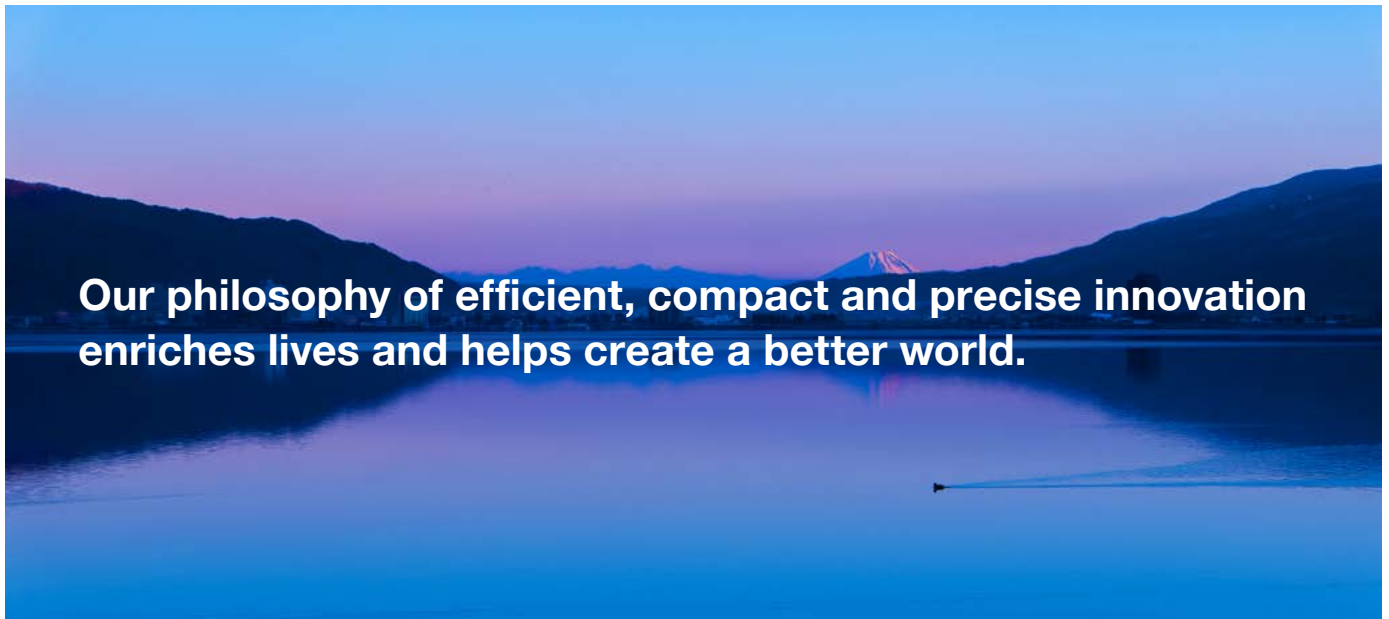


Epson Group

Sustainability Report 2023

Our Purpose



Epson was founded in Japan, a nation blessed with outstanding natural beauty and a rich cultural heritage. Our commitment to protecting such abundant gifts for future generations has never wavered. We constantly pay close attention to social issues and dedicate ourselves to addressing them, as our timely elimination of chlorofluorocarbons makes clear. Underpinning everything we do is the philosophy of efficient, compact, precise innovation. After all, bigger is not always better.

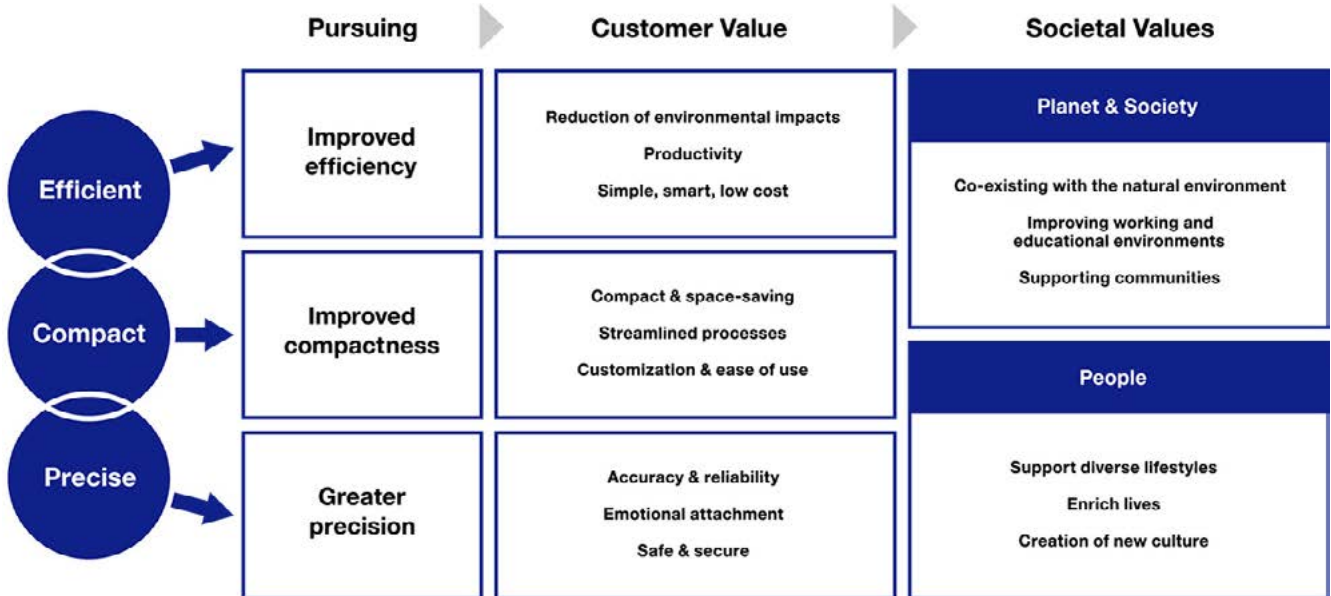
We firmly believe that energy saving solutions, space saving innovation and ultra-high precision help to protect the natural environment and enrich communities. With our philosophy of efficient, compact, precise innovation, we deliver more meaningful value that enriches lives and helps create a better world.

We will continue to strive towards realizing this purpose.

Purpose

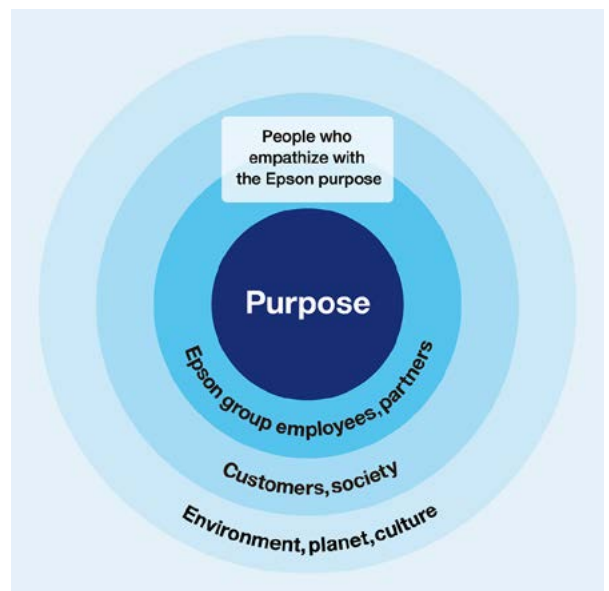
Value Proliferation from “Efficiency, Compactness, and Precision”

Our products and services, based on our unique philosophy of efficiency, compactness, and precision, create meaningful customer value that extends to the wider world.



Our Relationship with Society

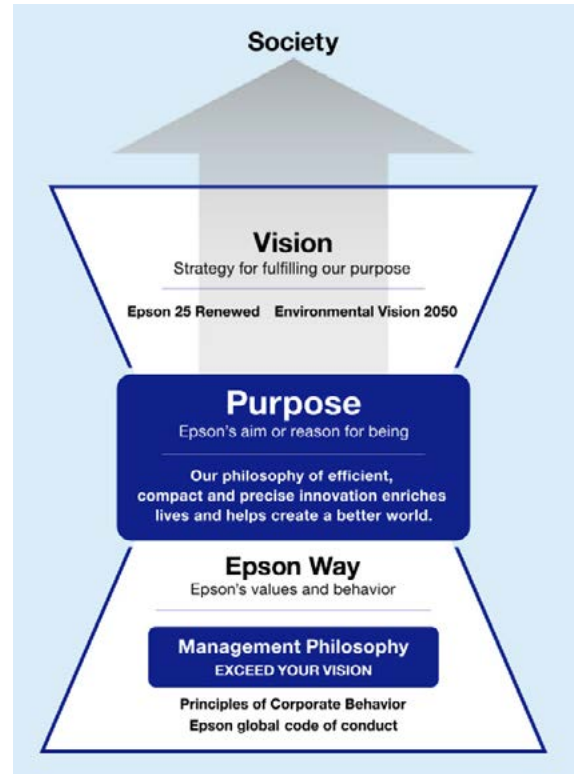
Fulfilling our purpose cannot be achieved by Epson Group employees alone. By gaining the empathy of our customers, partners, and society, we can conserve the global environment and make cultural advances to create an affluent society for the benefit of all.



Epson Way

About Epson Way

The Epson Way is a set of shared values and behavior within the Epson Group. It refers generally to the Management Philosophy and EXCEED YOUR VISION, which state the fundamental, universal principles of the Epson Group; the Principles of Corporate Behavior, which sets forth values and actions that reflect our philosophy of management; and the Epson Global Code of Conduct, which is an interpretation of the Principles of Corporate Behavior.



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.

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Reporting Period

April 2022 to March 2023

Note: Contains some information on activities conducted after April 2023.

Scope

This report describes the sustainability efforts of Seiko Epson Corporation and 81 Group companies. The scope of environmental reporting, however, covers Seiko Epson Corporation, and 58 Group companies (representing 98% of revenue).

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

Guidelines

This report has been prepared with reference to the GRI¹ Standards 2021. At the same time, 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.

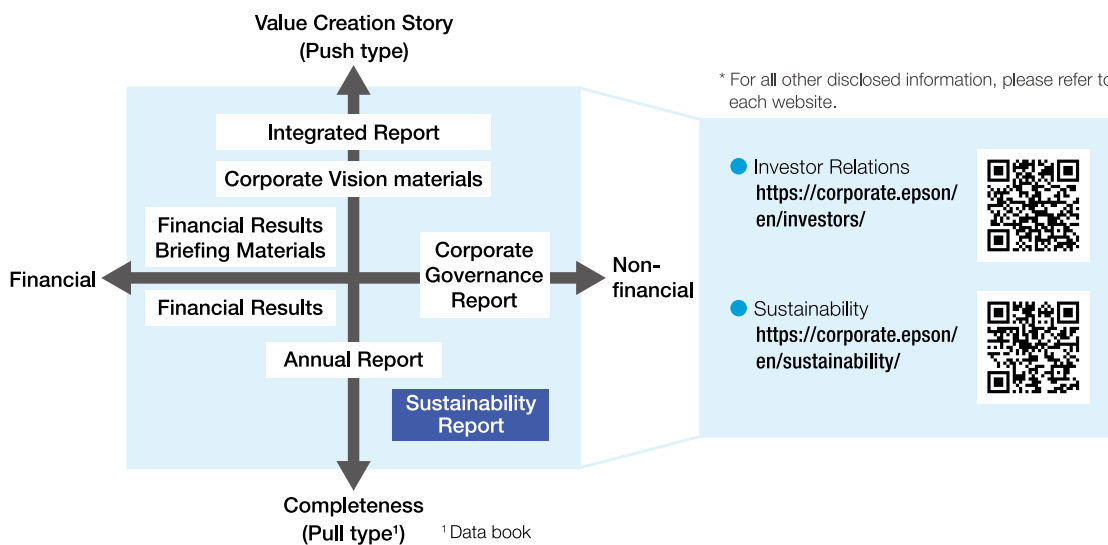
Date of Report Publication

November 30, 2023 (previous report: September 30, 2022)

Editorial Policy

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

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 yen
Number of employees	Epson Group (Consolidated): 79,906, Parent Company: 12,918
Group companies	81 (includes parent company) Japan: 20, Overseas: 61

* As of March 31, 2023

Financial Performance and Business Size

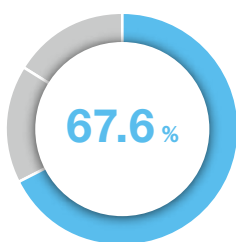
Consolidated Revenue **¥1,330.3 billion** Business profit¹ **¥95.1 billion** Profit for the year attributable to owners of the parent company **¥75.0 billion**

Revenue by Segment²

Printing Solutions Segment

Segment Revenue as a Percentage of Total Revenue

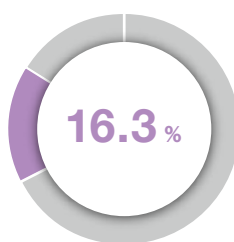
Revenue **¥902.3 bln**



Visual Communications Segment

Segment Revenue as a Percentage of Total Revenue

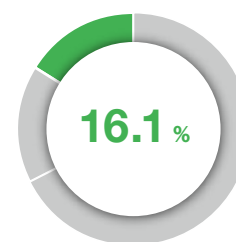
Revenue **¥216.8 bln**



Manufacturing-Related & Wearables Segment

Segment Revenue as a Percentage of Total Revenue

Revenue **¥215.4 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

Liquid crystal projector and smart glasses

Main Operations

Manufacturing Solutions Business

Industrial robots, compact injection molding machines

Wearable Products Business

Wristwatches, watch movements

Mircodevice Business, Others

Quartz crystal devices (crystal units, oscillators, sensors) Semiconductors (CMOS, LSI), Metal 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

Global Network

Regional Headquarters

Company name	Address
Epson America, Inc.	3131 Katella Ave., Los Alamitos, CA 90720, USA Telephone: 1-562-981-3840 Fax: 1-562-981-5220
Epson Europe B.V.	Azië building, Atlas ArenA Hoogoorddreef 5 1101 BA Amsterdam Zuidoost The Netherlands Telephone: (31) 20-314-5000 Fax: (31) 20-314-5010
Epson (China) Co., Ltd.	4th Floor, Tower 1 of China Central Place, 81 Jianguo Road, Chaoyang District, Beijing 100025 China Telephone: (86) 10-8522-1199 Fax: (86) 10-8522-1125
Epson Singapore Pte. Ltd.	438B Alexandra Road, Block B Alexandra TechnoPark, #04-01/04, Singapore 119968 Telephone: (65) 6586-5500 Fax: (65) 6271-7066

Sales/Service Subsidiaries and Affiliates

Company name	Area/region
Epson America, Inc.	Los Alamitos
K-Sun Corporation	Wisconsin
Epson Canada Ltd.	Ontario
Epson de Mexico, S.A. de C.V.	Mexico City
Epson Guatemala, S.A.	Vista Hermosa
Epson Costa Rica, S.A.	San Jose
Epson Venezuela, S.R.L.	Caracas
Epson Colombia Ltda.	Bogota
Epsodecua Cia, Ltda.	Quito
Epson Peru S.A.	Lima
Epson Chile, S.A.	Santiago
Epson Argentina S.R.L.	Buenos Aires
Epson do Brasil Industria e Comercio Ltda.	Sao Paulo
Epson (U.K.) Ltd.	Hemel Hempstead
Epson (U.K.) Ltd., Ireland Office	Dublin
Epson Deutschland GmbH	Meerbusch
Epson Deutschland GmbH, Switzerland Office	Kloten
Epson Deutschland GmbH, Austria Office	Klosterneuburg
Epson France S.A.S.	Paris

Epson Iberica, S.A.U.	Barcelona
Epson Iberica, S.A.U., Portugal Office	Porto Salvo
Epson Italia S.p.A.	Milan
Epson Italia S.p.A., Serbia Office	Belgrade
Epson Italia S.p.A., Türkiye Office	Istanbul
Epson Italia S.p.A., Greece Office	Athens
Epson Europe Electronics GmbH	Munich
Epson CIS L.L.C.	Moscow
Epson Europe B.V., Norway Office	Hovik
Epson Europe B.V., Denmark Office	Brøndby
Epson Europe B.V., Sweden Office	Kista
Epson Europe B.V., Finland Office	Vantaa
Epson Europe B.V., Belgium Office	Zaventem
Epson Europe B.V., Czech Republic Office	Prague - Michle
Epson Europe B.V., Lithuania Office	Vilnius
Epson Europe B.V., Poland Office	Warszawa
Epson Europe B.V., Hungary Office	Budapest
Epson Europe B.V., Amsterdam, Marly Branch	Marly (Switzerland)
Epson Europe B.V., Romania Office	Bucuresti
Epson Europe B.V., Ukraine Office	Kiev
Epson Europe B.V., Moscow Office	Moscow
Epson Europe B.V., Kazakhstan Office	Almaty
Epson Europe B.V., Israel Office	Ramat Gan
Epson Europe B.V., Saudi Arabia Office	Riyadh
Epson Europe B.V., Middle East Office	Dubai
Epson Europe B.V., Morocco Office	Casablanca
Epson Europe B.V., Kenya Office	Nairobi
Epson Europe B.V., South Africa Office	Johannesburg
Epson India Pvt. Ltd.	Bangalore
Epson India Pvt. Ltd., New Delhi Office	New Delhi
Epson India Pvt. Ltd., Jaipur Office	Jaipur
Epson India Pvt. Ltd., Ahmedabad Office	Ahmedabad
Epson India Pvt. Ltd., Kolkata Office	Kolkata
Epson India Pvt. Ltd., Mumbai Office	Mumbai
Epson India Pvt. Ltd., Pune Office	Pune
Epson India Pvt. Ltd., Hyderabad Office	Hyderabad
Epson India Pvt. Ltd., Chennai Office	Chennai
Epson India Pvt. Ltd., Coimbatore Office	Coimbatore
Epson India Pvt. Ltd., Cochin Office	Cochin
Epson India Pvt. Ltd., Sri Lanka Office	Sri Lanka
Epson India Pvt. Ltd., Bangladesh Office	Bangladesh
Epson (Thailand) Co., Ltd.	Bangkok
Epson Philippines Corporation	Manila
Epson Vietnam Co., Ltd.	Ho Chi Minh City
Epson Malaysia Sdn. Bhd.	Subang Jaya

PT. Epson Indonesia	Jakarta
Epson (China) Co., Ltd., Shenyang Office	Shenyang
Epson (China) Co., Ltd., Jinan Office	Jinan
Epson (China) Co., Ltd., Nanjing Office	Nanjing
Epson (China) Co., Ltd., Shanghai Office	Shanghai
Epson (China) Co., Ltd., Shanghai Songjiang Office	Shanghai
Epson (China) Co., Ltd., Hangzhou Office	Hangzhou
Epson (China) Co., Ltd., Xian Office	Xian
Epson (China) Co., Ltd., Wuhan Office	Wuhan
Epson (China) Co., Ltd., Chengdu Office	Chengdu
Epson (China) Co., Ltd., Chongqing Office	Chongqing
Epson (China) Co., Ltd., Guangzhou Office	Guangzhou
Epson (China) Co., Ltd., Shenzhen Office	Shenzhen
Epson Hong Kong Ltd.	Hong Kong
Epson Taiwan Technology & Trading Ltd.	Taipei
Epson Taiwan Service Net Co., Ltd.	Taipei
Epson Korea Co., Ltd.	Seoul
Epson Australia Pty. Ltd.	Sydney
Epson Australia Pty. Ltd., New Zealand Office	New Zealand

Branches

Company name	Area/region
Seiko Epson Corporation, Hong Kong Branch	Hong Kong

Manufacturing Subsidiaries and Affiliates

Company name	Area/region
Epson Portland Inc.	Portland
Epson do Brasil Industria e Comercio Ltda.	Sao Paulo
Epson Telford Ltd.	Telford
Epson Como Printing Technologies S.r.l.	Villa Guardia (Como)
Tianjin Epson Co., Ltd.	Tianjin
Epson Wuxi Co., Ltd.	Wuxi
Epson Precision Suzhou Co., Ltd.	Suzhou
Orient Watch (Shenzhen) Ltd.	Shenzhen
Epson Engineering (Shenzhen) Ltd.	Shenzhen
Epson Precision (Philippines), Inc.	Lipa City
Epson Precision (Thailand) Ltd.	Amphur Pleangyao
Epson Precision Malaysia Sdn. Bhd.	Kuala Lumpur
Epson Precision (Johor) Sdn. Bhd.	Johor
Singapore Epson Industrial Pte. Ltd.	Singapore
PT. Epson Batam	Batam
PT. Indonesia Epson Industry	Bekasi

R&D Subsidiaries and Affiliates

Company name	Area/region
Epson America, Inc. (San Jose Development Center)	San Jose
Epson Canada Ltd. (Vancouver Design Center)	Vancouver
Epson Canada Ltd. (Development Center)	Ontario

CEO Message - To Our Stakeholders -

Contributing to Achieving Sustainability and Enriching Communities



We at Epson exercise creativity and challenge ourselves to deliver products and services that exceed the expectations of our customers by drawing on the efficient, compact, and precise technologies we have developed since the company was founded.

The environment in which we operate is constantly changing, and we are presently confronted with serious issues, from climate change and global inflation 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.

Abnormal weather patterns are growing more obvious by the year, and it is still not clear when we will see relief from disruptive events such as climate change and regional conflicts. In the meantime, however, we will work toward our goal of achieving sustainability and enriching communities 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 Management

- 015 [Top Message](#) ↗
- 017 [Practice of Sustainability Management](#) ↗
- 019 [Materiality and Progress](#) ↗
- 029 [Contributing to the SDGs](#) ↗
- 033 [Responding to TCFD Recommendations](#) ↗
- 042 [Participation in External Initiatives](#) ↗
- 045 [Evaluation by External Parties](#) ↗

Sustainability Management

Sustainability Management

We will work to fulfill our social responsibility and create shared value based on our Management Philosophy.

Solving societal issues, driving growth, and contributing to sustainability

With climate change, geopolitical risks, and other events threatening the sustainability of humankind, corporations are expected to play a leading role in addressing human rights issues, environmental devastation, and myriad other sustainability challenges.

Epson has identified four material topics that it can address to help solve these societal issues. They are (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. We are now working in line with Epson's value creation story to solve issues and provide value.

Materiality lies at the heart of management at Epson. We identified material topics based on societal issues, and our business activities are entirely geared toward finding solutions. In other words, sustainability is the vehicle that will drive Epson's corporate growth. We regard the current social environment, in which corporations are expected to respond to societal issues, as an accelerator. By focusing more tightly on solutions, we aim to grow together with society.

In 2019, Epson joined the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains. We are now executing actions to strengthen our labor, health and safety, environment, governance, and other value creation platforms in line with the RBA Code of Conduct.

In line with our environmental vision, we have steadily advanced toward decarbonization, aiming to complete the switch to renewable electricity at all our domestic and foreign plants and offices in FY2023. We have also adopted the TCFD recommendations to demonstrate the sustainability of our business operations. We continue to assess the quantitative financial impact of climate change from both a risk and opportunity perspective and to disclose the results.

In April 2022, we revised our Human Rights Policy. We continue to fulfill our duty to uphold human rights in cooperation with local communities and suppliers while working to strengthen the foundation of all corporate activities around the world.

The corporate purpose that we established this September defines the role that the Epson Group serves in society. Our reason for being is "to create sustainable value by using our efficient, compact and precision technologies to enrich people and our planet," and we are evolving toward sustainable management that solves societal issues and drives corporate growth.



Tatsuaki Seki

Representative Director,
Senior Managing Executive Officer, CFO
Chief Compliance Officer (CCO),
General Administrative Manager, Business
Management Division /
Sustainability Promotion Office (Cuomo)

Epson's Management Strategy

Materiality lies at the heart of management at Epson. We identified material topics based on societal issues, and we gear our business activities toward finding solutions to them.

That is why we heavily invest our management resources not only in business growth but also in actions that support our operations and enable us to fulfill our social responsibilities. We seek to achieve sustainability through sustainability management, integrating corporate growth and societal solutions. In other words, we can drive corporate growth by solving societal issues and, conversely, can solve more societal issues by driving corporate growth.



Practice of Sustainability Management

Practice of 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.

Approach

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 \(Please refer to page 325 of "Appendices"\)](#)

 [Principles of Corporate Behavior \(Please refer to page 326 of "Appendices"\)](#)

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.

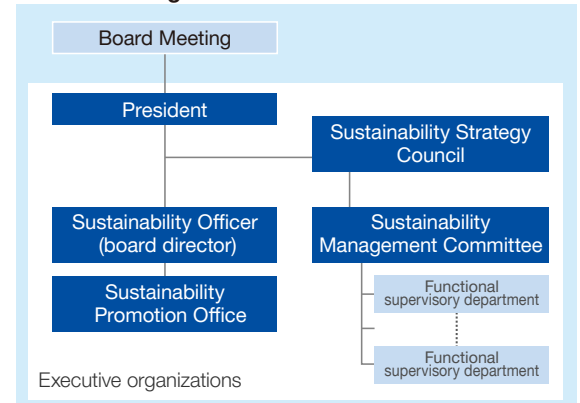
- The Ten Principles of the United Nations Global Compact
- The Sustainable Development Goals (SDGs)
- OECD Guidelines for Multinational Enterprises
- Keidanren Charter of Corporate Behavior
- ILO Core Labor Standards
- Responsible Business Alliance (RBA) Code of Conduct
- ISO 26000

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 Sustainability Strategy 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.

Action Items

Main Topics Discussed by the Sustainability Strategy Council

Fiscal Year (Meetings hold)	Main Topic of Discussion
2022(6)	<ul style="list-style-type: none"> Deliberation of key performance indicators (KPI) and targets of key sustainability topics Review of the effect of Task Force on Climate-related Financial Disclosures (TCFD) Annual review of the sustainability communication activities Implementation review of CSR and CSV activities Deliberation of the non-financial information management cycle

Materiality and Progress

Materiality and Progress

Materiality

Epson sees achieving sustainability in a circular economy, advancing the frontiers of industry, improving the quality of life and Fulfill our social Responsibility as key themes for solving societal issues.

Materialities We Will Address



Key Sustainability Topics, KPI, and FY2022 Results

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.)
	Customer environmental impact mitigation	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 digitization 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 working environment and educational environment	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	Proposing diverse lifestyles	Providing personalized health support and safety services that reassure; providing products that are immediately adaptable to lifestyle changes
	Realizing an abundant and colorful life	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 FY2022 Results

There are 12 key sustainability topics. The table below summarizes the initiative topics, key performance indicators (KPI), and FY2022 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 two materialities (advance the frontiers of industry and improve the quality of life) are announced in FY2023 as table below.

1. Materiality: Achieve Sustainability in a Circular Economy

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
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 21% compared to FY2017	Reduced by 60% compared to FY2017	Reduced by 65% compared to FY2017 (SBT: FY2025 target 34%)
	●		Scope 3 GHG emissions (per unit of business profit) reduction ratio	Reduced by 30% compared to FY2017	Reduced by 45% compared to FY2017	Reduced by 45% compared to FY2017 (SBT: FY2025 target 44%)
		Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Maintain at 100% domestically	Maintained at 100% domestically Achieved 79% globally	Global 100%
Closed resource-loop initiatives		Becoming underground resource ² 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 (until FY2022) Sustainable resource ratio ³ (from FY2023)	≥20%	21%	Sustainable resource ratio 27% (Defined and started applying from FY2023)
			Final landfilled ratio ⁴	≤1%	0.79%	≤1%
Customer environmental impact mitigation		Maximizing avoided emissions with products and services that have a lower environmental impact ⁵	Emissions avoided through products & services	≥The previous year	297,000 tonnes-CO ₂ e A 107% YoY	Start calculation using a new logic and set a target

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
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	<ul style="list-style-type: none"> • Packaging: Verify practical use for Epson products • Housings: Begin technology verification for practical use 	<ul style="list-style-type: none"> • Packaging: Achieved practical application to watches (cotton scraps) • Housings: Improved the impact resistance of cellulose composite biomass plastic 	Expand the scope of practical use
		Establishing high-added-value recycling technology for used metal	Progress of development process	Develop technology for expanding the types of materials recycled	Higher performance of Epson Atmix's powder: Developed a high-voltage-resistant insulating film	Make practical use of technology that adds value to metal powder (molding materials)

¹ Compensation evaluation indicator

² Non-renewable resources such as oil and metals

³ Ratio of sustainable resources (renewable resources + closed loop resources + less-depletable resources) to raw materials

⁴ Ratio of landfilled amount of production resources against the volume of resources injected

⁵ Quantified the contribution of products and services toward GHG emissions reductions

2. Materiality: Advance the Frontiers of Industry

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
Improving productivity through digitization and automation		Leading the digitization of commercial and industrial printing with inkjet technology and diverse solutions, to create clean, space-efficient workplaces, reduce environmental impact, and improve productivity	Average sales growth rate of commercial and industrial inkjet printers compared to the previous year	-.6	-.6	10%
Improving working environment and educational environment		Reducing environmental impact and improving productivity with inkjet technology and open solutions, to lead the evolution of home study and distributed office printing	Average sales growth rate of high-capacity inkjet printers for SOHO and home users compared to the previous year	-.6	-.6	5%
		Eliminating labor shortages through automation using robots	Number of labor shortages eliminated ⁷	-.6	-.6	28,000 people
		Providing a fair, natural, and comfortable communication environment without boundaries, combining the real and remote, with both a sense of presence and information content	Number of co-creation and collaboration projects, or number of partners	-.6	-.6	Co-creation / collaboration project: 1
		Creating homogeneous learning opportunities through smart, portable displays that enable large-screen communication in a compact form, to mitigate learning disparities stemming from differences in regional and social conditions	Number of local demonstration programs through co-creation and collaboration	-.6	-.6	Number of value demonstration program: 20

¹ Compensation evaluation indicator

⁶ Materialities of “Advance the frontiers of industry” and “Improve the quality of life” as well as their targets were adopted in FY2023

⁷ Converted based on the effect of Epson’s internal projects

3. Materiality: Improve the Quality of Life

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
Proposing diverse lifestyles		Enriching the diverse lifestyles of people through lifestyle-related disease prevention and helping people improve their sports performance by providing personalized value in an easy-to-understand visual manner using proprietary sensing technology and algorithms	Percentage of revenue that the data business in support services ⁸ accounts for	- ⁶	- ⁶	30%
Realizing an abundant and colorful life		Providing attractive and high-quality products with our efficient, compact, and precision technologies and our artisanal skills, to enrich the diverse lifestyles of our customers	Sales growth rate of attractive, high-quality products compared to the previous year	- ⁶	- ⁶	4%

¹ Compensation evaluation indicator

⁶ Materialities of "Advance the frontiers of industry" and "Improve the quality of life" as well as their targets were adopted in FY2023

⁸ A business model that transforms data into algorithms and provides value

4. Materiality: Fulfil our Social Responsibility

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
Increasing stakeholder engagement		Responding to needs and social demands by strengthening dialogue with stakeholders	Social support activities, monetary value of support	≥0.1% of sales	0.1% of sales	≥0.1% of sales
			Number of dialogs with shareholders and investors and reflecting opinions on management	≥200 meetings with shareholders & investors	269 times	≥200 times
			Evaluation indices of external evaluation agencies	Acquired high recognition ⁹	Acquired high recognition	Acquire high recognition
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)	Impact on sales Half that compared to FY2021	<ul style="list-style-type: none"> Impact of supply chain disruption on sales was limited to certain businesses Significantly cleared the target 	Minimize the impact of supply chain disruption on sales to zero
	●	Realizing responsible supply chains	CSR risk levels of suppliers	CSR risk rank of main suppliers (direct materials): 0% high risk, ≤ 6% middle risk	High risk: 0% Middle risk: 9%	CSR risk rank of main suppliers (direct materials): 0% high risk, ≤ 4% middle risk Main suppliers (indirect materials): 0% high risk
		Realizing responsible sourcing of minerals	Conflict-free (CF) ratio of products	Release CF information for CF strategic products	Smelter confirmation of CF strategic products	Release CF information for CF strategic products
	Survey response ratio ¹⁰		100% survey response ratio	Survey response collection ratio: 99.6%	100% survey response collection ratio	

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
Respecting human rights and promoting diversity		Creating a free and open organizational culture	Organizational climate assessment score for “strength to work in teams”	Reset KPI due to change10 in assessment method with introduction of the motivation cloud (employee engagement survey)	The targets for FY2025 were set as follows <ul style="list-style-type: none"> Engagement rating: A (score of 58.0 or higher) Number of workplaces with D rating: zero 	Motivation Cloud <ul style="list-style-type: none"> Engagement rating: BB (score of 54.0 or higher) Number of workplaces with D rating: 31
			Number of high risk workplaces with “general health risk” in the mental health check ¹¹	Reduce the number of high risk workplaces with “general health risk” from the previous year, heading toward zero	Reduced the number of high-risk workplaces compared to FY2021	Fewer than FY2022
			Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	Plan & conduct new training course for managers & for general staff	Revised training content based on social trends, sanction cases, etc.	<ul style="list-style-type: none"> Revise training content based on social trends, sanction cases, and common issues. Periodically provide training for help desk personnel
			Strengthen primary point of contact for harassment consultations & strengthen coordination with the post-report process	<ul style="list-style-type: none"> Identified company-wide issues in response to common activities of the contact points Confirmed standard response at each contact point 	<ul style="list-style-type: none"> Identify company-wide issues Specify standard operations, verify the possibility of outsourcing part of contact point operations to reduce load 	

Key Sustainability Topics	LTI ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
		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	Announce the Human Rights Policy and assess and improve the state of human rights DD & remediation mechanisms	Disseminated the Human Rights Policy by launching training and identified the current status and areas for improvement of human rights DD and relief mechanism	Embed and improve a PDCA cycle for respecting human rights <ul style="list-style-type: none"> Japan: Establish a system for cooperation with various help desks Overseas: Establish a system for gathering information and understanding the situation by clarifying rules for receiving reports from help desks of overseas affiliates
	●	Utilizing human resources in a way that respects diversity	Female management position ratio (the Company)	Female manager ratio: 5%	Female manager ratio: 4.1%	<ul style="list-style-type: none"> Female manager ratio: 5% Female assistant manager (senior staff) ratio: 8%
			1 or more female executive officers by FY2025 (in Japan)	Promote the participation of woman training	Two managers participated in external training	
Fulfil our Social Responsibility	●	Reinforcement of compliance management platform	Number of serious compliance violations ¹²	No serious compliance violations	No serious compliance violations	Serious compliance violations: 0
		Enhancement of Group compliance level	Implementation ratio of compliance training (e-learning) to all Group employees ¹³	Completion rate in Epson Group: 100%	In Japan: 99.0% Overseas: 98.5%	Completion rate in Epson Group: 100%

Key Sustainability Topics	LT1 ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2022 Targets	FY2022 Results	FY2023 Targets
		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: Maintained 1/3 or more	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 $\geq 80\%$	Ratio of outside directors on the nomination & compensation committees: Maintained 80% or more	Maintain the ratio of outside directors on the nomination & compensation committees at $\geq 80\%$
		Strengthening information security	Number of serious information security incidents	0	2	0

¹ Compensation evaluation indicator

⁹ Sustainalytics: Low; FTSE: 4 or higher; Top 50 or higher in "Toyo Keizai CSR ranking"

¹⁰ Ratio of suppliers who submitted answers to supplier survey requests

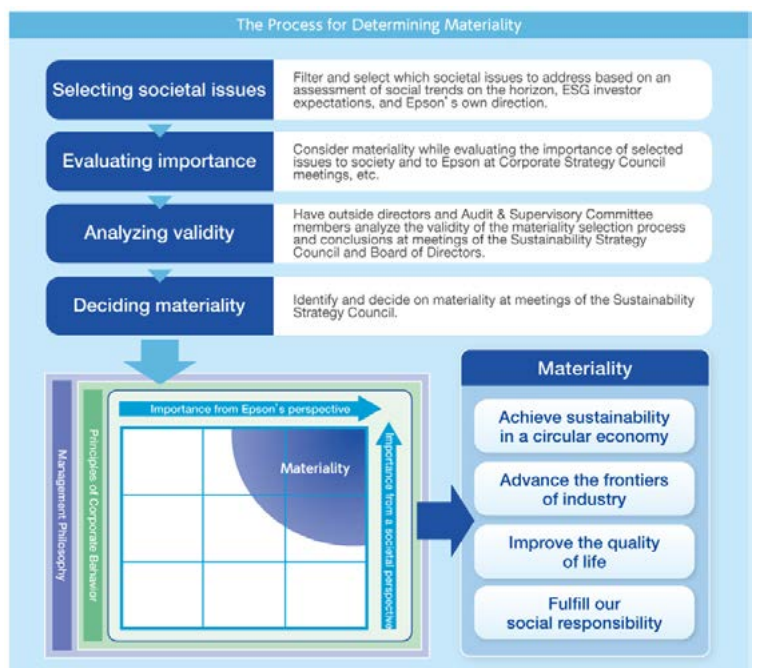
¹¹ The scope of target management is workplaces to which at least 10

¹² Cases of violation that correspond to timely disclosure matters

¹³ Scope: Epson and its global subsidiaries

Deciding Materiality

When establishing the Epson 25 Renewed corporate vision in 2021, Epson referenced the societal issues and megatrends described in SDGs, 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

Contributing to the SDGs

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	UN SDG	Relevance to SDGs																						
			1 PEOPLE	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR GOALS						
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			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					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	15.1 15.2 15.4		17.7 17.17						
	Environmental technology development			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	Environment						7.3	8.2	9.4									17.16 17.17						
	Improving the work and education environments					4.1 4.2 4.3 4.4	4.5 4.6 4.7 4.a	6.3		8.2 8.5									17.16 17.17						
Improve the quality of life	Enriching diverse lifestyles	Environment			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 4.2 4.3 4.4	4.5 4.6 4.7 4.a	5.1 5.2 5.5	6.1 6.2 6.3	6.4 6.5 6.6	7.1 7.2 7.3	8.2 8.4 8.5	8.6 8.7 8.8	9.4 9.c	10.2 10.3 10.7	11.6	12.2 12.4 12.5	12.6 12.8 12.a	13.1 13.2 13.3	14.1 14.2 14.3	15.1 15.2 15.3 15.4 15.5 15.7	16.1 16.5 16.6 16.7 16.8 16.9 16.10	17.16 17.17		
	Realizing responsible supply chains			1.1 1.2		3.9	4.1 4.3 4.4	4.5 4.7 4.a	5.1 5.2 5.5	6.1 6.2 6.3	6.4 6.5 6.6	7.1 7.2 7.3	8.2 8.4 8.5	8.6 8.7 8.8	9.4	10.2 10.3 10.7	11.6	12.2 12.4 12.5	12.6 12.8 12.a	13.1 13.3	14.1 14.2 14.3	15.1 15.2 15.3 15.4 15.5 15.7	16.1 16.5 16.6 16.7 16.8 16.9 16.10	17.16 17.17	
	Respecting human rights and promoting diversity	Governance	1.1 1.2			4.1 4.2 4.3	4.4 4.5 4.7	5.1 5.5				8.2 8.5 8.6	8.7 8.8		10.2 10.3		12.a								
	Strengthening governance																							16.3 16.4 16.5 16.6	16.7 16.10
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 (the fifth term) in July 2020, and renewed its registration in FY2023 for another three years.

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

Responding to TCFD Recommendations

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.

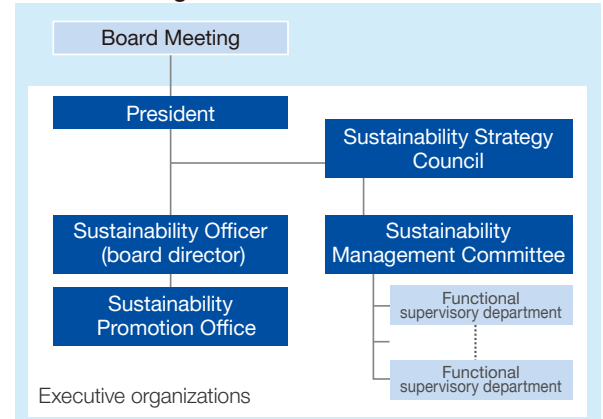
On the other hand, even in a 4°C scenario in which global warming has advanced because the world failed to take additional measures, we found that the impact of physical risks on our domestic and overseas sites due to the damages arising from weather extremes would be small.

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



Strategy

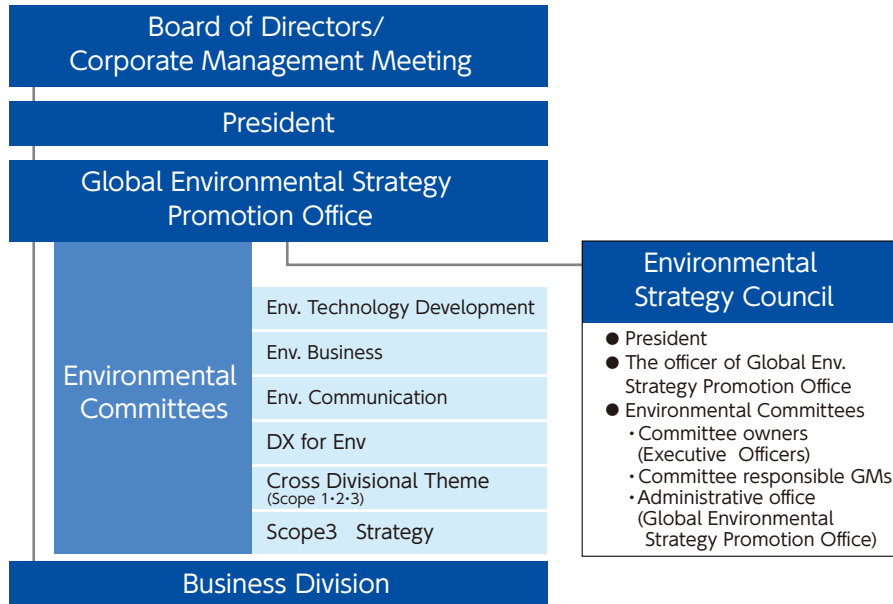
Epson has determined that achieving sustainability in a circular economy and advancing the frontiers of industry are material matters. To achieve these, we are reducing greenhouse gas (GHG) emissions by leveraging our efficient, compact, and precision technologies to drive innovation. We have been implementing activities at regular meetings of the Environmental Strategy Council and its subcommittees to realize our Environmental Vision 2050. In FY2022, we reviewed the status of implementation of activities and submitted deliberations and reports to various management meetings, focusing on the following initiatives.

Main Climate Change Initiatives

FY2019	FY2020	FY2021	FY2022	FY2023
<ul style="list-style-type: none"> Declared support for the TCFD recommendations Studied risks of natural disasters caused by climate change (2°C scenario and 4°C scenario) 	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Created a new Global Environmental Strategy Promotion Office and environmental subcommittees for each topic 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

In the 2023 fiscal year (ending March 2024), Epson created a Global Environmental Strategy Promotion Office, the mission of which is to draft and carry out corporate environmental strategy. It also established environmental sub-committees for each environmental topic. These organizations will strengthen collaboration with the operations divisions to accelerate environmental action, heighten the feasibility of the environmental vision, and further increase the resilience of the climate change strategy.

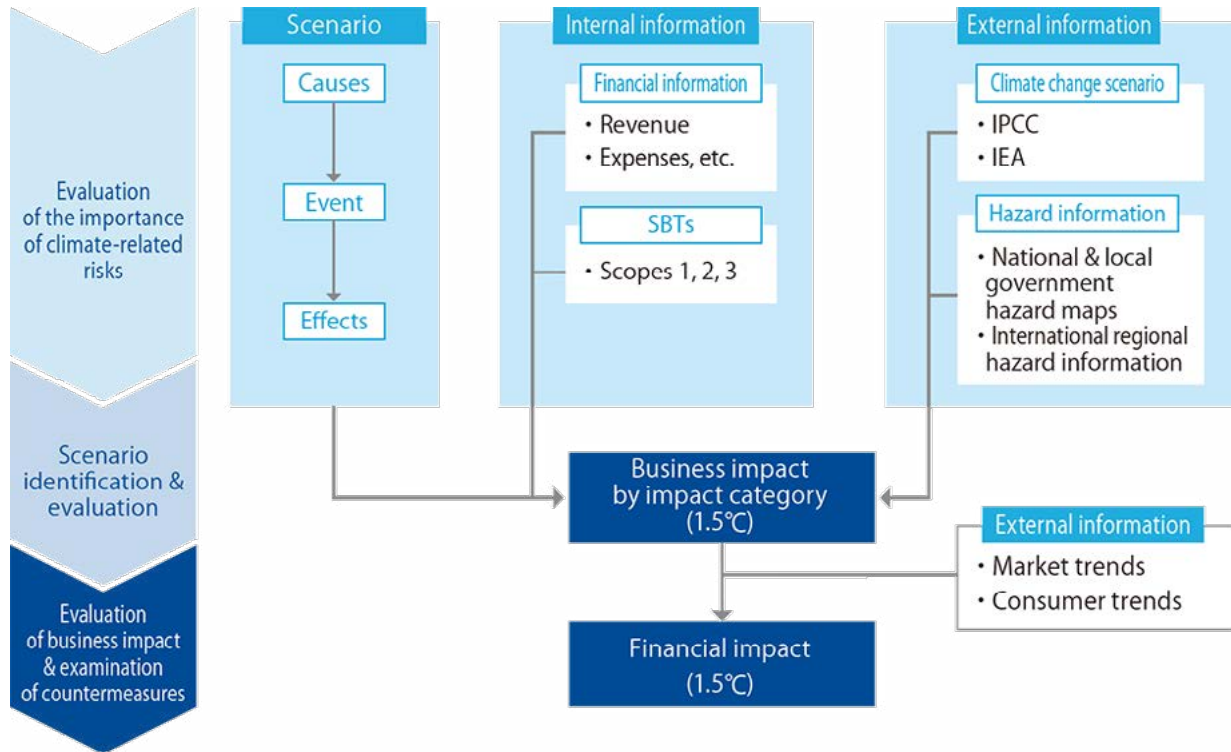
Environmental Action Organization Chart



Increasing resilience	FY2022 initiatives & results	
Environmental Strategy Council	Decarbonization	- Examined plans for Scope 1 and 2 zero emission targets and upgrades of facilities and equipment, and reduction scenarios. - Examined policy for sustainable and stable procurement of renewable energy as a maintenance activity in Japan. - Supplier engagement (suppliers' switching to renewable energy, recycled material surveys, etc.)
	Closed resource loop	- Examined introducing resource loop indicators and targets to become underground resource free.
	Customer environmental impact mitigation	- Examined calculation logic for objective and fair avoided emission for each product genre that contributes to reducing the environmental impact of society.
	Environmental technology development	- Materialized the topic of dry fiber technology application (developed packaging materials and biomass plastic materials). - Developed high-value-added recycling technology for scrap metal.

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		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
	Market changes Policy & laws and regulations	(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	<p>Assumed scenarios</p> <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. <p>Business opportunities</p> <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	<p>Assumed scenarios</p> <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. <p>Business opportunities</p> <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 FY2022 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 FY2022	FY2022 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. Although sales of ink cartridges decreased due to the normalization of at-home print demand, sales of high-capacity ink bottles and ink for office shared printers increased in conjunction with the increased number of machines in the field. The financial impact of fluctuations in demand for paper in the market targeted by Epson was limited.	Small ⁴
		Decarbonization	- Promoted maintenance activities in Japan and expansion of switchover overseas, toward 100% renewable energy at all sites ³ by 2023. (Ratio of renewable energy utilization in FY2022: 79% on an electric power basis) - Developed a procurement policy for long-term stable procurement of renewable energy.	¥4.53 billion (breakdown) ·Investment: ¥2.02 billion ·Expenses: ¥1.10 billion ·Personnel expenses: ¥1.41 billion Cumulative input costs and investments for Environmental Vision 2050: ¥7.85 billion in total
		Closed resource loop	- Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse. - Acquired a site for a new plant to recycle metal waste as materials for metal powder products, and completed the basic design of the recycling plant (construction to begin in July 2023, operation in June 2025) (Epson Atmix).	
		Environmental technology development	- Implemented the practical application of packaging materials made from cotton scraps by applying dry fiber technology, and promoted the development of cellulose composite bioplastics. Selected CO ₂ absorption technologies and made investment in environment-related technologies and material development.	

