of March 31 of that year

Average age

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total	Years old	43.8	43.6	43.6	43.6	43.8
Women	Years old	44.4	43.9	43.6	43.5	43.6
Men	Years old	43.7	43.6	43.6	43.6	43.8

* Data for Seiko Epson Corporation employees as of March 31 of that year

Turnover rate

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total turnover rate	%	3.6	4.5	4.1	4.5	4.4
Voluntary turnover rate	%	1.5	1.8	1.5	1.4	1.5

* Data for Seiko Epson Corporation as of March 20 of that year. Total turnover rate includes retired worker.

Salary comparison by gender

Employee category	Pay category	Average				Median			
		All	Women	Men	Ratio (women to men)	All	Women	Men	Ratio (women to men)
All employees	Base salary (monthly)	393,385	320,539	408,323	78.5%	375,528	316,300	410,000	77.1%
	Base salary + bonus (annually)	6,977,336	5,581,250	7,263,633	76.8%	6,676,600	5,596,700	7,185,600	77.9%
Managers	Base salary (monthly)	-	-	-	98.5%	-	-	-	100.0%
	Base salary + bonus (annually)	-	-	-	97.8%	-	-	-	93.0%
Non-management	Base salary (monthly)	-	-	-	84.7%	-	-	-	85.5%
	Base salary + bonus (annually)	-	-	-	83.9%	-	-	-	84.7%

Seiko Epson Corporation regular employees.
Unit: JPY.

Fostering a Better Workplace

Workforce composition by employment type and by gender (Global)

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Full-time employment	Women	%	34.6	36.1	35.5	32.7	34.0
	Men	%	41.7	43.0	43.0	41.1	40.5
	S. Total	%	76.3	79.1	78.5	73.8	74.5
Part-time employment/ Contract	Women	%	11.6	10.8	12.0	15.8	15.4
	Men	%	4.9	5.2	6.4	7.8	6.8
	S. Total	%	16.5	16.0	18.4	23.6	22.2
Temporary	Women	%	2.7	2.1	1.4	1.3	1.6
	Men	%	4.6	2.8	1.6	1.3	1.7
	S. Total	%	7.3	4.9	3.0	2.6	3.3
Total	Women	%	48.8	49.0	48.9	49.8	51.0
	Men	%	51.2	51.0	51.1	50.2	49.0
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies as of March 31 of that year

Composition of all managerial positions by gender (Global)

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Junior management positions	Women	%	18.6	18.8	18.8	19.4	20.3
	Men	%	81.4	81.2	81.2	80.6	79.7
	S. Total	%	100	100	100	100	100
Top management positions	Women	%	14.9	13.4	14.7	13.0	12.5
	Men	%	85.1	86.6	85.3	87.0	87.5
	S. Total	%	100	100	100	100	100
Total	Women	%	16.3	16.2	16.7	17.1	18.0
	Men	%	83.7	83.8	83.3	82.9	82.0
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies as of March 31 of that year

Composition of managerial positions in revenue-generating functions by gender (Global)

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Management positions in revenue-generating functions	Women	%	14.8	14.7	14.6	15.2	16.0
	Men	%	85.2	85.3	85.4	84.8	84.0
	S. Total	%	100	100	100	100	100
Management positions in non-revenue generating functions	Women	%	23.7	24.5	25.6	25.8	27.2
	Men	%	76.3	75.5	74.4	74.2	72.8
	S. Total	%	100	100	100	100	100
Total	Women	%	16.3	16.2	16.7	17.1	18.0
	Men	%	83.7	83.8	83.3	82.9	82.0
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies as of March 31 of that year

* "Management positions in revenue-generating functions" means those functions including R&D, design, manufacturing, procurement, sales, customer service, etc. but excluding back-office functions such as general affairs, HR, accounting, legal, administration, etc.

Annual total working hours per employee

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total working hours	Hours	1,943	1,879	1,848	1,854	
Target	Hours	-	1,900	1,865	1,850	1,845

* Data for Seiko Epson Corporation employees as of March 31 of that year

Paid leave

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of paid leave used	Days	13.9	15.6	15.9	15.3	
	Target (days):	15	18	18	18	20
	%	69.5	78.0	79.5	76.5	
	Target (%):	75	90	90	90	100

* Data for Seiko Epson Corporation employees as of March 31 of that year

Childcare leave trends

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Childcare leave	Total	Persons	64	75	102	109	169
	Women	Persons	44	35	41	37	38
	Ratio of women who took leave ¹	%	98	100	100	100	100
	Men	Persons	20	40	61	72	131
Employees using parental reduced hours		Persons	170	160	147	137	123

* Data for Seiko Epson Corporation employees as of March 20 of that year

¹ Number of individuals childcare leave/eligible individuals

Caregiver leave trends

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Care giver Leave	Persons	2	2	6	2	5
Employee using caregiver reduced hours	Persons	2	5	4	4	6

* Data for Seiko Epson Corporation employees as of March 20 of that year

Result of employee survey

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Participation ratio	%	95.1	96.7	97.4	92.5	98.9
% of engaged employees ¹	%	92.1	92.2	91.2	92.0	92.7

* Data for Seiko Epson Corporation regular employees and employees after retirement age.

¹ Percentage of respondents who rated their satisfaction 3 or higher on a 5-point scale

Labor Union membership

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Ratio of Union membership	%	85.5	85.8	85.9	86.5	86.4

* Data for Seiko Epson Corporation employees as of March 20 of that year

Collective bargaining agreements

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Employees covered by collective bargaining agreements	%	-	55.4	56.2	57.7	54.7

* Data for Epson overseas subsidiaries employees as of March 31 of that year

Employee coverage of the individual performance appraisals by MBO (Management by Objectives)

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Performance appraisals by MBO	Women	%	-	47.8	59.3	64.6	62.4
	Men	%	-	31.0	46.9	51.9	54.6
	Total	%	-	44.9	53.8	58.9	59.0

* Data for Epson overseas subsidiaries employees as of March 31 of that year

* In Japan, MBO is in principle implemented for 100% of employees

Minimum Wage

Ratios of standard entry level wage by gender compared to local minimum wage

	Unit	Amount	Local min. wage	% to local min. wage
Epson Precision (Philippines), Inc. Philippine Peso (as of March 2022 by the day)	Women	409.5	373	109.8%
	Men	409.5	373	109.8%
	Average	409.5	373	109.8%
Epson Engineering (Shenzhen) Ltd. Chinese Yuan (as of March 2022 by the month)	Women	3,300	2,360	139.8%
	Men	3,300	2,360	139.8%
	Average	3,300	2,360	139.8%
PT. Indonesia Epson Industry Indonesian Rupiah (as of January 2022 by the month)	Women	6,776,150	4,791,844	141.4%
	Men	6,776,150	4,791,844	141.4%
	Average	6,776,150	4,791,844	141.4%

Occupational Safety and Health

Occupational injury accident frequency (Global)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Occupational accident rate	-	0.12	0.07	0.10	0.13	0.13

* The number of injury accidents per million work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Occupational injury accident seriousness (Global)

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Injuries severity rate	-	0.003	0.005	0.002	0.004	0.003

* The number of working days missed per 1,000 work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Supply Chain Management

Supplier conference for CSR

Area		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Number of companies	Companies	237	447	510	764	550
China	Number of companies	Companies	113	222	58	77	22
Indonesia	Number of companies	Companies	103	168	193	17	145
Others	Number of companies	Companies	-	295	63	40	97
Total	Number of companies	Companies	453	1,132	824	898	814

Annual evaluation

Evaluation		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Direct evaluation	Number of accounts	Accounts	1,413	1,481	1,525	1,440	1,572
	Ratio of evaluation suppliers	%	100	100	100	100	100
Evaluation of emergency response capabilities ¹ (BCP self assessment questionnaire)	Number of companies	Companies	-	-	1,336	1,465	1,233
	Ratio of evaluation suppliers	%	-	-	84	85	94
Safety management evaluation ¹ (BCP self assessment questionnaire)	Number of companies	Companies	-	-	1,402	1,384	1,245
	Ratio of evaluation suppliers	%	-	-	85	78	95

¹ Changed the calculation method for FY2019 and later.

Detailed CSR evaluation

Evaluation		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Direct suppliers (Production material)	Number of companies	Companies	274	-	312	222	293
	Ratio of high risk rank	%	8	-	5	0	0
Indirect suppliers (Non-production material)	Number of companies	Companies	66	-	124	233	220
	Ratio of high risk rank	%	9	-	16	8	0

Conflict Minerals

Conflict minerals survey

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Survey sheet recovery rate	%	94	92	91	97	99
Number of identified smelters	-	312	314	344	340	416
Number of CFS ¹ -certified smelters	-	249	256	268	242	239

¹ Conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP).

Each mineral data

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Gold	Number of identified smelters	-	146	150	159	166	181
	Number of CFS-certified smelters	-	100	102	107	107	106
Tantalum	Number of identified smelters	-	41	40	45	41	44
	Number of CFS-certified smelters	-	39	40	40	38	39
Tin	Number of identified smelters	-	79	81	93	79	117
	Number of CFS-certified smelters	-	70	74	78	55	56
Tungsten	Number of identified smelters	-	46	43	47	54	64
	Number of CFS-certified smelters	-	40	40	43	42	43

Corporate Citizenship

Corporate citizenship

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Corporate citizenship expenditures	Billion yen	0.61	0.82	0.90	0.58	0.77

* The monetary equivalent of donations and grants, as well as human, material, and other assistances

ESG Data

Governance

Corporate Governance

Board of directors

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Independent outside directors	Female	Persons	2	2	2	2	2	2
	Male	Persons	3	3	3	3	3	3
	S. Total	Persons	5	5	5	5	5	5
Inside directors	Female	Persons	0	0	0	0	0	0
	Male	Persons	6	7	7	7	6	5
	S. Total	Persons	6	7	7	7	6	5
Total	Female	Persons	2	2	2	2	2	2
	Male	Persons	9	10	10	10	9	8
	G. Total	Persons	11	12	12	12	11	10

* Data is from the end of June each year.

Number of meetings of the board of directors and other committees (FY2021)

	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Meetings Held	13	22	2	15	11

* Numbers were counted from April 1, 2021 to March 31, 2022 for the meetings of board of directors. For all other meeting bodies, numbers were counted from April 1, 2021 to June 28, 2022.

Number of meetings directors attended (FY2021)

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Minoru Usui	Chairman of the Board	Chair of the Board of Directors	13 (100%)	-	-	-	-
Yasunori Ogawa	President and Representative Director	-	13 (100%)	-	-	15 (100%)	11 (100%)
Koichi Kubota	Representative Director, Senior Managing Executive Officer	-	13 (100%)	-	-	-	-
Tatsuaki Seki	Director, Senior Managing Executive Officer	-	13 (100%)	-	-	-	-

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Taro Shigemoto	Director	-	10 (91%)	4 (100%)	-	5 (as an member, 56%) 2 (as an observer)	1 (as an member, 33%) 3 (as an observer)
Hideaki Omiya	Outside Director	Director Nomination Committee Chair Director Compensation Committee Chair	13 (100%)	-	2 (100%)	15 (100%)	11 (100%)
Mari Matsunaga	Outside Director	-	13 (100%)	-	2 (100%)	15 (100%)	11 (100%)
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Audit & Supervisory Committee Chair Compliance Committee Chair	13 (100%)	18 (100%)	2 (100%)	2 (as an member, 100%) 13 (as an observer)	3 (as an member, 100%) 8 (as an observer)
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member	-	13 (100%)	22 (100%)	2 (100%)	15 (100%)	11 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member	-	13 (100%)	22 (100%)	2 (100%)	15 (100%)	11 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member	-	13 (100%)	22 (100%)	2 (100%)	15 (100%)	11 (100%)

(): Attendance rate

* Attendance at meetings of the board of directors was counted from April 1, 2021 to March 31, 2022. For all other meeting bodies, attendance was counted from April 1, 2021 to June 28, 2022.

* The data reflect the following events during the target periods:

The resignation and retirement of Taro Shigemoto from the post of full-time Audit & Supervisory Committee member at the end of his term, effective as of the close of the Ordinary General Meeting of Shareholders on June 25, 2021, his installation as director and executive officer on the same date, and his resignation and retirement on January 31, 2022

The appointment of Hideaki Omiya as chair of both the Director Nomination Committee and Director Compensation Committee on June 25, 2021

The retirement of Masayuki Kawana from the post of director and executive officer at the end of his term, effective as of the close of the Ordinary General Meeting of Shareholders on June 25, 2021, and his installation as full-time Audit & Supervisory Committee member on the same date

Directors comprising corporate management meeting bodies (as of June 30, 2022)

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Minoru Usui	Chairman of the Board	Chair of the Board of Directors	Chair	-	-	-	-
Yasunori Ogawa	President and Representative Director	-	Member	-	-	Member	Member
Koichi Kubota	Representative Director, Senior Managing Executive Officer	-	Member	-	-	-	-
Tatsuaki Seki	Director, Senior Managing Executive Officer	-	Member	-	-	-	-
Hideaki Omiya	Outside Director	Director Nomination Committee Chair Director Compensation Committee Chair	Member	-	Member	Chair	Chair
Mari Matsunaga	Outside Director	-	Member	-	Member	Member	Member
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Audit & Supervisory Committee Chair Compliance Committee Chair	Member	Chair	Chair	Observer	Observer
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member	-	Member	Member	Member	Member	Member
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member	-	Member	Member	Member	Member	Member
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member	-	Member	Member	Member	Member	Member

Composition of corporate management meeting bodies (as of June 30, 2022)

Composition		Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Members		10	4	6	6	6
Breakdown 1	Inside director	5	1	1	1	1
	Outside director	5	3	5	5	5
	Other (outside)	-	-	-	-	-
Breakdown 2	Women	2	1	2	2	2
	Men	8	3	4	4	4

Appendices

Management Philosophy

Management Philosophy

Epson aspires to be an indispensable company,
trusted throughout the world for our commitment to openness,
customer satisfaction and sustainability.