Category		Evaluated risks & opportunities	Initiatives implemented in FY2022	FY2022 quantitative results
Physical risks	Acute	Damage to business sites due to floods	<ul style="list-style-type: none"> - Assessed the latest risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 in overseas). - Confirmed that the volatility in Epson's future operation risk caused by floods (river flooding), high tide and drought is limited. Implemented BCP measures against the risk of inundation of facilities on lower floors of Toyoshina Office⁵. 	Small 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	<ul style="list-style-type: none"> - Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under "Epson 25 Renewed." 	FY2020 →FY2022 Revenue CAGR +16% ⁶
		Environmental business	<ul style="list-style-type: none"> - Examined business plan for the creation of environmental solution business through business and technology development activities with dry fiber technology as the core technology. 	-

³ Excluding some rental properties housing sales sites.

⁴ Small financial impact: ≤1 billion or less.

⁵ A major domestic site with a long-term flooding risk (end of 21st century).

⁶ Comparison of actual results for FY2022 to FY2020 forecasts at the time of announcement of Epson 25 Renewed.

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

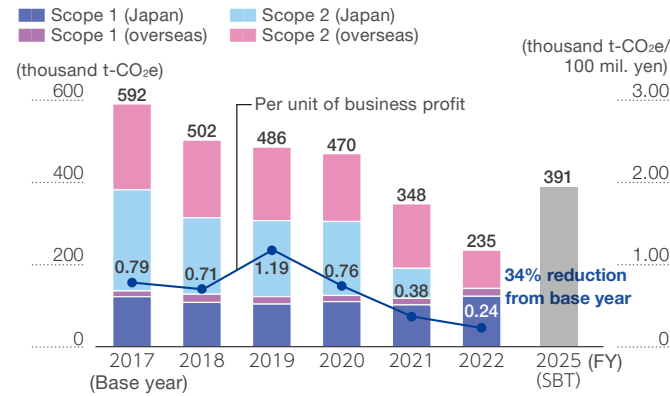
Epson aims to achieve the medium- and long-term greenhouse gas (GHG) emission reduction targets to realize Environmental Vision 2050. For this reason, we are working to reduce environmental impacts throughout the value chain by improving the environmental performance of our products, utilizing renewable 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 Scenario⁷)

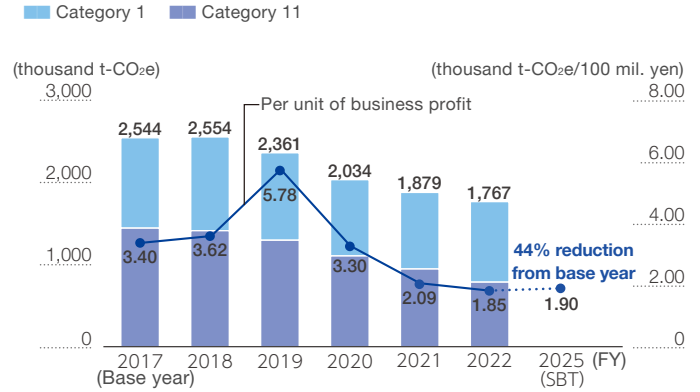
Scopes 1, 2, 3	Reduce GHG emissions by 55% compared to FY2017 by FY2030.
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⁷ Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)
 Scope 1: Direct emissions from the use of fuel, etc., 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)⁸



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
 * Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.2 is used for calculations in FY2022.

⁸ CO₂ conversion factor of greenhouse gas emissions

- Electric power: Disclose emissions at Market-base. 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. The emission factor is set to zero for the amount of renewable electricity certificates and J-Credits utilized.
- GHGs other than CO₂: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

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°C¹ above pre-industrial levels.



Epson has had its GHG reduction target validated by the SBT.

¹ The target is expected to be raised to 1.5°C in July 2022.

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 20th consecutive year. (June 2023)



FTSE4Good

The FTSE Blossom Japan Index

Seiko Epson was selected for inclusion in the FTSE Blossom Japan index for the seventh consecutive year. This index is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2023)



FTSE Blossom
Japan

The FTSE Blossom Japan Sector Relative Index

Seiko Epson was selected for inclusion in the FTSE Blossom Japan Sector Relative Index for the second consecutive year. This index was adopted by the Government Pension Investment Fund (GPIF) in April 2022. (June 2023)



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 June 2023). 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 2023)



Epson on CDP A List for Tackling Climate Change

Seiko Epson has been placed for the third consecutive year on the prestigious corporate sustainability A list by the globally influential environmental non-profit CDP for leadership in tackling climate change. (December 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 2022)



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, China and Philippines 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 Precision (Thailand) Ltd. (Thailand)	Crystal Devices, Watch	February 24, 2024
PT. Indonesia Epson Industry (Indonesia)	Inkjet printers, large-format printers, small printers, impact dot matrix printers	March 31, 2024
Epson Precision Malaysia Sdn. Bhd. (Malaysia)	Crystal Devices	November 10, 2023
Epson Precision (Philippines), Inc. (Philippines)	Inkjet printers, small printers, label writers, projectors	October 15, 2023

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

Recognized under the Health & Productivity Stock Selection Program for the 2nd Consecutive Year

Seiko Epson Corporation was recognized for the second consecutive year as an outstanding enterprise under the Health and Productivity Stock Selection Program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). The program was created to encourage enterprises to step up their efforts to manage employee health and productivity. Seiko Epson received high scores in all four areas of health and productivity management: management philosophy and policy, organization, program and action implementation, and evaluation and improvement. (March 2023)



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 "Eruboshi" 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 Two 2023 Nippon Packaging Contest Awards

At the 2023 Japan Packaging Contest organized by the Japan Packaging Institute, Epson was recognized with the President of Japan Productivity Center for Socio-Economic Development Award of Japan Star Awards and a Gift Packaging Award of Packaging Category Awards for packages that contribute to closed-loop recycling by employing Epson's unique Dry Fiber Technology. (August 2023)

Epson Wins Bronze at ESG Finance Awards Japan

Epson won the Bronze Award in the Environmentally Sustainable Company category of the fourth 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 2023)



Epson Wins Bronze at New Energy Award 2022

Epson has received the New Energy Foundation Chairman's Award (Bronze Award) for Community Coexistence in New Energy Award 2022 organized by the New Energy Foundation. The organizers recognized Epson for its efforts to accelerate the development of renewable electricity sources in partnership with the Nagano Prefectural Enterprise Bureau and Chubu Electric Power Miraiz Company, Incorporated. (February 2023)

新エネ大賞



(地域共生部門)
主催：一般財団法人新エネルギー財団

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 Co., Ltd. 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)



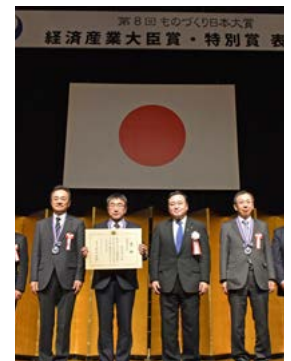
Received Minister of Economy, Trade and Industry Award at the 29th Grand Prize for Global Environment Awards

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)



The Fantas Aquarium won the Global Corporate Sustainability Best Practice Award

The Fantas Aquarium won the Global Corporate Sustainability Best Practice Award at the Global Corporate Sustainability Forum, which is sponsored by the Alliance for Sustainable Developments Goals, an organization made up of groups from Taiwan's industry, government, academia and NGOs. (November 2019)



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 line-head 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)



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)



Received PEZA Outstanding Environmental Performance Award

Epson Precision (Philippines), Inc. received its 3rd PEZA² Outstanding Environmental Performance award. This award recognizes the efforts of companies for sustained compliance and innovative systems for the period of 3 years (2016-2018) as they strive for continuous improvement in environmental management. (May 2019)

² Philippine Economic Zone Authority (PEZA)

Received the PROPER Rating

PT. Epson Batam, which is the one of Epson's manufacturing plants in Indonesia, received the Green PROPER rating from the Ministry of Environment and Forestry, Indonesia. Additionally, PT. Indonesia Epson Industry received the Blue PROPER rating. (2018-2019)

Received the JAPAN OEKO-TEX® AWARD 2017 OEKO-TEX® Association

Seiko Epson received the JAPAN OEKO-TEX® AWARD 2017 OEKO-TEX® Association prize. OEKO-TEX® is a world-wide certification system that certifies that textiles and related products are free of substances that are harmful to the human body. (2017)

Environment

052	Top Message	092	Minimizing Customer Environmental Impacts
053	Vision	126	Environmental Technology Development
062	Solving Social Issues Through Inkjet Technology	128	Pollution Prevention & Chemical Management
067	Green Bonds	133	Biodiversity Conservation
069	Management	139	Eco Community
071	Decarbonization	143	Environmental Message
079	Closed Resource Loop		

Environment

Environment

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

Accelerating the Circular Economy

Epson has cited achieving sustainability in a circular economy as a materiality (priority issue). Economic systems that continue to consume more resources and generate waste have dire consequences for the environment and society. The Earth is a closed and finite environment, so we must transition to economic activities within a circular economy to make society sustainable. There are still some unknowns about the concrete shape a circular economy will take and how to achieve it, but there is no doubt that decarbonization and a closed resource loop will be essential components. In addition to closing the loop in our own business activities, we will review the state of the economy together with various stakeholders through collaboration and open innovation in the supply chain. The latest IPCC report released in August 2021 declared that human activity is responsible for global warming. Taking this crucial science-based finding seriously, Epson will accelerate its actions toward the realization of a circular economy.



Kazuhiro Ichikawa

Executive Officer
General Administrative Manager,
Technology Development Division/
Global Environmental Strategy Promotion
Office

Vision

Vision

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.

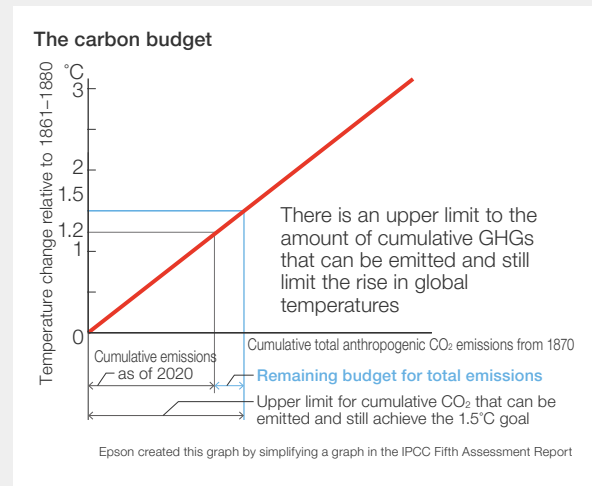
TOPICS

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 Report (AR6 SYR, released in March 2023), the carbon budget remains 500 GtCO₂ for a 50% likelihood of limiting global warming to 1.5°C. 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



Natural Capital

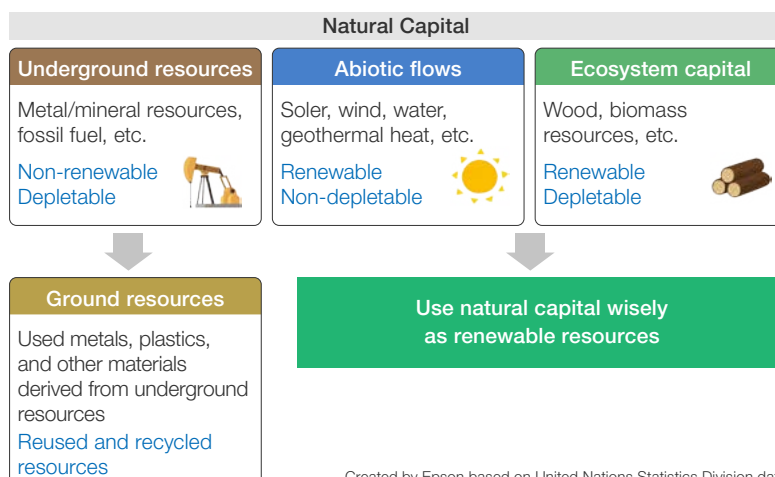
Business Activities Based on Natural Capital

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.

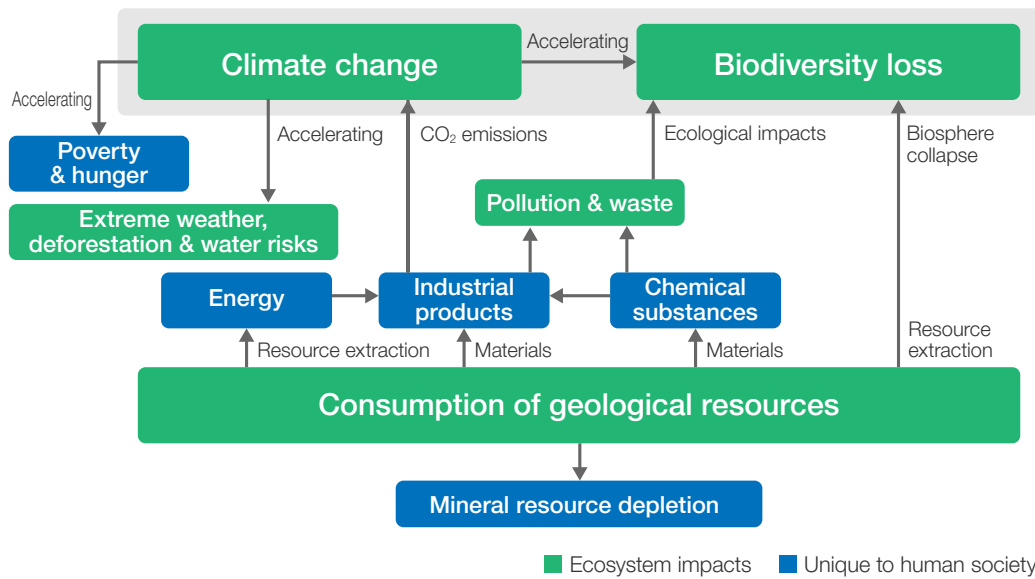
Epson will dramatically change the way natural capital is used. We will reduce the consumption of new underground resources by utilizing previous mined minerals as above-ground resources and will use abiotic flows as energy sources. Ecosystem capital is renewable and non-depletable if used wisely.

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

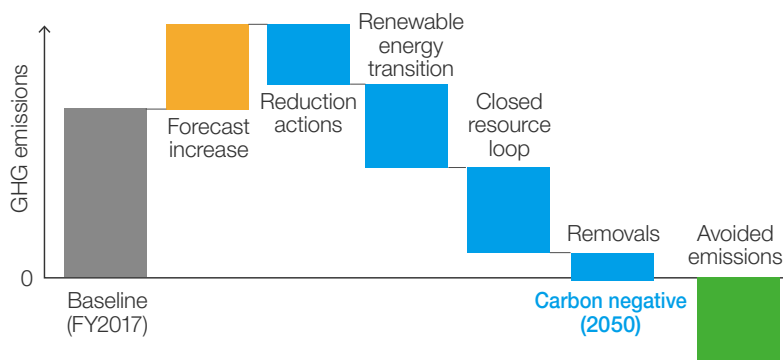
Decarbonization Goal: Carbon Negative

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 the Carbon Negative



Closed Resource Loop Initiatives

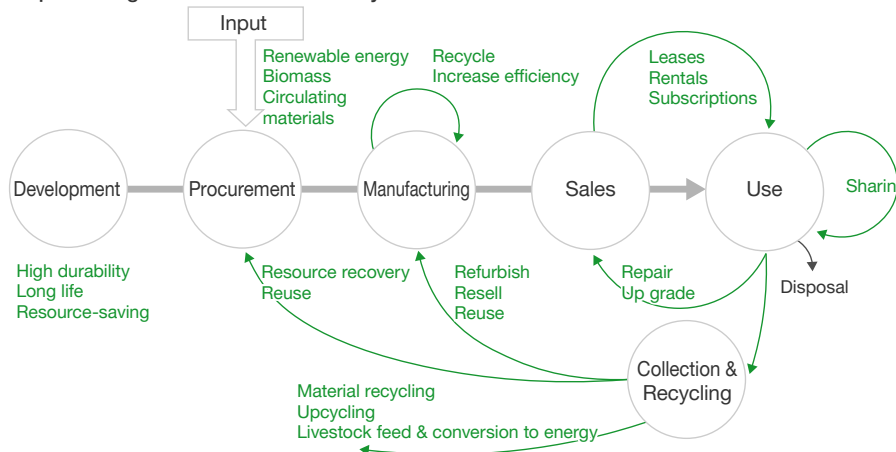
The idea of a circular economy is being advocated as a sustainable economic system to replace the current one-way linear economy of mass production, mass consumption, and mass disposal. In Europe, the European Commission has adopted the Circular Economy Package and has begun taking concrete steps toward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

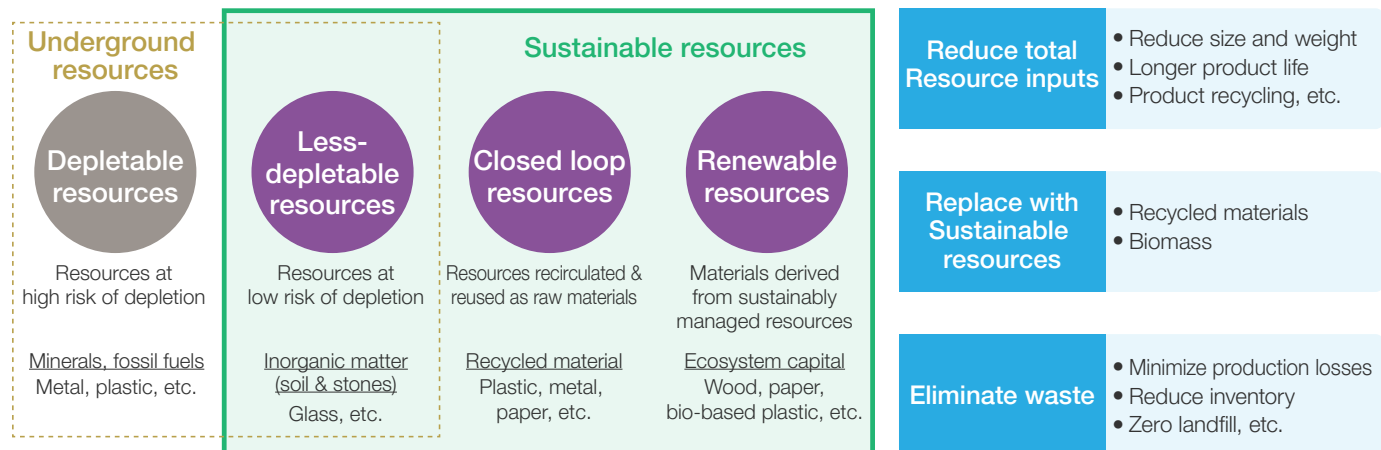


The Closed Resource Loop Goal: Becoming Underground Resource Free

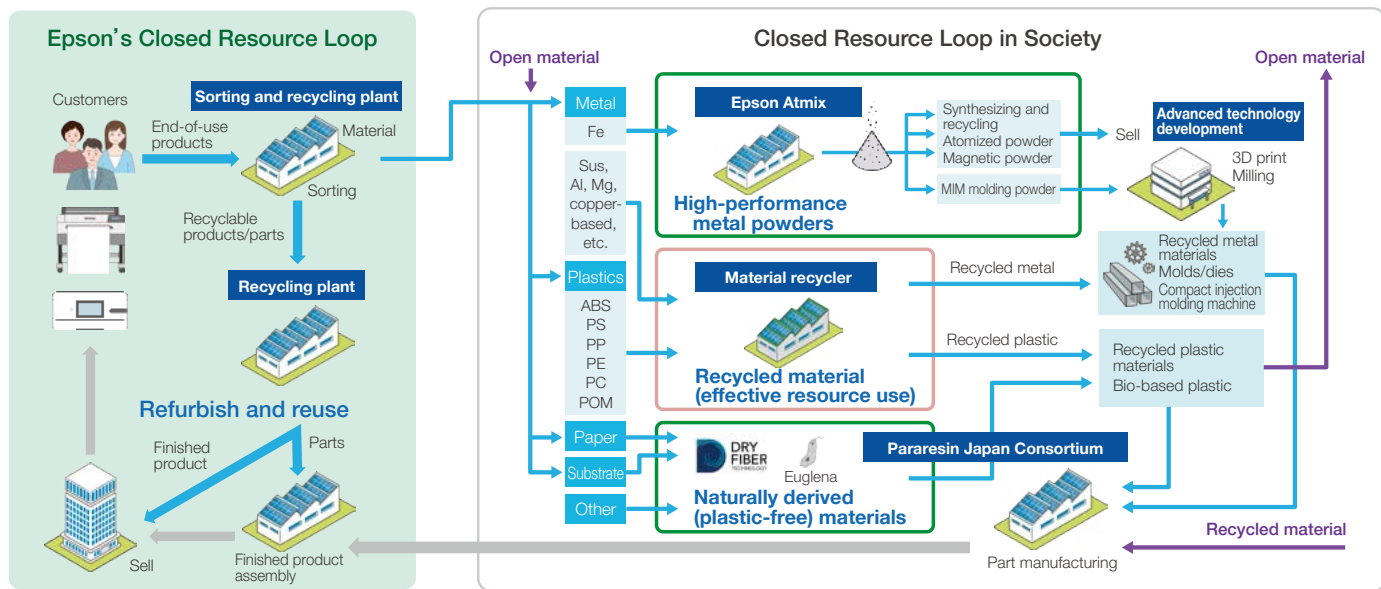
Epson will utilize previously mined underground resources as existing above-ground resources to reduce consumption of new underground resources and become underground resource free by 2050.

We will endeavor to reduce total resource inputs, eliminate waste/disposal, and reach a 100% sustainable resource rate¹ to achieve the goal of becoming underground resource free.

¹ Sustainable resource rate: The proportion of sustainable resources (renewable resources + closed loop resources + less-depletable resources) to raw materials



Conceptual Image of Closed Resource Loop in Epson and in the Entire Society (Above-Ground Resources)



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.

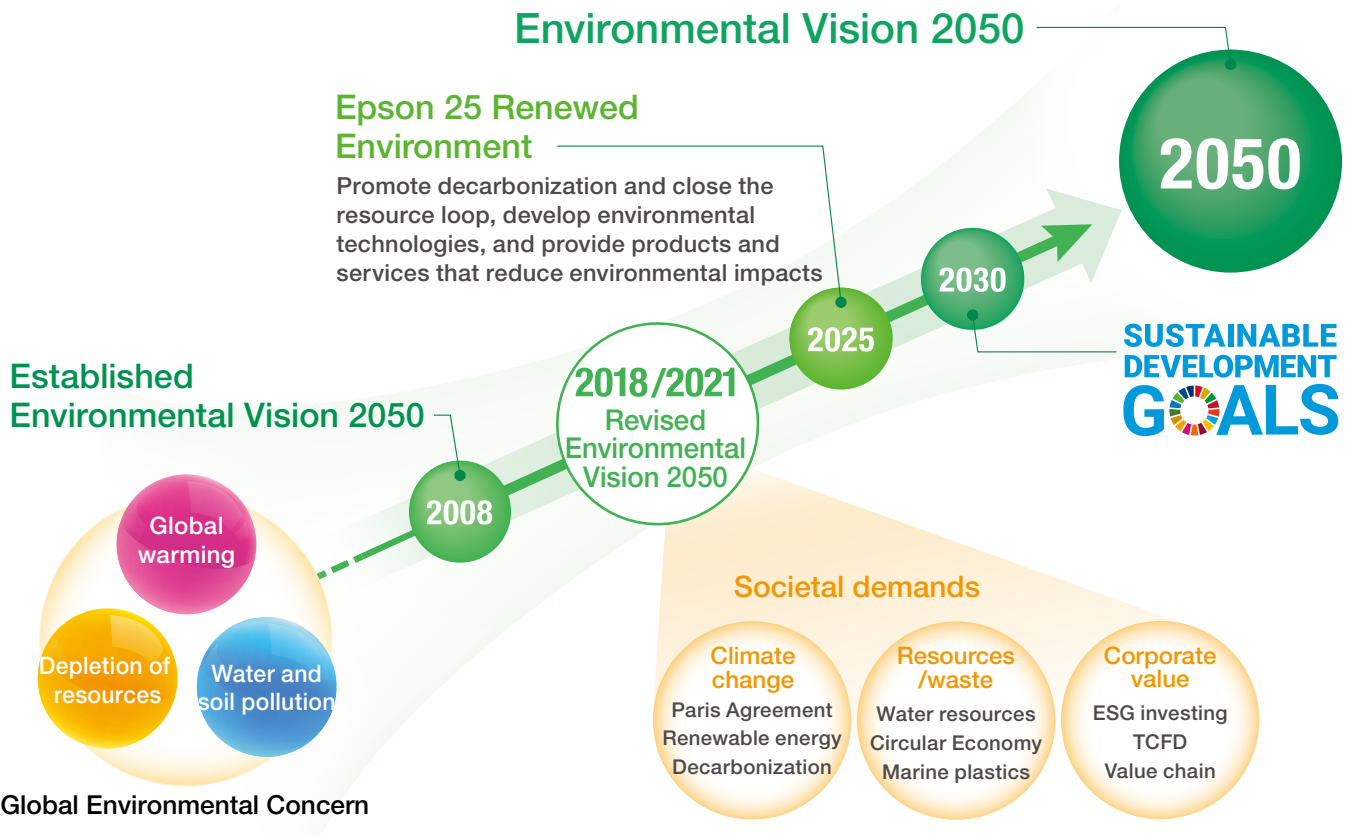
The efficient, compact, and precision technologies that Epson has developed since its founding have yielded inkjet technology that reduces environmental impacts and increases productivity along with a host of other technologies that Epson believes can play a major role in solving societal issues and 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

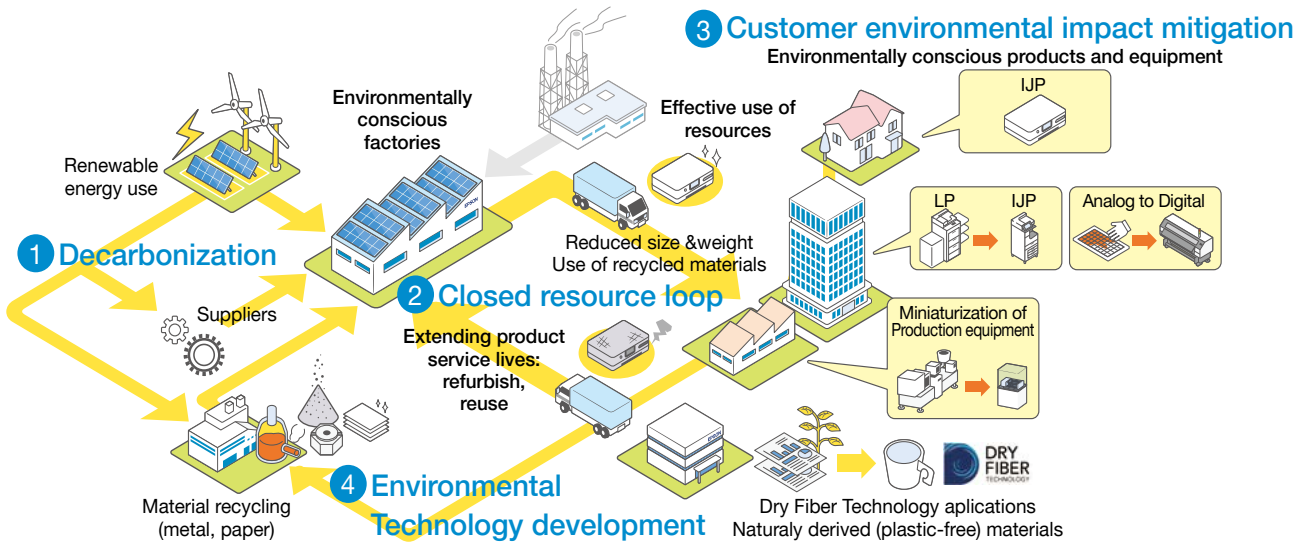
“We want to change the world with inkjet technology.”

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

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



<p>1. Decarbonization</p>	<ul style="list-style-type: none"> • Renewable energy use • Energy-saving facilities • Greenhouse gas removal • Supplier engagement • Carbon-free logistics
<p>2. Closed resource loop</p>	<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
<p>3. Customer environmental impact mitigation</p>	<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
<p>4. Environmental technology development</p>	<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

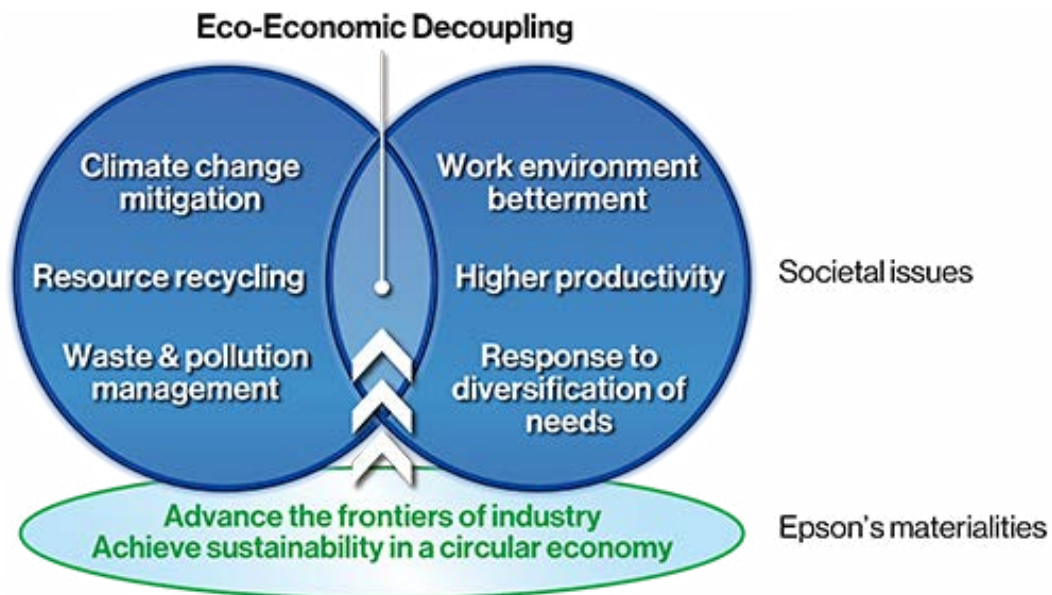
² Excludes leased properties for sales offices, etc. where the amount of electricity consumed cannot be determined

Feature Article



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

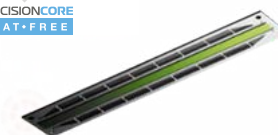
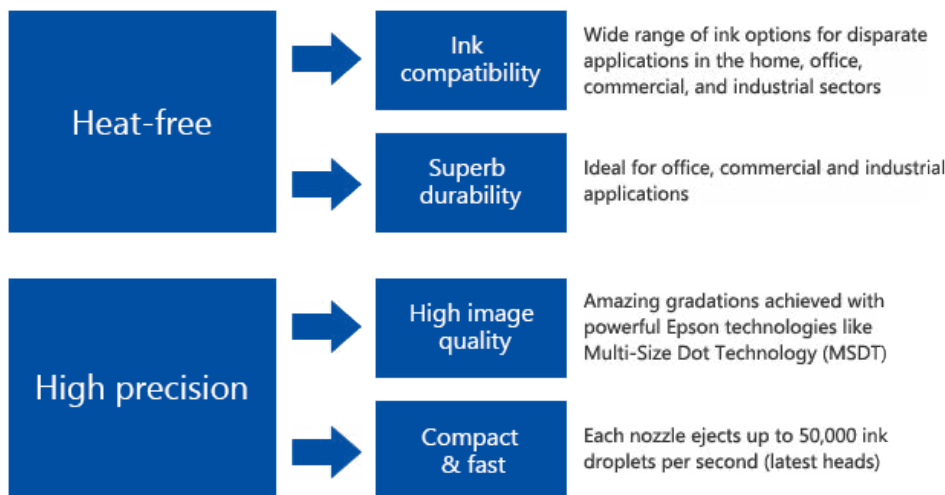
Advantages of Inkjet Technology

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.

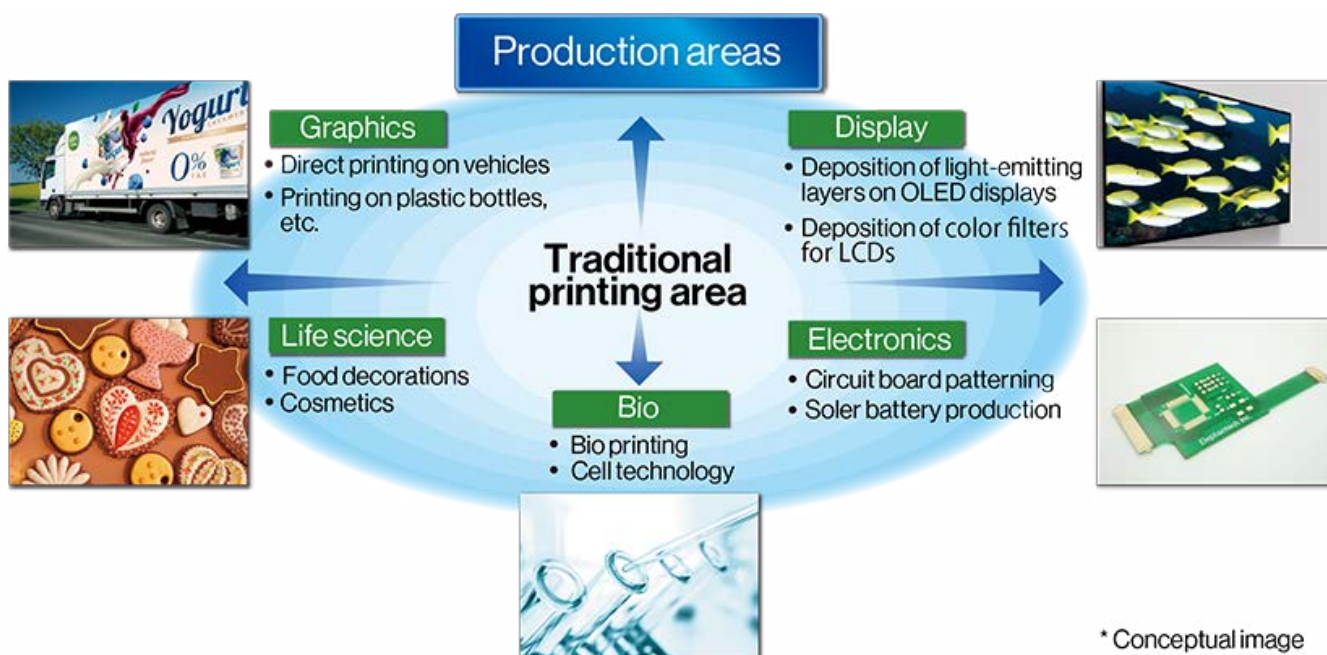
Conditions for sustainability

- 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



* Conceptual image

Feature Article

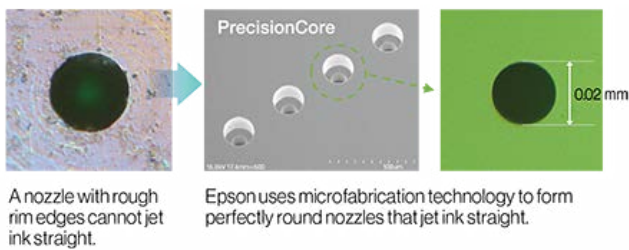
State-of-the-Art Printheads

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



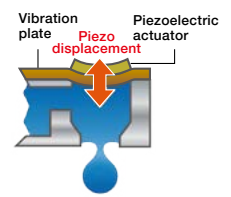
PrecisionCore head nozzles are 0.02 mm (20 μm) in diameter

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.

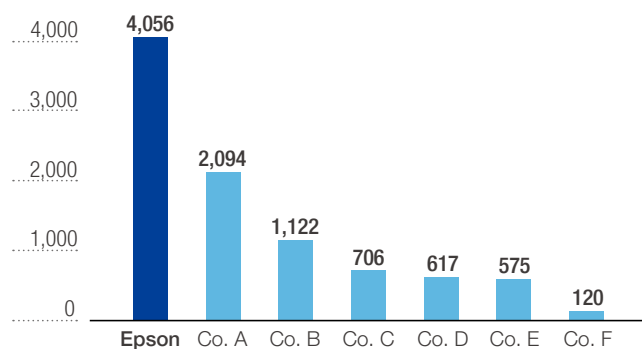
PrecisionCore heads are the 3rd and newest generation. They were achieved by using the latest high-precision MEMS technology for everything from the ultra-thin film piezo-actuators to the nozzles.



Epson's piezoelectric printheads

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



* As of June 27, 2023. Per Epson research.

* Patents registered in Japan, the US, China, and Europe with an application date of June 27, 2003 or later

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

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> <ul style="list-style-type: none"> (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
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

Management

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 FY2022, environmental data was gathered from 58 of those companies (representing 98% of revenue).

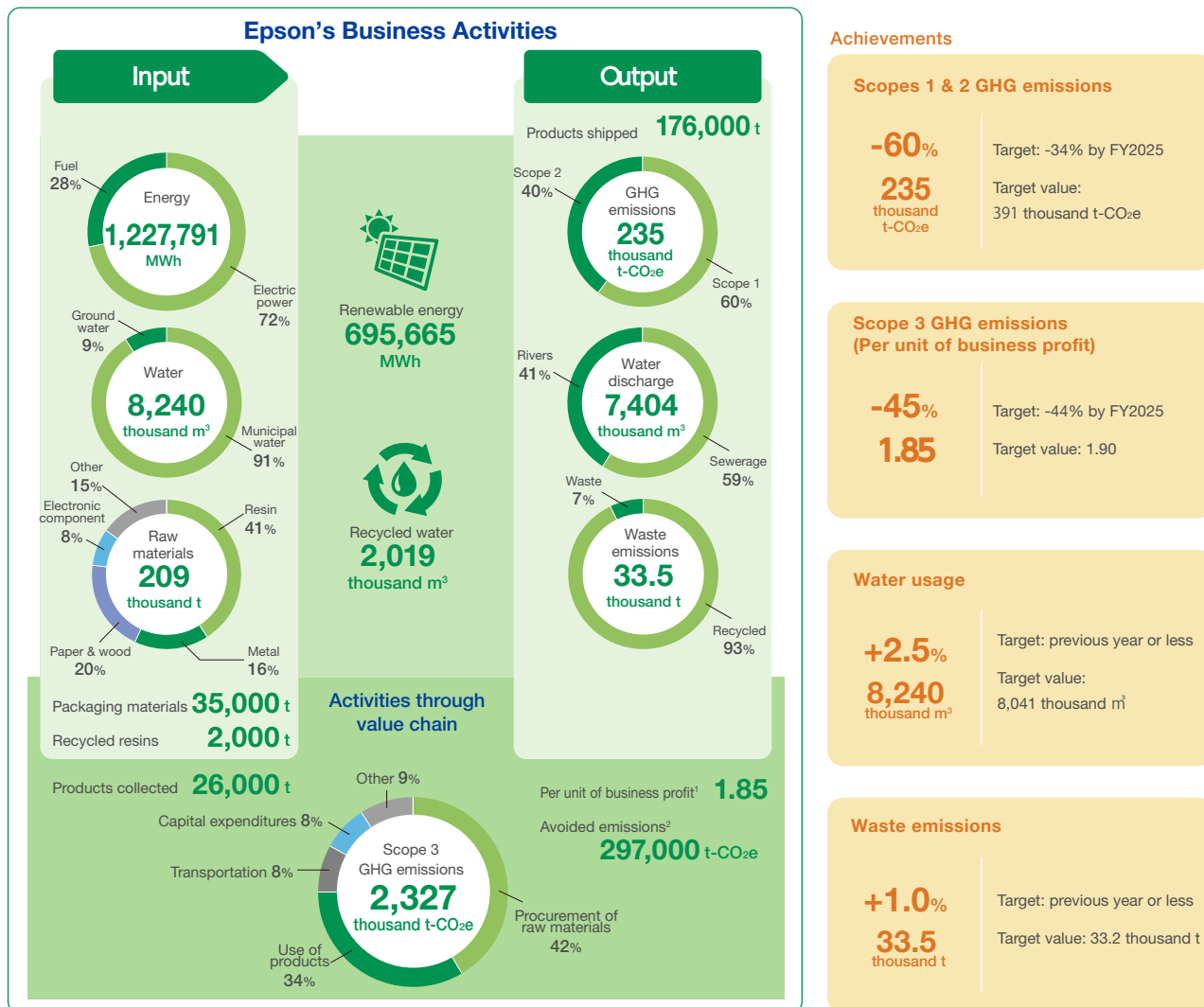


Environmental Performance

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 (FY2022)



¹ Calculated as the ratio of scope 3 (Categories 1 and 11) GHG emissions to 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, (5) commercially available recycled paper with paper produced from used paper using dry process office papermaking systems, and (6) injection molding machines with micro injection molding machines.

Decarbonization

Decarbonization

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.



Goal

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.

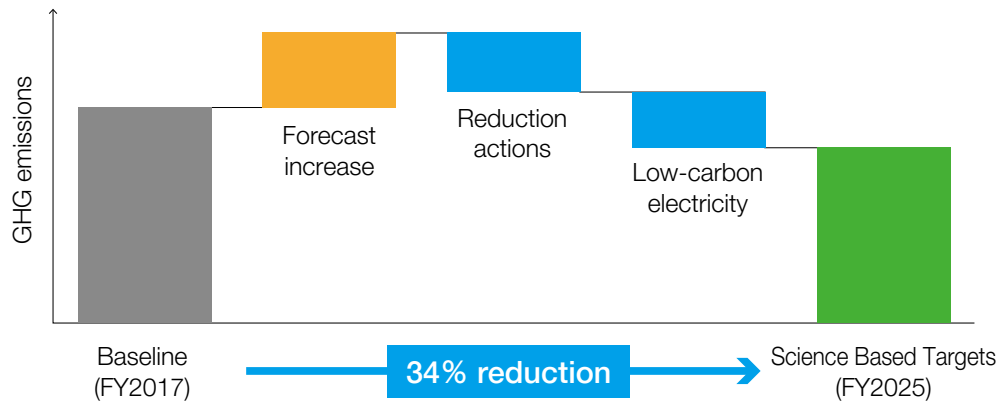
Initiatives to Reduce Scopes 1 and 2 Emissions

Under a company-wide cross-functional organization, each site is increasing the feasibility of decarbonization by implementing reduction measures such as production innovation, equipment and facilities renewal and investment, and the use of renewable electricity.

Main actions for reducing emissions

- Production innovations
- Investment in updated facilities and equipment such as plant infrastructure, scrubbers, and solar power systems
- Use of renewable electricity: Procurement of renewable electricity that uses local natural resources, etc.
- 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 where the amount of electricity cannot be determined

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 addition, Epson's micro injection molding machines have excellent environmental performance and are expected to reduce energy use and the amount of scrap material generated compared to conventional injection molding machines when molding small parts. In fiscal 2022, in addition to business inkjet printers and laser projectors, the avoided emissions¹ by our digital textile printers, dry process office papermaking systems, and micro injection molding machines was calculated to be 297 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, and (6) 30-ton injection molding machines with micro injection molding machines.

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.

Climate Change (Performance)

Production (Climate Change)

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

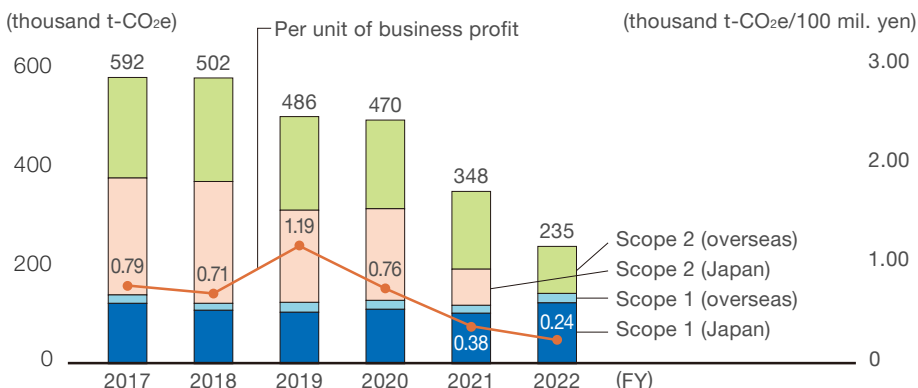
2022 Overview

In the 2022 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 56% (and 79% in the case of electricity).

60% Reduction

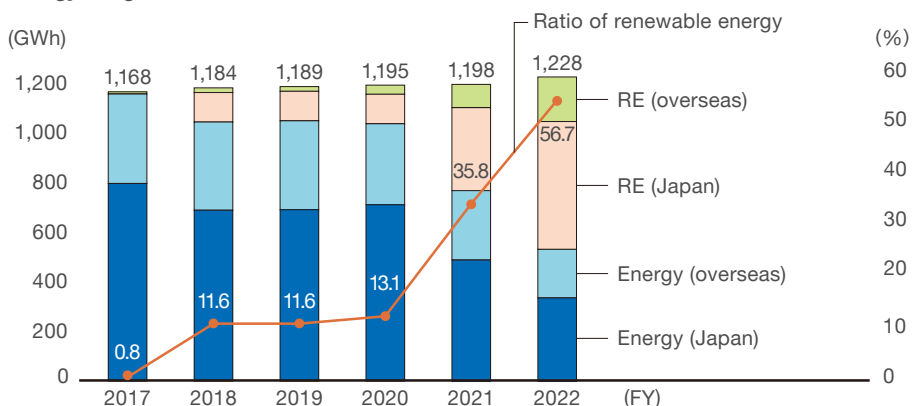
Scope 1, 2 emissions
(compared to FY2017)

Greenhouse Gas Emissions (Scopes 1 & 2)



* CO₂ conversion factor of greenhouse gas emissions
 - Electric power: Disclose emissions at Market-base. 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. The emission factor is set to zero for the amount of renewable energy certificates and J-Credits utilized.
 - Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
 - GHGs other than CO₂: Equivalent values were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Energy Usage

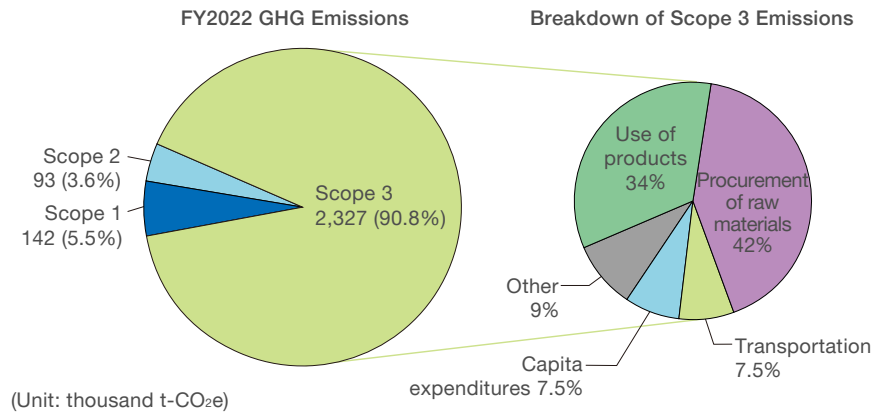


* RE: Renewable Electricity
 * Percentage of energy from renewable source

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.

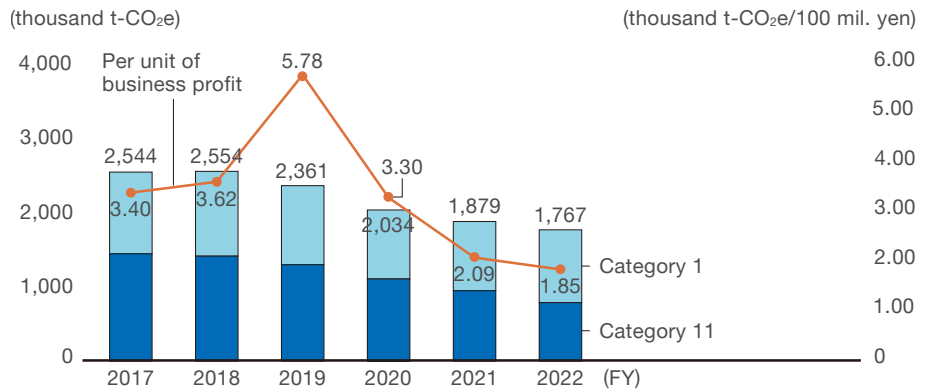
Greenhouse Gas Emissions from Value Chain



45% Reduction

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

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

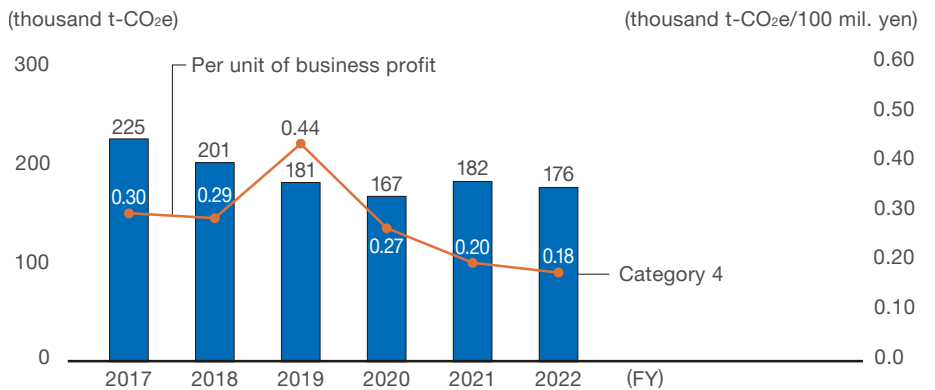


* Coverage of science-based target, Category 1: Purchased goods and services, Category 11: Use of sold products
 * Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.2 is used for calculations in FY2022.

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

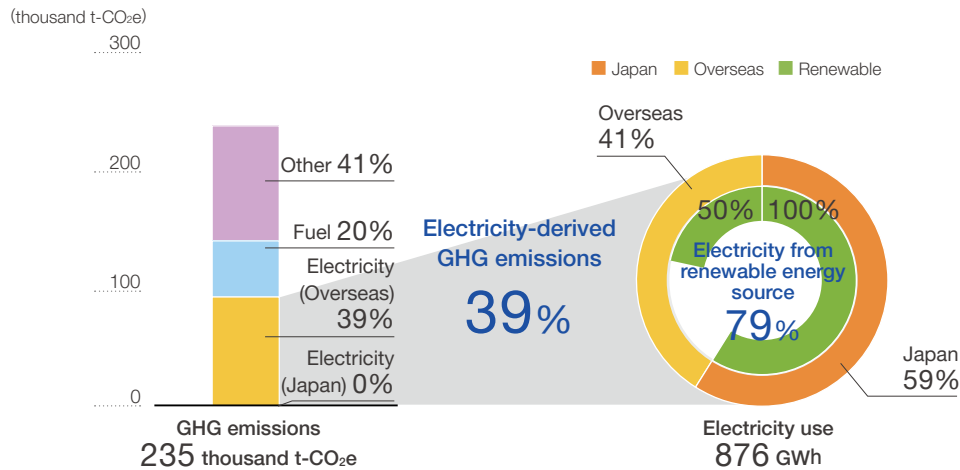
Cooperation with Suppliers

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

Use of Renewable Electricity

More than 70% of Epson’s GHG emissions came from the consumption of electricity in fiscal 2017. As a result of our prior efforts to achieve decarbonization by switching to renewable electricity we use, the ratio of GHG emissions from electricity declined to about 40% in fiscal 2022. At home and abroad, we have increased the percentage of renewable energy to 79% of electricity usage by selecting the optimal renewable 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 FY2022



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.

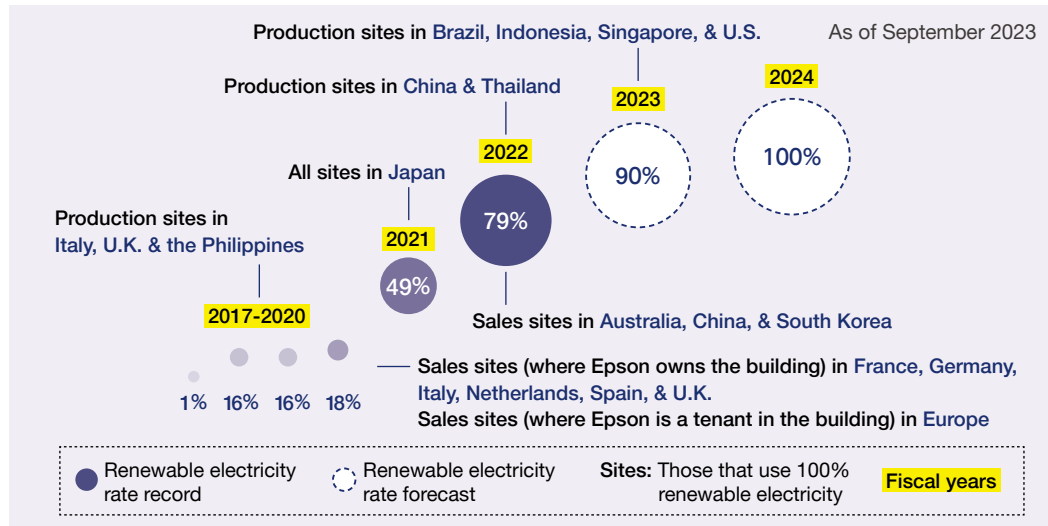
¹ "All sites" referenced in this release excludes leased properties for sales offices, etc., where the amount of electricity cannot be determined.

Transitioning to Renewable Energy at Epson’s Global Sites

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.

Our overseas production and sales sites are working to switch to renewable electricity by the end of 2023. 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. In addition, our production site in Bekasi, Indonesia, began using biomass power generation in July 2022. The procurement of geothermal power, which is being actively developed by taking advantage of the resources of volcanic islands, and sustainable biomass power using Palm Kernel Shells (PKS; a byproduct of the palm oil production process) and wood chips as fuel, are examples of energy use that aligns with regional characteristics.

Roadmap to 100% renewable electricity at all sites worldwide



* Renewable electricity rate = Amount of renewable electricity used by sites around the world in the current fiscal year / total amount of electricity used x 100%

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
Jun. 2023	Issues and Recommendations on Renewable Electricity Procurement	Renewable Energy Institute
Apr. 2023	Call for accelerating the deployment of renewable energy and introducing effective carbon pricing	Japan Climate Initiative (JCI)
Jun. 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

Closed Resource Loop

Closed Resource Loop


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.



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 085.)



Choose
Use environmentally conscious materials

Management of Chemical Substances in Products
(Please refer to page 128.)
Paper Products
(Please refer to page 234.)




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

Decarbonization
(Please refer to page 071.)
Closed Resource Loop
(Please refer to page 079.)



Deliver
Transport products efficiently

Value Chain Initiatives
(Please refer to page 074.)



Use
Eco-performance as customer value

Products and Services that Reduce Environmental Impacts
(Please refer to page 091.)



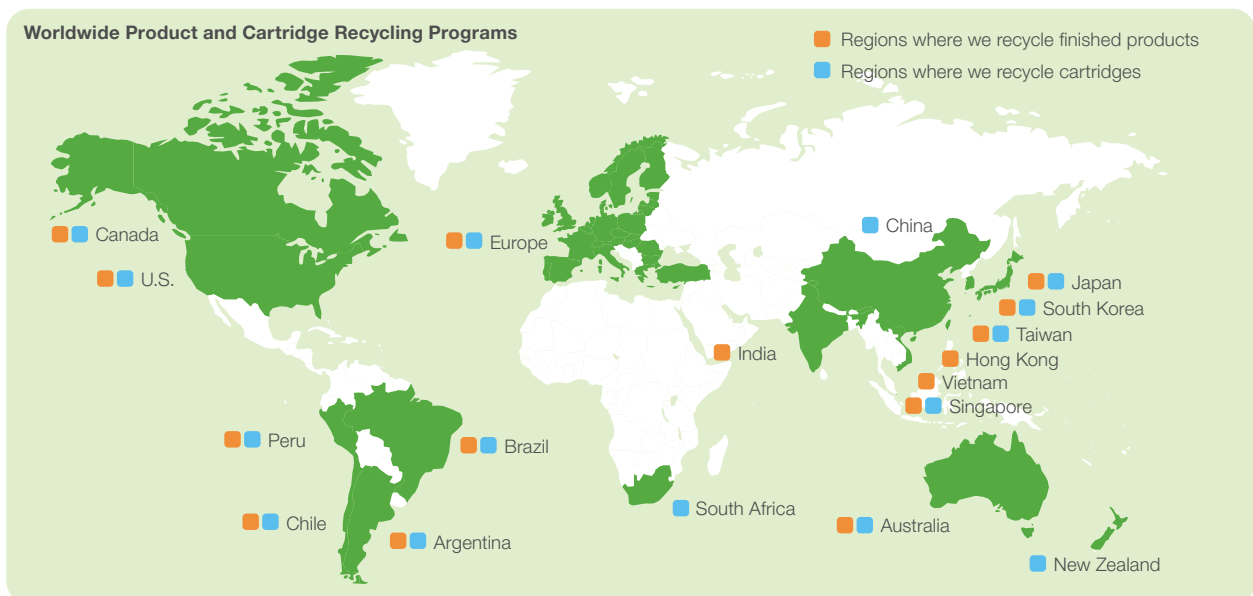
Recycle & Reuse
Reuse resources

Product Recycling
(Please refer to page 097.)

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.

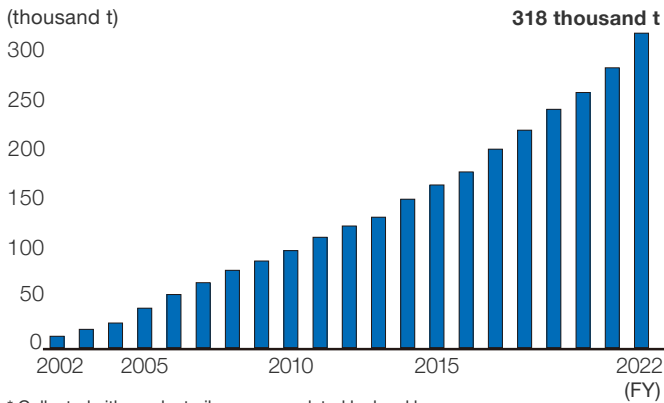
Epson's Global Collection and Recycling Systems



Please select your region for information about collecting and recycling Epson products.

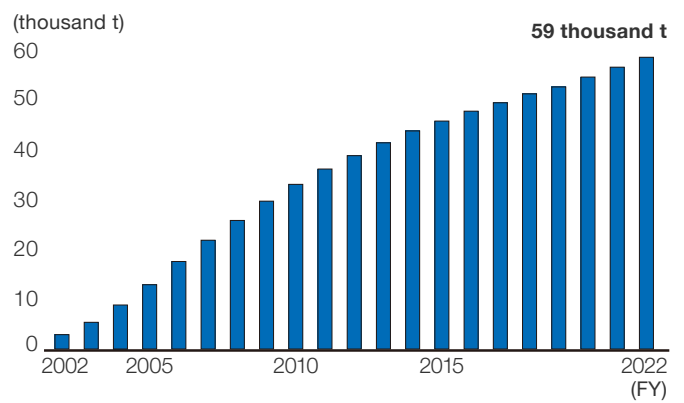
Collection Trends for Products and Cartridges

Finished Products Collected (cumulative through fiscal year)



* 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)



Resources (Performance)

Reduction of Waste

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.

2022 Overview

Goal : No more than the 33.2 thousand t of the previous year

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

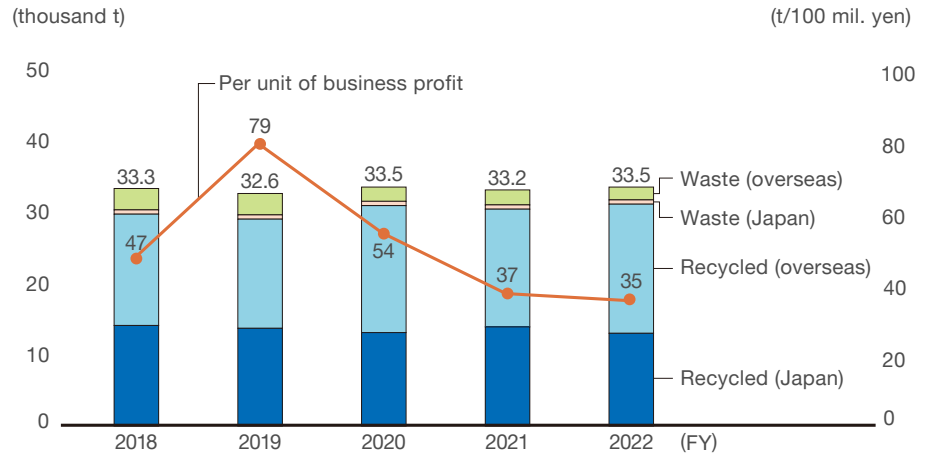
Result: 33.5 thousand t (a slight increase of 1.0% compared to the previous year)

The control metric for waste emissions per unit of business profit improved (from 37 t to 35 t/100 million yen)

1.0% Increased

Wastes emissions
(compared to FY2021)

Waste Emissions



* 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.

2022 Overview

Goal : No more than the 8,041 thousand m³ of the previous year

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

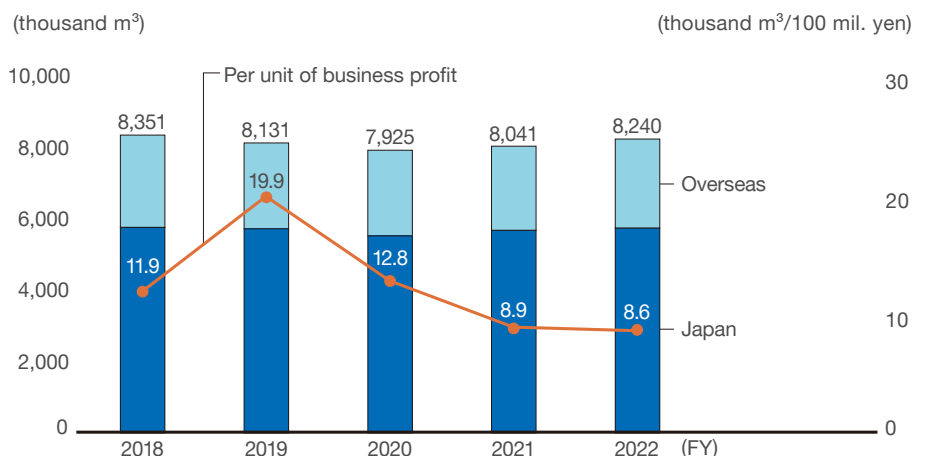
Result: 8,240 thousand m³ (a slight increase of 2.5% compared to the previous year)

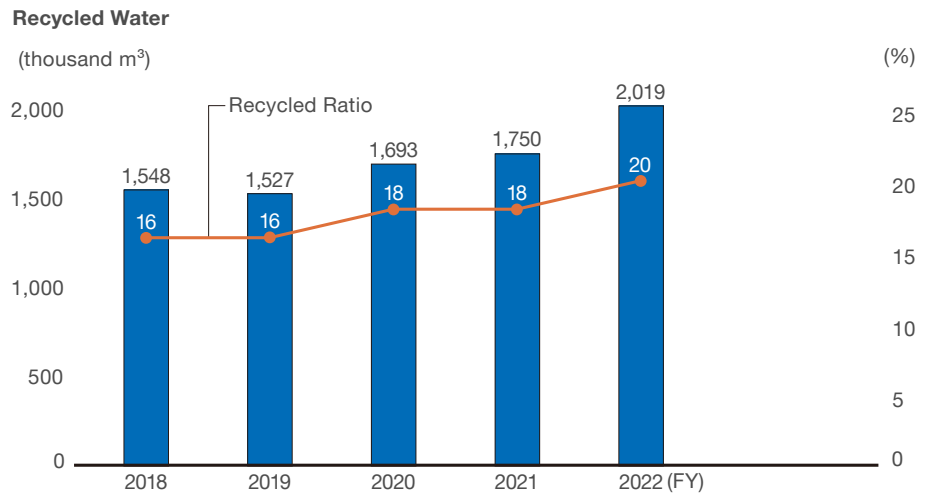
Epson expects its water usage to increase as increasing production, but water usage per unit of business profit improved (from 8.9 to 8.6 thousand m³/100 million yen).

2.5% Increased

Water usage
(compared to FY2021)

Water Usage



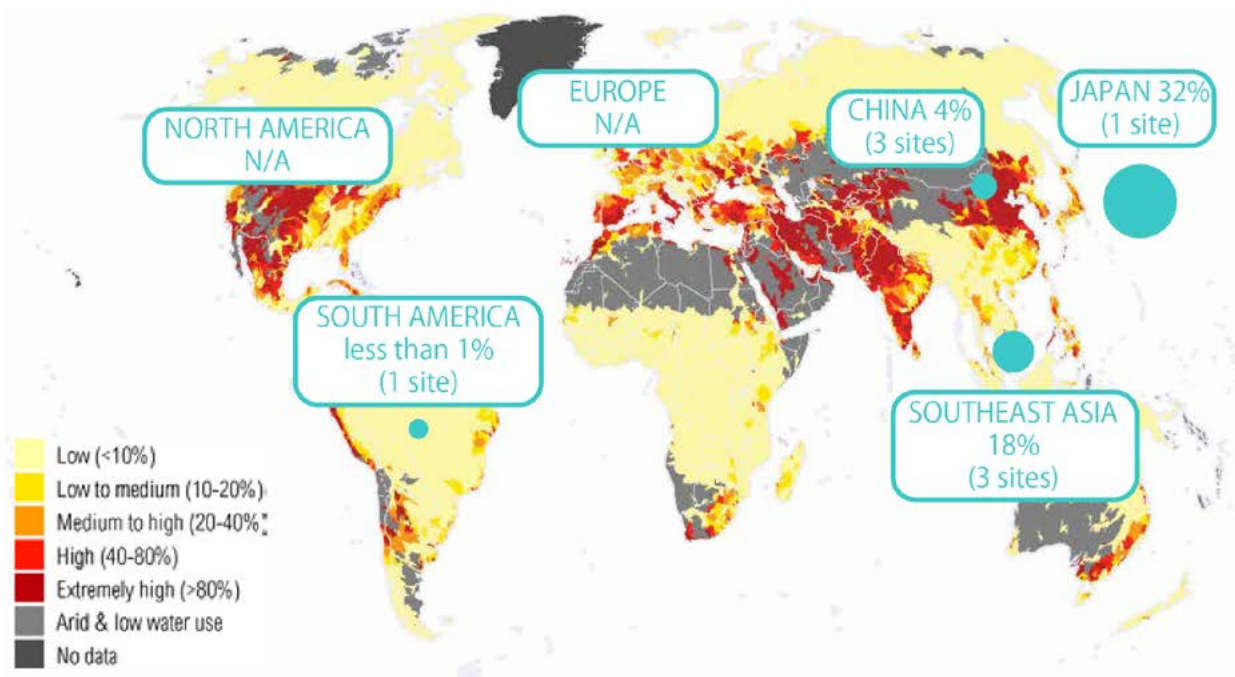


Addressing Water Related Risk

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 confirmed the local water risk situation through questionnaires and interviews at eight sites identified as being located in areas with water stress. Furthermore, we conducted interviews with local organizations that supply water to those production sites. As a result, we learned that the impact on operations from water shortages is limited at those sites.

Water Intake Ratio in Areas with Water Stress (by Region) and Baseline Water Stress Map (FY2022)



* The percentage of Epson’s total water usage in each region with water stress 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

Therefore, a reduction in water intake is not a major issue even at sites identified as being located in areas with water stress using screening tools. Nevertheless, water is an important resource. We recognize we must use water approximately. With this awareness in mind, considering insights gained from communication with the World Wide Fund for Nature Japan (WWF Japan), which has expertise in water resources, we have set the medium-term target below emphasizing water use efficiency. Moving forward, we will continue to engage in activities to reduce water usage within our company to realize this medium-term target. Together with this, we will continue to consider measures for sustainable water use in each basin in collaboration with environmental conservation groups.

【Medium-term Target】

Target: Improve water use efficiency (water intake by revenue) by 1% from the reference value

Period: From FY2023 to FY2025

Target value: 73 thousand m³ per million yen

Reference value: 74 thousand m³ per million yen (average for FY2017 to FY2022)

Evaluation and Response to Water-Related Risks under the 1.5°C Scenario

Based on the scenarios equivalent to a 1.5°C temperature increase presented by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), as well as analysis of water-related risks using internal and external information, we have confirmed that the changes in operational risks in the future due to factors such as flooding, sea-level rise, and drought are limited for our business locations. Short-term climate-related risks concerning our business locations and supply chain will be addressed through our Business Continuity Plan (BCP).

Closed Resource Loop

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.

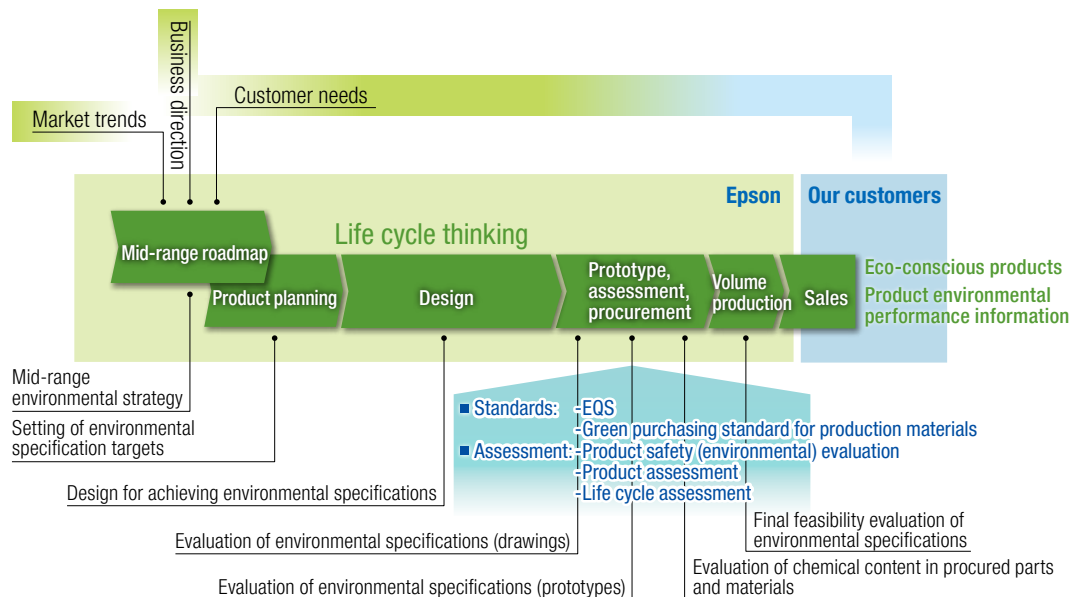
Substance Safety

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

Closed Resource Loop

Product Recycling

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 EMEA¹ 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.



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. The results of our activities in fiscal 2022 were approximately 117,000 points.



• 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.

Customer Environmental Impact Mitigation

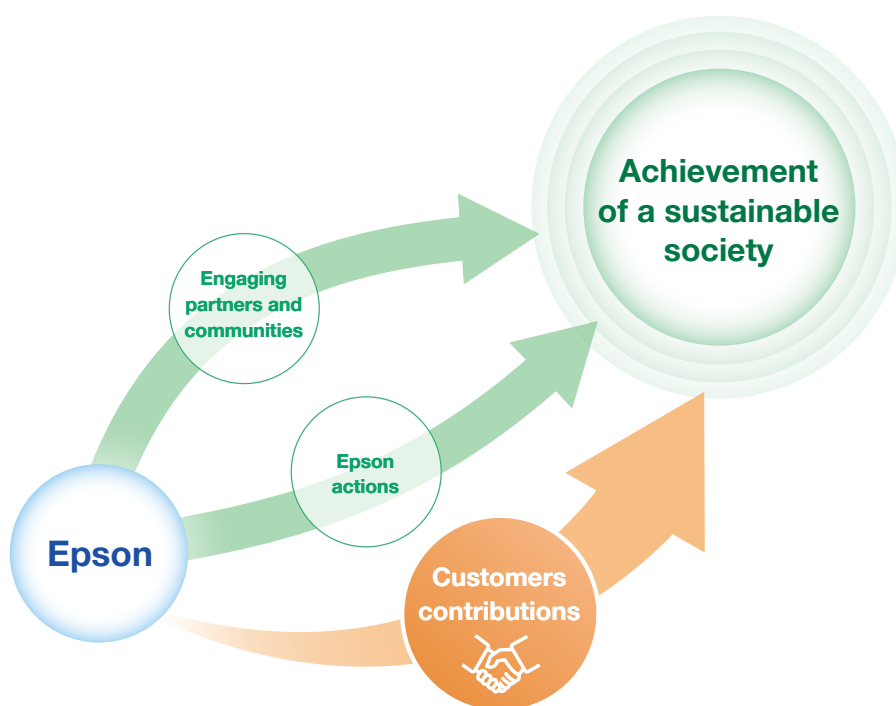
Products and Services that Reduce Environmental Impacts

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.



Customer Environmental Impact Mitigation

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

Epson's business inkjet printers employ our original Heat-Free Technology to eject ink without heat. This technology achieves outstanding low power consumption performance. Our business inkjet printers with built-in PrecisionCore lineheads (WorkForce Enterprise WF-C series and AM-C series) are products with both a high-level printing performance of 40 to 100 pages per minute (ppm) and low power consumption. The WF-C21000 achieves a printing speed of 100 ppm¹. This printing speed approximately doubles productivity in contrast to the printing speed of 50 ppm for general laser printers used in offices.

¹ For single-sided A4 sheets. WF-C20750 series: 75 ppm / AM-C series: 40, 50 and 60 ppm

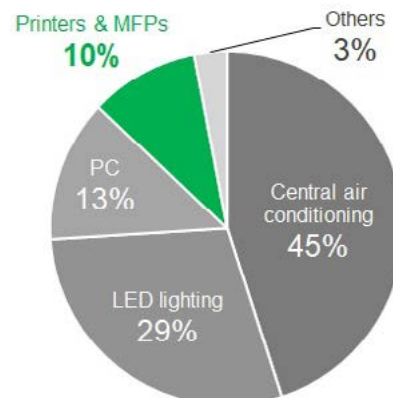


Ideas for the Office

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

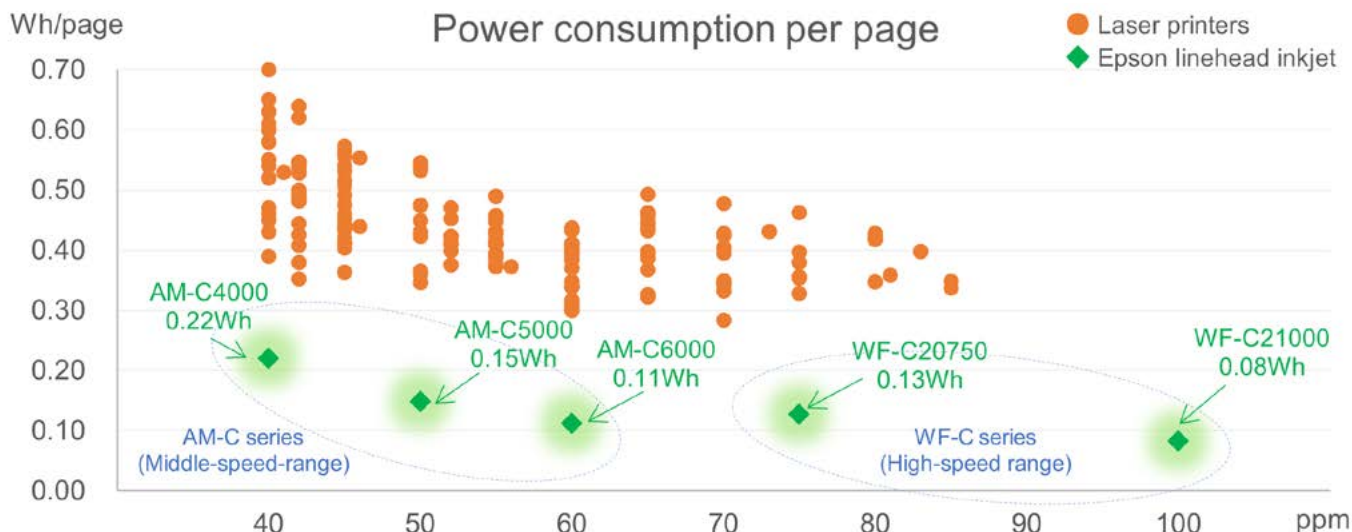


² Epson research based on data from commissioned survey conducted in March 2018 by SOMPO Risk Management & Health Care Inc.

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.

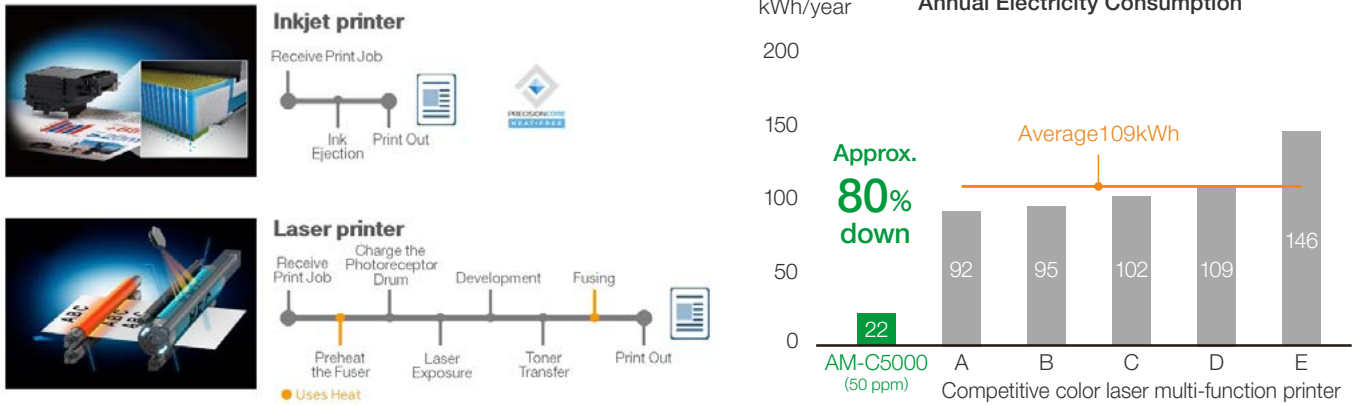
* Comparative simulation of power consumption per page. All A3 color MFPs with outputs of 40-100 ppm (excluding Digital Front End) which is posted on ener-



gystar.gov as of September 11, 2023. 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, AM-C5000 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 AM-C5000 (50ppm) for Europe. Test data is from May 2023. Epson selected four competitor's models from worldwide top five best-selling vendor³ in the 41-50 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 2023Q1, Units Share by Company



Eco Features



- Inkjet multi-function printers with linehead 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.
- The maximum power consumption is below 320W⁴, making it suitable for use with the common 100V, 15A outlets found in typical office settings.

⁴ WF-C21000 series: 320W, WF-C20750 series: 300W, AM-C series: 190W

Changing Office Printing with Inkjet Technology

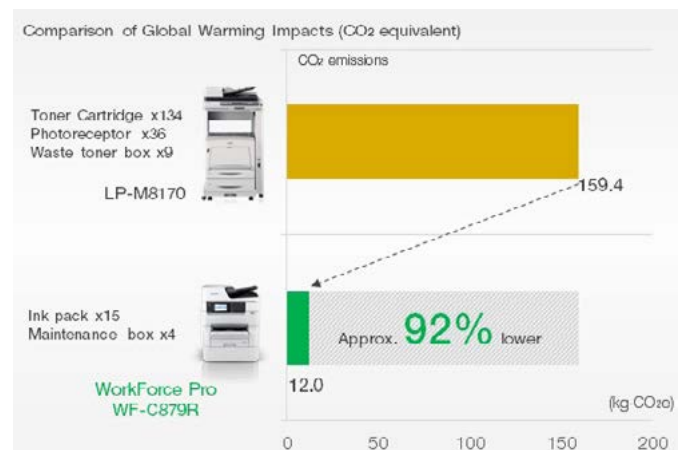
Printers with the innovative high-capacity replaceable ink pack system require minimal replacement of consumables and minimal energy, saving work while reducing environmental impacts.



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 page¹ and 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.

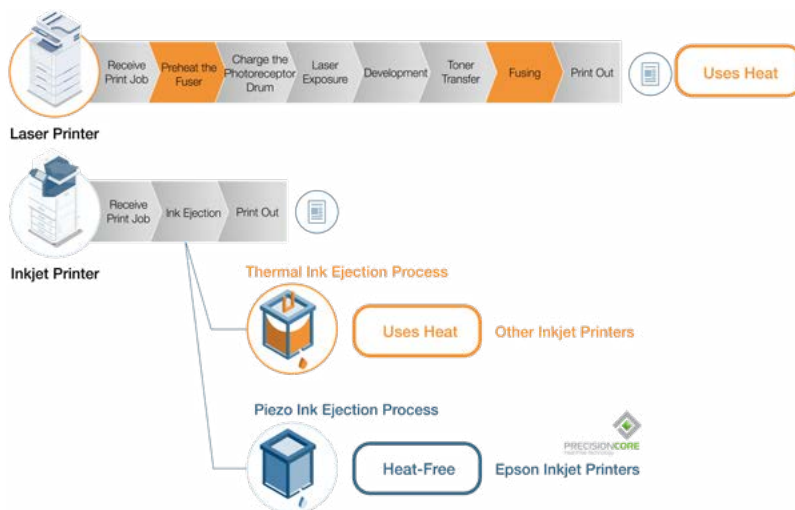
Epson inkjet printers use Heat-Free Technology to deliver advanced customer benefits.

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

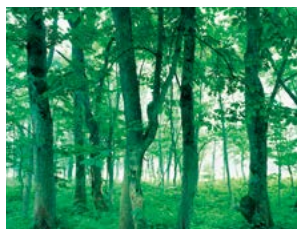
PaperLab A-8000
Dry-process office papermaking system



Preservation of Water Resources

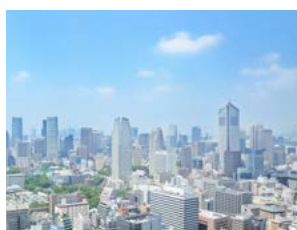
The PaperLab A-8000 uses only about 1/100th² of the water it takes to make an equivalent mass of ordinary paper, thus helping to conserve the Earth's precious water resources.

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.



Calendars made using recycled paper



Waste ink pads for inkjet printers (maintenance box)

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.

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.



Toshiyuki Oguchi
Mayor
Shiojiri, Nagano

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).





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 water³.
- "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.

³ 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.



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. Furthermore, the Eco-Conscious Office Center in EPSON SQUARE MARUNOUCHI serves as a model for a metro office. It demonstrates to visitors that a greener office can be achieved anywhere.

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.



Raising Meeting Productivity with Interactive Communication

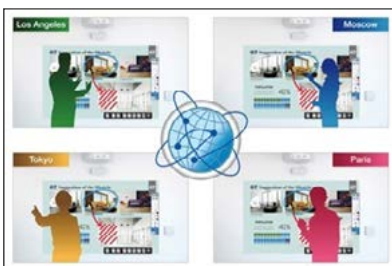
Epson's interactive projectors increase the productivity of interactive meetings, deliver more effective presentations, and even contribute to a smaller environmental footprint.



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

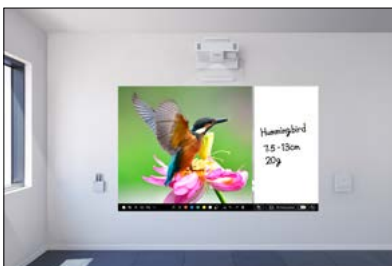
Reduce Your Environmental Footprint with Videoconferencing

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.

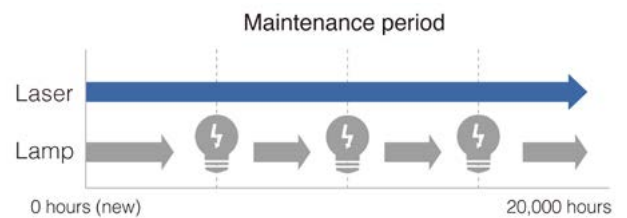
Use as a Copyboard

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.



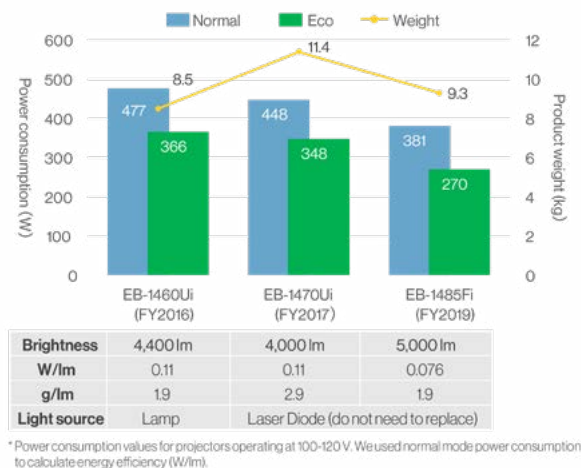
Maintenance-free Light Source

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.



Brightness	4,400 lm	4,000 lm	5,000 lm
W/lm	0.11	0.11	0.076
g/lm	1.9	2.9	1.9
Light source	Lamp	Laser Diode (do not need to replace)	

* 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.



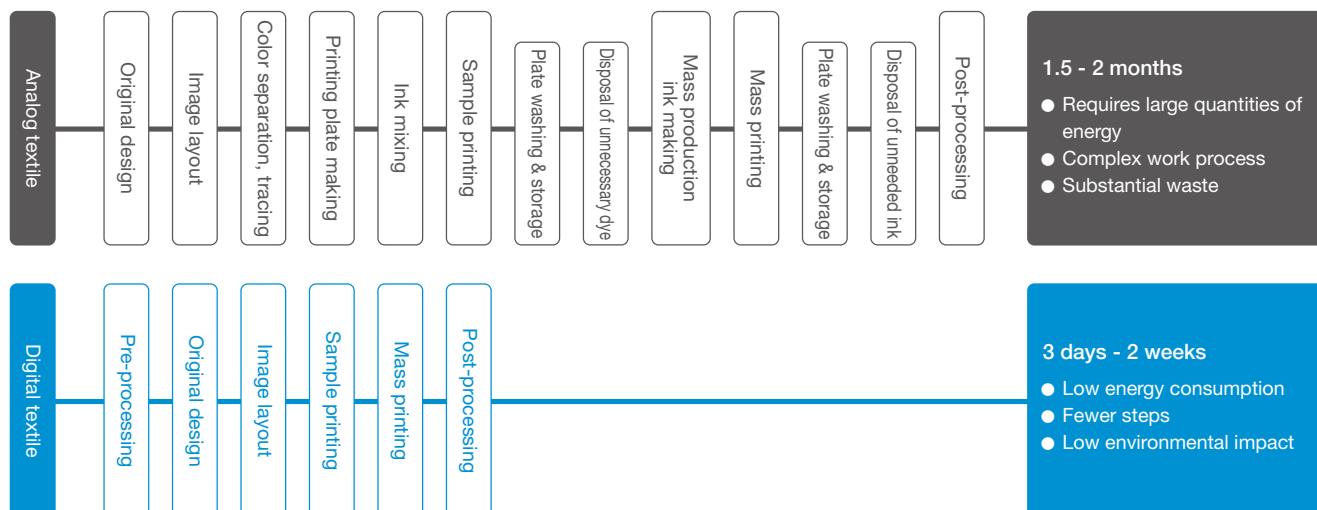
Digital Textile Printer
Monna Lisa

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 directly onto 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:

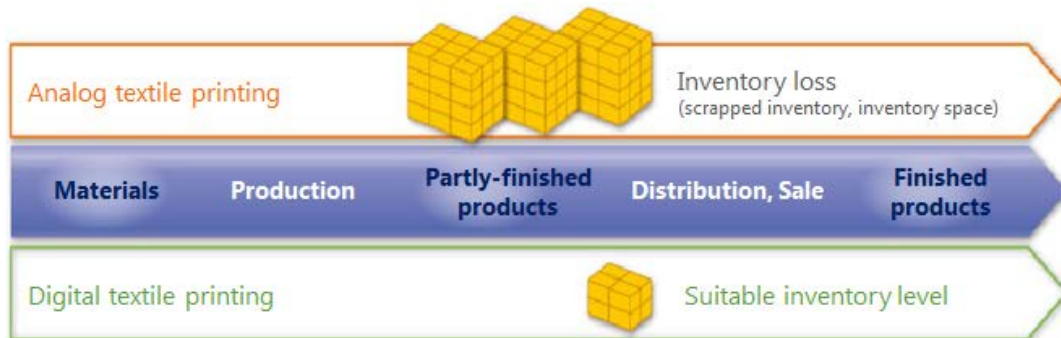
1. Faithful reproduction of fine gradations and subtle color tones
2. Since no analog plates are needed, digital textile printing saves storage space, eliminates time spent on plate management, and enables small production runs at low cost and with fast turnaround
3. Minimize the environmental impact 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



Digital Textile Printer
Monna Lisa

- 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.



SureColor SC-F2200 series

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

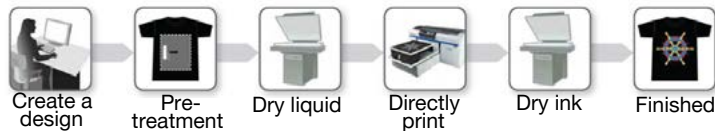


Direct-to-Garment printing

· 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 and complies with ZDHC MRSL² level1, 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. Additionally, the inks are approved with GOTS³.



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.

² The evaluation is based on analytical testing in accordance with the Manufacturing Restricted Substances List (MRSL), which prohibits the intentional use of chemicals in the manufacturing process of textile products and others. It demonstrates compliance with the ZDHC MRSL Guidelines. ZDHC: Zero Discharge of Hazardous Chemicals.

³ An international standard for products made from organic textiles.



Eco Features



SureColor SC-F2200 series

- 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.



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 Impact

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.

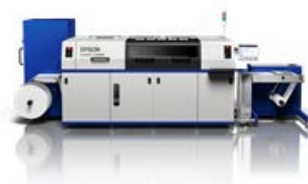


SurePress AQ Ink for a Better Printing Environment

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 BT-45CS¹

¹ Helmet is not included as product

Remote Work Assistance

The centered high-resolution 8 mega-pixel front-facing camera enables workers to share their view and receive help with complex tasks through streaming or recorded Full 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

- 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)



- 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-45CS

- 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.

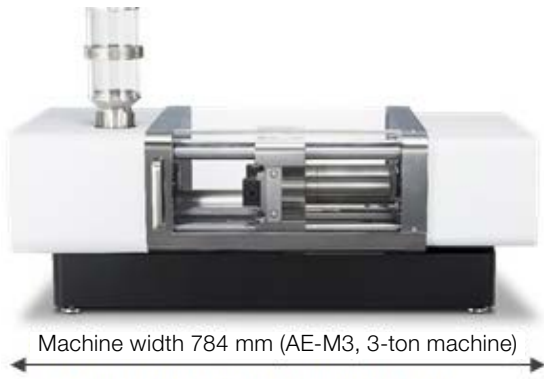
Make More with Less: Micro Injection Molding Machines for Superior Financial and Environmental Performance

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

Epson's micro 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)



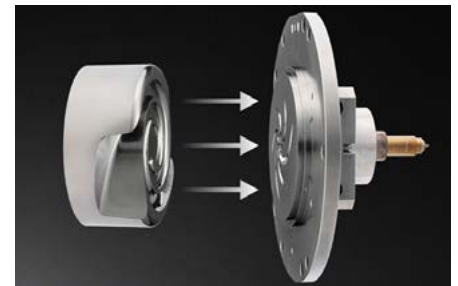
Composite components
(composite material)

Fast, Precision Injection with Minimal Energy and Waste

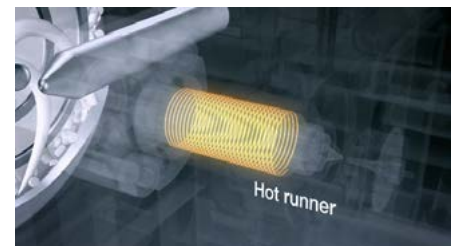
Injection molding machines melt a plastic material with a heater and precisely inject the molten material into a mold cavity, where the material cools and hardens before being ejected as a molded product.

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 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 proprietary disk drive system dramatically reduces machine size and energy consumption



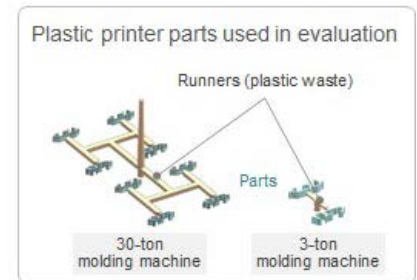
The hot runner system minimizes waste plastic and reduces cycle time

* 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.

Reduction Effect Compared to the Average 30-ton Injection Molding Machine on the Market



* 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.

2022 Good Design Award

The micro injection molding machine AE-M3 and AE-M10 won a 2022 Good Design Award, which is presented annually for designs that benefit and enrich our lives and society. In addition, these were selected for the Good Design Gold Award and the Good Design Best 100.

< Reasons for Award >

Global industries need to find ways to economically produce the goods that are needed in only the amounts they are needed. However, there is a structural dilemma in that high-mix, low-volume production results in large losses; in fact, making more with less-less waste, less energy-is hard to do. We live surrounded by all kinds of plastic products, most of which are made using large plastic molding machines that waste significant amounts of material. Epson's micro injection molding machines are revolutionary in that they can efficiently do the work of a large factory in an area the size of a desktop.



Eco Features



AE-M3 / 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.



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. It's footprint is approx. equal to the TM-T88V. Paper-saving features reduce paper use by up to 30%.



Eco Features



TM-T88V-DT



TM-T88V-i

- 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

Customer Environmental Impact Mitigation

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%¹, by weight, of the plastic used in the EP-M553T printer. 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.



Choose



Create



Use



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

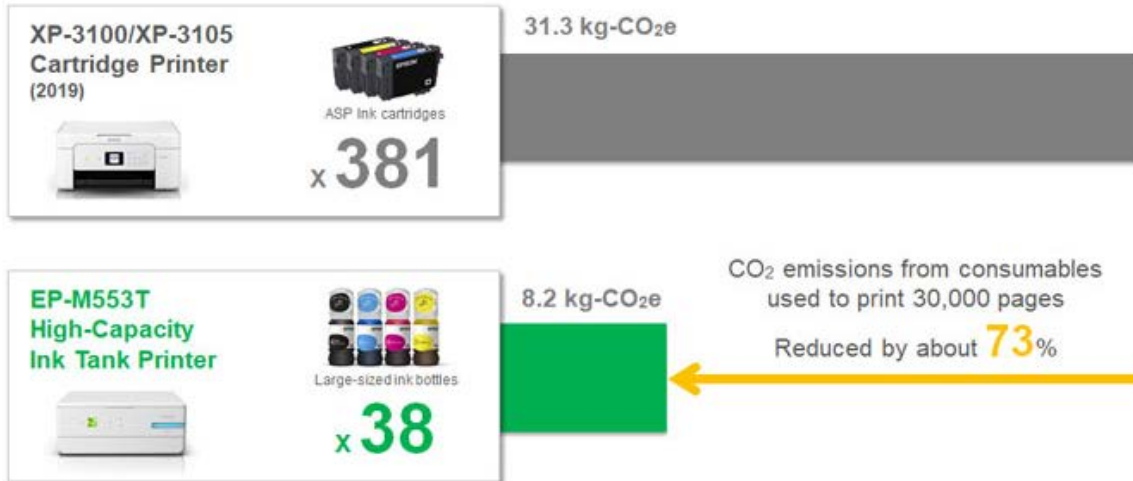
Recycled plastic accounts for about 30%¹, by weight, of the plastic used in the EP-M553T. The use of recycled plastic material enables us to use less virgin plastic and contribute to resource recycling.



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.