We respect individuality while promoting teamwork,
and are committed to delivering unique value
through innovative and creative solutions.

EXCEED YOUR VISION

As Epson employees,
we always strive to exceed our own vision,
and to produce results that bring surprise and delight
to our customers.

Principles of Corporate Behavior

Issued September 2005

Revised April 2012

Revised October 2017

Revised April 2021

Epson will fulfil its social responsibility by aspiring to live up to the principles below and by effecting continuous improvements based on “trust-based management,” a concept that underlies Epson’s Management Philosophy. We seek to create value that surprises and delights our customers and helps to make the world a better place. At the same time, we aim to be an indispensable company, a company that maintains the trust of all stakeholders (including customers, shareholders, investors, communities, business partners, NGOs, NPOs, and employees) and that exists for the world’s benefit.

This signals our commitment as a company to observing these principles. It also serves as a declaration that all Epson personnel, including senior executives, managers, and employees, should comply with and conduct themselves in line with these principles.

Principle 1: Pursuing customer satisfaction

We think of our customers’ perspective at all times and continue to create trusted products and services that please our customers around the world.

- a) We will ensure that all products and services meet the required safety and environmental standards.
- b) We will listen to our customers, take all their expectations seriously, and give sincere consideration to their feedback.
- c) We will strive to deliver high value, quality products and services that meet or exceed the expectations of our customers.
- d) We will adhere to universal design standards that maximize product usability and give our customers something they will value and enjoy.
- e) We will consistently provide our customers with high customer value, socially beneficial, innovative, and affordable products and services through R&D and programs conducted from a customer perspective, such as improving manufacturing capabilities across the Epson Group.

Principle 2: Preserving the natural environment

We integrate environmental considerations into our corporate activities and actively strive to meet high conservation standards when fulfilling our responsibilities as a good corporate citizen.

- a) Harmony with the environment is one of the highest priorities of the Epson Group’s management. When conducting business activities, we will keep future generations in mind, and consider how they might best be sustained.
- b) We will strive to minimize environmental impacts in an integrated manner across the entire life cycle of our products and services, from manufacturing to transport, use, and disposal.
- c) We will participate in environmental preservation and restoration projects as a member of society.
- d) We will promote environmental awareness and provide information to our employees to enhance their understanding of environmental issues.

Principle 3: Fostering diverse values and teamwork

We strengthen teamwork by recognizing the value of a diverse workforce and creating synergies between individuals and our organization.

- a) We will instill in our employees, and practice, the ideals of our Management Philosophy.
- b) We will put Epson in the best position by hiring a diverse workforce and utilizing their unique skills effectively.

- c) We will respect the individuality of employees and maintain relationships between the company and employees based on trust.
- d) We will develop our employees by creating systems that allow individuals to utilize their skills effectively.
- e) We will create a culture in which employees take pride in their work, work with confidence and actively promote teamwork.

Principle 4: Creating a safe, healthy, and fair work environment in which human rights are respected

We respect basic human rights and create a cheerful, safe, healthy, and fair work environment that is free of discrimination.

- a) We will not tolerate any violation of human rights.
- b) We will not engage child labor or forced labor.
- c) We will promptly take corrective action against undesirable behavior including any harassment, violence, devaluation of the individual or any behavior resulting in loss of trust.
- d) We will eliminate any forms of discrimination against gender, nationality, religion, race and disability.
- e) We will support employees by facilitating a proper work-life balance.
- f) We will adhere to and maintain the proper health and safety standards at all sites around the world.
- g) We will support the efforts of employees to monitor and improve their mental and physical wellbeing.
- h) We will establish practices that create a fair and open work environment and build a corporate culture that values individuals' rights and that facilitates equal opportunities for all.

Principle 5: Ensuring effective governance and compliance

We institute effective corporate governance and internal controls, and we observe laws, regulations, and other rules and maintain the highest ethics in all activities.

- a) We will establish and maintain an effective system which governs our corporate entities and internal controls to ensure that management is transparent, fair, agile, and decisive.
- b) We will implement systems of compliance to ensure that we observe and respect all applicable laws and regulations, internal rules, and business ethics, and will respond to the needs of society.
- c) We will establish whistleblower systems that can be used anonymously to report concerns of violations of laws and regulations, internal rules or of business ethics. We will not tolerate any retaliation against whistleblowers who report for justifiable reasons.
- d) We will not tolerate any form of bribery, corruption, dishonest marketing, cartels, insider trading, or conflict of interest. We will conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.
- e) We will maintain a good, mutually cooperative relationship with governments and their administrative bodies.
- f) We will not involve ourselves in or have contact with any anti-social movement or group that promotes activities that are illegal or threatening to public order and safety.
- g) We will establish a system to investigate the source of minerals used in our products and supply chain and will take actions to responsibly source minerals to avoid using any minerals that could be involved in human rights abuses, conflicts or environmental degradation.
- h) We will employ best practices in risk management to prevent risks from materializing and minimize impact in cases where they do materialize.

Principle 6: Ensuring the security of people, assets, and Information

We protect the safety and security of people and company assets, and we exercise strict care in the management of all information.

- a) We will establish and maintain systems to ensure the safety and security of Epson personnel, as well as visitors or contractors on our premises.
- b) We will carefully handle all group tangible and intangible assets (financial, intellectual, and those regarding infrastructure, brand, and proprietary information) and respect the assets of others.

- c) We will take reasonable and necessary precautions to protect the confidentiality of proprietary business information including the privacy of customers, employees and other stakeholders.
- d) We will only use our company assets (all forms stated above) for appropriate business purposes. Unauthorized use will not be tolerated.

Principle 7: Working with business partners for mutual benefit

We seek to maintain mutually beneficial relationships with our suppliers, sales channels, collaborators, and other business partners, whom we ask to live up to the highest standards of ethical conduct while respecting their autonomy and independence.

- a) Acts of bribery and collusion with business partners are strictly forbidden. We will engage in sound business practices and demand that our business partners adhere to a zero-tolerance policy regarding illegal and unethical business practices.
- b) We will hold our business partners to the same strict standards that Epson upholds, with regard to compliance with laws and maintenance of human rights, suitable labor conditions, the environment, ethics, quality, and information security. Epson will support improvements to any of these areas as needed.
- c) We will develop and maintain open relationships with our business partners and work with them to increase the competitiveness of the entire supply chain, based on mutual trust and for our mutual benefit.