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 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

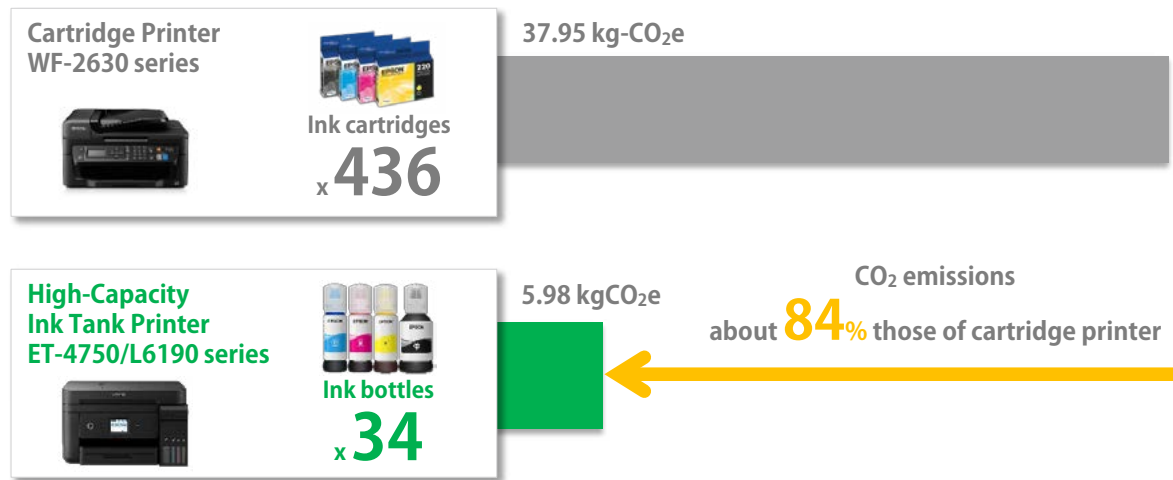
Includes ink tanks. Reduced number of ink refills, contributes to the reduction of environmental impact and allows users to experience improved business efficiency as they print.



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

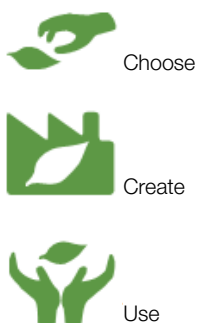
- Use of ink tanks means fewer ink refills and resource consumption. In addition, it achieves low electricity consumption with Heat-Free Technology that do not use heat during printing.
 - About 84% reduction in CO₂ emissions of consumables¹
 - TEC: 0.15 kWh²

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.

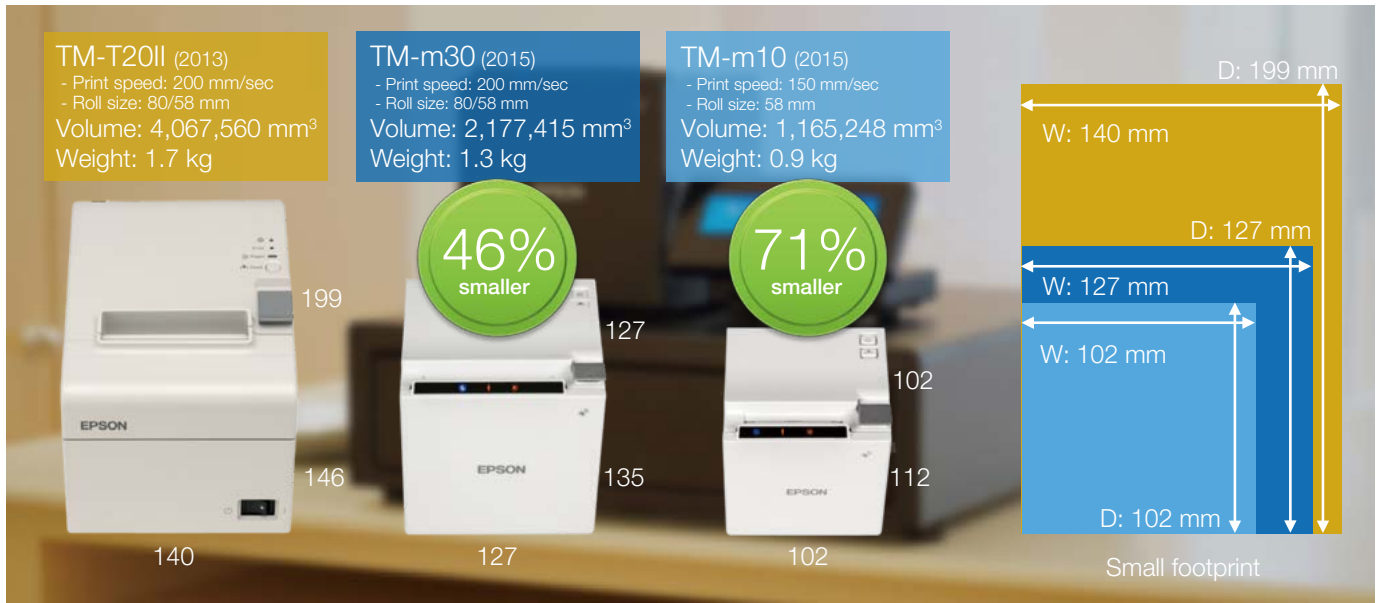
Compact, Stylish Receipt Printer

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



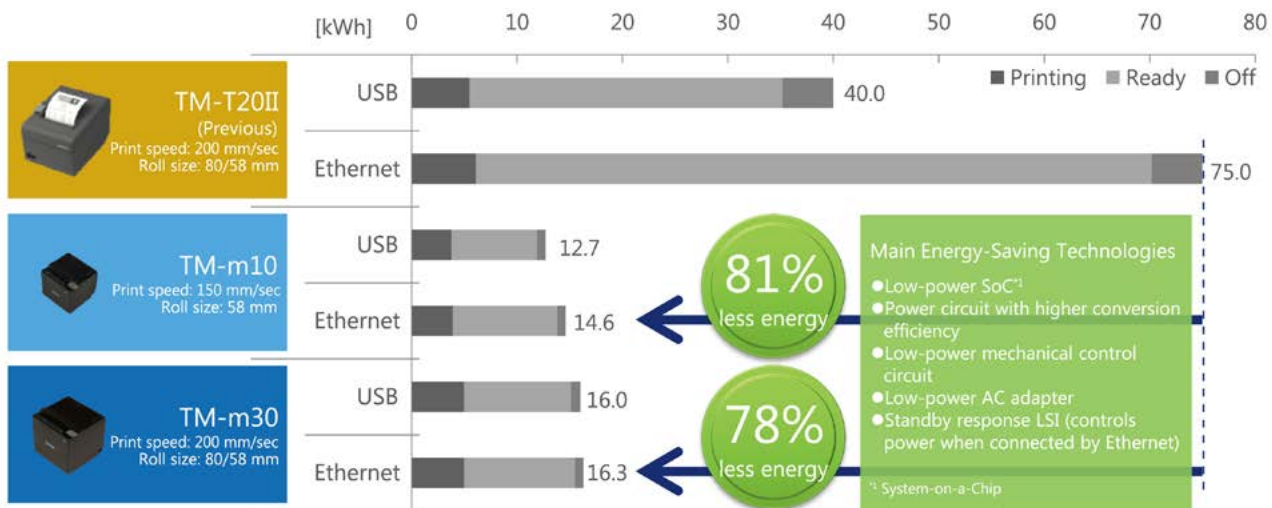
Compact & Lightweight Design

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.

The diagram illustrates three receipt samples from 'FRESH MART' to show different paper-saving settings. The first receipt, labeled 'Functions not used', shows standard spacing and margins. The second receipt, labeled '+ Auto paper reduction', shows reduced line spacing and a shorter barcode, with a callout indicating a 'Save up to 25% (reduce line spacing, barcode height)'. The third receipt, labeled '+ Print logo for next receipt before paper is cut + Backward paper feeding (TM-m30 only)', shows the logo printed at the bottom of the page, with a callout indicating a 'Save up to 30% (top margin minimum 2 mm)'. An inset image shows the printer's control panel with 'Easy setting' options for 'LINE SPACING', 'BARCODE', 'PRINT LOGO', and 'FEEDING'.



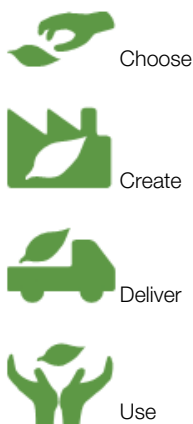
Eco Features

- 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

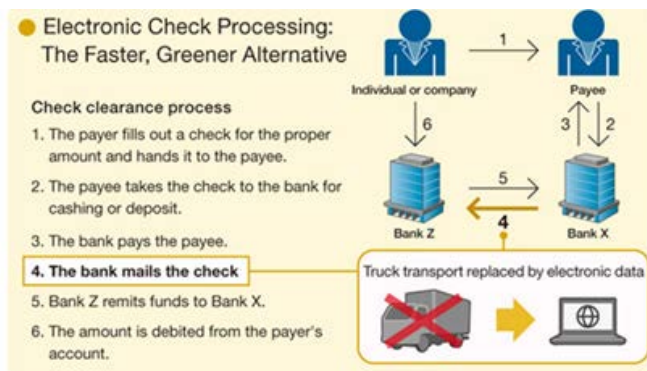
As an all-in-one product, the TM-S9000II offers a lower environmental impacts while also lightening the work load of tellers by efficiently processing checks electronically.



TM-S9000II

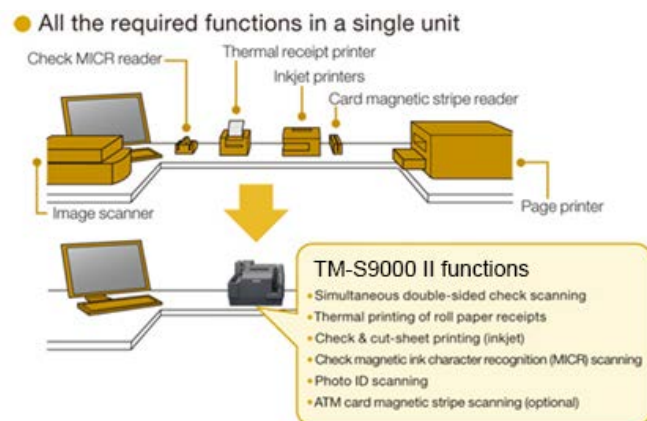
Electronic Check Processing: The Faster, Greener Alternative

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-S9000II, 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-S9000II 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-S9000II 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 twelve 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, 2011-2022. (Source: Fuji Keizai “2012 - 2023 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

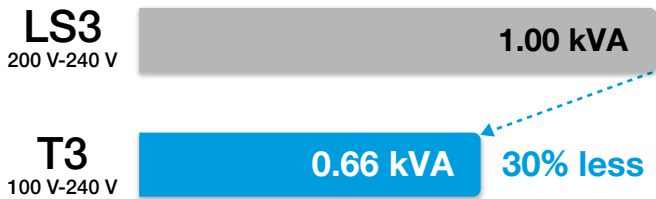
* Weights indicated in the above pictures do not include cables.

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.

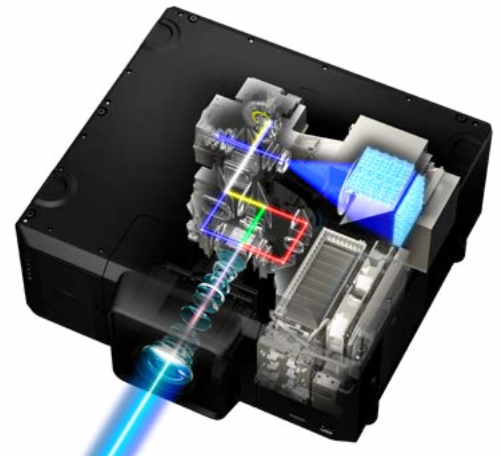


EB-L25000U

Laser Light Source

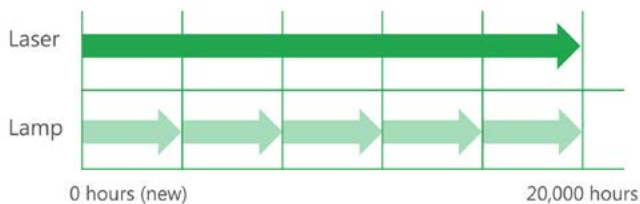
High-lumen projectors designed primarily for use at major events need to be extraordinarily reliable and to maintain stable brightness and image quality around the clock. These large-venue projectors are often installed on high ceilings, which can make lamp replacement troublesome and expensive.

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



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.

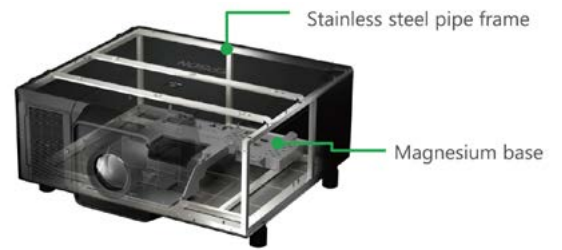
Maintenance Period of Laser and Lamp



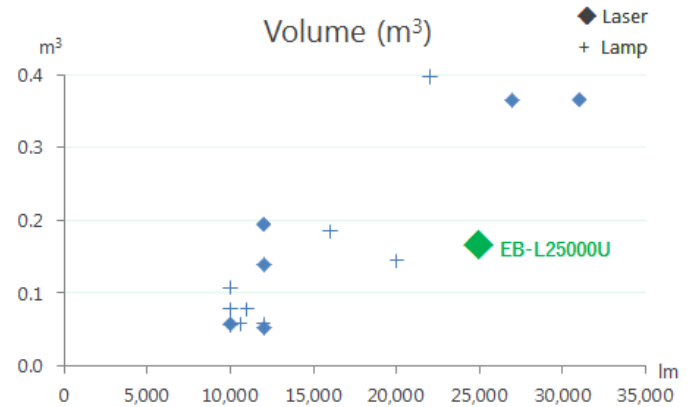
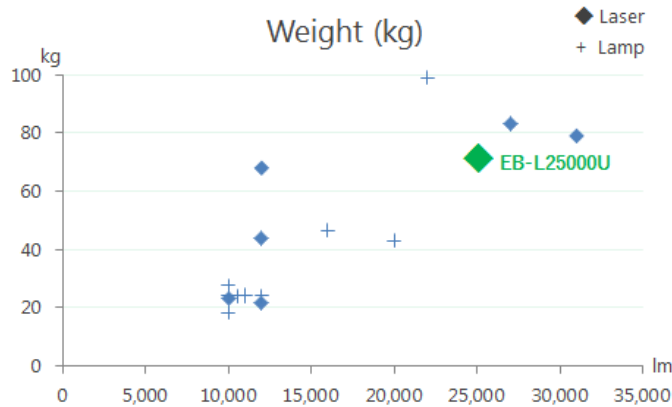
¹ Approximate time until brightness decreases 50% from first usage. Measured by acceleration test assuming use of 0.04 - 0.20 mg/m³ of particulate matter. Time varies depending on usage conditions and environments.

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.

Customer Environmental Impact Mitigation

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 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. 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	Malaysia	Japan	Worldwide	Worldwide
Eco Label	EPEAT®	Blue Angel	TCO	China Environmental Labelling	Green Mark	Eco-Label	Green Label	Thai Green Label	MyHIJAU	Eco Mark	GREEN GUARD	ECO PASSPORT, GOTS, BlueSign, ZDHC
Inkjet Printers (incl. MFPs)	●	●		●	●	●	●	●	●	●		
Page Printers (Laser & LED)		●			●	●				●		
SIDM Printers				●	●					●		
POS Printers												
Label Printers												
Label Works												
Scanners	●				●					●		
Ink/Toner Cartridges					●	● (Toner Cartridges)				●		

	Type I											
Country/Region	U.S.	Germany	Sweden	China	Taiwan	South Korea	Singapore	Thailand	Malaysia	Japan	Worldwide	Worldwide
Eco Label	EPEAT®	Blue Angel	TCO	China Environmental Labelling	Green Mark	Eco-Label	Green Label	Thai Green Label	MyHIJAU	Eco Mark	GREEN GUARD	ECO PASSPORT, GOTS, BlueSign, ZDHC
Inks											● (Sign, Display)	● (Textile, garment)
Paper										●		
Projectors			●		●	●				●		
PCs (incl. monitors)										●		
Watches										●		

	Type II			Type III	Other		
Country/Region	Europe	Japan	Worldwide	Japan	Japan/ North America	China	Europe
Eco Label	THE ECO DECLARATION	PC Green Label	Ecology Profile	Eco-Leaf	ENERGY STAR® ¹	Energy Conservation Certification	Food Contact Material regulation
Inkjet Printers (incl. MFPs)	●		●	●	●	●	
Page Printers (Laser & LED)	●		●		●		
SIDM Printers	●		●		●	●	
POS Printers	●		●		●		
Label Printers	●		●		●		
Label Works					●		
Scanners	●		●		●	●	
Ink/Toner Cartridges							
Inks							●
Paper							
Projectors	●		●			●	
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 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.

Environmental Technology Development

Environmental Technology Development

Goal

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.

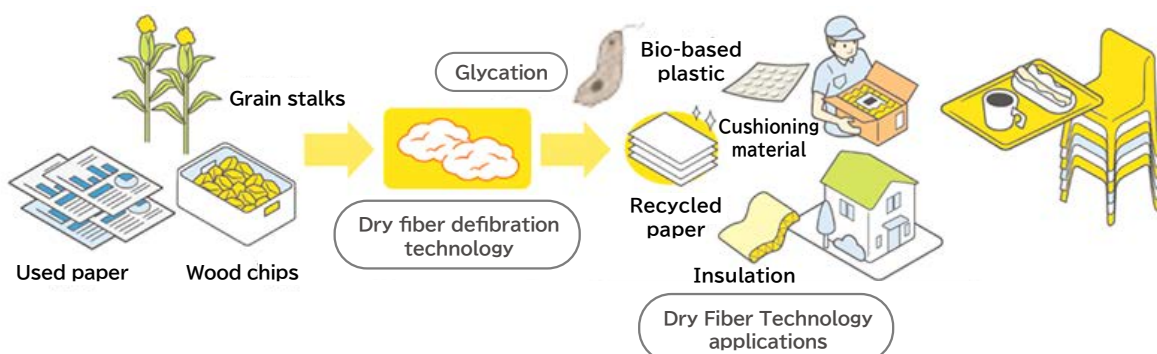
For example, by combining material technologies such as dry fiber technology and metal powder control technology to create new products from waste materials and recycled materials, we will look to replace the use of underground resources with materials derived from above-ground resources.

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

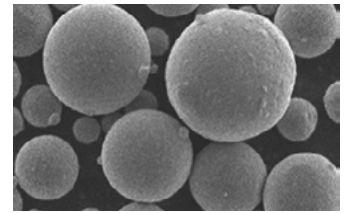
Euglena Co., Ltd., NEC Corporation, and Epson, in collaboration with Professor Tadahisa Iwata of the University of Tokyo, established the Pararesin Japan Consortium to develop and popularize technology for pararesin, a biomass plastic that uses paramylon, a storage polysaccharide of the microalga Euglena.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



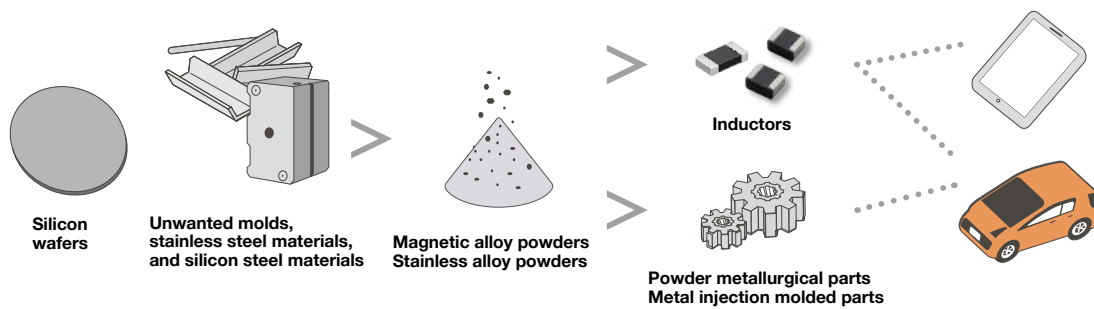
Metal Powder Manufacturing Technology

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



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.

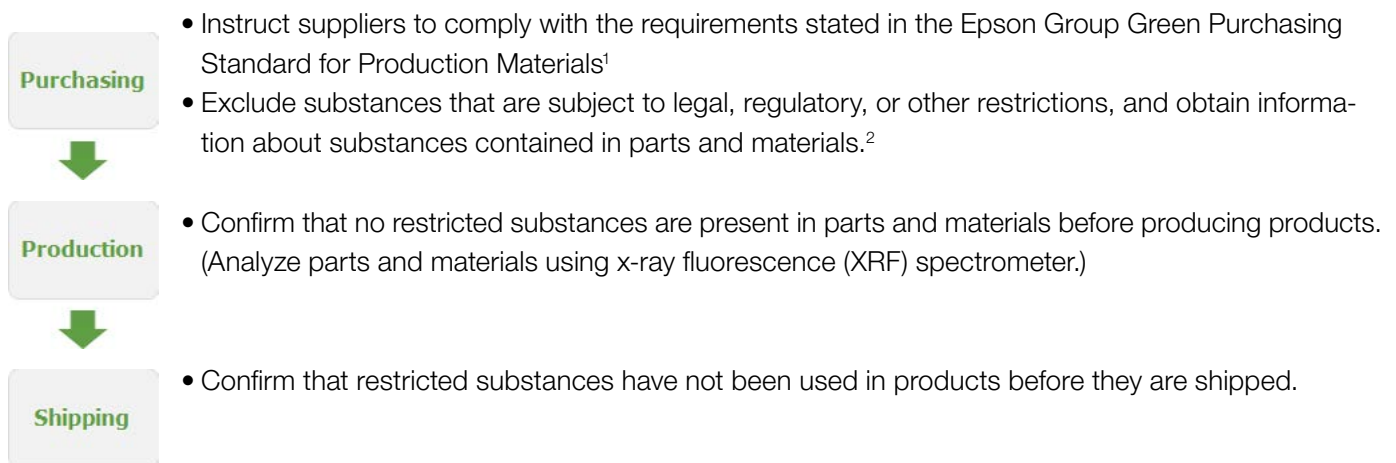


Management of Chemical Substances in Products

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.

Chemical Management (Performance)

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.

In Japan, we inspect CFC-related equipment and calculate the amount of leakage in accordance with the “Fluorocarbon Emissions Control Act” to ensure legal compliance. The Epson Group is currently below the reporting requirement in terms of amount of leakage. CFCs have a very great greenhouse effect that is hundreds to more than 10,000 times greater than that of carbon dioxide. Hoping to prevent global warming, Epson will work to avoid leaks of CFC refrigerants and switch to refrigerants with a smaller greenhouse effect.

We report and publish data on these chemical substances and communicate with local communities to build trust.

Please see ESG data for data on PRTR substance emissions and VOC emissions.

 [ESG data \(Please refer to page 304 of “Appendices”\)](#)

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 FY2022, there were no exceedances of legal standards, administrative penalties, or complaints, and there were no environmental-related fines.

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 newly acquired 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

At sites where trichloroethylene levels in groundwater exceed the standards, including the Head Office, we are consistently implementing barrier measures and groundwater purification to prevent off-site migration. Both the extent and concentration are showing a long-term decreasing trend.

Site Groundwater Data and Remediation Methods

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

Site	Unit	FY2020	FY2021	FY2022	Remediation
Head Office	mg/L	11	11	10	Barrier, pump and treat, monitoring
Shiojiri	mg/L	0.10	0.19	0.11	Barrier, pump and treat, monitoring
Fujimi	mg/L	0.013	0.010	0.010	Barrier, pump and treat, monitoring
Suwa-Minami	mg/L	0.038	0.022	0.015	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

As of FY2022, PCB waste that was discovered and kept in storage has been finished to disposed of. Furthermore, when new PCB waste is discovered in the future, we will promptly carry out proper disposal by the legal deadline.

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

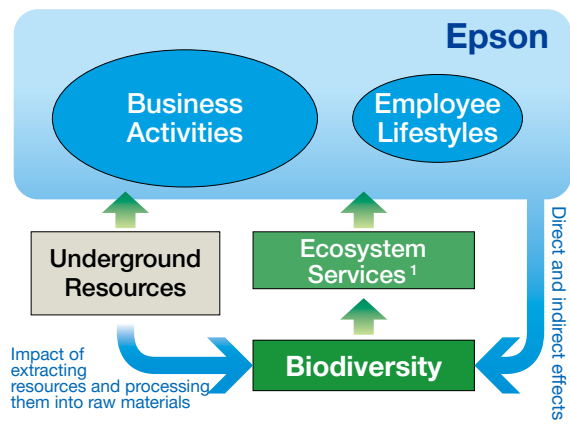
Biodiversity Conservation

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.



Approach

Epson and Biodiversity



¹ Benefits from ecosystems

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

Loggerhead Turtle Nesting and Hatching Support (Spain)

Epson Iberica, S.A.U. (EIB) extended support to a loggerhead turtle conservation effort organized by a Catalanian ecological protection group GEPEC-EdC at La Pineda Beach in northeastern Spain in July 2020. This effort focused on improving the beach conditions and protecting eggs during the hatching process so that endangered¹ loggerhead turtles can easily nest on the beach and lay eggs.

The number of adult loggerhead turtles is decreasing due to reasons such as marine pollution and accidental capture. There is also concern about a decrease in the juvenile population due to the loss of nesting habitats around the world, as well as from human disturbances, such as noise and light, which affect the nesting behavior of loggerhead turtles and make it difficult for hatchlings to return to the sea. EIB is also contributing to the maintenance and recovery of the species by helping to create and display banners. These banners, prepared in four languages, are used to inform and educate both locals and tourists about loggerhead turtles and the conservation effort.

¹ Listed as Vulnerable (VU) in the IUCN Red List (Version 3.1).



Weather-resistant informational/educational banner printed using an Epson signage printer

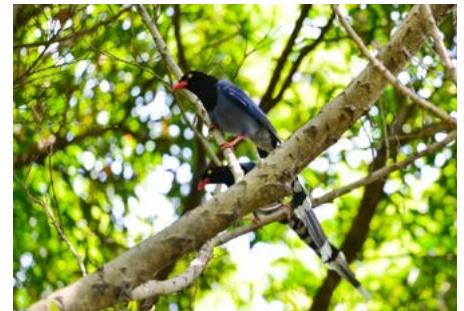


A protected area on a beach for eggs

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 leaf 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.

In August 2022, after a two-year hiatus caused by the COVID-19 pandemic, 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 2023, 37 participants planted trees at the event, contributing to the ecosystem conservation and restoration of the Taihu Lake basin.



Tree planting in the Taihu Lake basin

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

Partnership to Conserve and Restore the World's Forests

Seiko Epson Corporation has launched a three-year international partnership with the World Wide Fund for Nature (WWF) global conservation organization to conserve and restore forests around the world. Epson endorses the WWF's aim to realize a sustainable future where people and nature can live in harmony. Accordingly, we are also donating to the forest conservation activities performed by the WWF in various places around the world such as Southeast Asia and South America.



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

FY2022 Environmental Education (Japan)

Training	Participants (Certification Recipients) ¹
Basic Environmental Training (2022 Edition)	18,657
ISO14001 environmental auditor training	91 (1,262)

¹ This is the number of persons who took Basic Environmental Training II during the period it was offered (July 2022 to March 2023). ISO 14001 figures show the number of certified person as of the end of March 2023.

Development of Local and Social Environmental Human Resources

Support for Local Environmental Education and Glocal Human Resource Development (Japan)

- Topic 1

In Suwa City, Nagano Prefecture, where Epson is headquartered, the Suwa Future Creation “Children’s Dream Project” is being promoted as an opportunity for elementary and junior high school students to think about local community development. Epson helped implement an environmental education program as part of the project’s fiscal 2023 activities under the theme “Achieving a Zero Carbon City.” An Epson employee served as one of the lecturers to introduce participants to the current state of global environmental issues and the company’s environmental initiatives. Suwa City, the host of the event, also introduced its efforts to improve the environment of Lake Suwa and reduce and recycle food waste. Participants listened with great interest and had a lot of questions.



Eco Communication

Introduction of communications on environmental topics.

Environmental Management Seminar (Japan)

In January 2023, Epson Sales Japan hosted an environmental management seminar entitled “Future Supplier Engagement as Seen by Sustainable Companies.” It was open to companies interested in eco-conscious initiatives in their supply chains. In addition to members of Kokuyo Co., Ltd. and Seiko Epson Corporation who are responsible for promoting those companies’ sustainability efforts, the seminar featured an expert speaker, Mitsuru Omori, Senior Manager at The Japan Research Institute, Limited. The two companies introduced their past efforts and discussed market trends and the environmental responses that will be required of supply chains in the future and shared with participants the current status and prospects of supplier engagement in the decarbonization trend.



Epson Wins Second Consecutive Award at ESG Finance Awards Japan

The ESG Finance Awards Japan, organized by the Ministry of the Environment, recognizes 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 as an “Environmentally Sustainable Company” and was awarded Bronze, making this the second consecutive year that Epson has been recognized in the Environmentally Sustainable Company category. (February 2023)

Excerpts of reasons given for selection

In September 2023, Epson announced a new Corporate Purpose and integrated it into its value creation story, positioning it as a foundational concept that embodies the company’s business model of efficient, compact and precise innovation. The Purpose also fits seamlessly with the Epson 25 Renewed corporate vision announced last year and has materiality as an element that meshes societal solutions and growth. All in all, the new scheme is praiseworthy.

Epson is steadily advancing toward its ambitious goals of becoming carbon negative and underground resource free by 2050. The company has announced that it will concentrate its management resources on the development of products and services that reduce environmental impacts, so I look forward to future developments.



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"

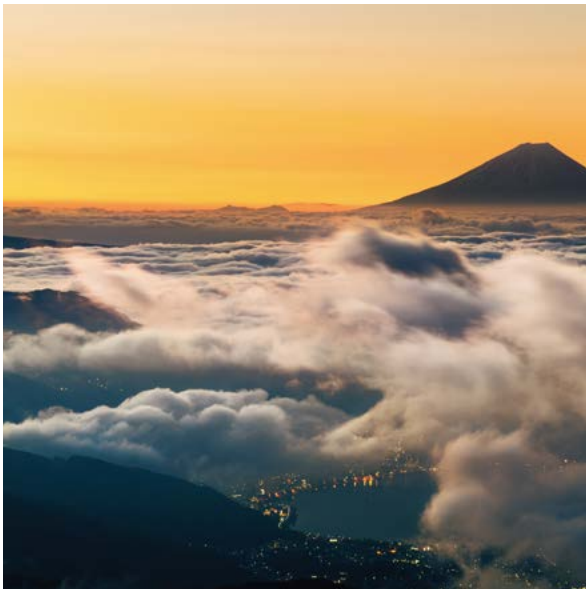
Environmental Message

Environmental Message



Engineering Precision. Innovating Sustainability.

Here at Epson, our technology is driven by our commitment to society and the environment. We focus on the essential and eliminate the unnecessary to create greater value. With this philosophy at our core, Epson has always strived to meet sustainability needs and will continue to do so.



“Engineering Precision. Innovating Sustainability.”

This message expresses Epson’s commitment as a manufacturer to realizing a sustainable future by driving technological advances based on a philosophy of efficient, compact, and precise innovation. The pursuit of ever greater efficiency, compactness, and precision that we have embraced for so long goes well beyond technology. “Efficient, compact, and precise” encompass a philosophy for eliminating waste, reducing dimensions, and increasing precision. We believe that this approach can enable us to create even greater social value. In other words, it is the idea that less is more. More and bigger by themselves do not equal enrichment. After all, bigger is not always better. Epson considers spiritual and cultural enrichment to be as important as material and economic enrichment. We believe that enriching the lives of current and future generations lies at the crux of sustainability. We at Epson respect the natural environment as something that helps to enrich lives and thus seek to strike a harmonious balance between our business activities and the environment. And we will continue to challenge ourselves to realize a sustainable future.

Our People

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Our People

Human Resources

Epson is actively endeavoring to create an organizational climate and workplaces that capitalize on our people.

Driving Corporate and Personal Growth, and Achieving Sustainability and Enriching Communities

Epson is committed to contributing to the resolution of social issues through its business based on the Corporate Purpose, with the aim of enhancing corporate value and sustainable growth over the medium to long term. To achieve this, it is necessary to expand and create businesses through environmental, co-creation, and DX initiatives, in line with the positioning, strategies, and policies for each business domain defined in the long-term vision, Epson 25 Renewed. These activities are supported by efforts to strengthen the management base through human resource strategies.

Based on our medium-term human resource strategy, Epson is actively recruiting diverse human resources and promoting the career formation of internal human resources and human resource development. At the same time, we are assigning those human resources focused on growth areas and building the optimal formation from a global perspective. In addition, we are actively creating an organizational climate which utilizes diverse human resources, fostering a better workplace and promoting health management. We are aiming to increase employee engagement, revitalize our organization and maximize our collective strengths.

Epson wants to drive corporate and personal growth through these initiatives, and to realize “our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world” as we state in our purpose.



Eiichi Abe
Executive Officer
Chief Human Resources Officer,
General Administrative Manager,
Human Capital & Well-Being Management
Division

Human Resource Strategy

Human Resource Strategy

Basic Approach to Human Resource Strategy

Epson is a company born and raised in Shinshu (Nagano pref./Japan). Today, while maintaining its core functions and bases of operations in Shinshu, Epson has established 107 R&D, production, and sales bases in countries and regions outside Japan, which account for approximately 80% of the revenue and 75% of the employees, and continues to develop its business globally. Therefore, at Epson, the key to our human resource strategy is to build a human resource base that will enable us to survive severe global competition and achieve our management objectives and business growth by proactively acquiring external human resources and achieving diversity, while turning local job security and the relatively long-term employment that comes with it into our strength. For this reason, the following are key points for Epson's human resource strategy.

- We will accurately grasp various customer needs and promote business reform and innovation to respond quickly and flexibly. To this end, we will actively acquire specialists from outside the Company in new and highly specialized fields, as well as management personnel who can work from a managerial perspective. In addition, we will focus on areas to be strengthened and build optimal formations from a global perspective.
- Epson, as a “company where people continue to grow and develop their careers autonomously” over a long-term time horizon, provides various training programs, reskilling, rotation, internal recruitment systems, and other opportunities for challenge to enhance each employee's ability to respond to changes in the internal and external environment. In addition, to build an optimal formation from a global perspective, we will develop and deploy human resources who can work globally, including overseas personnel.
- To enhance creativity to realize innovation, we will secure a diverse workforce, including women, non-Japanese, mid-career hires, people with disabilities, and older workers, as well as create a comfortable work environment that leverages our advantages as a regional company, such as our commitment to organizational culture, the natural environment of Shinshu, and proximity to work and home, to increase employee engagement and maximize the overall strength of the organization by taking advantage of our diverse human resources.

Image of Human Resources We Seek

In order to realize its management strategy and execute its business, Epson needs people who can respond quickly to change with a broad perspective and a high level of expertise, and create customer value independently and autonomously from the customer's perspective, based on the penetration of Corporate Purpose and the Epson Way, and a shared understanding of the business approach set forth in the long-term vision.

In anticipation of further declining birthrates, an aging society, and a shrinking workforce in Japan, we have begun to formulate a human resource portfolio on a global basis in order to define the human resource requirements needed to formulate and execute management strategies and establish new business models, and to identify gaps from the current situation. With this as a starting point, we will identify the human resource issues needed to realize our medium- to long-term strategies and implement appropriate measures to realize an optimal personnel structure company-wide.

Human Resource Management

Allocate Human Resources to Priority Areas

As the foundation of its business operations, Epson formulates workforce plans based on forecasts of future changes in its workforce structure and the workforce needs to realize its business strategies. In FY2020 and FY2021, we made certain restraints due to the COVID-19 pandemic. However, as a policy, we will hire more than 350 new graduates and mid-career workers combined each year in a planned and stable manner over the future medium term.

In addition to intensively allocating hired personnel to the growth areas of printing (office, commercial and industrial) and production systems (robotics), and to the new areas of environmental business, environmental technology, and sensing, we will provide internal human resources with specialized training, conversion training, etc., to deploy them in the priority areas. We will also acquire management-level human resource and specialists from outside the company and allocate them to the priority areas after clarifying human resource requirements.

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.

Number of Hires

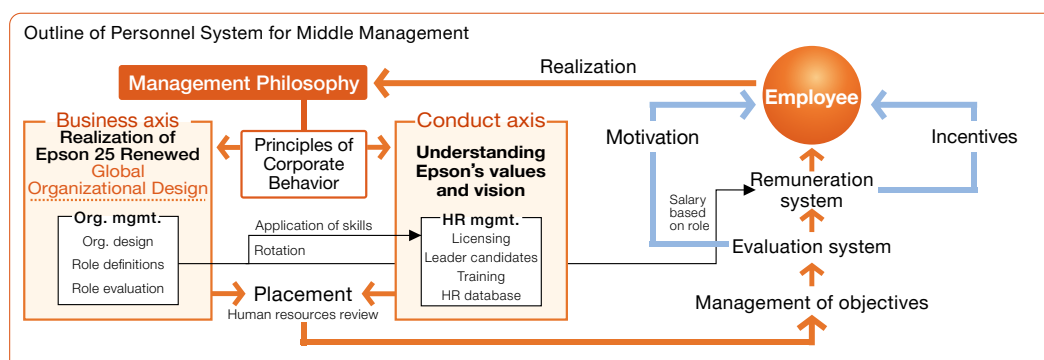
	FY2020	FY2021	FY2022	Targets
New graduates	344	200	250	Continue to hire over 350 people each fiscal year ¹
Mid-career	30	48	241	

¹ Total number of new graduates who joined the Company on April 1 of each fiscal year and the number of mid-career hires in each fiscal year

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.

As in Japan, we also work with local top management and human resource departments to define roles and requirements for overseas human resources, and formulate succession and training plans for key positions and key human resources. Based on these activities, we are working to build an optimal formation from a global perspective.



Human Resource Development

Human Resource Development

New Initiatives for Human Resource Development

Epson aims to be a company where people autonomously form careers and continue to develop over the long-term. We will achieve the business targets we have set forth in Epson 25 Renewed and support our company's development by raising the ability of each of our employees to respond to changes. That will then lead to the building of sustainable and enriched communities.

Epson has re-examined our education and training system from this perspective. We have begun three new initiatives based on the opinions of our business entities and feedback from our employees.



(1) Support for the Self-formation of a Lifelong Career

Epson continuously implements initiatives aimed at being an organization that promotes personnel development. We provide support toward building motivating and challenging careers that encourage growth. To help our employees set their own medium- and long-term career goals, we have been offering Lifetime Career Support (LTCS) since FY2016. LTCS provides age- and grade-specific training which gives employees an opportunity to independently plan their own career path. We have expanded the system to include LTCS40, LTCS50 and also the Introduction to LTCS Course for employees who have just joined the company.

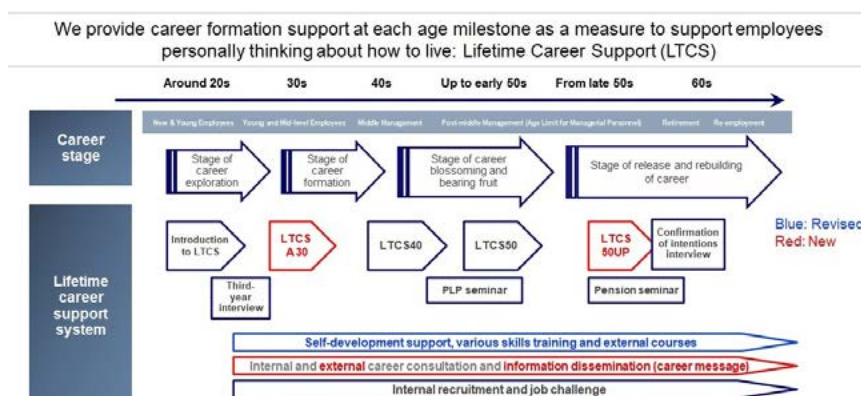
- Number of Participants in FY2022

LTCS50 Training (for all employees age 50): 338 participants (total up to FY2022: 2,565 participants)

LTCS40 Training (for all employees age 40): 201 participants (total up to FY2022: 1,680 participants)

Introduction to LTCS Course (given in new employee training): 250 participants

In FY2022, we newly launched LTCS A30 for employees in their 30s and LTCS50up with a view to hiring employees to their age 70. We support employees to overcome various challenges in their lifetime careers at each age milestone and to autonomously form their own careers.



(2) Support for Upskilling by Management

Management and communication by superiors in the workplace play an extremely important role for employees to work and grow dynamically. Questionnaires have made it clear that many managers, especially those with little experience, are concerned about this point. Accordingly, we have newly introduced 1-on-1 communication training. Moreover, in addition to existing new section manager training, we have launched follow-up training after employees are promoted to the level of section manager. That means we have set up opportunities for section managers to share information, think and learn from each other.

(3) Support for Reskilling

We have started working on reskilling. We want to support employees' desire to autonomously form their careers and to continue growing. Together with this, we aim to ensure our employees improve their skills and enhance their ability to respond to changes. Our reskilling initiatives are focused on three main paths: (i) raise the overall level so that all employees become able to learn the minimum level of knowledge on the digital sphere and to utilize that in their own work, (ii) re-learn content specific to each product or business, and provide education in specialist areas such as digital transformation to promote assignment focused on areas where we are strengthening and new areas and to advance rotation, and (iii) set up an environment to provide learning opportunities and to hone skills to respond to employees' desire to learn by themselves and to provide support to apply to the internal recruitment system.

Initiative to Expand Rotation

Epson places importance on rotation which expands the range of the abilities, experience and knowledge of individuals. One aim of rotation is for each employee to autonomously form their career and continue to grow and to improve their ability to respond to changes in the internal and external environment. The other aim is to contribute to the effective and efficient operation of the value chain. Nevertheless, rotation did not proceed as we expected in the past. Therefore, we have eliminated the need for confirmation by a superior when using the internal recruitment or job challenge systems, incorporated rotation into the requirements for promotion, replaced the human resources in the former workplaces of employees entering rotation, added a rotation item to the management by objectives of managers and reflected that in assessments. In addition to these efforts, we have been promoting the systemization of education when employees transfer to a different post.

The rotation rate was 6% in FY2019. However, as a result of these initiatives, the rotation rate reached 10% in FY2022. We will continue to further work on efforts to raise the rotation rate to 15% each year.

Rotation Rate

	FY2019	FY2020	FY2021	FY2022	Target
Rotation Rate	6.0%	7.3%	9.0%	10.0%	15% or more each fiscal year

Revitalization of the Internal Recruitment System

We established our internal recruitment system in FY2007. The aim of the system is to ensure employees play an active role based on confidence and sense their jobs are rewarding and to revitalize human resource rotation internally. However, the number of transferees using internal recruitment was limited to about 20 to 30 per year. We eliminated the need for confirmation by a superior when an employee makes an application through the system in FY2021. In addition, we set a deadline from the decision to transfer. That led to the number of applications doubling. More than 200 employees have used the system to actually transfer for two consecutive years. We believe this will meet employees' desire to take on challenges. At the same time, we think that will lead to employees gaining experience in various jobs and workplaces, broadening their horizons and improving their skills.

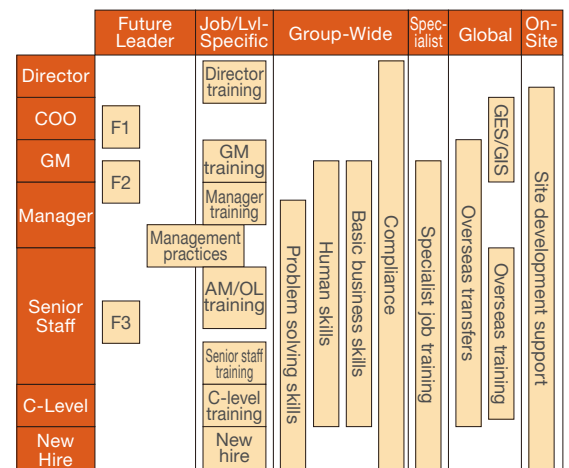
Number of Employees Using the Internal Recruitment System

	Before the Changes to the System		After the Changes to the System	
	FY2019	FY2020	FY2021	FY2022
Number of applicants	142	148	378	293
Number of transferees using this system	27	12	217	201

Training Initiatives

Our human resource development is based on on-the-job training (OJT). In addition, we have established an education system to provide education by job level and various types of specialized education as off-the-job training. We have in place screened, rank-based education programs for the development of leadership human resources.

Training System (Japan)



* F1/ F2/ F3: Future leader training
* AM: Assistant manager, OL: On-site leader

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 Global 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. (Overseas Training Program) This program was suspended in 2020 and 2021 due to COVID-19, but was re-started in 2022.

Number of Employees Assigned to Overseas Training Programs

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2022
Number	8	20	34	38	29	28	22	13	1

Management by Objectives

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.

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 had suffered from logistics being disrupted due to natural disasters and the spread of infectious diseases, 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.

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.



Training engineers at an overseas affiliate (Philippines)



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 seven selected occupational categories that are applicable to our employees’ work: Instrument making, Plastic die engineering, Mechatronics, Industrial electronics, Mobile robotics, 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.



Everyday training



The 60th National Skills Competition of Japan 2022

¹ Technicians with the ability to break from precedent to create innovative technologies and systems.

FY2022 Workforce Composition and Training Data

Main Online Courses (Japan)

Course	Trainees
Fundamentals of Export Control (2022)	18,979
Epson's Compliance (2022)	20,608
Basic Information Security (2022)	22,127
Basic Environmental Training II (2022)	20,343
Introduction to Procurement (Subcontract Act) (2022)	16,736
Basic Harassment Preventive Training (2022)	17,120
Occupational Safety Training (2022)	18,003
Health Improvement Course: Self Care (2022-)	19,613
Health Improvement Course: Locomotive Ability (2022-)	15,566
Principles of Corporate Behavior and Epson Global Code of Conduct (2022)	19,025
Learning from Failures to Increase the Number of Epson Fans	17,678
Purpose and Philosophy System	18,321
Business & Human Rights (2022-)	16,539

* The number of persons completing the course by March 31, 2023

Training by Employee Level

Training	Who People Trained	Percent	Trained
New employee orientation	New hires	250	100%
C-level employee training	New C-level staff	325	98.0%
Senior staff training	New senior staff	269	96.4%
Section manager training	New section managers	118	95.2%
General manager training	New general managers	47	87.0%

* Data for Seiko Epson Corporation employees as of March 31, 2023

* Employees who have not received training are scheduled to do so in FY2023.

Training Hours

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Training by regular employee	Hrs.	11.0	11.1	7.4	20.9	21.5
Total training hours	Hrs.	-	-	-	228,696	235,910

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 after FY2021.

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion

Why We Promote Diversity, Equity, and Inclusion

Epson believes that diversity, equity and inclusion (DE&I) are essential elements to achieve our purpose.

Our aim in promoting DE&I is 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 will develop a corporate culture in which all employees can enjoy working and can participate in discussions as equals, regardless of background. 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.

Epson is promoting initiatives for diversity, equity and inclusion under the leadership of our management team.

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

Promotion of DE&I

Seiko Epson has long been an equal opportunity employer. In 1983, we eliminated the gender pay gap and have 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 among other initiatives. As a result of those efforts, the ratio of female managers and the ratio of female employees in the leader class has improved. However, there is still a gender gap when it comes to promotion to leadership positions in Japan. Seiko Epson recognizes this as an issue and is continuing to make improvements. We are moving forward on additional actions to ensure that all employees, regardless of their gender or any other attribute, have an opportunity to shine.

Goal

Our goal is for each of our employees, regardless of their attributes such as whether they are male or female, demonstrate their abilities to the fullest and for the ratio of female middle managers and executive managers to be equal to the ratio of female employees.

DE&I Promotion 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, beyond women simply continuing to work. The project team was dissolved in October 2020, and a Diversity and Inclusion Project that reports directly to the president was launched to promote diversity reforms in general in addition to female empowerment. We established the DE&I Strategic Promotion Department in the Human Capital and Well-being Management Division in April 2023. This department has taken on the functions of the Diversity and Inclusion Project to further expand the scope of activities.