Principle 8: Prospering with the Community

We actively contribute to the communities in which we operate, as well as the international community, facilitating mutually beneficial relationships.

- a) We will respect the cultures and traditions of the countries and regions in which we operate.
- b) We will engage in open dialogue with the local and international community. We will also actively engage in activities that promote our standing as a good corporate citizen.
- c) We will nurture a culture in which our employees are encouraged to participate in volunteer programs and other activities that facilitate good corporate citizenship. We will establish the systems needed to support such efforts.

Principle 9: Initiating honest dialogue with our stakeholders

We maintain open lines of communication with our stakeholders, thoughtfully considering their views and suggestions.

- a) We will respect other cultures and traditions while striving to engage in principled, ethical communication.
- b) We will communicate openly and honestly with our stakeholders, and will establish appropriate systems for the disclosure of information.
- c) We will utilize appropriate and useful tools to communicate information to our stakeholders.
- d) We will provide opportunities and establish appropriate systems to engage in dialogue with stakeholders.
- e) We will utilize the opinions and suggestions of our stakeholders as a vital resource for corporate management.

Epson Global Code of Conduct

Epson employees around the world must think of the customer and the public first and must always consciously conduct in accordance with Epson's Principles of Corporate Behavior. The new Epson Global Code of Conduct was established as a practical guide to achieving this. It explains the actions required under the Principles of Corporate Behavior, as well as proper conduct.

Appendices

Basic Policy on Product Safety

Seiko Epson Corporation and the Epson Group recognize that securing customer trust in the safety of the products we manufacture and sell is an important management task. We have established the Basic Policy on Product Safety below based on the Epson Group's management philosophy, which articulates our commitment to customer satisfaction, and actively work to ensure product safety.

1. Compliance with laws and regulations

- We comply with product safety laws and regulations and this Basic Policy, and we conduct all product safety activities ethically.

2. Development of voluntary action plans

- We develop and execute voluntary action plans on product safety pursuant to this Basic Policy and make continuous improvements to establish and maintain a corporate culture where the priority is on the customer and product safety.

3. Quality management to ensure product safety

- We maintain and comply with our own safety standards and rules as well as safety requirements defined by laws and regulations and public safety standards, and we continuously strive to improve them by implementing proper quality management in order to ensure product safety.
- We place cautionary information or markings to help prevent accidents due to misuse or carelessness on products themselves or in instruction manuals to help ensure that our customers use our products safely.
- We educate employees and other parties to help ensure product safety.

4. Responding to product accidents

- We promptly and actively collect information on accidents involving our products and keep our customers and stakeholders properly informed; and, when deemed necessary, we recall products and take other measure to prevent and contain further harm.
- If serious product accidents occur with our products, we promptly report to the relevant authority in accordance with laws and regulations.

Appendices

Epson Group Basic Occupational Health and Safety Policy

April 1, 2022

Safety, health, and compliance take precedence over performance. Epson believes that initiatives to promote a healthy and safe work environment and to protect physical and mental wellbeing are essential for a healthy company and will execute this policy to ensure that all workers* in the Epson Group can enjoy work in the knowledge that they are safe.

* Workers: Top management, employees, and partners of Epson Group companies

1. With the full participation of all workers, implement the PDCA cycle for occupational health and safety activities and drive continuous improvements.
2. Identify hazards (via risk assessments, etc.), analyze the causes of occupational accidents and industrial incidents, and develop preventive and protective measures.
3. Foster a vibrant organizational climate where work and health are well-balanced by preventing occupational illnesses and supporting employees' own health monitoring and improvement efforts.
4. Periodically review the preparations in place for fires, earthquakes, floods, infectious diseases, and other natural disasters and actions planned to save lives, prevent the spread of damage, and restore business operations. Conduct drills on an ongoing basis to verify preparation and action effectiveness, and implement further improvements.
5. Systematically educate employees, and raise the level of health and safety awareness and management.
6. Observe occupational health and safety legal and regulatory requirements in your country and region, as well as internal regulations, standards, and policies.
7. Allocate appropriate management resources for activities, and continuously make effective improvements.



Yasunori Ogawa
Representative Director and President

Appendices

Epson Group Human Rights Policy

Enacted 9/26/2005

Revised 4/1/2022

Article 1 (Background)

Guided by the Management Philosophy, Epson is committed to achievement of more sustainable future by addressing solutions to various societal issues,

Epson believes that respect for human rights from the standpoint of each individual is a prerequisite for achieving sustainability and is indispensable as the basis for all business activities around the world. On the other hand, however, Epson recognizes that its operations may cause or contribute to adverse impacts on human rights.

Epson has clarified the concept of respect for human rights, while complementing the Management Philosophy and Principles of Corporate Behavior, and positioned this Epson Group Human Rights Policy as the highest guideline in its efforts. Epson enacted it by the resolution of the Board of Directors.

Article 2 (Commitment to international human rights)

Epson commits to respect internationally recognized human rights, at a minimum, as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights At Work, and our approach is based on United Nations Guiding Principles on Business and Human Rights. In addition, as a member of the Responsible Business Alliance (RBA), Epson will work towards adhering to RBA's Code of Conduct and various standards and procedures which it enacted with reference to those international human rights norms. Epson is a signatory of United Nations Global Compact, and also refers to the following norms and guidelines in conducting our efforts.

- The OECD Guidelines for Multinational Enterprises
- ILO "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy"
- ISO 26000
- UNICEF, the UN Global Compact and Save the Children "The Children's Rights and Business Principles"
- Keidanren (Japan Business Federation) "Charter of Corporate Behavior"

Article 3 (Scope of application)

This policy applies to all officers and employees of the Epson Group. Epson will assign an officer responsible for the global implementation of this policy, and, under the officer's direction and supervision, will proceed with the efforts related to human rights by the established group organization so as not to cause or contribute to human rights violations.

Epson expects all business partners, including suppliers, to understand and support this policy and the efforts derived from it, and will continue to work to ensure that this policy is respected by them. In addition, in the context of stakeholders and circumstances where the Epson Group cannot control decision-making, we will strive to exert influence so that this policy will be respected and will continue to work to avoid complicity in human rights violations.

Article 4 (Respect for human rights)

Epson respects the human rights of all persons, whether internal or external. Human rights that Epson should respect in its operations include:

[Inhumane treatment]

Epson will eliminate inhumane treatment including all kinds of harassment such as sexual harassment and power harassment, violence, gender-based violence, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, verbal abuse, or any other inhumane treatment of workers.

[Privacy]

Epson will respect, and not infringe on, personal privacy.