Initiatives to Close the Gender Gap

Revised plan for promoting women's participation and advancement in the workplace (three-year plan from FY2023 to FY2025)

- We are aiming to have female employees account for 8% of management positions and 10% of leadership roles (equivalent to assistant manager) by March 2026.
- We will recruit new graduates, with a goal of securing a hiring class composed of at least 25% women.
- We are aiming for employees to take 20 days of paid leave a year (including accumulated annual leave).
- We are aiming for 100% of both men and women to take childcare leave.

In addition, we will take measures so that women can form careers in the long-term as before. For example, we will continue to hold dialogue sessions, provide manager training, and provide career training for women. We will also continue to further consider flexible workstyles such as with the expansion of the work-from-home system we introduced in the previous fiscal year and the introduction of flex time without core hours.

Overview of Initiatives

Issues	Direction of Actions	Concrete Policies/Measures
I. Unconscious bias (employees, managers, organizations)	Education <ul style="list-style-type: none"> - Changing mind-set - Separate education programs for all employees, women, and managers 	<ul style="list-style-type: none"> - Senior executive messages - Diversity management training (mandatory for managers) - Diversity and inclusion training - Career advancement support measures for women (autonomous career training and promotion test preparation training, etc.) - DE&I Fair - Internal and external dissemination of information on our special DE&I website
II. Diversification of work arrangements (organizations & managers)	Systems <ul style="list-style-type: none"> - Dealing with time constraints - Offering flexible work location options and work hours - Enhanced support for care-work balance - Encouraging men to take paternity leave Work arrangements <ul style="list-style-type: none"> - Changing how managers work - Changing attitudes toward work 	<ul style="list-style-type: none"> - Performance evaluation system that does not put time-constrained employees at a disadvantage - Expansion of the work-from-home system, start of a flex time system without core hours and annual leave on an hourly basis - e-learning to support balancing work with other commitments - Parents classes - Babysitter subsidy - Seminar for working caregivers

Issues	Direction of Actions	Concrete Policies/Measures
III. Lack of growth opportunities (Managers: no career model) (Employees: no role model)	Systems - Performance evaluation system Development - 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: changing the way managers and general employees think>

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: 18,680 participants / participation rate 95%. The online course in the fundamentals of diversity an inclusion: 17,790 participants / participation rate 91%, as of the end of July 2022)

Our group companies also began providing basic DE&I training.

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. (A total of 1,198 employees across our group in Japan participated in the diversity management training programs with 95% completing the course.) This content will also be built into the training curriculum for new managers.

Support to advance the careers of women

We support female employees to think about how to build their careers and to acquire business skills through multiple autonomous career training sessions. We also provide assistance with advance preparations for tests and interviews in line with our internal promotion system.

Diversity, Equity & Inclusion Fair

We hold keynote speeches by top management, talks by prominent figures invited from outside our company to speak and round-table discussions so that the importance of DE&I is instilled in many employees. We also hold various events such as to share information on childrearing and to promote understanding of LGBTQs.

Dissemination of information through our special DE&I webpage

We have published a special webpage to further instill in employees our DE&I message from top management and the reasons why DE&I is important to companies and to disseminate information on our corporate initiatives to those outside our company. We have posted dialogues between the president and DE&I experts and information on the above fair.

<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 was for 100% of eligible fathers to take paternity leave. We almost achieved that target with 97.2% doing so. We will further continue activities because the number of days eligible fathers take in leave is still low.

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. In addition, we newly established a system to support employees undergoing infertility treatment from September 2023.

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 2023.)

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.

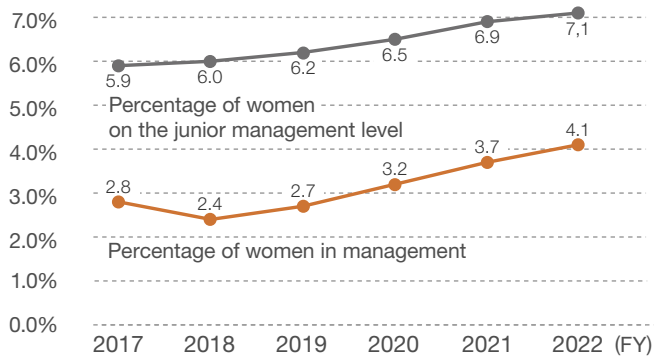
Progress in Closing the Gender Gap (as of March 2023)

Percentage of women in workplace and in management

	Group Total		Japan		Except Japan	
	Male	Female	Male	Female	Male	Female
Percentage of regular employees	53.8%	46.2%	80.6%	19.4%	44.2%	55.8%
Percentage of managers	83.0%	17.0%	95.1%	4.9%	72.3%	27.7%

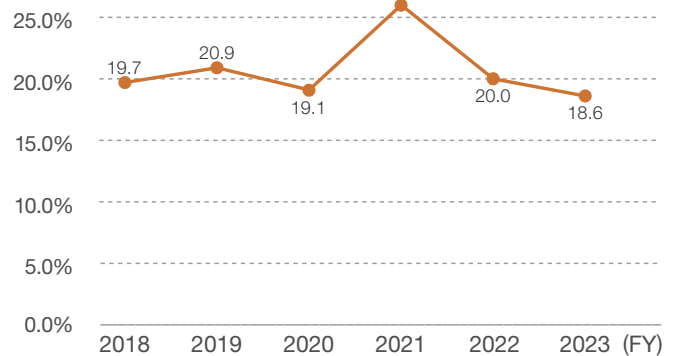
*Manager is section manager and department manager.

Percentage of Women in Management and on the Junior Manager Level



Data for Seiko Epson Corporation employees as of end of March every year. Management means section manager and department manager.

Percentage of Women Among New-hires Directly Out of School



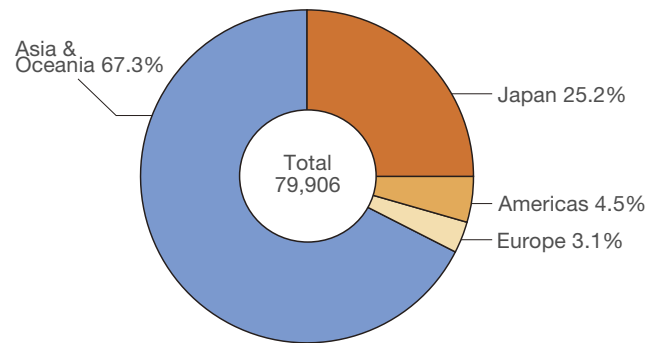
Data for Seiko Epson Corporation employees as of April every year.

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 80,000 people.

In order to deliver valuable products to customers, the entire global value chain must operate effectively and efficiently, requiring global human resources who have extensive knowledge and experience in each function and are capable of negotiating and reaching mutually acceptable compromise. In various regions of the world, we hold seminars every year to foster management leaders at overseas subsidiaries and promote personnel exchanges across regions in order to develop leaders who share common values and are capable of making accurate and prompt decisions in the field. As in Japan, we also work with local top management and human resource departments to define roles and requirements for overseas human resources, and formulate succession and training plans for key positions and key human resources. Based on these activities, we continue to hold internal discussions on optimal functional allocation, and are working to build an optimal formation from a global perspective.

Employee Numbers by Region (Current as of March 31, 2023)



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.

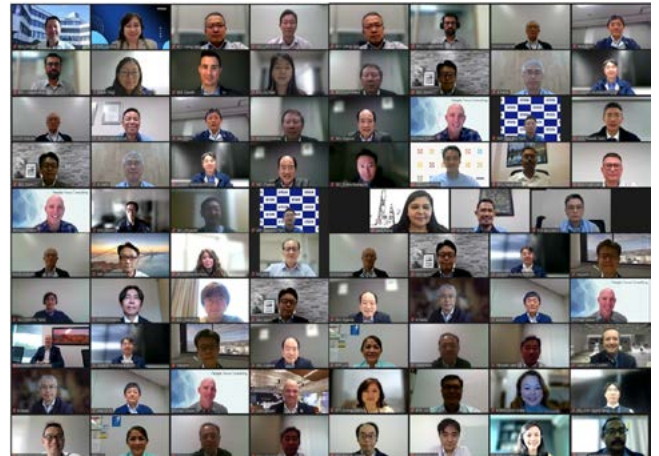
As a result of these actions, Epson now has home-grown talent in leadership positions at its overseas affiliates. The CEO of Epson's regional head office in the US is an American who owns responsibility for all administrative and business operations at Epson companies in North, Central, and South America. 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 Develop Global Human Resources

Global Incubation Seminar (GIS)

The Global Incubation Seminar (GIS) is a training program for next-generation leaders at our local subsidiaries in countries and regions around the world. At the seminar, we share Epson's purpose and value creation story to develop the participants' ability to think about the roles of their own organization and the issues they are tackling. The GIS is continuing to develop leaders who support our businesses around the world together with the Global Executive Seminar (GES) for executive managers. A combined total of more than 400 people have participated in this seminar since 1999. Seven out of eight local personnel currently serving as representatives at our overseas subsidiaries have participated in the GIS (as of August 2023).

We did not hold the GIS from FY2019 to FY2021 due to COVID-19. However, we resumed the seminar online from the end of February to the end of March in FY2022 with 39 participants from 14 countries around the world. The participants held workshops at their workplaces during the period of the training on the purpose they learned in the training program. They then held meetings to exchange opinions on their individual and workplace purposes. The participants deepened their understanding of our long-term vision and business strategies through direct communication with executive management at the end of this training. The participants from different regions, functions and businesses mutually shared their issues and efforts. They also thought about how to produce Epson value and declared their action plans to the executive management.



We will continue to provide this training program in the future. Our aim is to further extend the abilities of diverse human resources in countries and regions around the world so that they become the driving force behind the next generation of Epson.

Comment from a GIS Participant

I am very happy I was able to participate in the GIS. I can proudly say that being able to participate in this training program was a once in a lifetime experience. I was able to gain a deeper understanding of Epson's purpose and philosophy to value the environment and to pursue customer satisfaction through the GIS. It served as an impetus to create new organization goals while changing my own way of thinking and perspective. Participating in GIS has made me want to pursue my career at Epson with more passion and motivation than ever before.



Epson Precision (Philippines) Inc.
Printer Warehouse Innovation, Department Manager
Maria Louisa Silang

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).

(The GES has been suspended since session 1 of 2020-21.)

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 technical interns and trainees 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.

We have accepted a total of more than 1,800 technical internees and trainees since 1988. Unfortunately, we had to suspend the program due to the COVID-19 pandemic in FY2020 and FY2021. However, we welcomed eight participants for the first time in three years in FY2022.

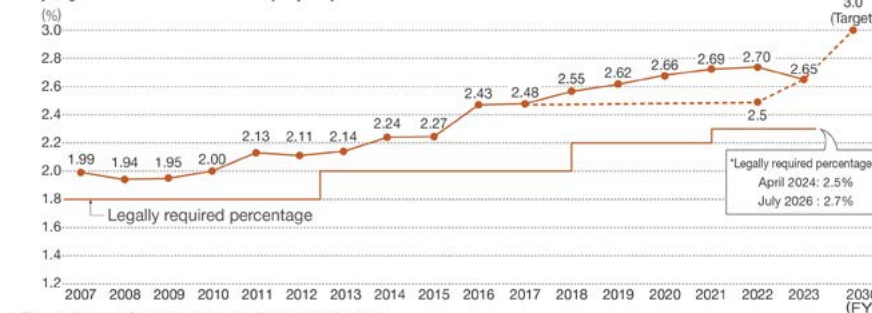


The photo shows technical interns inspecting parts manufactured with dies they made themselves.

Employing and Supporting Persons with Disabilities

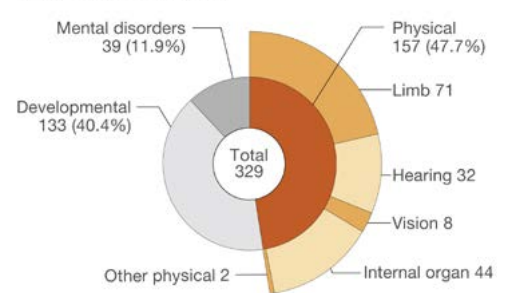
Epson considers the active participation in the workplace of people with disabilities as an important DE&I issue. We have set a target for an actual employment rate of people with disabilities of 3% by FY2030. We want people with disabilities to be able to grow together with our company and to contribute to the creation of results by utilizing their individual strengths. To achieve that, we are striving to realize natural support in the workplace and to improve the quality of the active participation in the workplace of people with disabilities by providing specialized support to superiors and coworkers in addition to giving consideration to those who have disabilities. We will continue to increase the number of opportunities for people with disabilities at our special subsidiaries with 40 years of know-how and strengths.

Employees with Disabilities (Japan)



* Figures for each fiscal year were as of June 1 every year.

Type of Disability (Japan)



* The data is current as of June 1, 2023.

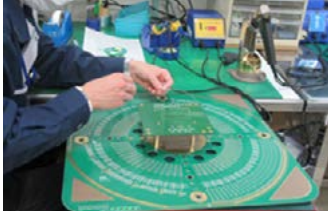
Epson Mizube Corp.

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 June 2023, Epson Mizube employed 157 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 2023, Epson Mizube employs 62 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 upcycling center



Sorting of used ink cartridges



Building cleaning

Participation at the Abilympics (National Skills Competition Games for Persons with Disabilities)

Epson Mizube actively participates in the Abilympics aiming to improve professional skills. We participated in the product packing competition at the National Abilympics held in FY2022. The sight of competitors aiming to participate at the games and the workplaces initiatives to assist them provided encouragement to working people with disabilities. That has led to dynamic workplaces.



Product Packing Competition at the National Abilympics (Chiba Games)

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."



Source: Imperial Household Agency website

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.

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 June 1, 2023) 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. Moreover, 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)



(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 FY2022, they came in first place at the Yamagata Prefecture competition and qualified for the national competition for the second consecutive year following on from FY2021. 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 49 issues have been released, counting the most recent published in the second half of FY2022.



National Abilympics (Chiba Games)
Facilities Cleaning Competition



Cover of Smile

Workforce Composition and Service Period

Workforce Composition

	Male/Female Ratio	Mgmt. Diversity*	Junior Mgmt. Ratio ¹
Female	17.0%	4.1%	7.1%
Male	83.0%	95.9%	92.9%

* Data for Seiko Epson Corporation employees as of March 31, 2023.

¹ Team leader

Length of Employment

(Unit: Year)

Total	Female	Male
19.0	19.9	18.8

* Data for Seiko Epson Corporation employees as of March 31, 2023.

Turnover Rate

	FY2018	FY2019	FY2020	FY2021	FY2022
Total turnover ratio	4.5%	4.1%	4.5%	4.4%	5.1%
Voluntary turnover ratio	1.8%	1.5%	1.4%	1.5%	2.2%

* Data for Seiko Epson Corporation of March 20 every year.

Respecting Human Rights

Respecting Human Rights

Approach and 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 our purpose and the Epson Way. 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 is continually strengthening its measures to support human rights in response to new challenges in the ever-changing global business environment. Epson Group, The Policies Regarding Human Rights and Labor Standard, was re-established and approved by the board of directors as the Epson Group Human Rights Policy on April 1, 2022, based on the United Nations Guiding Principles on Business and Human Rights.

 [Epson Group Human Rights Policy \(Please refer to page 331 of “Appendices”\)](#)

Epson’s human rights initiatives are spearheaded by Seiko Epson’s DE&I strategic promotion department under the supervision of the executive officer in charge of human capital & well-being management. 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 FY2022 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. In the 2022 fiscal year, we conducted an online course for all officers, employees, contract employees, and temporary staff, who work at Seiko Epson and all other group companies in Japan, to raise awareness of human rights and prevent human rights abuses. Through this course, participants learned about the fundamentals of business and human rights, as well as about Epson’s efforts to respect human rights, which are essential for conducting global business. The number of employees and workers completed the course was 16,539 as of March 2023. Understanding of business and human rights issues was deepened further by holding a human rights seminar led by an outside expert. The seminar, which any employee could attend, incorporated information on things such as recent trends and case studies.

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. Incidents related to human rights violations such as harassment and labor are reported to executive management once a year, and these incidents and the company's response to them are shared with middle managers periodically. We then disclose these incidents company-wide through our in-house magazine to raise awareness of them and work to prevent similar incidents from occurring and recurring. If a major incident of harassment occurs, we make sure to report that to our group companies. There have been no particular omissions in these reports over the past few years.

Furthermore, Epson has whistleblowing systems 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 2022](#)
(Please refer to page 337 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 adverse impacts on human rights, 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 adverse impacts on human rights 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 Group Human Rights Policy \(Please refer to page 331 of “Appendices”\)](#)

Epson respects the human rights set forth in the International Bill of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work. Our human rights initiatives are compliant with the United Nations’ Guiding Principles on Business and Human Rights. In particular, as a regular member of the Responsible Business Alliance (RBA), Epson is obligated to observe the RBA 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 adverse impacts on human rights

When we assess adverse impacts on human rights, we focus particularly on employees of Seiko Epson Corporation and Epson Group, temporary workers, on-site vendors’ employees, supplier employees, 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.

High-priority groups	Adverse Impacts of business activities	Assessment method
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	Self-assessment of compliance to RBA requirements
Temporary workers	Same as above	Same as above
On-site service vendors’ employees	Same as above	Same as above
Suppliers’ 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) Improvement plans, and stopping, preventing, and mitigating adverse impacts

We instruct companies and business sites to take action to correct, improve, or mitigate adverse impacts identified by the CSR self-assessment questionnaire. We analyze the answers on the questionnaire, identify where a site is not in conformance with the code of conduct, and provide guidance for the corrective actions we request. Sites formulate and implement their own corrective action plans to address the observations. Progress on correcting major nonconformances is monitored until completion is confirmed.

The following are examples of adverse impacts on human rights that have been identified, corrected, improved, or continuously addressed within the Epson Group in FY2022:

- Nonpayment of overtime by an on-site service contractor
- Inadequate management of working hours
- Nonpayment of legally required employee contributions (contractor)
- Nonconforming emergency exit door along a factory evacuation route

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
- 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

(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 that are particularly geared toward employees of Seiko Epson Corporation and Epson Group, temporary workers, on-site vendors' employees, supplier employees, and 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, 2023
Surveyed business units	11 Seiko Epson facilities 8 domestic affiliated companies (6 manufacturing companies and 2 sales companies) 49 overseas subsidiaries (17 manufacturing companies and 32 sales and other companies)
Questionnaire form	RBA Self-Assessment Questionnaire (SAQ)
Analysis	August - September, 2023
Corrective action	Plants, offices, and subsidiaries will begin taking corrective action from Oct. 2023
Status check	The status of corrective action will be checked by having companies complete another SAQ in April 2024

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.

2023 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	23	72	40	82	59	87
Medium risk	66-85 pts.	0	0	0	0	0	0	0	0	0	0	9	28	9	18	9	13
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	32	100	49	100	68	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 2022 fiscal year, 14 sales 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 the score of all of those 14 sales sites was improved and 5 of them became 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

In total, the number of middle-risk sites decreased from 20% in the previous year to 13% this year.

- In the 2023 fiscal year, we will build further awareness and understanding of Group policies, Group regulations, rules, guidelines and so forth at our business sites to eliminate potential priority non-conformances and further reduce the number of medium-risk sites.

Initiatives to Prevent Power Harassment

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. In training sessions for middle managers, we reiterate the magnitude of the impact from power harassment. These sessions are an opportunity for participants to share incidents through discussions and to consider the necessary measures against them. Training sessions for executive managers are opportunities for the top management of organizations to personally think about how to create organizations with no power harassment. 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 sessions since FY2015 to teach employees skills needed to control feelings of anger at work. We have held echelon- and department-based anger management training 670 times up to the end of FY2022. 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 11,000 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.

This initiative has been recognized externally. We received the 1st Japan Angermanagement Business Leadership Award Grand Prize for it from the Japan Anger Management Association in June 2023.

Respecting Human Rights (Power Harassment Prevention Training/Anger Management Training (after 2015))

	Course	2015	2016	2017	2018	2019	2020	2021	2022	People Trained
All	Harassment preventive e-learning				●	●	●	●	●	Mandatory for all employees and executives FY22: participation ratio 96.8%
	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. FY2022: 742 people at 57 trainings
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				●	●	●	●	●	FY2022: 43 people
	New section manager training		●	●	●	●	●	●	●	FY2022: 147 people
	Anger management training					●	●	●	●	FY2022: 658 people at 45 trainings
Overseas Assignees	Power harassment prevention training prior to assignment overseas	●	●	●	●	●	●	●	●	FY2022: 64 people at 6 trainings
	Anger management training							●	●	FY2022: 56 people at 56 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			●	●	●	●	●	●	
Other	Harassment prevention/anger management training conducted by division	●	●	●	●	●	●	●	●	Conducted upon demands of the division or the affiliated company FY2022: 276 people at 22 trainings

As of March 31, 2023

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 FY2022 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.

Fostering a Better Workplace

Fostering a Better Workplace

Approach & Initiatives

To enhance creativity to realize innovation, we will secure a diverse workforce, including women, non-Japanese, mid-career hires, people with disabilities, and older workers, as well as create a comfortable work environment that leverages our advantages as a regional company, such as our commitment to organizational culture, the natural environment of Shinshu (Nagano pref./Japan), and proximity to work and home, to increase employee engagement and maximize the overall strength of the organization by taking advantage of our diverse human resources.

Initiatives for fostering a better workplace



Improving the Organizational Climate Initiatives and Employee Engagement

Epson is aiming to create an organizational climate where employees and our company continue to grow together by improving the quality of relationships with a free, open and easy-to-communicate environment.

Epson has conducted a survey on our organizational climate every year since 2005 to understand the current state of it. Improving the ability to work in a team is an especially important element to improve the quality of relationships. Nevertheless, this item had a low score overall in the survey. Therefore, we have been working on it on a company-wide basis since FY2020. As a result, we have greatly improved the quality of relationships in the workplace such as by improving the management style of middle managers and reviewing workstyles. At the same time, we have been able to confirm that we have made steady progress in creating comfortable workplaces.

We introduced and conducted an engagement survey which allows us to compare our company with external organizations in FY2022. The aim of the survey is to engage in effective activities based on even more specialized and multifaceted detailed analysis. The results clearly show there is a relationship of mutual trust at the foundations of our entire company and that Epson is an organization in which employees act when given instructions by their superiors. However, the results have also revealed there are many challenges to realizing an independent (autonomous) self-propelled organization in which individuals take the initiative to improve the weaknesses of the organization on their own. In FY2022, we continued to strive, as we have done so over the past few years, to improve the ability to work in a team as it is an important element in the quality of relationships. Based on these results, we also began initiatives to: (1) instill our philosophy and for employees to make it their own, (2) increase awareness for change and to improve our outward-looking perspective, and (3) further increase growth and a sense of contribution through work. These initiatives are aimed at maximizing our organizational strengths by increasing the number of independent (autonomous) human resources and building strong relationships of trust.

Each workplace will share and consider with its members their detailed survey results. Those workplaces will then establish improvement measures and set improvement targets focused on those three items. The improvement targets will be linked to management by objectives for middle managers. We will look to achieve these targets by FY2025.

Moreover, we will provide support to middle managers to fulfill their management roles and improve their management skills, provide opportunities for them to gain awareness, and horizontally deploy specific case studies in conjunction with the 360-degree survey results to support this initiative. We will do this through various efforts including 1-on-1 skill acquisition support, follow-up training for section managers with emphasis on new section managers, introduction of a learn-as-much-as-you-like program for middle managers, continuation of company-wide and cross-organizational section manager dialogue sessions, and the establishment of middle manager assistance services and mentors.

We have also set company-wide targets for our overall ratings while placing emphasis on the above initiatives. We will continue to promote initiatives to achieve our desired organizational climate.

Employee Engagement Survey Results and Targets

Company-wide Indicators		FY2022	Target (End of FY2025)
Overall rating		B	A
	Score	51.8	58.0
Number of D-rated workplaces		47	0
Sub-items	Job areas	3.2	3.6
	External adaption	3.2	3.6
	Activities for change	3.1	3.6

Diversification of Work Arrangements

Epson aims to create an environment where employees have motivation and can work with vitality and in a physically and mentally healthy and safe manner while adapting to various changes in the environment. In particular, we are promoting flexible working hours and workplaces, with a focus on telework, which has advanced in response to the COVID-19 pandemic, and the creation of an environment that enables a work-life balance in life-stage events such as childcare, medical treatment, nursing care, and infertility treatment, as well as measures to prevent harassment in the workplace.

Epson, whose main sites are concentrated in the Shinshu area (Nagano pref./Japan) in particular, believes that it is even more important to develop flexible working styles that allow employees to work at any time and any place, and working styles that enable diverse employees to develop their individual careers, in order to attract managerial human resources and specialists and to promote diversity in the future.

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 established a work-from-home system for all employees, abolished core hours in flex time, expanded the applicable age range for shortened working hours for childcare reasons (up to the sixth grade of elementary school) and otherwise expanded our systems for the diversification of workstyles and increase in choices.

We are striving to reform workstyles in Phase III (FY2023-FY2025) from FY2023. The birthrate will decrease and the population will age, the working population will decline and there will be other changes in the environment in the future. To continue contributing to society even in face of such issues, we believe it is important to foster a better workplace where employees from various backgrounds can balance their work and family lives with peace of mind.

The diversification of work arrangements is bringing a wide range of issues to the forefront in areas including human resources management and organizational operations. Everything from health to how we communicate and how we develop/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.

Progress on Measures to Diversify Workstyles

Initiative	Measure	FY2022 Results
Ensure flexibility in place and time of work	Evolve the work-from-home system	Expanded work-from-home 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 to their own home or the location they have listed in their contact information
	Introduce a work-from-home allowance	Started paying a work-from-home allowance, and commuting expenses based on attendance record
	Introduce annual paid leave which can be taken on an hourly basis	Introduced a system for annual paid leave which can be taken on an hourly basis
	Apply flextime without core hours	Abolished core hour
Ensure employees can balance work with childcare, nursing care and medical treatment	Respond to the changes in law concerning male childcare leave	Introduced new father leave and the ability to take childcare leave on a split basis Take-up rate in FY2022: 97.2%
	Ensure employees can balance work with childcare and nursing care	Extended the applicable period for shortened working hours for childcare and nursing care up to the sixth grade of elementary school
	Support employees balancing work with medical treatment	Expanded the short-term leave and long-term leave systems for infertility treatment (scheduled for September 2023)

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 September 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 build an environment better aligned to the situation such as by beginning to pay a work-from-home allowance from October 2022.

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 has made it possible to lead to the realization of a work-life balance.

Flex Time without Core Hours

Epson amended its flex-time system to eliminate the requirement to be present during core hours. This change took effect in March 2023 to provide greater flexibility in the use of the system that is available to many employees. The elimination of core hours has given employees a wider range of options about when to start and end the workday.

Enhanced Support for Balancing Work with Treatment

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. Since FY2022, we have been encouraging all fathers to take paternity leave.

In addition, we established a new system to support employees undergoing infertility treatment from September 2023.

Childbirth and Childcare Support

We are also focusing our efforts on childcare support. For instance, we enable both men and women to work without disparity at the time of childbirth and childcare. Our aim is to create an environment where both male and female employees can play an active role to realize their desired career. Specifically, we have set up systems which allow employees to balance work while valuing childbirth such as with short-term leave, long-term leave and shortened working hours. The rate of female employees taking childcare leave in recent years has reached 100% due to these environmental improvements.

<Childcare Leave Trends>

FY	Childcare Leave				
	Total	Women	Ratio of women granted leave	Men	Ratio of men granted leave
2022 ¹	323	38	90.5%	273	97.2%
2021 ^{2,3}	169	38	100%	131	53.5%
2020 ^{2,3}	109	37	100%	72	30.8%
2019 ^{2,3}	102	41	100%	61	21.3%
2018 ^{2,3}	75	35	100%	40	13.6%

*Data for Seiko Epson Corporation employees as of March 20, 2023.

Calculation for FY2022:

¹ Ratio of the number of employees who took childcare leave in the fiscal year prior to publication with respect to the number of employees who gave birth or whose spouse gave birth in the fiscal year prior to publication

Calculation for the fiscal years up to FY2021:

² Number of people including those who took wellbeing leave which is a system unique to Epson

³ Number of people who took childcare leave / Number of people eligible for the system (people eligible for the system: those who gave birth to a child and who became eligible to take childcare leave)

Support for Employees Undergoing Infertility Treatment

There is a need for companies to establish workplace environments where it is possible for employees to continue working while undergoing infertility treatment in response to the social issue of the declining birthrate. We have expanded our short-term leave and long-term leave systems from September 2023. This will enable employees undergoing infertility treatment to do so while working with peace of mind.

<Support Systems for Infertility Treatment>

System	Overview
Short-term life support leave	Gives employees five days of special leave (paid leave) which can be taken within a fiscal year.
Long-term life support leave	Allows a total of 365 days of leave to be taken over three fiscal years (can be divided). If continuing treatment even after three years, allows a total of 365 days of leave over the next three years.

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
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
2022	2	5
2021	5	6
2020	2	4
2019	6	4
2018	2	5

* Data for Seiko Epson Corporation employees as of March 20, 2023.

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.

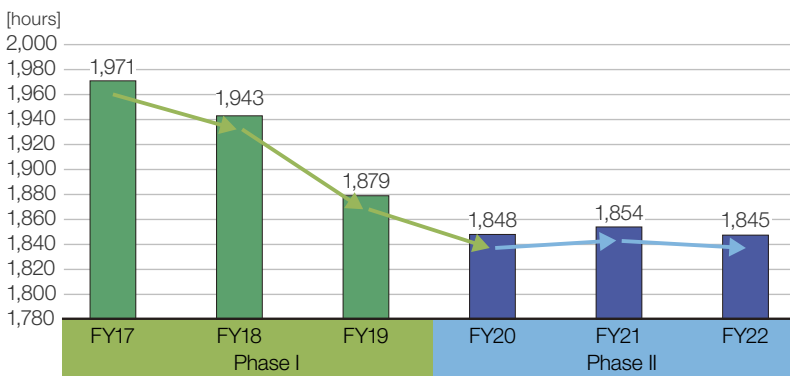
Managing Working Hours

Seiko Epson has been acting to more closely manage working hours and prevent long working hours as part of work reforms we began in 2017 and as a priority field in our Health Action 2025 medium-term health management measures we enacted in April 2022. 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.

Achievements and Targets for Managing Working Hours and Preventing Long Working Hours Through the Above Activities

Target in FY2023 for actual total annual working hours: 1,845 hours

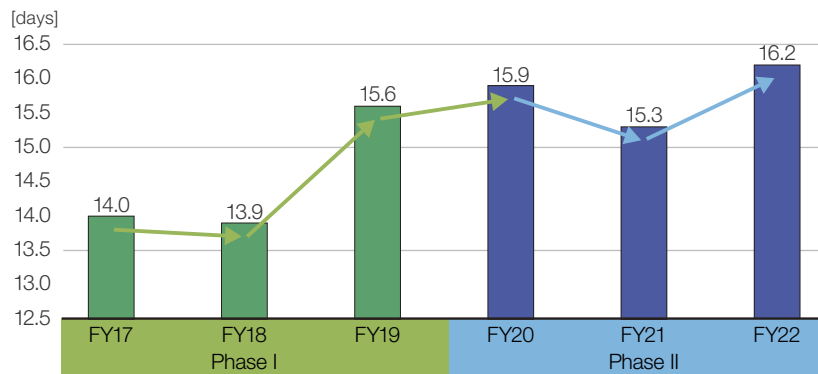
Annual Total Working Hours per Employee



Data for Seiko Epson Corporation employees as of March every year.

Target in FY2023 for number of days of paid leave taken: 20 days (including leave taken other than annual paid leave)

Number of paid leave used



Data for Seiko Epson Corporation employees as of March every year.

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. Seiko Epson eliminated the gender pay gap in 1983.

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: 86.2%

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	Subsidies for get-togethers between employees, clubs for employees 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.

Health and Productivity Management

Health and Productivity Management

Health Management at Epson

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 April 2020, the president of SEC made free and open communication, enjoyment of work, and changes in the organizational climate priorities. In conjunction with this, Epson publicly committed to the Health and Productivity Management Declaration below. We aspire to achieve sustainability and enrich communities and believe that we can do so by helping our employees manage and maintain good health.

In Japan, we regularly revise mid-range health plans. 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. Outside Japan, Epson Group companies are promoting employee health in line with local occupational health and safety laws.

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

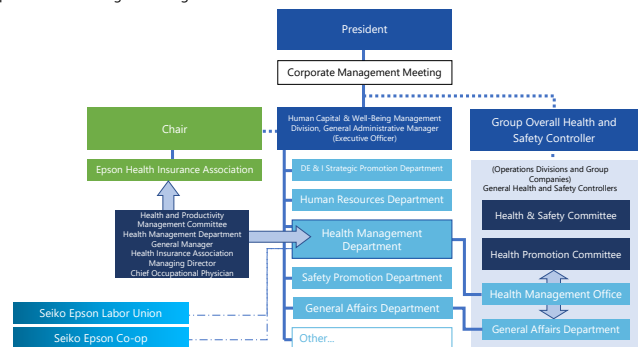
Health Management Objectives and Organization

Health Management Goals

We consider the health of our employees to be of the utmost importance. Accordingly, we work with them to create an enjoyable and dynamic workplace environment to ensure their physical and mental well-being in line with Epson’s Management Philosophy, Basic Occupational Health and Safety Policy, and the Epson Group Health and Productivity Management Declaration.

What we want to achieve through these health management actions are employee happiness and contributions to society. We want all who work at Epson to enjoy a dynamic workplace and to feel that their job is worthwhile and rewarding, with the result that even more societal issues get resolved. We believe that this will lead in turn to achieving sustainability and enriching communities.

Epson Health Management Organization



Organization

Epson established a Human Capital & Well-Being Management Division to drive initiatives under the president, who is responsible for health and productivity management. The functions of the former Health Management Office were transferred to a new Health Management Department within the Division. The Health Management Department, Human Resources Department, and DE&I Strategic Promotion Department are working closely together to manage employee well-being.

The General Administrative Manager of the division is responsible for overseeing all health management initiatives. As an Executive Officer, this individual participates in the Corporate Management Council and serves as the Chair of the Health Insurance Association as well as the Overall Health and Safety Controller.

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 information analysis and for establishing, evaluating, and improving health-related measures. 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.

The “Health Action 2025” Health Management Policy

Epson has been establishing and regularly updating mid-range health plans since 2001. The latest is Health Action 2025, which we established in 2022.

Significant changes are happening in the workplace. More diverse work arrangements are being introduced and the workforce is aging. To adapt to these changes, we believe employees need 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 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.

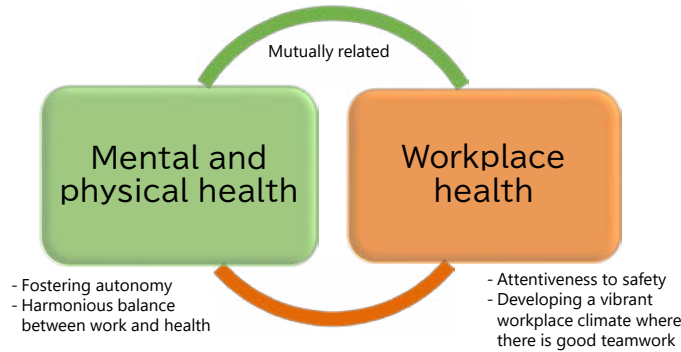
Health Action 2025

FY2022-FY2025



Key Areas

We have a duty as a company to provide a safe working environment and have safety programs geared toward this. But we also have programs to address mental and physical health¹ and workplace health². These programs are designed to deal with changes that could impact health, such as new work arrangements and an aging workforce.



Slogan

In the midst of diversifying work arrangements and changing employee demographics, we anticipate major changes in things such as lifestyle and communication methods. These changes have the potential to improve work-life balance, but they could also adversely impact health. To adapt to these changes, it will be more important than ever for employees to understand themselves and to work toward personal wellness. On top of this, workplaces must embrace diversity and foster relationships where there is mutual acknowledgement and respect.

Therefore, to translate the intent of the policies under Health Action 2025 into action, we added “acknowledge” to the key words “notice, learn, act” to emphasize the importance of mutual respect and cooperation.

Notice, learn, act, and acknowledge



<p>Notice</p>	<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)
<p>Learn</p>	<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
<p>Act</p> <p>Increase the things you can do now to improve your health</p>	<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
<p>Acknowledge</p>	<ul style="list-style-type: none"> • Greet with a smile • Encourage and thank each other • Help each other • Listen to others

Objective and Targets

Mental and Physical Health

Objective

Promote the self-management of mental and physical health and achieve a balance between work and health among all employees.

Indicators of consciousness transformation and behavior change		Indicator (2025)
Percentage of people who are managing stress		> last year
Percentage of people who practice ≥ 6 of the 9 healthy lifestyle habits		$\geq 50\%$
Physique	Percentage who maintain a suitable body weight	$\geq 60\%$
	Percentage of people overweight and obese people who lost $\geq 3\%$ of their body weight from the previous year	$\geq 22\%$
Percentage undergoing physicals	Percentage who undergo further tests based on results of physical checkup	$\geq 90\%$
	Percentage who undergo further tests for cancer	$\geq 90\%$
Percentage who have maintained flexibility and strength (avoided locomotive syndrome)		> 33.2%

Workplace Health

Objective

Pay sufficient attention to safety to prevent impairment of health due to work or the work environment. Develop a vibrant workplace climate where there is good teamwork.

Indicators of consciousness transformation and behavior change		Indicator (2025)
Indicator for the percentage of employees missing one month or more of work due to a mental disorder ¹		≤ 0.83
People working a lot of overtime who are found to have impaired health		0
Cluster infections in a workplace or site		0
Organizational climate	Number of high-risk workplaces	0
	Workplaces that continue to be or are once again high risk	0
	Work engagement	≥ 2.52

¹ Indexed with the FY2022 percentage set to 1

Health-Related Data Analysis

We have established a health information analysis platform that integrates and visualizes the health information held separately by the company and the health insurance association. Our focus is on maintaining a cycle of health management by collaborating with outside professional services to swiftly identify and address health issues affecting employees and the workplace.

Recognized under the Health & Productivity Stock Selection Program for the 2nd Consecutive Year

In March 2023, Epson was recognized under the 2023 Health and Productivity Stock Selection Program for the second consecutive year.

The Health and Productivity Stock Selection 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 received high scores in all four areas of health and productivity management: management philosophy and policy, organization, program and action implementation, and evaluation and improvement. As a result of its ongoing efforts, Epson has also been certified for seven 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.



Mental and Physical Health

Increasing Health Literacy

We provide various education and training courses as part of our mental and physical health and workplace health initiatives. These courses are tailored to different echelons and roles within the organization and are designed to encourage people to manage their own health.

In the area of mental and physical health, the courses focus on key topics such as stress management, healthy lifestyle habits, weight management, and locomotive syndrome prevention. They are offered primarily online to accommodate diverse working arrangements.

In the 2022 fiscal year, all employees were asked to take online courses in stress management and in understanding locomotive syndrome. (Completion rates were 94.9% and 86.5%, respectively.)

We also provide self-care education tailored to different age groups from the time people join the company. Currently, we are exploring educational initiatives targeting employees up to the age of 60.

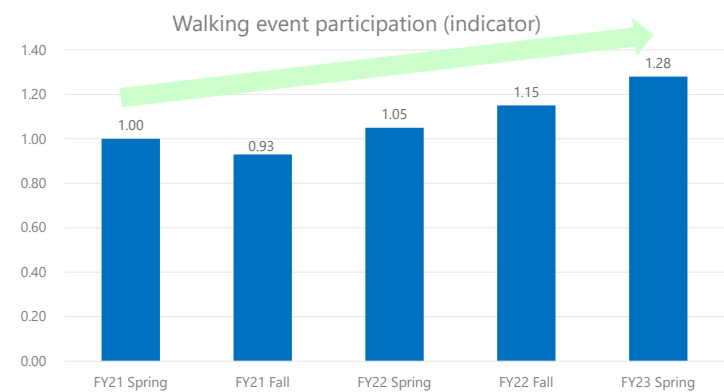
Wellness Activities

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 to revitalize and energize the workplace. Employees selected by their workplace plan and lead activities from an employee perspective.

To achieve the targets in Health Action 2025, we have cited key topics and are strengthening our activities on both the site level and company-wide.

Each site has a Health Promotion Committee composed of employees. These committees plan and run a wide variety of events to promote health awareness and a healthy lifestyle. They have organized things such as events to measure body composition, walking workshops, events to encourage vegetable consumption, sleep seminars, and more.

Walking events, which we began in 2021, have become annual company-wide events. Participation has been increasing with each iteration, contributing to the establishment of a regular exercise routine, mental and physical refreshment, and improved workplace communication.



Measuring body composition

Individual Support

The Health Management Offices at Seiko Epson sites have medical professionals, including occupational physicians and nurses, who are available to provide counseling. Communication is emphasized, and employees are encouraged to seek counseling and mental and physical health support whenever they feel the need. Particular emphasis is placed on getting employees who show signs of potential cardiovascular or brain disease at the annual physical checkup to seek medical care to prevent the progression of symptoms. Furthermore, supervisors, HR, occupational physicians, and others collaborate to provide personalized support to enable individuals who are receiving treatment to continue to work in good health.

Meanwhile, we have employee counseling offices staffed by industrial counselors who provide both mental health and career counseling.

Workplace Health

Mental Health and Wellness Programs

In the area of mental health and wellness, 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 repeats. 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, manager or supervisor, and human resources department to provide better support. Apart from this, individuals whose stress check scores indicate that they are highly stressed are encouraged to speak with a physician. Those who do not wish to do so are encouraged to come in for counseling with a member of the occupational health staff. Moreover, we educate managers, supervisors, and leaders regarding mental health by providing online courses and group training seminars. These are designed to enable them to better foster a healthy, vibrant workplace climate.

Workplace Environment Improvement Activities (sharing of good practices & support for improving high-risk workplaces)

To avert work-related mental health issues, we conduct stress checks to assess the situation in each department and provide support to relieve stress in collaboration with senior management.

We began providing workplaces with feedback on analysis results in 2017 with the goal of further enhancing workplace support. The main actions that started from 2020 were the use of workplace improvement sheets and the facilitation of discussions.



Discussion facilitation

In addition to thinking about what the ideal workplace would be like and then implementing the management cycle to advance toward it, the workplace improvement sheets are used to apprise business unit senior executives of the situation in their organizations and to drive improvements (e.g., structural changes, additional staffing). High-risk workplaces are thus required to submit workplace improvement sheets.

The role of facilitators is to lead discussions that take place in a positive environment where people feel safe. During the discussions, everyone in the department, and not just managers and supervisors, collectively thinks of actions to make the workplace better, and everyone has a part in implementing them.

Good practices and examples of workplace improvements are shared on the company intranet for use as reference by other workplaces.

These actions have helped us to reduce the percentage of workplaces with a high total risk from 5.9% to 1.0%. (Graph) The total health risk value improved from 94 in 2020 to 86 in 2022.

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.

Measures to Prevent COVID-19 Infections

The health and safety of our employees, customers, and other stakeholders are our top priority. Since COVID-19 infections were first confirmed in Japan in the 2020 fiscal year, the Epson Crisis Management Committee, under the direction of senior management, has remained at the forefront of measures to prevent the spread of COVID-19. Effective from May 2023, we have been following national policy guidelines to prevent infections. We will keep a close eye on trends, compile the knowledge we have accumulated, and work to strengthen activities through inspection and improvement.

Other Initiatives

Support for Japanese Employees Working Overseas

We have 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 began 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. Expats are provided with the same level of support to promote health as our employees in Japan. During the time they are stationed overseas, we regularly send them health-related information, conduct physical and mental health assessments, provide follow-up, and post information on the company intranet.

Support for Women's Health Issues

In February 2022, we surveyed our female employees about health issues that are unique to women. Based on the topics in which women showed particular interest, we held an online seminar titled "Understanding Gender Differences and Acknowledging Each Other - The Function of Female Hormones" at Diversity, Equity & Inclusion Fair 2022 organized by the department responsible for promoting diversity. The seminar drew an audience of 500, not all of whom were women. Male managers and men who wish to better understand and respond to their partners' needs also attended. In addition, we emailed information to female employees on four separate occasions on other topics about which they expressed interest, including menstruation, cancer screening, and fluctuations in female hormones.

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 online and hands-on training in cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators (AEDs). As of the end of March 2023, over 16,000 people had taken the courses.

Initiatives Involving External Partners

We consider the self-management of physical and mental health to be relevant to everyone who works at Epson sites, so we invite external partners who work on our sites in Japan to participate in health literacy education and company-wide walking events. The company-wide walking events that we organize not only create an impetus for physical activity but also promote communication among participants and within the workplace.

Promoting Broader Health Management Activities

As part of our efforts to promote health management, we respond to surveys requested by other companies, contribute articles to health-related magazines, provide information about Epson's health management initiatives, and organize inter-company networking events.

Occupational Health and Safety

Occupational Health and Safety

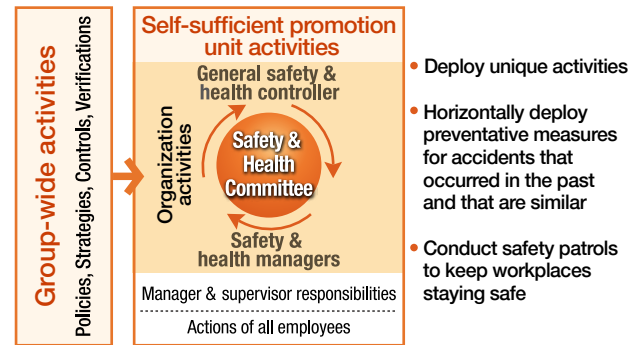
Approach to Occupational Health and Safety

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 \(Please refer to page 330 of "Appendices"\)](#)

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. Bearing in mind that safety, security, and health are the most important things 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 Capital & Well-Being Management Division

Overall Health and Safety Controller

Occupational Accidents

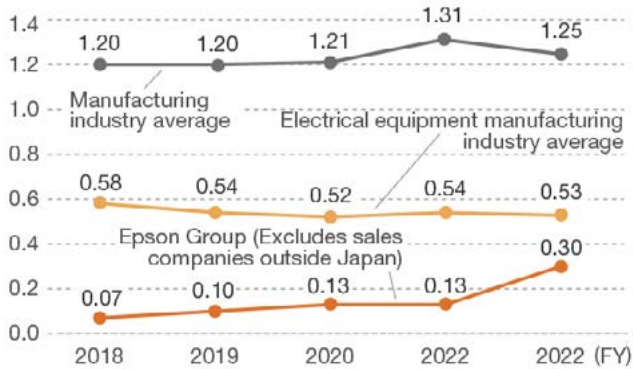
In FY2022, we had no serious occupational accidents.¹ As a result of our efforts, the number of cases of reaction to motion and over-exertion declined from 10 to just three. However, the number of falls increased from eight to 18. In FY2021, we had a serious occupational accident involving a forklift at an overseas warehouse. Learning from that experience, we have enhanced our occupational health and safety activities by changing our management of indicators to include sales companies in addition to manufacturing sites starting in FY2022. We stepped up warehouse site checks and equipment inspections at sales companies. Unfortunately, we were unable to change the trend and reduce the number of forklift accidents. We continue to develop activities to prevent repeat accidents through forklift operation safety training with videos and occupational health and safety meetings for all business units.

With the addition of sales companies, the Epson Group's occupational accident frequency rate and severity² both rose over the previous year but they were still 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 occupational accident indicators calculated with formulas provided by the Ministry of Health, Labour and Welfare, Japan.

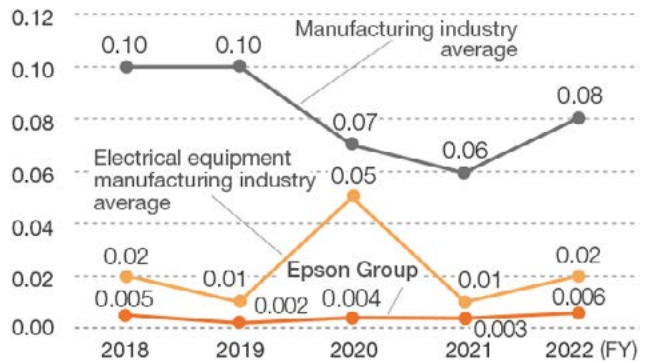
Occupational Injury Accident Frequency



$$\text{Occupational injury accident frequency} = \frac{\text{Number of injury accidents}}{\text{Total actual working hours}} \times 1,000,000$$

* 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 FY2022

Falls	Crashing into a person or object	Getting crashed into by a person or object	Ignition, fuming	Reaction to motion Over-exertion	Other	Total
18	6	6	5	3	10	48

* Definition of accident: An incident that results in one day or more of lost work time

Safety Management Initiatives

Epson's FY2023 safety targets are as follows.