[Discrimination]

Epson will not engage in any discrimination based on race, color, nationality, ethnicity, gender, sexual orientation, gender identity and expression, pregnancy, social status, age, religion, beliefs, creed, education, disability, political affiliation, union membership, covered veteran status, marital status, protected genetic information or any other forms of discrimination.

[Equal opportunity]

Epson promotes equality of opportunity and treatment in respect to employment, occupation, and remuneration, with a view to eliminating any discrimination.

[Child labor, forced labor]

Epson will never engage in child labor, forced labor, or human trafficking. Epson will not allow children under the minimum employment age stipulated by the laws and regulations of each country or region in which it operates. In the unlikely event that child labor is found, Epson will provide the child with assistance/remediation.

[Unreasonable dismissal]

Epson will not dismiss employees for reasons that are not directly related to carrying out business.

[Freedom of association]

Epson will respect the freedom of association and the right to collective bargaining based on the laws and regulations of each country and region. In order to maintain good labor-management relations, Epson will provide workers with necessary information and hold discussions and exchange opinions in good faith.

[Work environment]

Epson will comply with occupational health and safety laws and regulations as well as company rules and policies, and provide and maintain a safe, sanitary, and healthy work environment that promotes physical and mental well-being.

[Working conditions]

Epson will comply with laws and regulations concerning labor conditions in each country and region where Epson conducts business. Epson strives to provide employees with the working conditions, remuneration, and development opportunities to attain the living standards of success in their communities.

Article 5 (Human rights due diligence)

In order to identify, assess, prevent, mitigate, and redress adverse impacts on human rights that are caused or may be caused through Epson's business activities, Epson will build and enhance a human rights due diligence mechanism which encompasses the supply chain and will continue to make efforts to properly deal with the adverse impacts.

Epson will conduct human rights impact assessment when entering new markets, developing new technologies and products, constructing factories, making important decisions such as mergers and acquisitions, and when other major changes such as those to the business environment taking place.

Epson will appropriately address the adverse impacts on human rights identified in the human rights impact assessment and continue to monitor in order to verify the effectiveness of addressing the impacts.

Epson will regularly disclose and report on the implementation status of human rights due diligence.

Article 6 (Remediation)

Epson will implement a mechanism for consultations, complaints and notifications for all stakeholders who are adversely affected by human rights in connection with Epson's operations, products and services encompassing employees, business partners including suppliers, and local communities. Epson will respond in good faith to those complaints and notifications, and will report the outcomes.

These complaints/notifications can be made anonymously, and Epson prohibits disadvantageous treatment and retaliation against the whistleblower. Epson will provide appropriate confidentiality concerning the content and the identity of the whistleblower.

Article 7 (Compliance with laws and regulations)

Epson will comply with the laws and regulations of all countries and regions in which it operates and respect internationally recognized human rights. If there is a discrepancy between the laws of the country or region and internationally recognized human rights, Epson will seek ways to respect the internationally recognized human rights adhering to the higher standards.

Article 8 (Dissemination and education)

Epson will continue to provide officers and employees with education and instructions on this policy and the efforts derived from it and will strive to make the policy and the efforts permeate the company so that all officers and employees of the entire group will comply with this policy and promote efforts to respect human rights.

Article 9 (Disclosure/dialogues)

Epson will disclose this policy and its efforts internally and externally to make them accessible to employees, business partners and other stakeholders.

Epson will utilize the knowledge and advice of independent external experts in the process of implementing the efforts set forth here and will sincerely engage in discussions and dialogues with stakeholders whose human rights are adversely affected.

Epson will review this policy on a regular basis in light of changes in the social environment and dialogues and discussions with stakeholders, and strive to enhance efforts to respect human rights.

Yasunori Ogawa

Seiko Epson Corporation
President

Date: 01 April 2022

Appendices

Basic Information Security Policy

Established on April 1, 2007

Revised on April 1, 2020

Epson's Basic Information Security Policy, established based on the company's Management Philosophy and Principles of Corporate Behavior, describes our information security approach and requirements. Epson Group companies, their officers and their employees must recognize the importance of information security, exercise effective information security governance, and build information security into the corporate culture so that Epson continues to be a company that is trusted by its stakeholders. (Established April 1, 2007)

It is therefore company policy to ensure that:

1. All information* used in business activities are recognized as important management assets, and information security activities are treated as a critical management concern.
* Including customer and other personal information; confidential information relating to sales and marketing, products, technology, production, and know-how, and suppliers; and information systems that store and use such information.
2. A standard information security policy is established for worldwide operations, information security responsibility and management systems are identified, and a management system capable of protecting and controlling information assets is built.
3. Information security risks confronted in business activities are appropriately assessed and managed, to justify the trust placed in the company by stakeholders and to keep business.
4. Continuous training and education are provided to Epson Group companies, their officers and their employees so that security consciousness is integrated into the corporate culture.
5. A compliance program is developed and implemented to ensure compliance with laws, agreements and regulations related to information security management.
6. The information security management system is reviewed, maintained and improved on a continuing basis by Epson management.

Yasunori Ogawa

President and CEO

Seiko Epson Corporation

Appendices

Basic Procurement Policy

1. We will build good partnerships with suppliers, based on mutual trust and principles of fairness, coexistence and co-prosperity.
2. Exercising high ethical standards and a social conscience, we will conduct our procurement activities in strict compliance with both the letter and spirit of laws and regulations, both national and international, in every region where we operate.
3. We will strive to reduce the environmental impacts of our procurement activities and will always seek stable and reasonable quality, price, and delivery from suppliers.

Appendices

Epson Slavery & Human Trafficking Statement for Financial Year 2021

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. We will respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

This statement is made pursuant to section 54(1) of the UK's Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the U.S. California Transparency in Supply Chain ACT 2010 (SB 657) and the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid).

The Epson Group companies that are required to report under these laws are as follows:

Epson (U.K.) Ltd.

Epson Telford Ltd.

Epson Australia Pty. Ltd.

Epson America, Inc.

Epson Europe B.V.

Our organisation

Seiko Epson Corporation and Epson Group companies are primarily engaged in the development, manufacturing, and sales of products and services in the areas of printing, visual communications, wearables and robotics.

We use the word Epson to describe all companies in the Epson Group.

Epson is organized into operational divisions that come under consolidated management. The majority of advanced R&D and product development is conducted in Japan, while manufacturing and sales activities are conducted around the world by 79 Epson Group manufacturing and sales companies, in 61 countries and regions, with 77,642 employees and 1,128.9 billion yen in net revenue for FY2021.

Epson is vertically integrated and develops and manufactures the majority of its components in-house and then sells through its global network of wholly owned sales subsidiaries.

Epson's printing solutions business provides home and office inkjet printers, serial impact dot matrix (SIDM) printers, page printers, colour image scanners, dry process office papermaking systems, inkjet printers for commercial and industrial applications, printers for use in POS systems, inkjet printhead, related consumables, and, in the Japanese market, PCs.