- Zero serious occupational accidents and industrial incidents
- Frequency rate 0.30 or lower and severity 0.006 or lower

Actions for FY2023

We analyzed occupational accidents in FY2022 and will act to prevent accidents, including repeat accidents, in FY2023 by focusing on the actions below.

- Falls: Continue activities to prevent falls using hazard prediction (KY), raise awareness of falls, and promote efforts to eliminate occupational accidents, taking account of sources of hazard when working from home.
- Crashing into a person or object, getting crashed into by a person or object: Because five out of 12 incidents occurred in warehouses, promote safety enhancement activities with site inspections, equipment inspections, and training, with a focus on forklifts.
- Ignition, fuming: Electrical components: Identify the service life of safety circuits and components, check work processes, and manage them using optimal maintenance methods.

Using the above priority activities as important points, we will use risk assessment to identify sources of hazard and will develop various measures to prevent accidents, including repeat 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. In FY2022, five (33%) of our 15 overseas manufacturing sites and four (28.5%) of our 14 domestic manufacturing sites acquired certification, for a total of 31.0% of 29 sites.

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 at the executive management and operational levels and between labor and management.

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.

Labor and management hold monthly Health and Safety Committee meetings with each other. We are working to enhance onsite health and safety by incorporating input from workers.



A September 2023 general health and safety controllers' meeting in Japan

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 FY2022, we offered an online safety course in Japan that was taken by 98.42% of managers and supervisors (1,743 people) and by 99.10% of non-management employees (16,737 people). We also planned and implemented basic education (including in safety standards) for managers and supervisors overseas. The course was taken by 99.10% of the target audience in Greater China (774 people) and by 94.29% in Southeast Asia (1,173 people).

We continue to follow up with those who have not yet taken the course to encourage them to do so.

Fire and Disaster Prevention

Epson is committed to fire safety and disaster management. Our fire brigades help to protect lives and property. We hold fire and disaster drills and practice extinguishing incipient fires to help minimize damage in the event of a disaster. These actions both increase our preparedness and heighten employee awareness.

Formation of Fire Brigades

The first brigade was formed in 1955, with 15 men 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 in Japan and at 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.
- Fire brigade training is meant to enable personnel to ensure personal safety (rescue and render first aid) and minimize damage to facilities and equipment by fighting incipient fires when there is an accident or 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. Brigades are a good place to foster friendships between members from different departments, develop character, and cultivate human resources.

Drills in Fighting Incipient Fires

Fire brigades

Fire brigades practice fighting incipient fires (fires in the early stage) primarily using portable fire pumps and indoor/outdoor fire hydrants. They prepare for the possibility of a fire with monthly fire drills. Not only do they practice using site firefighting equipment and guiding people to safety during evacuations, they also practice assisting local fire departments that may be called by replenishing water for fire engines.

Special nighttime firefighting teams made up of employees who live near the company conduct drills to ensure preparedness in the event of a fire or disaster that occurs on a weekend or at night.



Fire brigade drill



Firefighting drill



Nighttime firefighting drill

General firefighting training

Fires, should they occur, must be extinguished in the early stages to limit damage. We periodically train everyone in the workplace in the use of fire extinguishers to ensure that they can quickly and effectively use them when needed.



Training in fire extinguisher use



Employees practicing fire extinguisher use

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

Supply Chain

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Supply Chain

Supply Chain

We are working to build a healthy, high-quality supply chain.

Building Responsible Supply Chains in Partnership With Suppliers

We are building responsible supply chains in partnership with our suppliers. We build trusting relationships with our business partners around the world based on fairness, coexistence, and co-prosperity. We maintain high ethical standards and a social conscience, and we conduct our procurement and production activities in compliance with all laws, regulations, and rules in regions where we operate. In parallel with efforts to ensure appropriate quality, price, and delivery times, we are also working to build supply chains that have a lower environmental impact. As a regular member of the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains, Epson asks its suppliers to adhere to the same high ethical standards as we do.

COVID-19, logistics disruptions, chip and electronic parts shortages, and other challenges have highlighted the need for stronger business continuity programs in supply chains, and we are working closely with our suppliers to strengthen ours.



Junichi Watanabe
Managing Executive Officer
General Administrative Manager,
Production Planning Division

Vision

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. Toward this end, we ask our suppliers to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.

In 2021, Epson identified four materialities (priority issues) that it should address to help solve societal issues and advance toward its aspirational goal of achieving sustainability and enriching communities. Epson selected 12 key sustainability topics that it will act on to achieve these. The key sustainability topics, one of which is “realizing responsible supply chains,” have been mapped to the 169 targets of the 17 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.

Epson has joined the Responsible Business Alliance (RBA) and supports 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 expected to observe the RBA Code of Conduct and meet its supply chain due diligence obligations at a high level. Accordingly, in addition to ensuring compliance in our own operations, we ask our suppliers to observe the requirements and promote CSR across the entire supply chain.



Sustainable Procurement Policy

In Principles of Corporate Behavior, Epson describes principles of conduct that must be practiced in order to achieve the goals stated in Epson's Management Philosophy. Building and maintaining mutually beneficial relationships with suppliers is one of these principles, as are CSR-related issues such as respect for human rights, environmental impact mitigation, compliance, and responsible sourcing of minerals.

In addition to the principles of conduct stated in Principles of Corporate Behavior, Epson's Basic Procurement Policy sets forth fundamental practices for optimizing and stabilizing quality, cost, and delivery (QCD).

Under these overarching policies, we have established the Epson Group Supplier Guidelines. We provide our suppliers with the Guidelines to familiarize them with the fundamental procurement requirements to which we ask them to adhere.

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.

Supply Chain CSR Strategy

Epson wants to help solve societal issues and achieve sustainable growth 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. Not only do we comply with local laws and regulations in the countries and regions where we operate, we also respect international sustainability initiatives such as the Sustainable Development Goals (SDGs) and the RBA code of conduct.

Furthermore, as outlined in the United Nations Guiding Principles on Business and Human Rights, Epson's responsibility extends to its supply chain. Aspiring to achieve sustainability and enrich communities, we have established strategic actions in four areas to achieve, by 2030, socially responsible supply chains from the standpoints of human rights and sustainability.

These actions will also lead to the achievement of the SDGs by the 2030 target year.

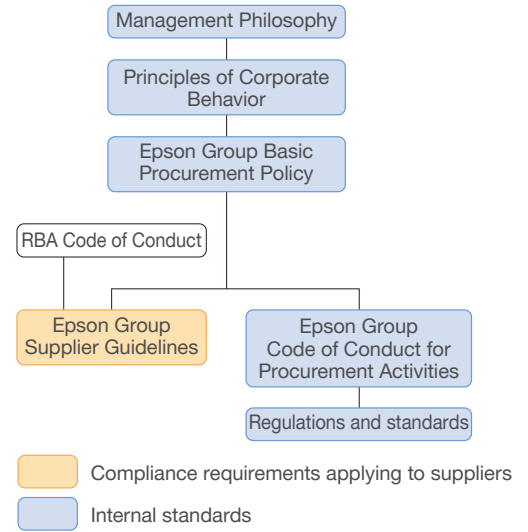
Promoting decent work

Ensuring work safety

Responsible mineral sourcing

Environmental impact mitigation

CSR Procurement Policies

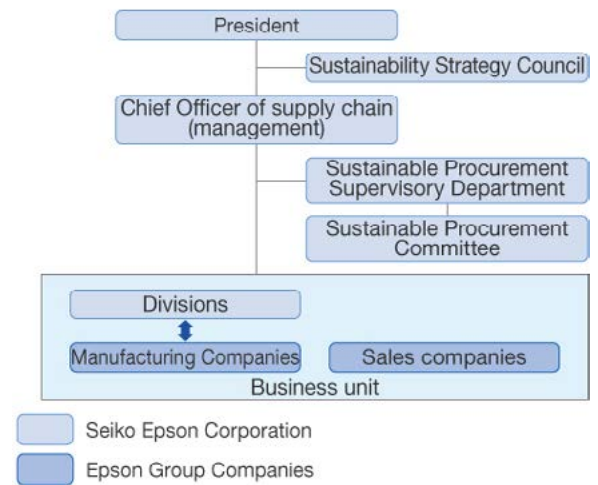


Organization

The chief officer of supply chain management (SCM), a member of Seiko Epson's board of directors, promotes social responsibility in supply chains in conjunction with all entities within the Epson Group.

The Sustainable Procurement Committee is a cross-organizational body made up of personnel from all Epson's operations divisions and from the procurement departments of Epson Group companies, with administrative oversight provided by the Seiko Epson Head Office department that supervises socially responsible procurement. The committee discusses targets and action plans, gets them approved by the chief officer responsible for promotion of supply chain management (SCM), communicates them to the entire Group, and puts those targets and action plans into effect. The chief officer of SCM promotion monitors the progress of action plans, and progress is regularly reported to the Sustainability Strategy Council, a corporate management meeting body that includes members of the board of directors.

Organization of Supply Chain CSR



Key Goal Indicators (KGI) and Key Performance Indicators (KPI)

To realize our vision of socially responsible supply chains, we set mid-term goals and annual targets. Performance and progress against the goals and targets are measured using KGI and KPI, respectively.

Mid-Term Goals (to be achieved by March 31, 2026)

Socially responsible procurement: 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 only conflict-free smelters and refiners certified under the RMI's Responsible Minerals Assurance Program (RMAP).

FY2022 Action Items and Results

	Action Items and KPI	Result
1	Strengthen the CSR self-assessment questionnaire (due diligence): 1) CSR SAQ results: high risk 0%, medium risk: 6% or less 2) Completion rate of risk mitigation activities ¹ for certain priority items: KPI 100%	1) Major suppliers of direct materials 0% high risk (0 sites) and 9% medium risk (42 sites) 2) Major suppliers of direct materials 84% completion rate (146 out of 173 suppliers)
2	Strengthening conflict minerals survey 1) Elimination of smelters who are not conflict-free certified by performing due diligence 2) Survey return rate: 100%	1) Feedback to suppliers using smelters that are not conflict-free certified: 100% 2) Return rate CMRT (3TG ²): 99% EMRT (cobalt): 97%
3	Strengthening CSR engagement with suppliers: 1) Supplier CSR meetings: Hold at 100% of manufacturing sites 2) Discussions with suppliers on CSR: 20 companies	1) 100% (15 sites) 2) 16 companies

¹ Risk mitigation activities for certain priority items: At Epson, "certain priority items" are human rights-related issues that are rated priority non-conformances under the RBA's Validated Assessment Program (VAP) audit standards. If an answer on an SAQ corresponds to such an issue, the supplier is asked to take corrective action and we check progress.

² 3TG: tin, tantalum, tungsten and gold

FY2023 Action Items

	Action Items	KPI
1	Improvement in CSR	CSR SAQ results (major suppliers of direct materials): 0% high risk (0 companies) and 4% medium risk (20 companies) or less
2	Strengthening conflict mineral surveys	1) Survey return rate: 100% (1,500 companies) 2) Feedback to suppliers using smelters that are not conflict-free certified: 100% (750 companies)
3	Strengthening CSR engagement with suppliers	Supplier CSR meetings: Hold at 100% of manufacturing sites (15 main manufacturing sites)




External Recognition

Supply chain CSR is evaluated by many rating agencies as part of the “S” (Social) component of ESG (Environmental, Social, and Governance) assessments. Among the supply chain CSR topics examined are policies, human rights due diligence, and responsible sourcing of minerals.

Epson’s efforts and achievements in supply chain CSR have received recognition from various ESG rating agencies.

In the latest sustainability assessment by France-based EcoVadis, Seiko Epson Corporation earned a Platinum rating for the third consecutive year. This award puts Seiko Epson in the top 1% of companies among approximately 100,000 companies worldwide assessed by EcoVadis. In addition to an overall score, EcoVadis provides scores for environmental, labor and human rights, ethics, and sustainable materials sourcing performance. Seiko Epson received its highest score in sustainable materials sourcing.

EcoVadis Sustainability Assessment Results Trend

	2020	2021	2022
Overall rating			
Sustainable materials sourcing score	80 /100	80 /100	90 /100

Supplier Guidelines

Supplier Guidelines

Epson Group Supplier Guidelines/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 Procurement Guidelines (now called the Epson Group Supplier Guidelines) were established 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, trade control and ensuring security in the supply chain, as well as information security. The content is periodically revised to maintain consistency with the latest RBA Code of Conduct.

Over the 18-year history of the Guidelines, we have asked all suppliers to comply with the requirements and have asked our major suppliers 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, environment, 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
<p>A1 Freely Chosen Employment (e.g., prohibiting forced labor)</p> <p>A2 Young Workers (including prohibition of child labor)</p> <p>A3 Working Hours (maximum working hours, holidays, voluntary overtime)</p> <p>A4 Wages and Benefits</p> <p>A5 Humane Treatment</p> <p>A6 Non-Discrimination/Non-Harassment</p> <p>A7 Freedom of Association</p>	<p>B1 Occupational Safety</p> <p>B2 Emergency Preparedness</p> <p>B3 Occupational Injury and Illness</p> <p>B4 Industrial Hygiene</p> <p>B5 Physically Demanding Work</p> <p>B6 Machine Safeguarding</p> <p>B7 Food, Sanitation and Housing</p> <p>B8 Health and Safety Communication</p>
C. ENVIRONMENT	D. ETHICS
<p>C1 Environmental Permits and Reporting</p> <p>C2 Pollution Prevention and Resource Reduction</p> <p>C3 Hazardous Substances</p> <p>C4 Solid Waste</p> <p>C5 Air Emissions</p> <p>C6 Materials Restrictions</p> <p>C7 Water Management</p> <p>C8 Energy Consumption and Greenhouse Gas Emissions</p>	<p>D1 Business Integrity</p> <p>D2 No Improper Advantage</p> <p>D3 Disclosure of Information</p> <p>D4 Intellectual Property</p> <p>D5 Fair Business, Advertising and Competition</p> <p>D6 Protection of Identity and Non-Retaliation</p> <p>D7 Responsible Sourcing of Minerals</p> <p>D8 Privacy</p>
E. MANAGEMENT SYSTEMS	
<p>E1 Company Commitment</p> <p>E2 Management Accountability and Responsibility</p> <p>E3 Legal and Customer Requirements</p> <p>E4 Risk Assessment and Risk Management</p> <p>E5 Improvement Objectives</p> <p>E6 Training</p>	<p>E7 Communication</p> <p>E8 Worker Feedback, Participation and Grievance</p> <p>E9 Audits and Assessments</p> <p>E10 Corrective Action Process</p> <p>E11 Documentation and Records</p> <p>E12 Supplier Responsibility</p>

Supply Chain Initiatives

Supply Chain Initiatives

Supply Chain Management

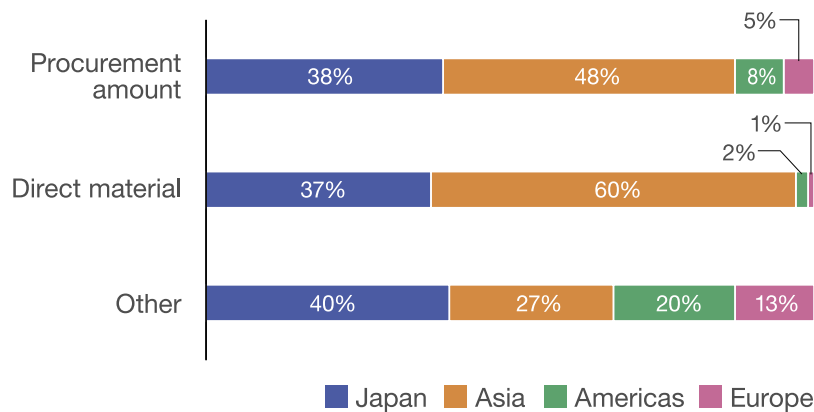
Epson considers suppliers to be important partners in its business activities. As such, our procurement activities are designed to develop mutually beneficial trusting relationships with our business partners based on fairness, transparency, and respect.

Epson procures goods from around the world. Domestic Japanese procurement accounts for about 38% of our total procurement spend. Asia accounts for the large majority of the remaining 62%.

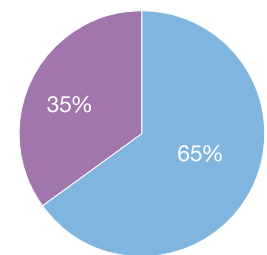
Our procurement spent for direct materials (production materials and outsourced manufacturing) accounts for about 65% of the spend and indirect materials (including factory consumables, machinery, public relations, logistics, and staffing) for about 35%.

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 Overview



Procurement material



Direct material Other

Supplier Evaluation Program

Epson evaluates both direct and indirect materials suppliers based on a comprehensive supplier evaluation program. The program consists of multiple evaluations. The primary components are an indirect evaluation, which is based on information from a third-party credit investigation, and a direct evaluation (annual evaluation), which 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 an external credit bureau Evaluation items: Credit score, business history, capital composition, business size, profit/loss, financing status, management, etc.	Every 2 months
Direct evaluation (annual evaluation) Self-assessment of QCDEMS Evaluation items: Quality management (Q), cost management (C), delivery management (D), environmental management (E), management systems (M), and information security (S)	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 (human rights), health and safety, environment, ethics, and 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, and 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 Guidelines 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)

Certain suppliers, selected on the basis of procurement risk, are asked to complete an evaluation.

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. We concurrently ask suppliers to check their information security and defenses against the recent global surge in cyberattacks and information leaks.

Section	Number of questions
Q. Quality	12
C. Cost	5
D. Delivery	5
E. Environment	5
M. Management system	15
S. Information security	25
Total	67

Suppliers who receive a score of 60 points or less in the annual evaluation are considered high risk. We assist these suppliers in their efforts to improve. If, despite this, no improvement is observed, Epson terminates the relationship. There were 16 suppliers who scored 60 or less on the annual evaluation in 2022. These high-risk suppliers were asked to take corrective action.

Direct Evaluation Results

		FY2020	FY2021	FY2022
Number of suppliers		902	959	937
Number of sites		1,440	1,572	1,582
% of suppliers who completed the self-assessment	Goal	100%	100%	100%
	Actual	100%	100%	100%

Evaluation of Prospective New Suppliers

Prospective new suppliers are also evaluated via self-evaluation. They must receive a score of at least 70 points. If they score fewer than 70 points, we ask them to correct issues before doing business with them.

Detailed CSR Evaluation

The detailed CSR evaluation is a part of Epson's supplier CSR due diligence program. We are endeavoring to improve the level of CSR across our global supply chains. Toward this end, we have revised the scope, frequency, and some other aspects of our program to meet our obligations as a Regular Member of the Responsible Business Alliance (RBA).

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, site observations, and interviews.

Suppliers can choose to answer either an online SAQ provided by the RBA or an SAQ prepared by Epson that is based on the RBA's Validated Audit Program (VAP) audit criteria. The Epson SAQ is designed to thoroughly check labor conditions (respect for human rights) and has many questions in the labor section.

Suppliers who are deemed high risk are audited in accordance with RBA criteria and are asked to take corrective action as needed.

Composition of Questions on the 2022 Epson SAQ

Section	Scope & Number of questions	
	Direct supplier	Indirect material supplier
A. Labor (human rights)	40	37
B. Health and safety	29	9
C. Environment systems	12	-
D. Ethics	13	8
E. Management systems	15	9
O. Protection of the rights of indigenous peoples and foreign migrant workers	-	5
Total	109	68

Epson SAQ Scores and Risk Ranks

Risk rank	Score	Remarks
Low risk	More than 85 pts.	> Suppliers who comply with the requirement of the RBA Code of Conduct.
Medium risk	65–85 pts.	> Suppliers who does not comply with some of the requirement of the RBA Code of Conduct, but are expected to take corrective action themselves.
High risk	Less than 65 pts.	> Suppliers who does not comply with many of the requirement of the RBA Code of Conduct, and need to be monitored based on corrective action plan. > To be asked to receive RBA (VAP) audit.

* The risk rank of suppliers who complete RBA's online SAQ is determined in accordance with RBA's risk ratings.

2022 SAQ

In 2022, we conducted a detailed CSR evaluation (SAQ and corrective actions) of major suppliers.

Scope of 2022 SAQ

		Selection Criteria
Major suppliers of direct materials		<ul style="list-style-type: none"> Suppliers who account for 80% of the value of Epson's procurement spending¹ Key suppliers designated by each business line. Single source suppliers, etc.
Indirect materials suppliers	On-site service vendors ²	Vendors on Seiko Epson and its manufacturing sites employ
	Staffing/recruitment agencies	Agencies that Seiko Epson and its manufacturing sites employ
	Logistics warehouse operators	Operators that Seiko Epson and its manufacturing sites employ
	Call center contractors	All call center service providers that Epson uses in regions with high CSR risk

¹ Epson's Tier 1 (direct) suppliers are arranged in descending order based on transaction amounts and selected until 80% of the total spend is reached. If a tier 1 supplier is a trading company, the manufacturer that supplies the trading company is asked to complete an SAQ.

² Contractors who provide security, food service (Canteen), and other services at Epson sites.

Direct Material Suppliers

In 2022, Epson collected a completed SAQ from all the 164* major tier 1 direct materials suppliers (449 sites) requested. When our tier 1 supplier was a trading company, we also had tier 2 suppliers complete an SAQ.

The number of suppliers who choose to complete RBA's online SAQ has been growing each year. These suppliers now account for about 25% of the total.

All suppliers who completed the Epson SAQ were notified of their results. In addition to their SAQ scores, we prepared a feedback sheet that included advice on correcting identified issues. We also monitored the progress of corrective actions on critical items related to human rights* and provided assistance as needed.

* Critical items related to human rights (partial excerpt):

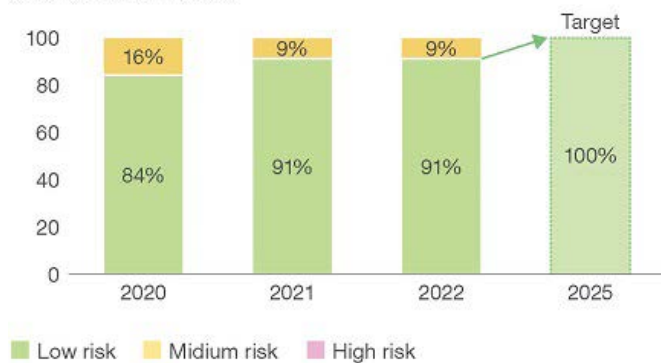
- Prohibition of child labor, slave labor, and forced labor (none detected)
- Proper management of working hours (a 60-hour maximum workweek and at least one day off every seven days)
- Proper payment of wages (proper payment of the legal minimum wages and overtime wages, and timely payment of wages)
- Charging workers recruitment fees, humane treatment, harassment
- Evacuation drills (with full participation enterprise wide, nighttime, dormitories, etc.), provision of suitable personal protective equipment at no cost to workers
- Provision of safety measures for pregnant and nursing mothers, and provision of a clean lactation room

Evaluation Results for Direct Material Suppliers

	2020	2021		2022	
Number of suppliers evaluated	222 (391 sites)	293		164 ¹	
		Epson SAQ (427 sites)	RBA SAQ (70 sites)	Epson SAQ (338 sites)	RBA SAQ (111 sites)
Mid-term target (KPI)	<ul style="list-style-type: none"> • Achieved the FY2020 target of 0% high-risk suppliers. • Target set in FY2021: All major suppliers are ranked low risk in terms of CSR by 2025. 				
Low-risk (> 85 pts.)	84%	91% (443 sites)		91% (407 sites)	
				91% (306 sites)	91% (101 sites)
Medium-risk (66-85 pts.)	16%	9% (53 sites)	0% (1 sites)	9% (32 sites)	9% (10 sites)
High-risk (< 65 pts.)	0%	0% (0 sites)	0% (0 sites)	0% (0 sites)	

¹ Corporate group

SAQ Evaluation Result



Indirect Material Suppliers

Indirect materials suppliers are essential business partners, so Epson asks them to understand and comply with the RBA's requirements.

Since 2019, we have asked our major indirect material suppliers, including on-site service vendors, staffing/recruitment agencies, and logistics warehouse operators, to complete the SAQ and take corrective actions depending on the SAQ results. In 2022, we further expanded the number of companies asked to complete an SAQ.

In addition to the SAQ, we conduct audits at manufacturing sites to check the working environment and employment conditions of on-site service vendors. We provide support until we can verify that identified issues have been corrected in areas such as long working hours, granting of time off, consecutive days worked, and proper payment of overtime. SAQ scores have risen because of these efforts.

In 2022, we received a completed SAQ from all 247 companies with operations at Seiko Epson plants and offices and at Epson's main manufacturing sites.

Evaluation Results for Indirect Material Suppliers

Supplier category		2020		2021		2022	
		Number of vendors	SAQ average score	Number of vendors	SAQ average score	Number of vendors	SAQ average score
On site service vendors	Security	15	84	15	92	19	91
	Canteen	18	78	13	89	13	91
	Cleaning	16	77	13	89	17	90
	Facility maintenance	15	83	16	88	17	89
	Others	80	82	71	92	67	93
	Sub-total	144	81	128	91	133	91
Logistics warehouse operators ¹		*	*	3	91	8	93
Staffing/recruitment agencies		89	88	89	93	91	93
Call centers ²		-	-	-	-	15	90
Risk rank	Low risk (> 85 pts.)	-	-	-	-	203	82%
	Medium risk (65-85 pts.)	-	-	-	-	44	18%
	High risk (< 65 pts.)	-	-	-	-	0	0%

¹ 2020 results are included in the on-site service vendors category, under "Others."

² Given the results of the 2022 risk assessment, call center contractors were asked to complete an SAQ.

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.

Third-Party Audits

Since 2020, no supplier has been identified as high-risk through the SAQ, which is part of the due diligence obligations for RBA Regular Members, and no third-party audits conforming to an RBA VAP audit have been performed, largely due to the impact of COVID-19.

Again, in 2022, no major supplier¹ 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.



¹ 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 Corrective Action Support

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.

For direct material suppliers, 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.

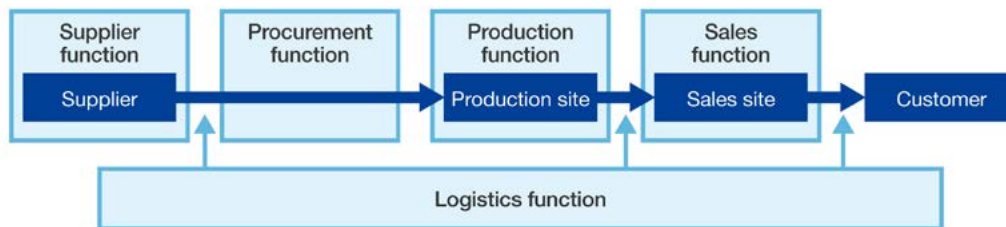
For on-site service vendors, Epson employees conducted a second-party audit to improve the working conditions by, for example, closely monitoring working hours, granting time off, paying appropriate overtime, and ensuring that workers are not made to pay recruitment fees.

Audit and On-Site Verification (Number of Facilities, Japan and Other Areas)

Audit/Verification		2020	2021	2022
Third-party audit	Initial audit	1	0	0
	Follow-up audit	1	0	0
RBA (VAP) audit	Initial audit	9	16	23
	Closure audit	7	6	12
Second-party audit and on-site verification	Direct Material Suppliers	323	163	216
	Indirect material suppliers		55	64
	total		218	280

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. As stated in our policy, we strive for complying with the United Nations Guiding Principles on Business and Human Rights and respecting internationally recognized human rights as stated in the Universal Declaration of Human Rights and other relevant instruments. Moreover, we support the purpose of the RBA and, as a member, seek to ensure that our suppliers also comply with the RBA Code of Conduct. Through these initiatives, we aim to ensure that rights are respected throughout the Epson product supply chain.

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 the programs of suppliers by (1) conducting self-assessments and audits
4. Checking the programs of suppliers by (2) providing support for the remediation of individuals and communities and addressing human rights impacts

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.

An SAQ is used to assess how closely suppliers are adhering to the RBA Code of Conduct in the area of human rights. We provide feedback to each supplier site regarding the remediation of human rights abuses and other issues that need to be addressed, and we request that they take corrective action.

The RBA Code of Conduct covers a wide range of human rights related issues, particularly the Labor section. Taking into account the ILO Declaration on Fundamental Principles and Rights at Work and the principles of the United Nations Global Compact, we identify priority human rights issues and make addressing these issues mandatory.

Priority human rights issues

- Child labor (A2 in the RBA CoC, ILO Convention Nos. 138 & 182)
- Forced labor (A1 in the RBA CoC, ILO Convention Nos. 29 & 105)
- 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 (proper payment of the legal minimum wages and overtime wages, 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, ILO Convention Nos. 100 & 111)
- Freedom of association and the right to collective bargaining (A7 in the RBA CoC, ILO Convention Nos. 87 & 98)
- A safe and healthy work environment (B. Health and Safety in the RBA CoC, ILO Convention Nos. 155 & 187)

In addition, when we become aware of an adverse impact on human rights through an audit or a report by a whistleblower employed by a supplier, we provide support until remediation is provided for.

Examples of Remediation

- Working hours were not recorded by an on-site manufacturing contractor due to a malfunction of the recording device, resulting in unpaid overtime wages for that period. Remedial action: Verified the payment of the missing wages
- An on-site security services company was not paying overtime wages or holiday allowances and was not granting days off. Remedial action: Verified the payment of the respective allowances and the granting of days off.

Epson has established supplier compliance hotlines that suppliers and their employees can use to seek remediation and protection. The supplier compliance hotlines are recommended for use in reporting human rights related issues.

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.

Strengthening Engagement to Reduce Environmental Impact in Supply Chains

Epson uses supplier conferences and other opportunities to ask its suppliers for cooperation in reducing the environmental impact of business activities across its supply chains. We also periodically evaluate our suppliers' environmental programs and the results of their environmental impact mitigation efforts. We assist them as needed to improve.

Suppliers are asked to complete direct evaluations (annual evaluations) and detailed CSR evaluations that include questions about the environment. We collect and analyze their answers and provide feedback on the detailed CSR evaluations. Suppliers whose scores put them in the high-risk category are visited for on-site verification or audits and are aided to correct issues. In addition, we survey the suppliers who account for 80% of the value of Epson's procurement spending to find out about their renewable electricity policy and actual use of renewables, as well as about their GHG emissions from electricity and gas and water consumed in the production of parts for Epson.

We demonstrate our commitment to collaborating with suppliers to address challenges at each step of the GHG emissions reduction process and make calls for cooperation. We will continue to act in concert with suppliers to achieve the goal of the decarbonization of society as a whole.

What We Ask of Suppliers²

- Visually represent GHG emissions reductions, set reduction targets, and select and implement reduction measures.
- Use recycled and biomass materials.
- Observe regulations regarding substances in products.

² Excerpted from the April 2023 supplier conference materials

Examples of Steps for Reducing GHG Emissions



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 societal issues around the world and improving supply chain CSR through industry collaboration.

[Global initiative]

Responsible Business Alliance (RBA) regular member
Participating companies: 225 (as of 5/2023)



Responsible Business Alliance

Advancing Sustainability Globally

[Domestic Japanese industry initiative]

The Japan Electronics and Information Technology Industries Association (JEITA), CSR Committee
Participating companies: 28 (as of 4/2023)

Example activities:

- Issuing and promoting the Responsible Business Conduct Guidance
- Study of human rights due diligence and grievance mechanisms
- Study of the global regulatory situation

Communications & Training

Communications & Training

Communication with Suppliers

Procurement Policy Orientation

Epson considers suppliers to be indispensable business partners, and we believe that it is our responsibility to not only deliver quality products but also to ensure that all suppliers in the supply chain respect human rights, provide a safe working environment, and remain environmentally conscientious.

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 asks suppliers to 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 supplier conference for CSR (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, Philippines, Indonesia, and other area.

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 cooperate 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.

Supplier Participation

	Area					Total number of attended companies
	Japan	China	Philippines	Indonesia	Others ¹	
FY2020	764	77	17	17	23	898
FY2021	550	22	86	145	11	814
FY2022	969	80	81	30	35	1,195

¹ "Others" includes Singapore, Thailand, and Malaysia, where Epson manufacturing sites are located.

Seminars for Suppliers

In addition to explaining social demands and Responsible Business Alliance (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.

Epson believes that it is important for suppliers to understand the need for CSR programs and to take the initiative to launch their own. 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 ¹ briefing
FY2022	Human rights seminar, SAQ briefing, conflict minerals survey conference
FY2023 (plan)	Human rights seminar, Environment seminar, SAQ briefing, responsible mineral sourcing conference

¹ SAQ: Self-Assessment Questionnaire

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 of domestic Japanese Epson Group companies: Please refer to "Handling of personal data associated with use of the whistleblowing system"
- For suppliers of Epson Group companies outside Japan: Use the reporting channel of that company. Please refer to "Epson Group Supplier Hotline Contact Information"

You may also use a comments/opinions box located in the Epson facility.

Handling of personal data associated with use of the whistleblowing system:
<https://corporate.epson/en/sustainability/supply-chain/communication/partnerline-privacy.html>

Internal Training

The Epson Group's Management Philosophy champions teamwork and respect for the individual. 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 has thus created a multi-level program to provide employees and partners with training.

Mandatory Internal Training (Japan)

Epson provides a basic online course for all employees, as well as courses tailored to the needs of procurement staff.

Procurement Compliance Seminar

Course	Description	For	Fiscal year	2020	2021	2022
Procurement compliance seminar			Seminar completion rate	75%	82%	96%
Basic online course	CSR/SDGs/RBA and procurement Code of conduct for procurement Laws and regulations Procurement rules Procurement rules violation case studies	New procurement staff	Target			
			Persons	600	400	903
			Result			
			Persons	533	522	903
Procurement compliance seminar (updated)	CSR/SDGs and procurement Code of conduct for procurement Laws and regulations Procurement rules violation case studies Important rules changes	Procurement staff, every 5 years	Target			
			Persons	3,149	2,470	3,468
			Result			
			Persons	2,272	1,840	3,299

Basic Online Course

Description	For	Fiscal year	2020	2021	2022
1. Ethical conduct 2. Subcontract Act & procurement management (Laws & regulations, case studies)	All domestic Epson Group company employees & partners	Target completion rate	92%	90%	90%
		Actual completion rate	95%	91%	88%

* Ethical conduct and Subcontract Act are covered in alternate years.

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 standard, 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	General overview of 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 systems
Workshop for RBA (VAP) audits	Workshop training for implementing RBA requirements and preparing for RBA (VAP) audits
CSR auditor training for supplier audits	Internal auditor training for supplier on-site audits
Worker interview training for supplier audits	Internal auditor training for supplier on-site audits
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.

Responsible Mineral Sourcing

Responsible Mineral Sourcing

Responsible Minerals Sourcing

Policy for High Risk Minerals

Profits from the extraction and sale of minerals such as tin, tantalum, tungsten, and gold (3TG) in conflict-affected and high-risk areas such as the Democratic Republic of the Congo (DRC) and neighboring countries are a source of funding for armed groups and anti-government forces carrying out atrocities and human rights abuses. Furthermore, it has been pointed out that cobalt mines in the southern part of the DRC have become breeding grounds for child labor.

It is Epson's corporate policy to avoid engaging in any form of human rights violations or environmental destruction. While sourcing minerals that originate in conflict-affected or high-risk areas, we will not tolerate any form of human rights violations or abuses. We will not engage in business relationships with any party involved in human rights abuses, nor will we support operations that result in the degradation of socioeconomic and environmental conditions.

Management of Epson recognizes that responsible sourcing of minerals is a societal issue that needs to be addressed. In order to confirm the responsible sourcing of minerals throughout the entire supply chain, we advocate the establishment of a survey system in the Principles of Corporate Behavior and further define the details of our efforts as "key sustainability themes".

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 require 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).

Epson has direct material suppliers submit an agreement letter stating that they will comply with responsible mineral sourcing requirements.

Conflict 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 is 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 and is implementing a survey program across the entire Group in accordance with 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) for 3TG and the Extended Minerals Reporting Template (EMRT) for other minerals, including cobalt and mica, provided by the 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 ask our suppliers to source minerals only from conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP). If suppliers indicate that they are unable to determine whether the source smelter is a CFS, Epson tries to avoid or mitigate risk by asking them to do additional checking or to source minerals from a different supplier.

Epson holds supplier conferences for CSR at our manufacturing sites around the world. We use these conferences as well as other opportunities to promote understanding of Epson policies, ask suppliers to improve survey accuracy, and share information about trends involving conflict minerals.

We also endeavor to educate suppliers about survey templates and foster understanding of the surveys. Epson will continue working with suppliers to make sure the 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 establishes a Group-wide policy, implements a supply chain due diligence program, concludes written agreements with suppliers, and establishes 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 an independent third-party audit of the smelter/refiner due diligence practices.

Epson uses the results of the RMI's Responsible Minerals Assurance Program (RMAP) assessments.

STEP 5: Report annually on supply chain due diligence.

Epson discloses its due diligence status on the company's official Web site, in the annual integrated report, and in other media formats.

Survey Results

Epson conducts surveys using the reporting templates (CMRT and EMRT) provided by the Responsible Minerals Initiative (RMI). The CMRT and EMRT allow users to select one of three declaration scopes: (1) Company-wide, (2) Product (or List of Products), or (3) User-Defined. However, Epson asks 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 will result in effective due diligence.

In 2022, Epson conducted a survey of 3TG and cobalt and received completed surveys from 99% of the suppliers of parts/materials containing 3TG and 97% 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 RMAP-certified, or if there is a shortage of the parts covered by the answer, we ask suppliers to conduct an additional survey, change suppliers, or take other risk avoidance or mitigation measures.

Epson is not required to report to the US authorities as we are not listed in the United States, but we do disclose identified smelter and refiner information (name, CID code, and country).

3TG Survey Results

	FY2020	FY2021	FY2022				
			Total	Tin	Tantalum	Tungsten	Gold
Number of identified smelters ¹	340	406	349	86	36	52	175
Number of CFS ²	242	244	229	63	34	37	95
Supplier response rate	97%	99%	99%	-	-	-	-

¹ For information (name, country, etc.) on identified smelters, see "List of the smelters and refiners identified in Seiko Epson's Supply chain which were known by RMI"

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	FY2022
Number of identified smelters	86	69
Number of CFS ¹	23	35
Supplier response rate	98%	97%

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 44% of the 80,000 parts and materials that were subject to the 2022 survey contained 3TG. We were able to determine that 65% (roughly 23,000 parts) of these were sourced from RMI-certified conformant smelters.

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 RMAP certification information
- RMAP 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 avoidance or mitigation measures are 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.

Third-Party Audit Results

Epson's global manufacturing sites undergo RBA VAP audits. All sites that underwent a VAP audit between 2021 and 2022 were found to be in conformity with the RBA's responsible sourcing of minerals (D7) criteria.

Manufacturing Site	Country	Main Products Manufactured
PT. Indonesia Epson Industry	Indonesia	Printers
PT. Epson Batam	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

Summary of the RBA Code of Conduct requirements for the responsible sourcing of minerals (D7):

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 Organization 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

The conflict minerals problem is a global issue that we cannot solve alone. We are therefore participating in alliances and initiatives to address the issue of conflict minerals and to enhance conflict minerals surveys in global supply chains.

We support and actively participate in the programs of the Responsible Minerals Initiative (RMI), which was established to address responsible mineral sourcing issues, and of JEITA, a domestic Japanese industry association.

Global initiative

The Responsible Minerals Initiative (RMI)



Number of member companies: 400+

Some of the RMI's activities

Due diligence

Certification program

Development and provision of standardized reporting templates (survey forms)

Domestic Japanese industry initiative

The Japan Electronics and Information Technology Industries Association (JEITA), Responsible Minerals Trade Working Group

Some of the activities of JEITA

- Collaborating with international initiatives such as RMI/GeSI
- Monitoring and sharing information on the regulatory situation in various countries and regions
- Educating and raising awareness among suppliers
- Pressuring smelters that are not RMI-certified to undergo for audits

Reporting to Mitigate Mineral Sourcing Risks

Epson complies with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and accepts reports from suppliers concerning mineral sourcing risks.

Supply Chain Human Rights Due Diligence

Supply Chain Human Rights Due Diligence

1. Policy (UN Guiding Principle 16)

We at Epson believe that respecting human rights in everything we do is essential to our corporate responsibility. This commitment is reflected in Epson'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 aligned with the "United Nations Guiding Principles on Business and Human Rights" ("the UN Guiding Principles") adopted in 2011. 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 promote business activities in accordance with the RBA Code of Conduct together with our suppliers.

Epson is strengthening its human rights initiatives to respond to new challenges in a constantly changing global business environment. On April 1, 2022, we replaced the Policies Regarding Human Rights and Labor Standards of the Epson Group with a new Epson Group Human Rights Policy. This policy is based on the UN Guiding Principles and has been approved by the Seiko Epson Board of Directors.

 [Epson Group Human Rights Policy \(Please refer to page 331 of "Appendices"\)](#)

Epson's human rights initiatives are spearheaded by Seiko Epson's DE&I strategic promotion department under the supervision of the officer in charge of human capital and well-being management. The DE&I strategic promotion department is addressing issues by building a network with corporate supervisory departments and with other relevant departments at Epson's global affiliates. Epson uses the Epson Group Human Rights Policy and the RBA Code of Conduct to identify human rights-related risks in its operations such as child labor, forced labor, other exploitative labor, abuses of workers' rights 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-related risks*. Workers and the labor union and other labor groups are important stakeholders, and Epson Group companies engage with them in genuine dialogue and discussions based on local labor practices and so forth.

* Results of the FY2021 and FY2022 CSR assessments 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 FY2021 we also held study classes to familiarize members of the board, personnel in Seiko Epson's Head Office supervisory departments, and certain personnel at our global affiliates with the revised Epson Group Human Rights Policy. In FY2022, employees at all Epson Group companies in Japan were required to take a mandatory course titled "Business and Human Rights."

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 that customers, investors, people in the local community, and other stakeholders can use to report grievances, which Epson then appropriately addresses.

In addition, we have established supplier whistleblowing systems at domestic and overseas affiliated companies to receive and respond to consultations and reports regarding human rights and labor from our business partners.

2. Human Rights Impact Assessments (UN Guiding Principle 18)

In accordance with the “UN Guiding Principles on Business and Human Rights”, Epson continuously implements a process of “human rights due diligence”. We identify potential or actual adverse human rights impacts, such as forced labor, child labor, harassment, and discrimination in the value chain related to business activities to develop, manufacture, and sell products, not only at group companies but also at business partners. We then investigate, analyze, redress, mitigate, or prevent the impacts.

The process for ensuring that human rights are respected in Epson’s business is as follows:

1. Establish policies, secure the commitment of top management, embed respect for human rights in the Group, and ask suppliers to uphold human rights, as well.
2. Identify and assess adverse human rights impacts.
3. Plan and stop, prevent, and mitigate adverse impacts.
4. Monitor results and progress.
5. Communicate and report performance.
6. Provide for remediation

Specific contents of human rights due diligence are as follows:

- (1) Establishing policies and making commitments

 [Epson Group Human Rights Policy \(Please refer to page 331 of “Appendices”\)](#)

Epson respects the human rights set forth in the International Bill of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work. Our human rights initiatives are compliant with the United Nations Guiding Principles on Business and Human Rights, and the RBA (Responsible Business Alliance) Code of Conduct. In particular, as a Regular Member of the RBA, Epson is obligated to observe the RBA Code of Conduct, which was established with reference to the foregoing international human rights norms.

In addition, we have established Epson Group Supplier Guidelines, which mirror the RBA Code of Conduct and are augmented by Epson’s own policies. We communicate these guidelines to our suppliers and obtain from them a written agreement in which they consent to observe the guidelines.

- (2) Method of identifying and assessing adverse human rights impacts

When we assess adverse human rights impacts, we focus particularly on employees, workers, and migrant workers, among all Epson stakeholders (customers, shareholders and investors, local communities, business partners, NGOs/NPOs, employees, etc.), since it is they who should be given the highest priority in terms of human rights.

High-priority groups	Impacts/risks of business activities	Assessment method
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		
On-site service vendor employees		
Supplier employees		
Foreign migrant workers		

Once a year, we have our business sites, Group companies in Japan and overseas, and suppliers complete a CSR self-assessment questionnaire.

(3) Assessment results and redressing/prevention

Through these assessments, we identify where human rights are adversely impacted and take actions to redress and mitigate them.

To identify adverse human rights impacts of suppliers and on-site service vendors, we ask them to complete a self-assessment questionnaire in which they assess themselves against each section of the RBA Code of Conduct (labor, health and safety, environment, ethics, and management systems) and in terms of respect for the rights of indigenous peoples and foreign migrant workers.

(4) Monitoring

Epson continues to administer a CSR self-assessment questionnaire (SAQ) once a year to gauge how well Epson Group companies, business sites, and suppliers are conforming with the RBA Code of Conduct.

Moreover, major manufacturing sites voluntarily undergo the RBA's Validated Assessment Program (VAP) audit. These assessments help them accurately grasp how well they are conforming to the RBA Code of Conduct and identify issues for redressing and mitigation.

(5) Communication and reporting

Our efforts and progress in promoting respect for human rights are reviewed annually by management and disclosed online and released in Sustainability Report. We issue annual modern slavery and human trafficking statements in accordance with the laws of various countries, including the United Kingdom. These statements explain actions the Epson Group is taking to combat modern slavery.

(6) Remediation

In addition to "Epson Group employees," "dispatch workers," "onsite service vendor employees," "supplier employees," and "foreign migrant workers" who are given priority, we have established reporting systems and support centers for all stakeholders, including customers, investors, and local residents, to appropriately respond to all complaints.

3. Responding to Identified Human Rights Issues (UN Guiding Principle 19)

Suppliers are among the stakeholders for whom addressing adverse human rights impacts is a high priority, but since they are not part of the Epson Group, we have implemented separate programs specifically for suppliers worldwide.

(1) Communication of Code of Conduct and obtaining agreement by Supplier Guidelines

To ensure that the Epson Group Supplier Guidelines are understood by our suppliers, we provide the guidelines in six languages (English, Japanese, Chinese, Spanish, Portuguese, and Thai). The guidelines are available on our website, and Epson Group companies in Japan and abroad communicate the guidelines to all suppliers. We also obtain written agreement to observe the guidelines from major suppliers.

(2) Education through human rights seminars

We believe supplier understanding is essential for ensuring that human rights are respected throughout the supply chain. To help build understanding, in 2021 and 2022, we conducted human rights seminars facilitated by an expert consultant. These seminars helped to better educate suppliers about the requirements and issues surrounding business and human rights.

(3) Implementing due diligence through SAQ and corrective actions

Epson has been conducting supplier due diligence every year since 2016.

We use the SAQ, which confirms compliance with the Code of Conduct, to ascertain the status of respect for human rights at suppliers, and in addition to the implementation of human rights remedies, we provide feedback on matters that need to be addressed, request actions, and confirm completion of the actions at each supplier site. Whilst the RBA Code of Conduct covers a wide range of human rights issues, particularly the ones in Section A. “Labor”, taking into account the ILO core labor standards and the principles of the United Nations Global Compact, we identify salient human rights issues and make addressing these issues mandatory. After analyzing the answers on the 2022 SAQ, we asked about 51% (173 sites) of direct material suppliers to take corrective actions and verified that 84% of the suppliers completed their corrective actions.

Salient Issues

- Child labor (A2 in the RBA Code of Conduct)
- Forced labor (A1 in the RBA Code of Conduct)
- Proper management of working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA Code of Conduct)
- Proper payment of wages (payment of the legal minimum wages and overtime wages, and timely payment of wages) (A4 in the RBA Code of Conduct)
- Humane treatment (no harassment) (A5 in the RBA Code of Conduct)
- Non-discrimination (A6 in the RBA Code of Conduct)
- Freedom of association and the right to collective bargaining (A7 in the RBA Code of Conduct)
- A safe and healthy work environment (B. Health and Safety in the RBA Code of Conduct)

(4) Remediation through supplier whistleblowing systems (UN Guiding Principles 22, 29 and 31)

All Epson Group companies worldwide have set up supplier whistleblowing systems that suppliers can use to report or consult about issues. Reports can be made anonymously and in the local language. Retaliation against whistleblowers is strictly prohibited.

We take steps to ensure that whistleblowing systems are easy to use for our suppliers' employees. We provide information about our whistleblowing systems in the Epson Group Supplier Guidelines and at supplier conferences, and we encourage their use. Reports can be made from the website, and at manufacturing sites employees of on-site service vendors can also use “suggestion boxes”.

In addition, when we become aware of adverse human rights impacts through a report from a supplier employee or an audit, we provide support until a remedy is provided for.

Examples of Remediation

- Working hours were not recorded by an on-site manufacturing contractor due to a malfunction of the recording device, resulting in unpaid overtime wages for that period.
Remedial action: Verified the payment of the missing wages.
- An on-site security services company was not paying overtime wages or holiday allowances and was not granting days off.
Remedial action: Verified the payment of the respective allowances and the granting of days off.

Green Purchasing

Green Purchasing

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.

Paper Products Procurement

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

Scope of Application

At Epson, the Procurement Policy applies to the procurement of specialty paper for use in Epson printers.

Content of Conforming Procurement Management

Suppliers are asked to provide a Certificate of Conformity to Epson Paper Products Procurement Policy to confirm their compliance with the Procurement Policy.

Customer Commitment

- 236 [Approach](#)
- 237 [Customer Satisfaction](#)
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- 245 [Universal Design](#)

Approach

Approach

Epson set it's Vision for Mid-range CS & Quality and organizations are designed to achieve customer satisfaction, one of the core commitments included in Epson's Management Philosophy.

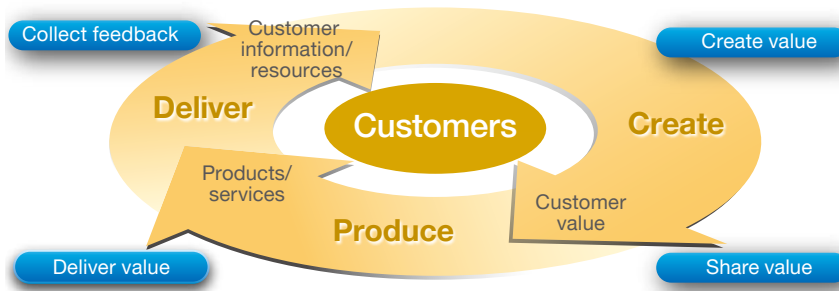
Vision for Mid-Range CS & Quality Initiatives

Epson implements CS & quality programs in line with its Mid-Range CS & Quality Action Policy, which 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.

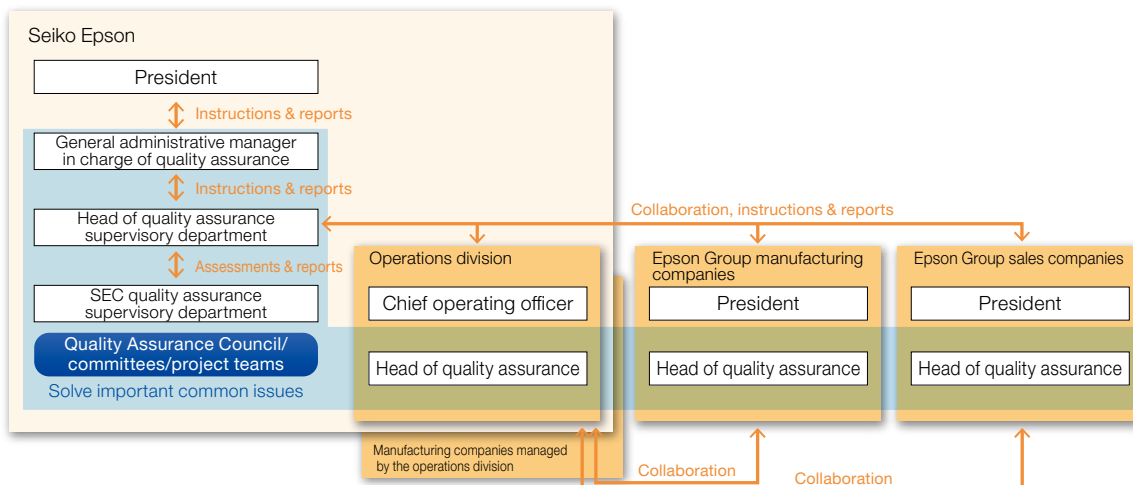
CS & Quality Vision (Creating Customer Value)



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 Satisfaction

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.

Quality Improvement

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 (FY2022, Japan)

Course	People trained	% trained
QC Introduction	489	85%
QC-ABC	388	71%

Licensed Quality Control Training Trainers

Region	Number of Production Sites with Licensed Trainers	Licensed Trainers ¹
Southeast Asia	7 companies	76
China	5 companies	46

¹ Number of licensed trainers as of March 31, 2023.

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 FY2022 Worldwide Team Presentations conference was held online due to the coronavirus pandemic. A total of 13 teams participated. There were four teams from two companies in Japan, four teams from three companies in Southeast Asia, and four teams from two company in China, and one team from Europe. “On Demand,” a team from Japanese production site Tohoku Epson Corporation, was presented with the President’s Award in recognition of the outstanding actions it took to reduce the physical burden on workers in the label press manufacturing process.



The members of the President’s Award-winning “On Demand” 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. The slogan for the 2022 fiscal year was “To win more Epson fans, create and deliver value by learning from failure.”

A lecture on “failure studies” was held to teach employees how to capitalize on failures. Concrete steps were presented to enable them to learn from failures and to develop creative solutions that turn failures into success. A large number of employees listened to the talk live in the main hall and at the 18 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 failure studies to Epson Group employees in Japan, more than 90% of whom completed the course. 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 companies carried out their own events related to learning from failures. 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 (Japanese)



CS & Quality Month poster (English)



CS & Quality Month poster (Chinese)

Product Safety

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 will take action to minimize safety and security risks involving our products and services, for example by painstakingly evaluating safety in every area to prevent the occurrence or recurrence of product incidents.

Key Actions (KPIs)	Results		Target
	FY2021	FY2022	FY2023
No. of serious incidents ¹	0	0	Keep at 0 each year

¹ Serious incidents: Accidents resulting from product defect that cause serious harm to the product user's life and/or body or that cause serious damage to assets other than the product.

Epson Group 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 Epson Group 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 as our top priority.

 [Epson Group Basic Policy on Product Safety \(Please refer to page 329 of "Appendices"\)](#)

Safety Assurance Program Organization

Epson is promoting product safety assurance initiatives and promptly responding to product incidents under the Group-wide quality assurance program organization.

Additionally, for each of our products and services, we ensure conformity to EQS, the Group's unified quality standard, from the planning, development, and design stages and conduct risk assessments on new elements to ensure product safety in the product build-in stage.

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 official reports and notices required by all applicable laws and regulations of each country.

Epson has established standards that define procedures for responding to product incidents, and regularly reviews the emergency communication network among divisions to maintain a system that can respond appropriately and promptly.

Analyses to Prevent Product Incidents

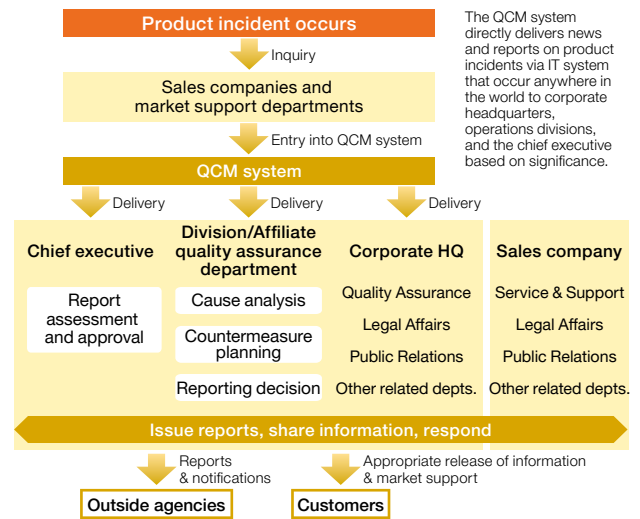
Electronic components procured for use in Epson products, and especially those that are crucial in terms of safety, are evaluated and analyzed to judge their quality, safety and reliability.

Epson 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.

We also conduct regular education programs, such as online courses held throughout the year for all employees to learn product safety-related knowledge and raise awareness, and product safety education conducted each year for new technical employees involved in design, development, production engineering, and quality assurance, which mainly consists of risk assessment exercises (conducted nine times in FY2022). In addition, we are working to further improve the awareness and skills of our employees through specialized training programs focused on machine safety and functional safety.

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 Product Incident Response Process



Burning test at combustion laboratory

Establishing an Evaluation Environment for Delivering Safe and Secure Products

Epson has established testing facilities that comply with official standards such as radio wave and electrical safety standards, as well as related product laws and regulations, in order to evaluate the safety of our products accurately and in detail.

We have also earned accreditation based on ISO/IEC¹ and other standards to enable us to conduct official certification tests in-house. Through periodic internal and external audits, we maintain and manage such accreditation to ensure that we can continue to achieve high-precision measurements. Specifically, we have introduced facilities such as large radio-frequency anechoic chambers that we own in Japan and overseas, as well as other shield rooms and hemi-anechoic chambers to enable in-house conducting of EMC testing.²

¹ IEC is an acronym for the International Electrotechnical Commission. It is an organization for international standardization that establishes standards for electrical and electronic technology.

² Electromagnetic compatibility testing. Electromagnetic interference testing to measure interference waves, i.e., electromagnetic waves radiated or conducted from the product itself or power supply that interferes with the operation of other devices, and electromagnetic immunity testing to evaluate the resistance of the product itself to malfunction due to electromagnetic waves generated by nearby electrical equipment.

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 vulnerabilities¹.

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.

¹ 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.

Universal Design

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.

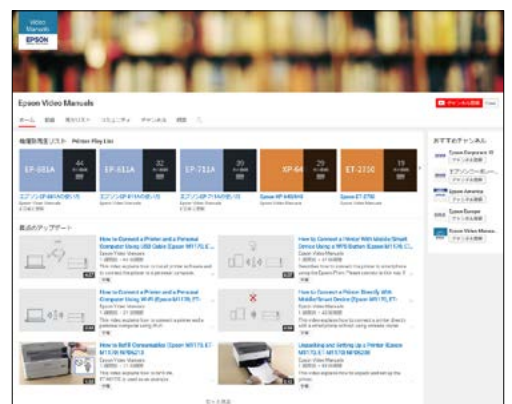
Epson’s EB-1795F business projector has one-touch image position and adjustment features that enable even novice users to effortlessly align images so that they sharp and clear. By eliminating troublesome and time-consuming set-up, we have enabled anyone to smoothly prepare a projector for business meetings.



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-a3IIQxcXQRuZFjYATpg>

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

Color Universal Design

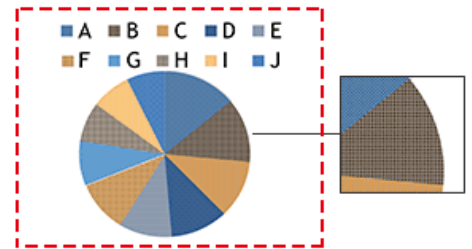
We are also employing color universal design¹ principles to create products, manuals, and software that are easy to use for people with various forms of color vision deficiency or color blindness.

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.



Stakeholder Engagement

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Stakeholder Engagement

Stakeholder Engagement

Striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

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	Environmental Value	Economic Value
Societal issue resolution & mental and cultural enrichment	Coexistence of industry & the environment	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/SR Policies and Guidelines

At Epson we recognize that to sustain growth and increase corporate value long-term, we must increase the transparency of management and forge lasting partnerships and relationships of trust through honest dialogue with stakeholders. Accordingly, we have articulated a policy on the disclosure of information to shareholders, investors, and other stakeholders and, in line with this policy, are enhancing our investor relations and sustainability reporting (IR & SR) and engaging in constructive dialogue.

The president, the officer in charge of IR & SR, or managers in the IR & SR organizations or other relevant departments represent Epson in dialogue with shareholders and investors. Directors, including outside directors, may also participate within reason. Feedback gained from talks with shareholders and investors is shared with the executive management team and is 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.

Annual IR Cycle



Other IR-related Activities

- Examine improvements to IR & sustainability tools and information
- Release shareholders' meeting materials early and enhance the content
- Provide English language information to overseas investors
- Update and enhance the sustainability website
- Ensure compliance with the Corporate Governance Code and disclose actions taken

Analyst and investor meetings

FY2022 meetings

Total meetings 269
 ▶ Japan **142** ▶ Overseas **127**

	FY2019	FY2020	FY2021	FY2022
Japan	147	153	135	142
(SR interviews*)	11	13	6	18
Overseas	104	82	104	127
Total	251	235	239	269

* SR interviews included in Japan (domestic) meetings.

FY2022 Engagement Activities

ESG Meetings in Response to a Rising Tide of ESG Investment

We hold meetings and other events to communicate Epson's growth potential to as many shareholders and investors as possible. In the 2022 fiscal year, we held meetings to explain our strategy in the office printing business, which is positioned as a growth area in Epson 25 Renewed. We also held meetings about the microdevices business, which has been drawing increased interest of late. ESG meetings were held to explain Epson's purpose and sustainability management. In addition, with safeguards in place to prevent the spread of disease, we resumed hosting events that give visitors a firsthand feel for Epson's transformation. These events include things such as tours of our commercial and industrial printing facilities.

Dialog between Institutional Investors and Outside Directors

Institutional investors and our five outside directors engaged in an online discussion in March 2023. Similar sessions were held in the 2018 and 2021 fiscal years.

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. Details about the discussion can be found on pages 73-76 in the Integrated Report.

Discussions Aimed at Increasing Epson's Corporate Value Long-term

Epson improved its management of issues that became apparent through discussions in the previous fiscal year (FY2021) and from societal trends. Progress on issues such as those below is disclosed in Epson's Integrated Report 2022 and elsewhere.

- Establishment of a Corporate Purpose
- Human resources strategy and intellectual property strategy
- Setting of KPI for key sustainability topics and how KPI are tied to officer compensation
- Performance in FY2021 with respect to risks and opportunities reported in our TCFD

In the 2022 fiscal year, we discussed with shareholders and investors information disclosed in materials such as the Integrated Report. In addition to providing feedback about the actions we have taken to improve management, the discussions provided us with valuable suggestions for further improvement in areas such as those listed below.

- Instilling the Purpose in the minds of employees as the next step
- Visualizing the contribution of low environmental impact products to business
- Further advancing human capital management

The results of discussions are reported to the Sustainability Strategy Council and board of directors and are used to further improve management. The response of capital markets to our earnings announcements are reported at corporate management meetings. In addition, the feedback and requests that we receive directly from shareholders and investors at strategy briefings and after earnings announcements are shared through weekly reports and other internal channels. This helps us to better understand investors' concerns and areas of interest. We use these insights to develop actions that will improve our business activities and disclosures.

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 Digena, 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 craftsmen 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.



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

Local Communities

Cooperation with Local Communities

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.

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



WORLD MOBILE

Message from partner

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."

Issues addressed and benefits

Activities and Approach

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.



South Africa / Establish Local Economy and Employment with Giving Digital Printing Skills.

Program

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.

Target

- 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

Activities and Approach

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.



Japan / Hosting Triathlon in Partnership with Local Community and Tourism Facilities

Program

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 providing sensors and GPS to ensure athlete safety by detecting falls and tracking location.

By ensuring a safer, more enjoyable event, the partners hope to promote 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. With 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 guests as well as to then use data to provide new services and an enjoyable experience. We are looking forward to providing hospitality that will attract even more visitors to Suwa.

A New Way to Promote Regional Development

Activities and Approach

Epson's GPS and sensor technology was used in running the inaugural Suwako 8Peaks Middle Triathlon, an event created to attract visitors to the region. The technology was also used to capture data and create a way for athletes to compete against their own times on the same course on a different day and against other athletes that they use as benchmarks. This and other new services based on GPS data have the potential to draw visitors to the area after the triathlon and to boost the local economy.



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 Leader



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.

Corporate Citizenship

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Corporate Citizenship

Corporate Citizenship

Epson will engage in corporate citizenship activities with our technologies and knowledge, including contributions involving manpower.

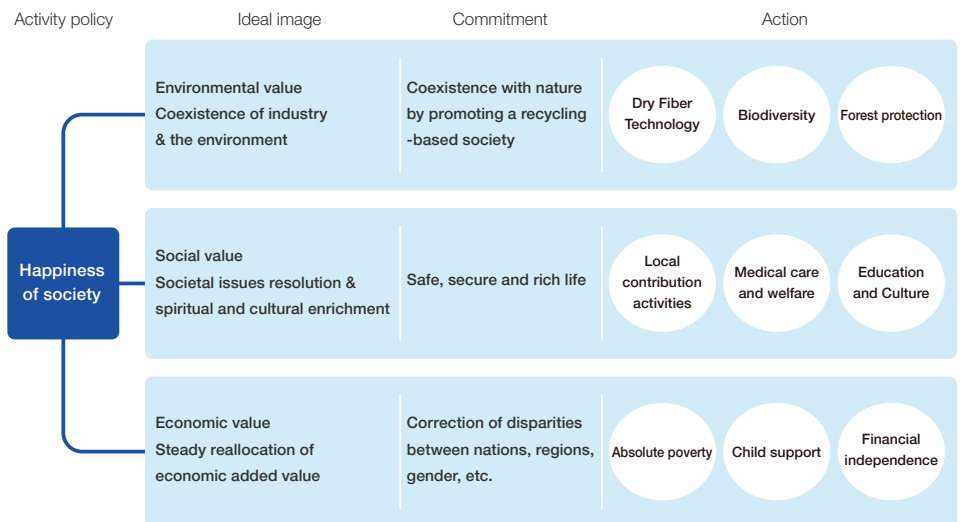
Epson thinks that business activities themselves are to contribute to society.

While leveraging our strengths, we will strive to tackle various societal issues through co-creation. In addition, for issues that cannot be fully addressed through business activities alone, we will contribute to society through social support activities by donations and human support.

Basic Concept of Social Support Activities

Epson's social support activities

- Contribute to the achievement of SDGs
- We aim to realize a sustainable and spiritually rich society.
- Engage in social support activities in local communities



Long-Term vision

Aiming for the realization of "Happiness of society" where people can live fulfilling lives in a rich and healthy way, regardless of the environment in developed countries/developing countries.

Key Activities

- Environmental value: Coexistence of industry & the environment
- Social value: Societal issues resolution & spiritual and cultural enrichment
- Economic value: Steady reallocation of economic added value

Results of Social Support Activities

FY2022 1,610 million yen

Social/Economic

Education for Young People

“New Horizons” Training Program for 10,000 Young People (Europe)

In 2019, Epson Europe B.V. launched New Horizons, an education program that reaches 10,000 youth in Europe, the Middle East, and Africa. This program leverages Epson’s storehouse of technology and expertise to draw out the creative potential of youngsters and elevate their understanding of sustainability.

In 2020, the spread of COVID-19 made it necessary to alter the initial action plan and take most of the activities online. Still, Epson Europe’s Sustainability Manager developed and delivered a presentation on sustainability to a total of 4,684 middle school, high school, and university students in Germany, Italy, the United Kingdom, and Spain. In Italy, moreover, a discussion was held with 480 teachers on creating a more sustainable future. In addition to providing a chance to think about the management and the responsibility of corporations, it was an excellent opportunity to find out what the younger generation thinks about environmental problems and their own roles therein, as well as to learn what they expect of corporations.



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.



Assisting Fashion Art School Students with Digital Textile Printing

The apparel industry is faced with losses due to the disposal of a large amount of unsold products and environmental problems due to the large amount of water used in the dyeing process. Digital textile printing is a sustainable printing process that reduces environmental impacts, accommodates quick turnaround times, enables short-run production, and improves the working environment.

In the 2020 school year, Epson supported the production of digitally printed fashion pieces by graduating students of Bunka Fashion College in Tokyo. This provided students who will lead the fashion industry in the future and are interested in the societal issues facing the apparel industry with an opportunity to learn about digital textile printing and experience its value first-hand. In the process of completing their fashion pieces, the students saw for themselves the outstanding reproducibility of their designs and the environmental benefits of a printing process that uses a minimal amount of water. The teachers and students were extremely satisfied with the photo-quality reproduction. This was more than just a printing experience for the students. They also learned about digital printing and took advantage of its features in the creation of their pieces, thus taking a step forward toward creating a new form of clothing design in the future.



Students enthusiastically looking at their work at Epson's Textile Solutions Center (TSC Asia).

Watch Assembly Class (Japan)

Seiko Epson traces its roots to Daiwa Kogyo, a watch factory. Over the decades, we have developed world-class watch manufacturing technology and have master watchmakers (human capital).

We create opportunities at which people can experience the fun and lure of monozukuri, by holding local events and watch assembly classes for elementary and junior high school students. At a class held at Meizen Junior High School in Matsumoto City in September 2020, the students were asked to assemble tiny watch parts into a watch case, a task that demands perseverance and concentration. They caught a glimpse of the level of difficulty watchmaking entails, experienced the satisfaction of building their own timepiece, and gained a greater understanding of local industry.



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.



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.

Social/Economic

Community Events

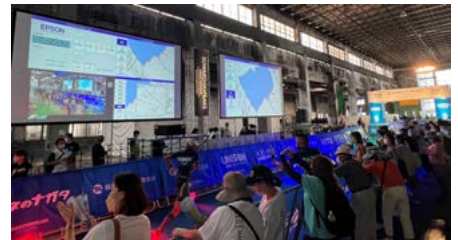
Donation of PaperLab Recycled Paper and Notebooks (Japan)

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.



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.



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.



Social/Economic

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 were set up and run with the help of 181 employee volunteers. The company encourages and supports volunteers by treating this work as a business trip. In 2020, with access to facilities limited due to the pandemic, Epson loaned them a Fantas Car (a mobile cart equipped with a projector).



Hospital and school staff members, as well as members of the children’s families, often report that children are stimulated by and respond positively to the Fantas Aquarium. Even children who normally sleep all day will suddenly open their eyes to follow images or will reach out to try to touch them, their faces lit up in wonder. Children who are normally confined to a hospital room will shriek with delight at the prospect of an outing beyond their door.

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

Social/Economic

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.



Governance

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Governance

Corporate Governance

To realize our Purpose, which expresses our aim or reason for being in society based on the Epson Way, which defines our values and behaviors based on the Management Philosophy, Exceed Your Vision, promote sustainable growth, and increase corporate value over the medium and long term, Seiko Epson Corporation (“the Company”) strives to continuously enhance and strengthen corporate governance so as to realize transparent, fair, fast, and decisive decision-making.

Under a company with an Audit & Supervisory Committee, to further increase the effectiveness of corporate governance, the Company further improves the supervisory function of the Board of Directors, further enhances deliberation and speeds up management decision-making.

Basic Corporate Governance Principles

The general principles of corporate governance at the Company are as follows:

1. Respect the rights of shareholders, and secure equality.
2. Bear in mind the interests of, and cooperate with, stakeholders, including shareholders, customers, local communities, business partners, and Epson personnel.
3. Appropriately disclose company information and maintain transparency.
4. Directors, Executive Officers, and Special Audit & Supervisory Officers shall be aware of their fiduciary duties and shall fulfill the roles and responsibilities expected of them.
5. Engage in constructive dialogue with shareholders.

Corporate Governance System

The Company is structured as a company with an Audit & Supervisory Committee. It has a Board of Directors, an Audit & Supervisory Committee, and a financial auditor. It has also voluntarily established advisory committees for matters such as the Director nomination and compensation.

This governance system was adopted to further increase the effectiveness of corporate governance by strengthening supervision over management and by enabling the Board of Directors to devote more time to discussions while speeding up decision-making by management.

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 these responsibilities, the Board of Directors will exercise a supervisory function over general management affairs, maintain management fairness and transparency, and make important business decisions, including decisions on things such as management plans, business plans, and investments exceeding a certain amount.

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 six Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. Chairman of the Board, who is a non-executive director, acts as the chairman of the Board meetings. 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. To speed up management decisions and increase business agility as a company with an Audit & Supervisory Committee, the Company has expanded the scope of affairs delegated to executive management from the Board of Directors, including capital investments below a certain threshold. The Company held a total of 13 meetings of the Board of Directors in FY2022 and three meetings in FY2023 from April 2023 to the Ordinary General Meeting of Shareholders in June 2023, to establish our Purpose and the review of the philosophy structure, receive reports on the status of execution of each business and the status of deliberations on mid-term strategies, and to deliberate future strategies to achieve Epson 25 Renewed. The attendance rate of each Director was 100%. Corporate Governance Policy states that at least one-third of the board members should be Outside Directors.

¹ As of June 30, 2023

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 verifies the effectiveness of the internal control system and conducts audits primarily in cooperation with internal audit departments and the financial auditor. The Audit & Supervisory Committee has established basic guidelines for selecting outside financial auditors and evaluates their independence, audit quality, etc. based on certain standards. Resolutions concerning financial auditors selected by the Committee per the guidelines are submitted for approval at a general meeting of shareholders. The Audit & Supervisory Committee also discusses the selection, dismissal, resignation, and compensation of Directors who are not Audit & Supervisory Committee members and decides on the opinions to be presented at a general meeting of shareholders.

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, 2023

Compliance Committee

The Compliance Committee's function is to discuss the content of reports that it receives concerning important compliance activities, and report its findings and communicate its opinions to the Board of Directors in order to see that compliance activities are appropriately executed by line management.

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 Outside Directors and Directors who are Audit & Supervisory Committee members. The Compliance Committee is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are held every half year and as needed. Financial auditors and the head of the internal audit control departments attend meetings of the Committee as observers.

A Chief Compliance Officer (CCO) is elected by the Board of Directors and supervises and monitors compliance-related affairs on the whole. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

Director Nomination Committee & Director Compensation Committee

The Company has established the Director Nomination Committee and the Director Compensation Committee as voluntary deliberation bodies, and they are chaired by an Outside Director, and the majority of committee members are Outside Directors. These Committees are designed to ensure transparency and objectivity in the screening and nomination of candidates for Director, Executive Officer, and Special Audit & Supervisory Officer and in matters of Director compensation. The Human Resources Department serves as the secretariat for these deliberation committees. These Committees operate in accordance with the regulations that were approved by resolution of the Board of Directors.

The overview of each of these Committees is as follows:

Composition

Both the Director Nomination Committee and the Director Compensation Committee are composed of all Outside Directors, President and Representative Director, and the Outside Directors shall select the committee chairs from among themselves. Directors who are full-time members of the Audit & Supervisory Committee can attend meetings of either Committee as observers.

The current³ members are as follows:

Chairman: Outside Director, Yoshio Shirai

Members: Outside Directors, Mari Matsunaga, Tadashi Shimamoto, Masaki Yamauchi, Susumu Murakoshi, Michiko Ohtsuka, and Yasunori Ogawa, President

³ As of June 30, 2023

The Mandates, Roles, and Activities of the Director Nomination Committee

The Company has established 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 13 times in FY2022 and four times in FY2023 from April 2023 to the Ordinary General Meeting of Shareholders held in June 2023. The Committee deliberated on matters including succession planning for the President and Representative Director, policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers) and proposing candidates, selection of Outside Director candidates, revision of the executive officer system and review of skill matrix.

The Mandates, Roles, and Activities of the Director Compensation Committee

The Company has established a Director Compensation Committee to impartially examine through a transparent and objective process proposals and discussions concerning matters such as the compensation system and by-laws 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 seven times in FY2022 and three times in FY2023 from April 2023 to the Ordinary General Meeting of Shareholders held in June 2023. The Committee deliberated on matters including the amount of base compensation for each Director, bonus payment coefficient and amount for each Director, number of shares to be allocated and amount of monetary compensation claims under the restricted stock compensation plan, a company indemnification plan, and renewal of directors and officers liability insurance.

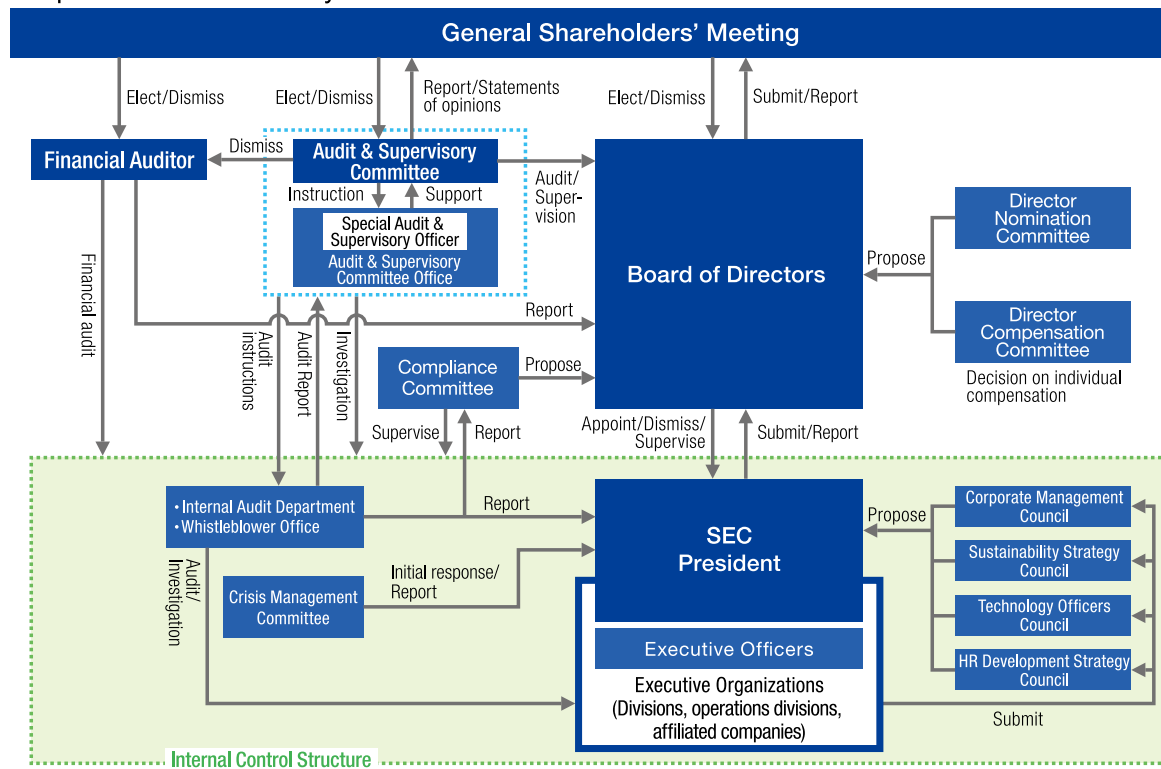
Committee Attendance

The attendance rate of each member of the Director Nomination Committee and the Director Compensation Committee during the FY2022 and during the period from April 2023 to the June 2023 Ordinary General Meeting of Shareholders was 100%.

Corporate Management Council

The Corporate Management Council is an advisory body to the President whose purpose is to help ensure that the right decisions are made based on a range of opinions on the executive management side. Meetings of the Corporate Management Council are where Directors, each business and General Administrative Managers, etc. exhaustively examine important business topics that affect the Epson Group as a whole and matters on the agenda for meetings of the Board of Directors. The Corporate Management Council is generally held on a weekly basis. Outside Directors can attend this meeting, but even if they cannot attend, they are provided with materials for the topics discussed and supplementary explanations of what was discussed. The Company strives to ensure the fairness and transparency of the execution of business affairs through the attendance of a Director who is a Full-Time Audit & Supervisory Committee member and Special Audit & Supervisory Officer.

Corporate Governance System



Nomination of Officers

The policies and procedures for nominating Director candidates and for selecting and dismissing Executive Officers (including the President) 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 the Company per the bylaws established by resolution of the Board of Directors.

* Per the Company 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 with a relationship of reciprocal employment of Outside Director⁸; 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.
8. "Reciprocal employment of Outside Director" means accepting an Outside Director from an entity that currently employs someone from the Company as an Outside Director.

Reason for Appointed as Outside Directors

Name	Reason for Appointment
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>As an Outside Director of the Company, she has appropriately monitored management, actively pointing out business issues and offering recommendations particularly from the viewpoints of open innovation promotion, etc. The Company believes that she will utilize her wealth of experience and insight to continue to monitor management appropriately to achieve sustained growth and increase medium- to long-term corporate value.</p>
Tadashi Shimamoto	<p>Mr. Shimamoto has served as President and Chairman of Nomura Research Institute, Ltd. and has a wealth of experience and insight as a corporate manager and in fundamental technology, distribution, service, and industry-related systems. The Company believes that he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspective of overall management and DX/IT systems, based on his familiarity with corporate management in the information and telecommunications industry, which is a different business field.</p>
Masaki Yamauchi	<p>Mr. Yamauchi has served as President and Chairperson of the Board of Directors of Yamato Holdings Co., Ltd. and has a wealth of insight and experience in corporate management. The Company believes that, based on his experience in practicing satisfaction-creating management that makes full use of digital technology, his efforts to instill Yamato's DNA (values) in employees and his track record of fostering organizational culture, he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspectives of organizational management, DX/IT, and sustainability that relate to the fundamentals of corporate management.</p>
Yoshio Shirai	<p>Mr. Shirai has served as Directors at Toyota Motor Corporation, Hino Motors, Ltd. and Toyota Tsusho Corporation, and has considerable insight and a wealth of experience as a corporate manager, and achievements as an Outside Director who is Audit & Supervisory Committee member of the Company. The Company believes that he will utilize his wealth of experience and insight to continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management.</p>
Susumu Murakoshi	<p>Mr. Murakoshi has a high level of expertise as an attorney. Having served as the President of Japan Federation of Bar Associations and the President of Japan Attorneys Political Association, he has a wealth of experience in the legal community. The Company believes that he will utilize his wealth of experience and insight to continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. He has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit & Supervisory Committee member.</p>
Michiko Ohtsuka	<p>Ms. Ohtsuka has a high level of expertise as a certified public accountant. The Company believes that she will utilize her wealth of experience and insight to continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. She has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that she can appropriately perform her duties as an Outside Director who is an Audit & Supervisory Committee member.</p>

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, our basic policy is to maintain a board that is well-balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise, without regard to gender, race, ethnicity, country of origin, nationality, cultural background, age, etc.

The current Board of Directors has been established based on this policy, clarifying a management system toward achieving the Management Philosophy and Corporate Vision in order to realize sustained growth and increase medium- to long-term corporate value. The skills of the Company's Directors and areas in which they are particularly expected to show expertise are as follows.

Title	Name	Areas of expertise and skills particularly expected by the Company						
		Corporate management	Development Design	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	Tatsuaki Seki					●	●	●
Outside Director	Mari Matsunaga			●	●			
Outside Director	Tadashi Shimamoto	●	●		●			
Outside Director	Masaki Yamauchi	●		●	●			
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, 2023.

Compensation of Officers

The policies and procedures related to officer compensation are as follows:

Policies

Compensation for Executive Officers

1. Compensation shall provide an incentive to improve business performance and reflect the commitment thereof in order to promote the Epson Group's sustainable growth and corporate value in the medium and long term.
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 directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
4. Compensation shall clearly reflect the linkage between officer compensation and the value of the Company's shares and strengthen awareness of the need to share profits with shareholders.
5. A mechanism to suppress fraud shall be embedded.
6. The process for determining compensation shall be highly transparent, objective, and fair.

Compensation for Non-Executive Officers

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.

Procedures

With the aim of ensuring transparency and objectivity, compensation of officers is determined through resolutions at the General Meeting of Shareholders and the Board of Directors' meeting for Directors who are not Audit & Supervisory Committee members, or through resolutions at the General Meeting of Shareholders and discussions by Audit & Supervisory Committee members for Directors who are Audit & Supervisory Committee members, after going through fair, transparent and rigorous reporting by the Director Compensation Committee. With regard to compensation of the Directors who are not Audit & Supervisory Committee members, the Audit & Supervisory Committee shares and discusses what have been examined by the Director Compensation Committee to confirm whether there are special items to be stated at the General Meeting of Shareholders. Matters related to the compensation, including the individual amounts, of the Directors who are not Audit & Supervisory Committee members are left to the discretion of the Director Compensation Committee.

Compensation Structure

The Company's officer compensation shall consist of base compensation, which is comprised of fixed compensation, bonuses, which is performance-linked compensation, and stock compensation, which is non-monetary compensation. Given their roles to monitor the management as a whole as well as their independence from the business affairs, the Company pays only base compensation to non-executive officers and therefore does not pay bonuses and stock compensation.

Base compensation (fixed)

Base compensation is a monetary compensation that is determined in accordance with the position and the magnitude of roles including the contents of operations commissioned and delegated (“Role Grade”). It is paid monthly during the terms of office. Depending on the operating performance of the company and other reasons, the Board of Directors may take measures to increase or decrease the amount.

Performance-linked compensation (bonuses)

Bonus is an annually paid variable performance-linked compensation for officers with executive duties that is determined by the achievement level of the annual operating performance targets and personal goals. In consideration of the nature of bonuses as a short-term incentive, the amount of annual company-wide ROE among others is set as a performance indicator, taking into account factors such as the achievement level of personal goals.

The amount of bonuses payable is calculated by multiplying the annual total compensation calculated based on position and Role Grade by the ratio of bonus (25% to 30%) by position and Role Grade to derive the base bonus amount, and taking the base bonus amount and multiplying it by a coefficient (0% to 200%) corresponding to the achievement level against the company-wide ROE target and other performance indicators and a coefficient ($\pm 40\%$) corresponding to the achievement level of personal goals.

Restricted stock compensation (non-monetary)

The restricted stock compensation is a stock compensation aimed at further promoting sharing of value with shareholders and providing officers with a greater incentive than before to increase the stock price, sustain growth, and increase medium- to long-term corporate value. It is paid to Directors with executive duties once a year.

Pursuant to the resolution of the Board of Directors of the Company, the Company will pay monetary compensation claims up to the aforesaid 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.

The restricted stock allotment agreement will include the following:

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 “the 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 the Allotted Stock upon the end of the final day 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 the stock price with general shareholders and to enhance the incentive to increase the stock price, sustain growth, and increase medium- to long-term corporate value, the achievement levels against the indicators including the company-wide ROIC and sustainability goals are set as indicators.

The number of shares to be allotted during the target period is calculated by multiplying the amount of annual total compensation calculated based on the position and Role Grade of each Director by the ratio of stock compensation (20% to 25%) commensurate with position and Role Grade by the coefficient (80% to 120% for each) corresponding to the achievement levels against the indicators including the company-wide ROIC and sustainability goals to derive the base compensation amount, and dividing the base compensation amount by the value of restricted stock per share determined by the Board of Directors.

The amount of monetary compensation claim paid to each Director as compensation, etc. concerning restricted stock is calculated by multiplying the number of shares to be allotted by the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution regarding the issuance or disposal.

Compensation to Directors (FY2022)

Category	Total compensation (millions of yen)	Total compensation by type (millions of yen)			Number of individuals
		Base compensation	Performance-linked compensation	Restricted stock compensation (non-monetary)	
		Fixed (monetary)	Bonus (monetary)		
Directors who are not Audit & Supervisory Committee members (amount accounted for by Outside Directors)	352 (30)	205 (30)	110 (-)	36 (-)	6 (2)
Directors who are Audit & Supervisory Committee members (amount accounted for by Outside Directors)	81 (48)	81 (48)	- (-)	- (-)	4 (3)
Total	434	287	110	36	10

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 110 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 27, 2023.
- The stock compensation stated above represents the amount recorded for the current fiscal year based on Japanese Generally Accepted Accounting Principles (JGAAP).
- 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 19 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 to November

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

FY2021 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) 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.

The Board of Directors set aside more opportunities for the Board members* to discuss progress and issues related to the environment, DX, and co-creation and took additional steps, as described below, to accelerate the realization of Epson 25 Renewed.

- Environment:

The Board of Directors discussed at length initiatives to decarbonize, close resource loops, reduce customers' environmental impact, strengthen environmental communication, and develop environmental technologies. Discussions were oriented, in part, toward setting environmental targets aligned with the business growth strategy.

- DX:

The Board of Directors discussed initiatives toward formulating and coordinating digital transformation (DX) strategies among the businesses, improving and deploying digital infrastructure, and utilizing data. They also set a clear direction for addressing issues in DX promotion, including in data utilization. The acquisition of DX and IT talent was a priority issue in the 2020 fiscal year evaluation of Board effectiveness. The Company has begun, and will continue taking, a different approach to this issue than before, including referral-based recruitment and hiring overseas IT engineers dispatched by temporary staffing agencies as regular employees.

- Co-creation:

The Board of Directors discussed the sourcing of environmentally progressive startups, the proactive exploration based on strategy, and follow-up with companies in which Seiko Epson invests. These discussions led to observable results in terms of improvement in sourcing methods and the acceleration of discussions on potential collaborations.

* Directors and other attendees (as in all cases below)

(2) Intensify discussions on succession plans and training of the management team and drive further improvement

The Board members discussed management succession plans, skill matrices, officer training, and other related matters. They clarified the direction and remaining challenges in addressing each issue. Moving forward, the Board of Directors will address the remaining identified challenges, along with the issues in the Board effectiveness evaluation for the 2022 fiscal year.

FY2022 Evaluation Results

Board effectiveness in the 2022 fiscal year was evaluated by again having all Board members complete a questionnaire that covered the topics below, and then analyzing and evaluating effectiveness based on the answers. Some new items were added to the questionnaire and some other items were revised in the light of recent corporate governance trends.

1. Composition of the Board of Directors
2. Functions of the Board of Directors
3. Activities of the Board of Directors (self-evaluations and evaluations by other Directors)
4. Operation of the Board of Directors
5. Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
6. Succession planning and training of the management team
7. Compensation of the management team
8. Dialog with shareholders
9. Epson 25 Renewed progress
10. Free comments

The results of the evaluation showed that the Board of Directors as a whole is functioning effectively. However, Board members held discussions and, considering the results of the 2021 fiscal year Board effectiveness evaluation, the Board identified the following issues in order to improve effectiveness in the future.

1. Enhance discussions on long-term corporate strategy.
2. Increase the ability to execute Epson 25 Renewed and the speed of execution.
3. Develop details of succession plans for the management team and carry out the plans.

* 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

The Company'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.

Governance

Internal Control System

The entire Epson Group embraces “the Epson Way”, which was founded on Epson’s Management Philosophy. Epson also established “the Basic Internal Control System Policy” to help ensure that operations across the Group are conducted appropriately in line with the Epson Way, and Seiko Epson is committed to steadily improving the overall level of the 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

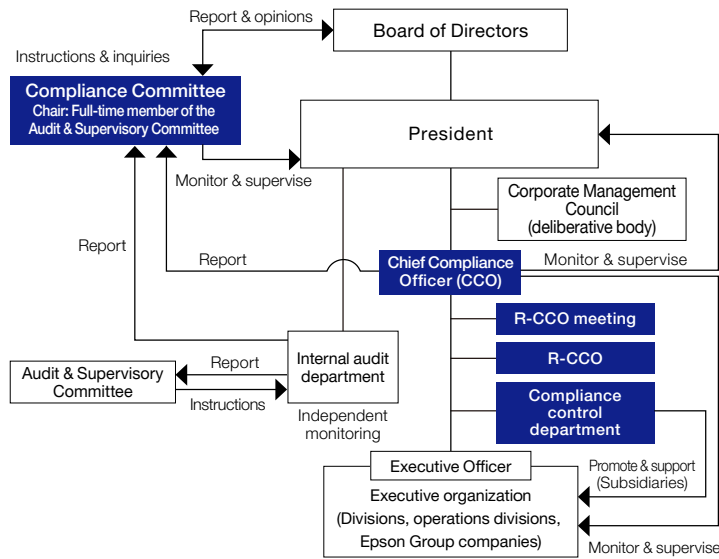
Epson’s goal is to continuously create value that exceeds customer expectations while building trust with all stakeholders based on the “Epson Way.” To maintain and strengthen this trust, Epson seeks to increase management transparency and fairness and effectively manage compliance through faster decision-making. There were no legal or regulatory violations subject to disclosure in FY2022, 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 six 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.

The compliance organization is defined in the Epson Group Compliance Basic Regulation.

Compliance Organization Chart



Whistleblowing Systems and Reporting Channels

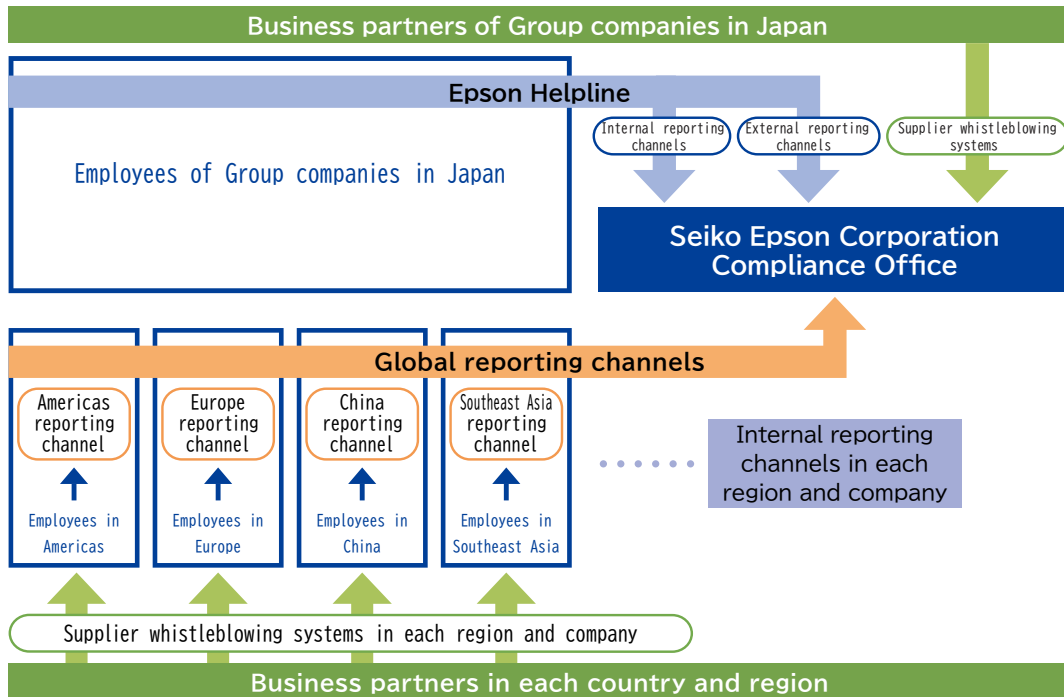
Epson provides reporting channels to obtain information from officers, regular employees, contract employees, and temporary workers to quickly call our attention to potential compliance problems that might go undetected. We set up a process for escalating reports of concern. The basic rules for whistleblowing 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, including in the Americas, Europe, China, and Southeast Asia, provide reporting channels based on them. Whistleblowing systems comply with the laws and regulations of each country and region, including, in Japan, the Whistleblower Protection Act. 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 Epson Group companies around the world have set up supplier whistleblowing systems to receive reports from suppliers and other external business partners. As with Epson's internal reporting channels, the information contained in reports is strictly protected, reprisals against whistleblowers are prohibited, and anonymity is ensured. Suppliers and other external business partners are notified about supplier whistleblowing systems in written supplier guidelines and 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 Management Council. The identity of whistleblowers is kept confidential.

Epson Group Whistleblowing System



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 and operate 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 114 reports in the 2022 fiscal year (ended March 31, 2023), an increase of 21 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	Diversity counseling	Women’s health counseling
Employee counseling	Corruption (bribery) regulations & Competition laws advisory service	Insider trading advisory service

Support System Outside Japan

All overseas Group companies, including in the Americas, Europe, China, and Southeast Asia, 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.