Epson's visual communications business provides 3LCD projectors mainly for business, education, the home, and event as well as smart glasses.

Its wearables & industrial products business provides wristwatches and watch movements; industrial robots; crystal units, crystal oscillators, and quartz sensors for consumer, automotive, and industrial equipment applications; CMOS LSIs and other chips mainly for consumer electronics and automotive application; high-performance metal powders; and high-value-added surface finishing.

Supply Chain

In manufacturing and selling the many Epson products mentioned above, currently, Epson procures goods and services from about 1,700 direct material suppliers around the world.

Epson considers suppliers to be important partners in its business activities. As such, its procurement activities are designed to develop mutually beneficial trusting relationships with its business partners based on fairness, transparency, and respect.

Epson procures goods from around the world. Domestic Japanese procurement accounts for 41% of the spend and overseas procurement for 59%.

Direct materials procurement, which includes spending on raw materials and parts required for finished product assembly, as well as spending on things such as the outsourcing of production, accounts for 65% of the spend. Meanwhile, indirect materials procurement, which includes spending on things such as factory supplies, machinery and equipment, advertising, logistics, outsourcing of business processes, and temporary staffing, accounts for 35%.

Epson believes its responsibility for products and services goes beyond just ensuring high-quality products for the market. It also believes it is responsible for ensuring that its entire supply chain upholds appropriate standards in respect to human rights, labour, and the environment. Therefore, Epson recognizes the importance of taking CSR initiatives hand in hand with its suppliers. For that reason, Epson practices fair and transparent trade with its suppliers and thereby building trusting relationships. Epson believes that it is only with such partnerships that it can enjoy “harmonious development” supported by rapport with international and local communities.

Epson standards

Epson is serious about keeping all forms of discrimination and unfair practices out of its global operations. We will work to fulfill our social responsibility and create shared value in order to achieve sustainability and enrich communities together with our customers and partners from a long-term perspective based on our Management Philosophy.

In 2005, Seiko Epson Corporation established the Principles of Corporate Behavior (Corporate Social Responsibility Guidelines) which are adhered to by all companies ultimately owned by Seiko Epson Corporation. In 2021, Epson updated the Principles of Corporate Behavior in response to the latest societal requirements. These guidelines were established to clarify the foundations for implementing trust-based management, which is aimed at building stakeholder trust and is the fundamental principle of Epson management, and which are shared across the Group. Epson established Policies Regarding Human Rights and Labor Standards of the Epson Group in 2005 based on the United Nations Global Compact, ISO 26000 (Social Responsibility), and the OECD Guidelines for Multinational Enterprises, and we have practiced conduct that is aligned with the 2011 United Nations Guiding Principles on Business and Human Rights. In April 2019, we joined the Responsible Business Alliance (RBA), a non-profit organization that supports the rights and welfare of workers and communities affected by global supply chains, and we and our suppliers conduct our business in line with the RBA Code of Conduct.

Epson has overhauled Policies Regarding Human Rights and Labor Standards of the Epson Group in light of recent changes in the way that the international community views human rights and human rights issues. The new Epson Group Human Rights Policy took effect on April 1, 2022

As indicated by the phrase “commitment to sustainability” in the Epson Group Management Philosophy, Epson aspires to work with its business partners for mutual benefit, achieve sustainability, and enrich communities. We believe that we can build mutually beneficial relationships by asking all our business partners, including our suppliers, to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.

These supply chain ethics requirements are based on the RBA Code of Conduct. Epson, which has mapped each of its supply chain initiatives to one or more of the Sustainable Development Goals (SDGs) of the United Nations, will help to achieve the SDGs by taking action throughout the supply chain.

In particular, we are focusing on the following four priorities and are engaging suppliers to ensure worker human rights and safety and to realize a sustainable society:

- Decent work
- A safe work environment
- Responsible sourcing of minerals
- Environmental impact mitigation

To achieve the goals stated in its Management Philosophy, Epson believes that it is essential for suppliers to understand the management philosophy and support its procurement activities. We established the Epson Group Supplier Guidelines in 2005 to inform suppliers about Epson's procurement policies and to enlist their cooperation in promoting socially responsible practices. Then, in 2008, we created the Epson Supplier Code of Conduct, which is based on and conforms to the code of conduct created by the Electronic Industry Citizenship Coalition (EICC), now called the Responsible Business Alliance (RBA).

The Epson Group Supplier Guidelines stipulate the basic quality (Q), price (C), and delivery (D) requirements for transactions, trade control measures that satisfy the requirements of the international community, and measures to ensure security in the supply chain. They also stipulate CSR requirements (the RBA Code of Conduct) in the areas of labour, health and safety, environment, and ethics with the aim of maintaining socially responsible business practices along with our business partners. Over the 17-year history of the Guidelines, we have asked all our suppliers to comply with the requirements and have our major suppliers of both production materials and indirect materials (including suppliers of contract services and temporary staff) to submit a Supplier Agreement in which they consent to comply with Epson's requirements. In the 2021 fiscal year, we received Supplier Agreements from more than 1,800 companies that supply our main manufacturing subsidiaries in Japan and abroad.

Going forward, Epson will further observe the RBA Code of Conduct and work with its suppliers to strengthen CSR supply chain initiatives.

Due diligence processes for slavery and human trafficking

Epson has identified potential or actual human rights risks both within its own operations and within those of its suppliers. These risks include things such as forced labour, child labour, harassment, and discrimination in the value chain for developing, manufacturing, and selling products. We are going through a process of human rights due diligence to investigate these risks, extract problems and issues, take corrective action, make improvements, and prevent future problems. The human rights due diligence process in Epson's business is as follows:

1. Policy enactment
2. Identification of human rights risks and evaluation of their effects
3. Improvement plans, and stopping, preventing, and mitigating adverse effects
4. Results/progress monitoring
5. Communication and reporting
6. Remedial measures

1. Policy enactment

Epson has overhauled Policies regarding Human Rights and Labor Standards of the Epson Group in light of recent changes in the way that the international community views human rights and human rights issues. The new Epson Group Human Rights Policy, which conforms to the United Nations Guiding Principles on Business and Human Rights, has been approved by the Seiko Epson Board of Directors and took effect on April 1, 2022.

The policies will be revised periodically to realign them with changing societal trends and societal demands. Epson's human rights initiatives are spearheaded by Seiko Epson's human resources department under the supervision of the executive officer in charge of human resources. They work in concert with corporate supervisory departments and the HR departments of our global affiliates to guide initiatives to prevent human rights abuses and unjust labour practices.

Epson is taking corrective action based on the Epson Group Human Rights Policy and the RBA Code of Conduct to address issues related to inhumane treatment, including things such as child labour, forced labour, other exploitative labour, discrimination, harassment, and workers' rights abuses and unfair labour conditions.

Workers and the labour union and other labour groups are important stakeholders, and Epson Group companies engage them in genuine dialog and discussions based on local labour practices and so forth.

Human rights in the supply chain are addressed by the Sustainable Procurement Committee. This committee is a cross-organizational body overseen by the managing executive officer in charge of procurement. It is made up of personnel from all Epson's operations divisions and from the procurement departments of Epson Group companies. Administrative oversight is provided by the Seiko Epson Head Office department that supervises socially responsible procurement.

2. Identification of human rights risks and evaluation of their effects

To understand where human rights risks exist in business and to manage those risks, we worked with stakeholders in the value chain to analyze where risks reside. We found that priority actions are needed for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees. Therefore, we conduct a CSR self-assessment questionnaire to understand issues in these areas.

High-Priority Groups	Impacts/Risks of Business Activities	Assessment Method
Employees of Seiko Epson Corporation and Epson Group	Freedom of employment (forced labour), young workers, working hours, wages and benefits, humane treatment (harassment, etc.), discrimination, freedom of association	Self-assessment of compliance to RBA requirements
Dispatch workers	Same as above	Same as above
On-site service vendors	Same as above	Same as above
Suppliers' employees	Same as above	Same as above
Migrant workers	Same as above	Same as above

3. Improvement plans, and stopping, preventing, and mitigating adverse effects

We instruct companies and business sites to take action to correct, improve, or mitigate risks identified by the CSR self-assessment questionnaire. We analyze the answers on the questionnaire, identify where a site is not in compliance with the code of conduct, and provide guidance for the improvements we request. Sites formulate and implement their own corrective action plans to address the observations.

Regarding child labour, we have established the following measures:

Epson will never engage in child labour within its facilities, including workers from external partners and workers hired through agents. If found, each company is required to assist them and provide for the welfare of the child.

Age verification must include visual verification of a government recognized photographic identification document, if available.

If child labour is discovered at the company, employment will be terminated immediately, and the company will notify Seiko Epson, the relevant government and labour inspection agency to consider measures to be taken in consultation with them.

4. Results/progress monitoring

We check whether instances of noncompliance with the code of conduct have been corrected by asking the companies and business sites to complete the CSR self-assessment questionnaire the following year. In addition, as a member of the RBA, Epson voluntarily undergoes RBA VAP audits at its large production sites for its main businesses to accurately assess compliance with the RBA Code of Conduct, extract issues, and address them.

5. Communication and reporting

The results and progress of improvement plans are reviewed annually. The findings are disclosed on the Web and reported in Epson's sustainability report. This statement also reports on the Epson Group's global initiatives.

6. Remedial measures

In addition to prioritizing remedies for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees, we provide whistleblowing systems that all stakeholders, including customers, investors, and members of local communities, can use to lodge grievances that are then appropriately addressed.

Assessing and managing risk

In the 2021 fiscal year, we asked our own business sites, Epson Group companies in Japan and abroad, and suppliers to complete a CSR self-assessment questionnaire (SAQ). The CSR SAQ, which consists of questions concerning human rights and labour, health and safety, environmental issues, ethics, and management systems, is used to assess compliance with the RBA Code of Conduct.

The results of the FY2021 CSR SAQ showed that there were no major cases of human rights violations in the form of child labour, forced labour, discrimination, and the like, either at Epson or its Group companies.

The following are examples of human rights risks that have been identified, corrected, improved, or continuously addressed within the Epson Group:

- Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
- Holding of passports belonging to migrant workers
- Agreement process with workers regarding overtime work
- Long working hours

This CSR SAQ is conducted every year to identify where issues exist and encourage improvement.

Epson's overseas manufacturing affiliates voluntarily undergo RBA VAP audits to find out where they are not compliant with the RBA audit criteria and to make improvements. In the 2021 fiscal year, Epson's manufacturing sites in China, Indonesia, the Philippines, Thailand, and Malaysia underwent audits and corrected nonconformances that were observed. In 2021, we asked direct material suppliers and indirect material suppliers of our major manufacturing sites (on-site service vendors, temporary staffing and referral agencies, and logistics warehouse operators) to complete a CSR SAQ. We received completed CSR SAQs from 293 key first-tier suppliers of direct materials (497 sites) and from 220 indirect material suppliers.

When suppliers are found to be high-risk as a result of their score on the CSR SAQ or high-risk in terms of labour (human rights), we have them undergo an audit in accordance with RBA criteria and support their efforts to improve to medium risk or better. Again, in 2021, no supplier was deemed to be high risk based on the CSR SAQ, so Epson did not ask any supplier to undergo an RBA audit. However, the number of suppliers that voluntarily underwent an RBA audit grew. When a nonconformance has been observed in an audit, we monitor the progress on corrective action plans and are stepping up our supplier CSR initiatives.

Personnel from Epson's manufacturing sites visit suppliers who do not undergo a third-party audit to verify the situation on-site and to provide support for improvements.

In addition to helping them improve their CSR performance, Epson also proactively helps struggling direct material suppliers to meet requirements in areas such as fire prevention and business continuity management (BCM).

For on-site service vendors, Epson employees conducted a second-party audit to improve working conditions by, for example, closely monitoring working hours, granting time off, paying appropriate overtime, and ensuring that workers are not made to pay hiring fees.

Performance indicators

Epson sets and acts upon medium-range targets, major action items, and key performance indicators (KPIs) for achieving its supply chain CSR vision.

Mid-term targets (achieve by 2025)

- Sustainable procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
- Conflict minerals: Make products conflict-mineral-free and disclose product information.

FY2021 Major Action Items and KPIs	Results
1. Ask major suppliers to complete a CSR SAQ (self-assessment questionnaire): 1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100% 2) Percentage of high-risk suppliers who complete corrective action:	1) Provided feedback to 100% 2) Percentage asked to reduce risk: 100%
2. Percentage of CSR questionnaires (including conflict minerals surveys) from customers that are completed and returned: 100%	1) Asked 100% of suppliers using non-conformant smelters to take corrective action 2) Return rate CMRT: 99% (3TG survey) CRT: 98% (cobalt survey)
3. Percentage of CF certified smelters in conflict minerals survey: 100%	1) 67% 2) 96%

FY2022 Major Action Items and KPIs
1. Strengthen the detailed CSR evaluation (due diligence). 1) CSR SAQ results: high risk 0%, middle risk: 6% or less 2) Completion rate of risk mitigation activities for specified priority items: 100%
2. Strengthen conflict mineral surveys. 1) Asked all suppliers to use only conformant smelters 2) Completed surveys collection rate of 100%
3. Strengthen CSR engagement with suppliers. 1) 100% of manufacturing sites held supplier CSR meetings 2) Discussions with suppliers on CSR: 20 companies

Training and whistleblowing systems

Epson is committed to exercising high ethical standards and a social conscience, and it has declared that it will conduct procurement activities in strict compliance with both the letter and spirit of laws and regulations in regions where it operates. Employee training is an important part of this commitment.

We have been educating people in the human resources departments at Epson Group companies at home and abroad about the RBA Code of Conduct and its requirements, and in 2021 we also held study sessions to familiarize directors and personnel in corporate and global HR departments with the revised Epson Group Human Rights Policy.

All employees in Japan are required to take the Introduction to Procurement (Subcontract Act) online training courses. Employees in Japan and abroad took an online course in the basics of the RBA to learn about the RBA Code of Conduct and its relationship to CSR issues in the supply chain.

Epson provided professional training for procurement staff to manage supplier CSR. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standards. Some are conducted by outside consultants. In 2021, a specialist course in responsible sourcing of minerals was conducted to provide procurement personnel and others with an introduction to the RBA's responsible mineral sourcing standard and surveys.

Epson engages its suppliers throughout the year in many forms and at many different levels. An annual Supplier Conference is held in Japan as a top-level event at which we explain our procurement policies. We provide suppliers with an overview of our operations and share with them our important policies. Epson's president and chief operating officers explain the company's policies and the divisions' policies. The managing executive officer in charge of procurement requests that suppliers practice socially responsible procurement, take steps to cope with challenges in procuring parts, and strengthen their business continuity management. The Annual Supplier Conference has served as a valuable opportunity for meeting and speaking directly with suppliers, but we began holding this conference online in the 2021 fiscal year due to COVID-19.

We have also held a Supplier Conference for CSR every year since 2016 in Japan, China, Indonesia, and other countries where we have major production sites. The conferences are used to explain trends in CSR and Epson's socially responsible procurement activities, as well as to ask for cooperation. In addition to requesting compliance with our socially responsible procurement policies and the Epson Group Supplier Guidelines, we also ask for cooperation in evaluating CSR and emergency response capabilities (BCM) and in conflict minerals surveys. Natural disasters and infectious disease have had a huge impact on procurement and logistics in recent years. This has brought the importance of BCM back to the forefront, so we have asked our suppliers to reinforce their BCM programs.

In addition to explaining social demands and RBA requirements at the Supplier Conference for CSR, we also hold seminars and conferences to provide further detail. Epson believes that it is important for suppliers to take the initiative in launching their own CSR programs based on a solid understanding of the reasons for them. We see human rights as a priority issue. It is also an area where the expectations of society are rapidly evolving. We therefore hold seminars taught by outside consultants to provide suppliers with expert information.

Supplier Seminars and Conferences

FY2021	Human rights seminar and SAQ briefing
FY2022 (plan)	Human rights seminar, SAQ briefing, conflict minerals survey conference

Epson has set up the Epson Helpline and various other channels that can be used to report harassment, long working hours, and other concerns involving issues such as human rights and labour. All personnel are regularly notified of disciplinary actions and other actions taken by the company in response to incidents related to labour, harassment, and other forms of human rights abuses to prevent similar incidents in the future. Furthermore, Epson has hotlines and support centers that customers, investors, people in the local community, and other stakeholders can use to report grievances, which Epson then appropriately addresses.

Epson has also established compliance hotlines that it encourages suppliers to use to report or discuss possible misconduct. In addition to violations or potential violations of legislative requirements and the Epson Group Supplier Guidelines, suppliers can report concerns about human rights abuses and conflict minerals. Epson expects these hotlines to help ensure that business ethics are upheld. Whistleblowers, who may remain anonymous, are protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson's internal regulations.

Further steps

Epson will continue to review the effectiveness of the steps it has taken to ensure that there is no slavery or human trafficking in its supply chains. To further improve its policies and procedures, it will refer directly to the UK's Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the U.S. California Transparency in Supply Chain ACT 2010 (SB 657), the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid) and other legal requirements to ensure complete compliance.

This Statement was approved at the Seiko Epson Corporation's board of directors meeting on 29 July 2022 and signed by the President of Seiko Epson Corporation.

Yasunori Ogawa

President, Board of Directors
Seiko Epson Corporation

Date: 4 August 2022

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Epson (U.K.) Limited for the financial year ending 31 March 2022.

Epson (U.K.) Limited is a wholly owned subsidiary of Epson Europe B.V. of Amsterdam, The Netherlands. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.

Epson (U.K.) Limited sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation and purchased from Epson Europe B.V., which purchases products and consumables from Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part of the Epson Group.

Epson Europe B.V. has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

As the supplier of its products, Seiko Epson Corporation and Epson Europe B.V. has assured Epson (U.K.) Limited that it is committed to combatting slavery and human trafficking in all its businesses and supply chains. Seiko Epson Corporation, in turn, confirms that it is committed to the same.

This Statement was approved at the Epson (U.K.) Limited's board of directors meeting on 5 August 2022 and signed by the Managing Director.

Robert Clark

Managing Director
Epson (U.K.) Ltd.

Date: Aug 15, 2022

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Epson Telford Limited for the financial year ending 31 March 2022.

Epson Telford Limited is a wholly owned subsidiary of Epson Europe B.V. of Amsterdam, The Netherlands. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.

Epson Telford Limited manufactures and packs ink cartridges for consumer use and ink products and textile inks for industrial use. These products are shipped to other Epson affiliates, where they are then distributed worldwide.

This Statement was approved at the Epson Telford Limited's board of directors meeting on 1st August 2022 and signed by the Managing Director.

Kevin Browne

Managing Director
Epson Telford Ltd.

Date: 1st August 2022

This statement is made pursuant to the Modern Slavery Act 2018 and constitutes the slavery and human trafficking statement of Epson Australia Pty. Ltd. for the financial year ending 31 March 2022.

Epson Australia Pty. Ltd. is a wholly owned subsidiary of Seiko Epson Corporation, headquartered in Japan.

Epson Australia Pty. Ltd. sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in Australia and New Zealand.

This Statement was approved at the Epson Australia Pty. Ltd.'s board of directors meeting on 3rd August 2022 and signed by the President.

Craig Heckenberg

Managing Director
Epson Australia Pty. Ltd.

Date: 03 August 2022

This statement is made pursuant to the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid) and constitutes the slavery and human trafficking statement of Epson Europe B.V. for the financial year ending 31 March 2022.

Epson Europe B.V. is a wholly owned subsidiary of Seiko Epson Corporation, headquartered in Japan.

Epson Europe B.V. sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part

of the Epson Group.

Epson Europe B.V. has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

This Statement was confirmed by Epson Europe B.V.'s board of directors and signed by the President.

Yoshiro Nagafusa

President

Epson Europe B.V.

Date: 26 August 2022



SEIKO EPSON CORPORATION

3-3-5 Owa, Suwa, Nagano 392-8502, Japan

TEL: +81-266-52-3131

<https://corporate.epson/en/>