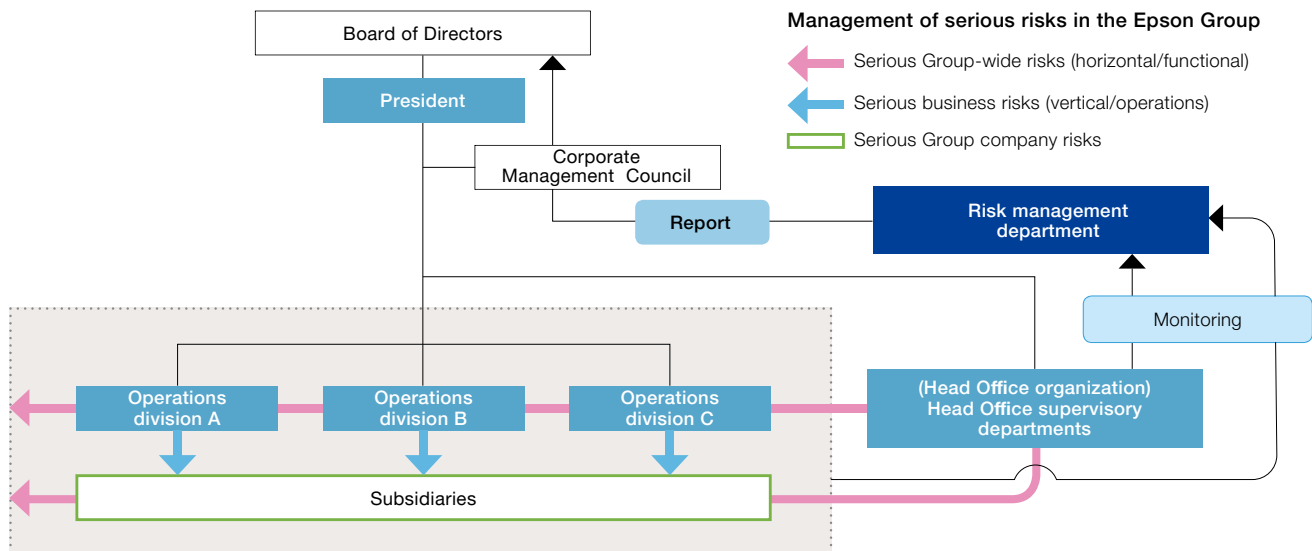
We have also introduced an Epson Executive Compliance Hotline, a global reporting system that Epson uses to directly receive compliance-related reports involving executives in subsidiaries outside Japan. The system helps us to improve the completeness and effectiveness of the reporting system in the 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.

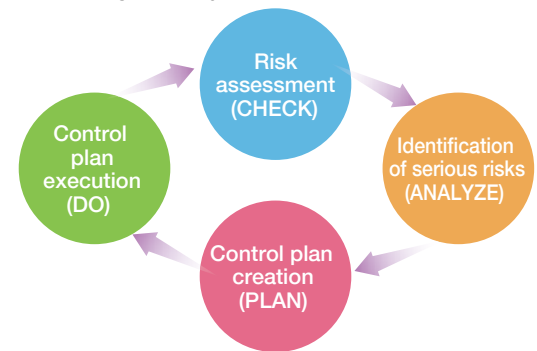
Risk Management Organization Chart



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 pre-determined crisis management program are in place to enable us to rapidly mount an initial response in a crisis.

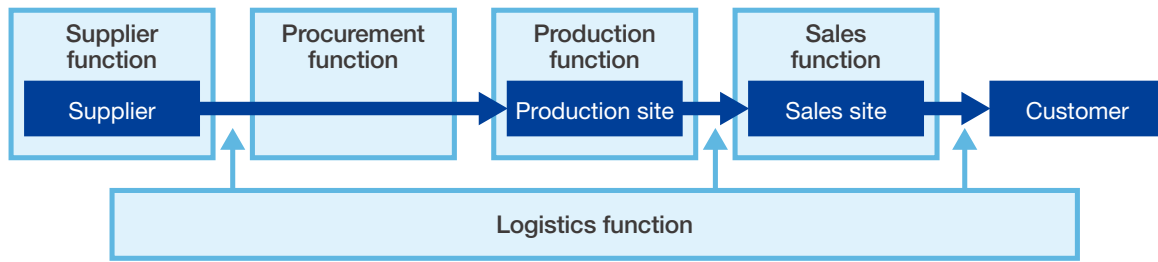
The activities of the Crisis Management Committee are regularly reported to executive management, including outside directors, through meetings of the Corporate Management Council and Board of Directors.

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.

Supply Chain BCM

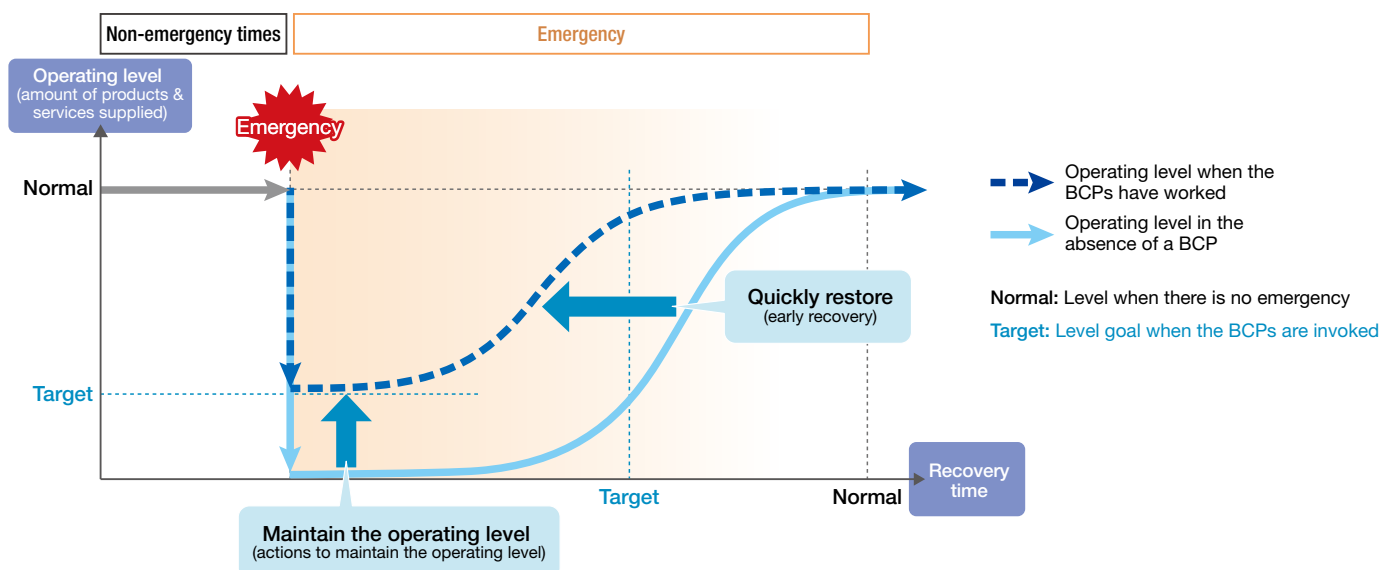
To establish a more robust supply chain, one that can withstand the challenges that tend to arise with increasing sophistication and complexity, we have established a basic strategy of distributing functions, securing alternatives, and increasing resilience. We have divided the functions into five categories 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

Since 2019, global supply chains have been interrupted and disrupted by a series of challenges, not least of which were the COVID-19 pandemic along with chip and shipping container shortages. However, in 2022, the pandemic began to recede, and countries around the world began resuming normal social and economic activities. Moreover, challenges such as semiconductor and shipping container shortages have significantly eased as market conditions improved. Still, the conflict in Ukraine, the global geopolitical situation, disasters, and other supply chain risks have not been resolved. If anything, they have increased and become more serious. Epson is addressing these risks by taking the actions described below.

1. Production

In preparation for future outbreaks of infectious disease, we have established preventive guidelines to protect our employees—our top priority—and to minimize the impact on production.

To fulfill our product supply obligations, we are moving toward geographically distributed. We are also increasing the resilience of all our production facilities, particularly the domestic Japanese factories responsible for manufacturing the core components of each of our businesses.

2. Procurement

We are gathering more in-depth supply chain information and enhancing our ability to detect risks. Furthermore, we will implement effective, practical procurement risk avoidance measures (preventive measures) to ensure stable material procurement.

We will secure multiple sourcing options, expand the evaluation of alternative products, keep BCP inventory, and strengthen relationships with partners to achieve these objectives.

3. Logistics

In addition to further strengthening partner relationships, we will increase the visualization of logistics, improve the communication and coordination of information between manufacturing sites and sales sites, and deliver goods to meet the demands of our customers.

We will diversify the means and modes of distribution, including transport routes, ocean and air freight, and warehouse facilities. Additionally, we will continue to improve product loading efficiency in all businesses, mitigate logistics risks, improve logistics efficiency, and minimize environmental impact.

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 2022 fiscal year, the internal audit department audited 16 business units and provided them with concrete advice on correcting 51 observed nonconformities. In the 2023 fiscal year, business units were grouped into 75 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.

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

Epson works to meet the expectations of society. Toward this end, we have established and adheres to a compliance framework to ensure that we observe and respect all applicable laws and regulations, internal rules, and business ethics.

To instill compliance awareness internally and ensure effectiveness, we provide various educational activities on a regular basis for all personnel, including executive 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 conduct uniform activities across the global Epson Group to remind everyone of the importance of compliance in realizing Epson's Management Philosophy and to raise compliance awareness based on the Management Philosophy and Principles of Corporate Behavior. 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 Control 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 own regulations of each country to respond the changes in international situation as well as 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 for reliable trade management for entire EPSON Group. As a result, EPSON Group companies have many certifications around the world as companies that complies with the systems and programs established by the authorities of each county in Japan, North America, Latin America, Europe, China, Asia, etc., especially in areas of security trade control and security management that strict operations are required.

These contribute to an efficient and speedy supply chain for the entire group, such as simplification of import/export procedures and cost reduction.

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 Management 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.

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

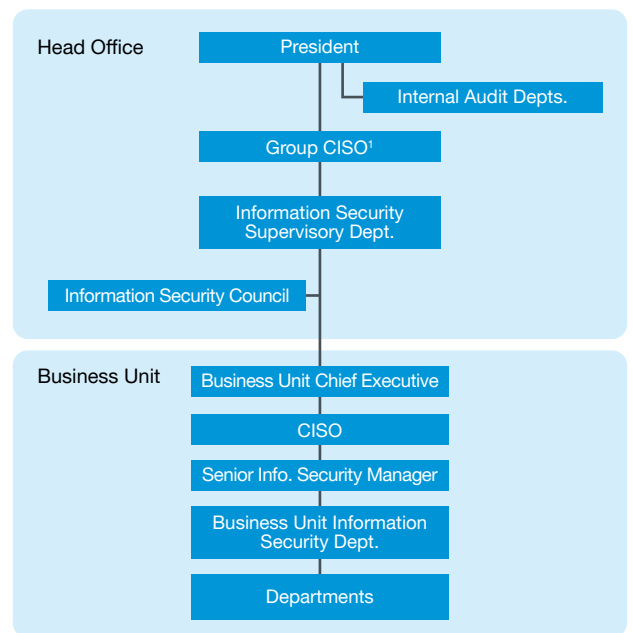
Epson has set forth essential information security principles and rules in a Basic Information Security Policy. The company is building an information security governance framework and fostering a corporate culture that reflect the importance and principles of good information security practices.

[Basic Information Security Policy \(Please refer to page 335 of “Appendices”\)](#)

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

To deal with increasingly sophisticated cyber security threats and attacks, we have established a medium-term plan that defines our policy on cyber security measures on a global level and are strengthening our countermeasures. For reference, we have used the “Cyber Security Management Guidelines” of the Ministry of Economy of Japan, Trade and Industry and the “Cyber Security Framework” developed by the U.S. National Institute of Standards and Technology.

As part of this effort, we have begun monitoring cyberattacks, and are responding promptly to alerts regarding malware, including ransomware. We also use case studies of past incidents as training material and revise our response procedures accordingly.

We have 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 2023)

Name of organization	Seiko Epson Corporation
Certification standard	ISO/IEC 27001:2013 / JIS Q 27001:2014
Scope of certification and registration	The following business in DX Division - Operation management of cloud service to accounts business - Operation management of common platform The following business in Printing Solutions Division - Operation management of cloud print and scan service - Operation management of remote monitoring system The following business in VSM Project - 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	-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 2023)

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 June 2023)

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

304	ESG Data	325	Appendices
304	Environment	325	Management Philosophy
312	Social	326	Principles of Corporate Behavior
322	Governance	329	Epson Group Basic Policy on Product Safety
		330	Epson Group Basic Occupational Health and Safety Policy
		331	Epson Group Human Rights Policy
		335	Basic Information Security Policy
		336	Basic Procurement Policy
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ESG Data

Environment

Global Environmental Data

Energy

Use of energy

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Gas/oil	MWh	330,257	332,795	331,509	350,307	306,884	336,189
	Electricity/steam	MWh	467,629	357,552	360,543	361,612	181,696	0
Overseas	Gas/oil	MWh	19,592	14,450	15,804	16,869	16,957	13,121
	Electricity/steam	MWh	341,322	341,566	343,183	309,855	263,240	182,815
Total		MWh	1,158,800	1,046,364	1,051,039	1,038,644	768,778	532,126
Per unit of business profit (include renewable energy)		GWh/100 million yen	1.6	1.7	2.9	1.9	1.3	1.2

* Totals do not add up in some cases due to rounding off of fractions.

Use of renewable electricity

		Unit	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Japan		MWh	257	118,504	119,302	118,974	335,408	515,804
	Purchased electricity	MWh	0	118,248	119,070	118,879	317,532	446,019
	Generated onsite	MWh	257	256	232	95	150	813
	Renewable Energy Certificate ¹	MWh	-	-	-	-	17,727	68,971
Overseas		MWh	9,215	18,901	18,695	37,466	94,201	179,861
	Purchased electricity	MWh	7,063	15,190	13,757	32,117	88,015	111,455
	Generated onsite	MWh	2,152	3,711	4,938	5,349	6,186	9,746
	Renewable Energy Certificate	MWh	-	-	-	-	-	58,660
Total		MWh	9,473	137,405	137,997	156,440	429,610	695,665

* Totals do not add up in some cases due to rounding off of fractions.

¹ Includes electricity generated by cogeneration system.

Status of electricity sources

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Renewable electricity	MWh	9,473	137,405	137,997	156,440	429,610	695,665
Non-renewable electricity	MWh	850,359	738,868	741,546	707,408	442,530	180,221
Total	MWh	859,831	876,273	879,543	863,849	872,140	875,886
Ratio of renewable electricity	%	1.1	16	16	18	49	79

* 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	FY2022
Scope 1	thousand t-CO ₂ e	137	128	122	125	118	142
Scope 2	thousand t-CO ₂ e	455	374	363	345	230	93
Scope 3	thousand t-CO ₂ e	3,261	3,263	3,024	2,516	2,392	2,327
Total	thousand t-CO ₂ e	3,853	3,765	3,510	2,987	2,740	2,562

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.)

Scope 3: Indirect GHG emissions of the entire value chain

* 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	FY2022
Scope 1	t-CO ₂ e	136,734	127,737	122,263	124,929	117,788	141,883
	Japan	122,479	108,210	104,470	109,613	102,250	123,030
	Overseas	14,255	19,527	17,793	15,316	15,537	18,853
Scope 2	t-CO ₂ e	455,110	374,347	363,490	345,151	229,883	92,855
	Japan	246,022	185,520	184,748	179,890	72,881	0
	Overseas	209,088	188,827	178,743	165,261	157,002	92,855
Total	t-CO ₂ e	591,844	502,084	485,753	470,079	347,670	234,738
Per unit of business profit	thousand t/100 million yen	0.79	0.71	1.19	0.76	0.38	0.24
FY2025 target (science-based): reduce 34% total emissions from FY2017							-60%

* Totals do not add up in some cases due to rounding off of fractions

* CO₂ conversion factor of greenhouse gas emissions

- Electric power: Disclose emissions at Market-base. 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. The emission factor is set to zero for the amount of renewable energy certificates and J-Credits utilized.
- 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.

Greenhouse gas emission (scope 3)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 3		thousand t-CO ₂ e	3,263	3,024	2,516	2,392	2,327
Category 1	Purchased goods and services ¹	thousand t-CO ₂ e	1,141	1,064	928	932	980
Category 2	Capital goods	thousand t-CO ₂ e	248	217	125	128	176
Category 3	Fuel- and energy-related activities not included in scope 1 or scope 2	thousand t-CO ₂ e	36	36	36	36	20

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Category 4	Upstream transportation and distribution	thousand t-CO ₂ e	201	181	167	182	176
Category 5	Waste generated in operations	thousand t-CO ₂ e	5	4	3	4	5
Category 6	Business travel	thousand t-CO ₂ e	19	32	6	9	15
Category 7	Employee commuting	thousand t-CO ₂ e	35	45	45	43	35
Category 8	Upstream leased assets	thousand t-CO ₂ e	5	5	3	4	4
Category 9	Downstream transportation and distribution	thousand t-CO ₂ e	7	7	6	5	5
Category 10	Processing of sold products	thousand t-CO ₂ e	68	61	29	44	30
Category 11	Use of sold products ¹	thousand t-CO ₂ e	1,413	1,297	1,106	947	787
Category 12	End-of-life treatment of sold products	thousand t-CO ₂ e	85	75	61	58	94
Category 13	Downstream leased assets	thousand t-CO ₂ e	N/A	N/A	N/A	N/A	N/A
Category 14	Franchises	thousand t-CO ₂ e	N/A	N/A	N/A	N/A	N/A
Category 15	Investments	thousand t-CO ₂ e	N/A	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)							-45%

* Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.2 is used for calculations in FY2022.

¹ 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 FY2022 GHG emissions (scopes 1, 2 and 3), energy use and retired reductions 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](https://corporate.epson/en/sustainability/esg-data/pdf/verification_report.pdf)

Industrial waste

Industrial waste emissions

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Waste generated	thousand t	14.7	14.3	13.7	14.6	13.6
	Recycled	thousand t	14.1	13.7	13.1	13.9	13.0
	Waste (disposed of)	thousand t	0.6	0.6	0.6	0.6	0.6
	Landfilled	thousand t	0.6	0.6	0.6	0.6	0.5
Overseas	Waste generated	thousand t	18.6	18.3	19.8	18.6	19.9
	Recycled	thousand t	15.6	15.3	17.8	16.5	18.1
	Waste (disposed of)	thousand t	3.0	3.0	2.0	2.1	1.8
	Landfilled	thousand t	2.3	2.1	1.5	1.3	1.1
Total waste generated		thousand t	33.3	32.6	33.5	33.2	33.5
Per unit of business profit		t/100 million yen	47	79	54	37	35
Target: amount of emissions (waste generated) previous year or less							+1.0%

* Totals do not add up in some cases due to rounding off of fractions.

Water

Water withdrawal by source

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Municipal water	thousand m ³	4,990	5,031	4,992	4,949	4,969
	Ground water	thousand m ³	773	692	638	731	773
	(Returned water to the source)	thousand m ³	(465)	(415)	(373)	(411)	(446)
	Subtotal	thousand m ³	5,763	5,724	5,629	5,680	5,742
Overseas	Municipal water	thousand m ³	2,588	2,407	2,296	2,360	2,498
	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	2,588	2,407	2,296	2,360	2,498
Total		thousand m ³	8,351	8,131	7,925	8,041	8,240
Per unit of business profit		thousand m ³ /100 million yen	11.9	19.9	12.8	8.9	8.6
Target: amount of usage (water withdrawal) previous year or less							+2.5%

* Industrial water is included in municipal water.

* No water was withdrawn from other sources.

Recycling water

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Recycled water	thousand m ³	1,548	1,527	1,693	1,750	2,019
Recycled ratio	%	16	16	18	18	20

* Recycled ratio=recycled water / (water usage + recycled water)

Water discharge by destination

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Sewerage	thousand m ³	2,082	2,021	2,003	2,065	2,142
	Rivers	thousand m ³	3,012	2,779	2,863	2,892	3,000
	Subtotal	thousand m ³	5,095	4,800	4,867	4,957	5,142
Overseas	Sewerage	thousand m ³	2,361	2,178	2,068	2,131	2,262
	Rivers	thousand m ³	0	0	0	0	0
	Subtotal	thousand m ³	2,361	2,178	2,068	2,131	2,262
Total		thousand m ³	7,455	6,977	6,935	7,088	7,404

* 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 FY2022 data.

 Third-party verification report
https://corporate.epson/en/sustainability/esg-data/pdf/verification_report.pdf

Chemical substance

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	PRTR ¹ substance emissions	t	2.0	2.1	2.2	2.1	2.2
	Per unit of business profit	kg/100 million yen	2.7	2.9	5.4	3.4	2.4
Japan	VOC ² emissions	t	81	81	77	72	76
	Per unit of business profit	kg/100 million yen	109	115	190	117	85

* Some figures differ from those in Sustainability Report 2022 due to a recalculation.

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.

Raw materials

		Unit	FY2019	FY2020	FY2021	FY2022
Raw material consumption		thousand t	234	193	210	209
Detailed breakdown	Resin	%	41	42	37	41
	Metal	%	19	20	19	16
	Electronic component	%	9	10	8	8
	Paper and wood	%	16	19	20	20
	Other	%	15	9	16	15

Coverage of environmental reporting

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Company number	Companies	54	54	50	52	58
Percentage of coverage (Revenue)	%	96	95	95	95	98

* Company number includes Seiko Epson Corporation.

ISO 14001 Certification List

Japan: Development divisions/Operations divisions/Group companies

Region	Certified sites
Japan	Seiko Epson Corporation Global Environmental Strategy Promotion Office Technology Development Division Human Capital & Well-Being Management Division IJS Operations Division Visual Products Operations Division Microdevices Operations Division Manufacturing Solutions Operations Division
	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 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.
Europe	Epson Telford Ltd.
Americas	Epson Portland Inc.

Product Recycling

Collection

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Finished products ¹	thousand t	19.2	20.9	17.5	24.2	35.5
Cartridges	thousand t	1.8	1.8	1.5	2.3	1.8

¹ Collected either voluntarily or as mandated by local law. Sum of amount actually collected and amount expected to be collected.

Environmental Risk Management

	Unit	FY2019	FY2020	FY2021	FY2022
Violation of environmental regulations	Cases	0	2	0	0

Education

Environmental education (Japan)

Training		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Basic environmental training II ¹	Participants	Persons	17,379	17,008	18,626	17,490	18,657
ISO 14001 environmental auditor training ²	Participants	Persons	182	175	114	117	91
	Certification recipients	Persons	869	1,012	1,131	1,207	1,262

* 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	FY2018	FY2019	FY2020	FY2021	FY2022
Fundamentals of security export control	Persons	16,072	16,204	-	-	-
Import/Export control	Persons	15,986	16,149	-	-	-
Fundamentals of Export Control	Persons	-	-	17,332	17,844	18,979
Epson's compliance (code of conduct etc.)	Persons	18,331	19,347	20,891	20,018	20,608
Basic information security	Persons	19,924	19,550	21,982	20,258	22,127
Basic environmental training II	Persons	17,379	17,008	18,626	17,490	20,343
Introduction to procurement (Subcontract Act.)	Persons	16,801	-	17,801	-	16,736
Introduction to procurement(Ethics and code of conduct)	Persons	-	15,974	-	17,167	-
J-SOX	Persons	18,497	18,642	-	18,673	-

* The number of person completing the course by March 31 every year. (Seiko Epson Corporation and domestic group companies)

Training by employee level

Training	Who	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
New employee orientation	New hires	Persons	298	311	344	200	250
		%	100	100	100	100	100
C-level employee training	New C-level staff	Persons	182	285	350	279	325
		%	96.3	95.0	98.3	97.1	98.0
Senior staff training	New senior staff	Persons	247	206	231	227	269
		%	91.1	95.8	97.4	95.0	96.4
Section manager training	New section manager	Persons	130	90	130	173	118
		%	93.5	91.8	98.5	98.3	95.2
General manager training	New general manager	Persons	31	30	53	42	47
		%	86.9	85.7	93.0	72.4	87.0

* The number of person completing the course by March 31 every year. (Seiko Epson Corporation)

Training Hours

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Training by regular employee	Hours	11.0	11.1	7.4	20.9	21.5
Total training hours	Hours	-	-	-	228,696	235,910

* 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	FY2018	FY2019	FY2020	FY2021	FY2022
QC introduction	People trained	Persons	457	413	366	403	489
	% trained	%	91	88	90	90	85
QC-ABC	People trained	Persons	194	168	389	320	388
	% trained	%	76	75	77	77	71

* Number of licensed trainers as of March 31 of that year

Licensed quality control training trainers

Region		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Southeast Asia	Number of production sites with licensed trainers	Companies	7	7	7	7	7
	Licensed trainers	Persons	97	80	77	78	76
China	Number of production sites with licensed trainers	Companies	7	6	6	5	5
	Licensed trainers	Persons	79	61	52	49	46

* Number of licensed trainers as of March 31 of that year

Promotion of Diversity

Employees with disabilities (Japan)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees	Persons	295	308	317	324	327	329
Employment ratio	%	2.55	2.62	2.66	2.69	2.70	2.65
Target: Employment ratio of disable employees (%)		2.5	2.5	2.5	2.5	2.5	3.0% by FY2030

* Figures for fiscal year as of June 1 every year

Workforce composition

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Female/Male ratio	Female	%	16.3	16.3	16.3	16.9	17.0
	Male	%	83.7	83.7	83.4	83.1	83.0
Management diversity	Female	%	2.4	2.7	3.2	3.7	4.1
	Male	%	97.6	97.3	96.8	96.3	95.9
Target: Female management position ratio							8% by FY2025
Junior management diversity ¹	Female	%	6.0	6.2	6.5	6.9	7.1
	Male	%	94.0	93.8	93.5	93.1	92.9
Target: Female junior management position ratio							10% by FY2025

* Data for Seiko Epson Corporation employees as of March 31 every year

¹ Team leader

Employees by age group

Age	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Less than 20	Persons	49	42	45	30	28
20-29	Persons	1,533	1,671	1,804	1,728	1,743
30-39	Persons	2,208	2,080	1,983	1,928	2,004
40-49	Persons	3,714	3,650	3,487	3,293	3,202
50-59	Persons	3,724	3,777	3,900	3,946	3,948
60-69	Persons	0	0	1	0	0
70 and over	Persons	0	0	0	0	0

* Data for Seiko Epson Corporation regular employees as of March 31 every year

Employees by age and by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Less than 20	Female	%	2.4	1.2	0.6	0.9	0.9
	Male	%	1.0	0.7	0.3	0.5	0.4
	S. Total	%	3.4	1.9	0.9	1.4	1.3
20-29	Female	%	20.4	21.0	19.6	19.5	19.7
	Male	%	18.2	17.6	16.9	15.6	15.2
	S. Total	%	38.6	38.6	36.5	35.1	34.9
30-39	Female	%	12.0	12.0	12.1	12.8	13.3
	Male	%	13.5	13.4	14.5	14.6	14.8
	S. Total	%	25.5	25.4	26.6	27.4	28.1
40-49	Female	%	7.7	8.2	8.5	8.8	8.4
	Male	%	12.7	12.9	13.1	13.1	12.3
	S. Total	%	20.4	21.1	21.6	21.9	20.8
50-59	Female	%	2.6	2.9	3.4	3.5	3.6
	Male	%	8.9	9.4	10.2	10.3	10.5
	S. Total	%	11.5	12.2	13.5	13.8	14.1
60 and over	Female	%	0.2	0.3	0.3	0.2	0.3
	Male	%	0.4	0.4	0.6	0.3	0.6
	S. Total	%	0.6	0.7	0.9	0.5	0.9
Total	Female	%	45.3	45.5	44.5	45.6	46.2
	Male	%	54.7	54.5	55.5	54.4	53.8
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies regular employees as of March 31 every year

Percentage of mid-career hires of regular workers to the number of hired regular workers

FY2018	FY2019	FY2020	FY2021	FY2022
22.7%	29.6%	8.0%	19.4%	49.1%

* Data for Seiko Epson Corporation

Length of employment

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total	Years	19.4	19.2	19.1	19.3	19.0
Female	Years	21.5	20.9	20.4	20.3	19.9
Male	Years	18.9	18.9	18.9	19.1	18.8

* Data for Seiko Epson Corporation employees as of March 31 every year

Average age

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total	Years old	43.6	43.6	43.6	43.8	43.7
Female	Years old	43.9	43.6	43.5	43.6	43.5
Male	Years old	43.6	43.6	43.6	43.8	43.7

* Data for Seiko Epson Corporation employees as of March 31 every year

Turnover rate

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total turnover rate	%	4.5	4.1	4.5	4.4	5.1
Voluntary turnover rate	%	1.8	1.5	1.4	1.5	2.2

* Data for Seiko Epson Corporation as of March 20 every year. Total turnover rate includes retired worker. (Including retired worker)

Wage difference between male and female workers

Ratio of women's wages to men's wages

	FY2021	FY2022
All workers	74.9%	76.5%
Regular	75.7%	76.7%
Non-Regular	74.6%	77.8%
(Reference) Management positions	97.8%	97.1%

* Seiko Epson Corporation on a non-consolidated basis

* Wage includes wages, salaries, allowances, bonuses, and all other things paid by an employer to a worker as compensation for labor

Fostering a Better Workplace

Workforce composition by employment type and by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Full-time employment	Female	%	36.1	35.5	32.7	34.0	35.2
	Male	%	43.0	43.0	41.1	40.5	41.0
	S. Total	%	79.1	78.5	73.8	74.5	76.1
Part-time employment/ Contract	Female	%	10.8	12.0	15.8	15.4	14.0
	Male	%	5.2	6.4	7.8	6.8	6.7
	S. Total	%	16.0	18.4	23.6	22.2	20.7
Temporary	Female	%	2.1	1.4	1.3	1.6	1.4
	Male	%	2.8	1.6	1.3	1.7	1.8
	S. Total	%	4.9	3.0	2.6	3.3	3.2
Total	Female	%	49.0	48.9	49.8	51.0	50.5
	Male	%	51.0	51.1	50.2	49.0	49.5
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies as of March 31 every year

Composition of all managerial positions by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Junior management positions	Female	%	18.8	18.8	19.4	20.3	21.5
	Male	%	81.2	81.2	80.6	79.7	78.5
	S. Total	%	100	100	100	100	100
Top management positions	Female	%	13.4	14.7	13.0	12.5	10.6
	Male	%	86.6	85.3	87.0	87.5	89.4
	S. Total	%	100	100	100	100	100
Total	Female	%	16.2	16.7	17.1	18.0	20.2
	Male	%	83.8	83.3	82.9	82.0	79.8
	G. Total	%	100	100	100	100	100

* Data for all Epson group companies as of March 31 every year

Composition of managerial positions in revenue-generating functions by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Management positions in revenue-generating functions	Female	%	14.7	14.6	15.2	16.0	18.5
	Male	%	85.3	85.4	84.8	84.0	81.5
	S. Total	%	100	100	100	100	100
Management positions in non-revenue generating functions	Female	%	24.5	25.6	25.8	27.2	28.5
	Male	%	75.5	74.4	74.2	72.8	71.5
	S. Total	%	100	100	100	100	100
Total	Female	%	16.2	16.7	17.1	18.0	20.2
	Male	%	83.8	83.3	82.9	82.0	79.8
	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	FY2023
Total working hours	Hours	1,943	1,879	1,848	1,854	1,845	
Target	Hours	-	1,900	1,865	1,850	1,845	1,845

* Data for Seiko Epson Corporation employees as of March 31 every year

Paid leave

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of paid leave used	Days	13.9	15.6	15.9	15.3	16.2	
	Target (days):	15.0	18.0	18.0	18	20	20
	%	69.5	78.0	79.5	76.5	81.0	
	Target (%):	75.0	90.0	90.0	90	100	100

* Data for Seiko Epson Corporation employees as of March 31 every year

Childcare leave trends

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
Childcare leave	Total	Persons	75	102	109	169	323
	Female	Persons	35	41	37	38	38
	Ratio of female granted leave ¹	%	100	100	100	100	90.5
	Male	Persons	40	61	72	131	273
Employees using parental reduced hours	Persons	13.6	21.3	30.8	53.5	97.2	

* Data for Seiko Epson Corporation employees as of March 20 every year

¹ Calculation for FY2022:

Number of employees who took childcare leave in the fiscal year/Number of employees who gave birth or whose spouse gave birth in the fiscal year.

Calculation for the fiscal years up to FY2021:

Number of people who took childcare leave/Number of people eligible for the system (people eligible for the system: those who gave birth to a child and who became eligible to take childcare leave).

Caregiver leave trends

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Care giver Leave	Persons	2	6	2	5	2
Employee using caregiver reduced hours	Persons	5	4	4	6	5

* Data for Seiko Epson Corporation employees as of March 20 every year

Result of employee survey

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Participation ratio	%	96.7	97.4	92.5	98.9	95.4
% of engaged employees ¹	%	92.2	91.2	92.0	92.7	92.3

* 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	FY2018	FY2019	FY2020	FY2021	FY2022
Ratio of Union membership	%	85.8	85.9	86.5	86.4	86.2

* Data for Seiko Epson Corporation employees as of March 20 every year

Collective bargaining agreements

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Employees covered by collective bargaining agreements	%	55.4	56.2	57.7	54.7	53.5

* Data for Epson overseas subsidiaries employees as of March 31 every year

Employee coverage of the individual performance appraisals by MBO (Management by Objectives)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Performance appraisals by MBO	Female	%	47.8	59.3	64.6	62.4	58.9
	Male	%	31.0	46.9	51.9	54.6	52.7
	Total	%	44.9	53.8	58.9	59	56.1

* Data for Epson overseas subsidiaries employees as of March 31 every 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 2023 by the day)	Female	444	429	103.4%
	Male	444	429	103.4%
	Average	444	429	103.4%
Epson Engineering (Shenzhen) Ltd. Chinese Yuan (as of March 2023 by the month)	Female	3,300	2,360	139.8%
	Male	3,300	2,360	139.8%
	Average	3,300	2,360	139.8%
PT. Indonesia Epson Industry Indonesian Rupiah (as of January 2023 by the month)	Female	7,156,150	5,137,574	139.3%
	Male	7,156,150	5,137,574	139.3%
	Average	7,156,150	5,137,574	139.3%

Occupational Safety and Health

Occupational injury accident frequency (Global)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Occupational accident rate	-	0.07	0.10	0.13	0.13	0.30

* 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

* We have enhanced our occupational health and safety activities by changing our management of indicators to include sales companies in addition to manufacturing sites starting in FY2022

Occupational injury accident seriousness (Global)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Injuries severity rate	-	0.005	0.002	0.004	0.003	0.006

* 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

* We have enhanced our occupational health and safety activities by changing our management of indicators to include sales companies in addition to manufacturing sites starting in FY2022

Supply Chain Management

Supplier conference for CSR

Area		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Number of companies	Companies	447	510	764	550	969
China	Number of companies	Companies	222	58	77	22	80
Philippines	Number of companies	Companies	70	0	17	86	81
Indonesia	Number of companies	Companies	168	193	17	145	30
Others	Number of companies	Companies	225	63	40	97	35
Total	Number of companies	Companies	1,132	824	898	814	1,195

Annual evaluation

Evaluation		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Direct evaluation	Number of accounts	Accounts	1,481	1,525	1,440	1,572	1,582
	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	948
	Ratio of evaluation suppliers	%	-	84	85	94	82
Safety management evaluation ¹ (BCP self assessment questionnaire)	Number of companies	Companies	-	1,402	1,384	1,245	948
	Ratio of evaluation suppliers	%	-	85	78	95	80

¹ Changed the calculation method for FY2019 and later.

Detailed CSR evaluation

Evaluation		Unit	2018	2019	2020	2021	2022
Direct suppliers (Production material)	Number of companies	Companies	-	312	222	293	164
	Ratio of high risk rank	%	-	5	0	0	0
Indirect suppliers (Non-production material)	Number of companies	Companies	-	124	233	220	232
	Ratio of high risk rank	%	-	16	8	0	0

Conflict Minerals

Conflict minerals survey

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Survey sheet recovery rate	%	92	91	97	99	99
Number of identified smelters ¹	-	314	344	340	406	349
Number of CFS ² -certified smelters	-	256	268	242	244	229

¹ For information regarding the details of the 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).

Each mineral data

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Gold	Number of identified smelters	-	150	159	166	181	175
	Number of CFS-certified smelters	-	102	107	107	106	95
Tantalum	Number of identified smelters	-	40	45	41	44	36
	Number of CFS-certified smelters	-	40	40	38	39	34
Tin	Number of identified smelters	-	81	93	79	117	86
	Number of CFS-certified smelters	-	74	78	55	56	63
Tungsten	Number of identified smelters	-	43	47	54	64	52
	Number of CFS-certified smelters	-	40	43	42	43	37

Corporate Citizenship

Corporate citizenship

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Corporate citizenship expenditures	Billion yen	0.82	0.90	0.58	0.77	1.61

* The monetary equivalent of donations and grants, as well as human, material, and other assistances

ESG Data

Governance

Corporate Governance

Board of directors

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Outside directors	Female	Persons	2	2	2	2	2	2
	Male	Persons	3	3	3	3	3	4
	S. Total	Persons	5	5	5	5	5	6
Inside directors	Female	Persons	0	0	0	0	0	0
	Male	Persons	7	7	7	6	5	4
	S. Total	Persons	7	7	7	6	5	4
Total	Female	Persons	2	2	2	2	2	2
	Male	Persons	10	10	10	9	8	8
	G. Total	Persons	12	12	12	11	10	10

* Data is from the end of June each year.

Number of meetings of the board of directors and other committees (FY2022)

	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Meetings Held	16	22	3	17	10

* Numbers were counted for the period from April 2022 to the June 2023 general shareholders' meeting.

Number of meetings directors attended (FY2022)

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	16 (100%)	-	-	-	-
Yasunori Ogawa	President and Representative Director		16 (100%)	-	-	17 (100%)	10 (100%)
Tatsuaki Seki	Representative Director, Senior Managing Executive Officer		16 (100%)	-	-	-	-
Koichi Kubota	Director		16 (100%)	-	-	-	-
Hideaki Omiya	Outside Director	Director Nomination Committee Chair Director Compensation Committee Chair	16 (100%)	-	3 (100%)	17 (100%)	10 (100%)

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Mari Matsunaga	Outside Director		16 (100%)	-	3 (100%)	17 (100%)	10 (100%)
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Audit & Supervisory Committee Chair Compliance Committee Chair	16 (100%)	22 (100%)	3 (100%)	17 as an observer	10 as an observer
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member		16 (100%)	22 (100%)	3 (100%)	17 (100%)	10 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member		16 (100%)	22 (100%)	3 (100%)	17 (100%)	10 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member		16 (100%)	22 (100%)	3 (100%)	17 (100%)	10 (100%)

(): Attendance rate

* Numbers were counted for the period from April 2022 to the June 2023 general shareholders' meeting.

Directors comprising corporate management meeting bodies (as of the end of June, 2023)

Name of Director	Title	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Minoru Usui	Chairman of the Board	Chair	-	-	-	-
Yasunori Ogawa	President and Representative Director	Member	-	-	Member	Member
Tatsuaki Seki	Representative Director, Senior Managing Executive Officer	Member	-	-	-	-
Mari Matsunaga	Outside Director	Member	-	Member	Member	Member
Tadashi Shimamoto	Outside Director	Member	-	Member	Member	Member
Masaki Yamauchi	Outside Director	Member	-	Member	Member	Member
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Member	Chair	Chair	(Observer)	(Observer)
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member	Member	Member	Member	Chair	Chair
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 the end of June, 2023)

Composition		Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Members		10	4	7	7	7
Breakdown 1	Outside director	6	3	6	6	6
	Inside director	4	1	1	1	1
	Other (inside)	-	-	-	-	-
Breakdown 2	Women	2	1	2	2	2
	Men	8	3	5	5	5

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 October 2022

Epson will fulfill its social responsibility by living up to the principles below and effecting continuous improvements based on the Management Philosophy, Exceed Your Vision, and the underlying spirit of “integrity and effort” and “creativity and challenge” that we have embraced since the founding of the company.

The subject of the principles is “we” (i.e., Epson). This signals our commitment as a company to observing these principles. It also serves as a declaration that all Epson personnel, including executives, managers, and employees, should conduct themselves in line with these principles.

Principle 1: Pursuing customer satisfaction

We continue to win more Epson fans by being attentive to customers’ needs at all times and delivering safe and reliable products and services that delight and enrich the lives of our customers worldwide.

- a) We will produce quality products and services that reflect universal design principles and will be easy to use for the greatest number of people.
- b) We will foster a culture of learning from our mistakes and will build business processes to prevent problems from recurring, to prevent them from happening in the first place, in order to create value.
- c) We will continue to provide innovative products and services that benefit society and that have high customer value by conducting R&D and improving our manufacturing capabilities from a customer perspective.
- d) We will remain attentive to customers, respond to them quickly, appropriately and with sincerity and care, and do our best to solve their problems.
- e) We will improve the quality of all work and gain strong customer trust by being mindful that compliance and product safety are top priorities.

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 take full advantage of the value of a diverse workforce and create synergies between individuals and organizations to increase organizational power and achieve our goals through teamwork.

- 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 state and share the purpose and objectives of actions, show proof that objectives have been achieved, and align the actions of the company and the individual.
- f) Everyone in the organization will understand the purpose of actions, their role, and work as a part of a team.

- g) We will embrace a culture in which objectives are achieved by involving others, discussing issues until a mutual understanding and consensus are reached, and building and maintaining mutual trust.
- h) 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 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 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.

Closing: The spirit of “integrity and effort” and “creativity and challenge”

We take a broad, global view of the social and market situation when implementing these principles, respond with integrity to the expectations of our customers and society, develop our strengths, exercise the effort to overcome our weaknesses, and continue to create new value.

Epson Group 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 Epson Group 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 as our top priority.

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 "Product Safety First" corporate culture

- We execute various actions on product safety pursuant to the Principles of Corporate Behavior and make continuous improvements to establish and maintain a corporate culture where the priority is on the customer and product safety.

3. Actions and continuous improvements 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, which are timely revised according as the risks generated by the changes such as usage environments, 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 and product compliance with laws and regulations, which leads to our development, production and maintenance of safe products.

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 2022

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.) Limited
Epson Telford Limited
Epson Australia Pty. Ltd.
Epson America, Inc.
Epson Europe B.V.

Our organisation

Seiko Epson Corporation and Epson Group companies ("Epson") are primarily engaged in the development, manufacturing, and sales of products and services in the areas of printing, visual communications, and manufacturing-related and wearables. These actions are guided by a Corporate Purpose which states: "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world."

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 81 Epson Group manufacturing and sales companies, in 61 countries and regions, with 79,906 employees and 1,330.3 billion yen in net revenue for FY2022.

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, and related consumables.

Epson's visual communications business provides 3LCD projectors mainly for business, education, the home, and event as well as smart glasses.

Its manufacturing-related and wearables 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; high-value-added surface finishing; and, in the Japanese market, PCs.

Supply Chain

In manufacturing and selling the many Epson products mentioned above, Epson currently procures goods, raw materials, and parts from about 1,700 direct material suppliers around the world.

Epson procures goods from around the world. Domestic Japanese procurement accounts for 38% of the spend and overseas procurement for 62%.

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. Other 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 considers suppliers to be important partners in its business activities. As such, our procurement activities are designed to develop mutually beneficial trusting relationships with them based on fairness, transparency, and respect. 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 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 2022, 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.

We seek to achieve sustainability and enrich communities and, toward that end, are engaging our suppliers in four long-term, priority areas to ensure socially responsible supply chains from the standpoints of human rights and sustainability:

- 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 18-year history of the Guidelines, we have asked all our suppliers to comply with the requirements and have major suppliers of both production materials and indirect materials (including suppliers of contract services and temporary staff) submit a Supplier Agreement in which they consent to comply with Epson's requirements.

Going forward, Epson will ensure strict observance of the RBA Code of Conduct and work with its suppliers to build more responsible supply chains.

Due diligence processes for slavery and human trafficking

Epson has identified potential or actual adverse impacts on human rights both within its own operations and within those of its suppliers. These adverse impacts include things such as forced labour, child labour, harassment, and discrimination in the value chain for developing, manufacturing, and selling products. We continue to go through a process of human rights due diligence to investigate these adverse impacts, 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 adverse impacts on human rights and evaluation of their effects
3. Improvement plans, and stopping, preventing, and mitigating adverse impacts
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 DE&I strategic promotion department under the supervision of the executive officer in charge of human capital and well-Being management. 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 major Epson Group manufacturing companies. Administrative oversight is provided by the Seiko Epson Head Office department that supervises socially responsible procurement.

2. Identification of adverse impacts on human rights and evaluation of their effects

To understand where adverse impacts on human rights exist in business and to manage those adverse impacts, we worked with stakeholders in the value chain to analyze where adverse impacts reside. We found that priority actions are needed for employees of Seiko Epson Corporation and Epson Group, temporary workers, on-site vendors' employees, supplier employees, and migrant workers. Therefore, we conduct a CSR self-assessment questionnaire to understand issues in these areas.

High-Priority Groups	Adverse Impacts 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
Temporary workers	Same as above	Same as above
On-site service vendors' employees	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 impacts

We instruct companies and business sites to take action to correct, improve, or mitigate adverse impacts identified by the CSR self-assessment questionnaire. We analyze the answers on the questionnaire, identify where a site is not in conformance with the code of conduct, and provide guidance for the corrective actions we request. Sites formulate and implement their own corrective action plans to address the observations. Progress on correcting major nonconformances is monitored until completion is confirmed.

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 take measures in consultation with them.

4. Results/progress monitoring

We check whether instances of nonconformance 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 conformance with the RBA Code of Conduct, extract issues, and address them.

5. Communication and reporting

The results and progress of actions to address human rights issues 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 employees of Seiko Epson Corporation and Epson Group, temporary workers, on-site vendors' employees, supplier employees, and migrant workers, 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 adverse impacts

In the 2022 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 conformance with the RBA Code of Conduct.

The results of the FY2022 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 adverse impacts on human rights that have been identified, corrected, improved, or continuously addressed within the Epson Group:

- Nonpayment of overtime by an on-site service contractor
- Inadequate management of working hours
- Nonpayment of legally required employee contributions (contractor)
- Nonconforming emergency exit door along a factory evacuation route

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 conformant with the RBA audit criteria and to make improvements. In the 2022 fiscal year, Epson's manufacturing sites in China, Indonesia, the Philippines, and Malaysia underwent audits and corrected nonconformances that were observed. In 2022, 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 164 key first-tier suppliers of direct materials (449 sites) and from 247 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 2022, 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 corrections and 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, payment of allowance for work on holidays, 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-term key goal indicators (KGI) and key performance indicators (KPIs) to achieve its vision of socially responsible supply chains.

Mid-term targets (KGI) (achieve by 2025)

- Sustainable procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
- Responsible sourcing of minerals: Ensure that products are conflict-free and disclose product information.

FY2022 Major Action Items and KPIs	Results
1. Strengthen the detailed CSR evaluation (due diligence) <ol style="list-style-type: none"> 1) CSR SAQ results: high risk 0%, middle risk: 6% or less 2) Completion rate of risk mitigation activities for specified priority items: 100% 	<ol style="list-style-type: none"> 1) Major suppliers of direct materials 0% high risk (0 sites) and 9% medium risk (42 sites) 2) Major suppliers of direct materials 84% completion rate (146 out of 173 sites)
2. Strengthen conflict mineral surveys <ol style="list-style-type: none"> 1) Asked all suppliers to use only conformant smelters 2) Completed surveys collection rate of 100% 	<ol style="list-style-type: none"> 1) Feedback to suppliers using smelters that are not conflict-free certified: 100% 2) Return rate CMRT (3TG): 99% EMRT (cobalt): 97%
3. Strengthen CSR engagement with suppliers <ol style="list-style-type: none"> 1) 100% of manufacturing sites held supplier CSR meetings 2) Discussions with suppliers on CSR: 20 companies 	<ol style="list-style-type: none"> 1) 100% (15 sites) 2) 16 companies

FY2023 Major Action Items and KPIs
1. Improvement in CSR <ol style="list-style-type: none"> 1) CSR SAQ results (major suppliers of direct materials): 0% high risk (0 companies), 4% (20 companies) or less middle risk
2. Strengthening of conflict mineral surveys <ol style="list-style-type: none"> 1) Survey return rate: 100% (1,500 companies) 2) Feedback to suppliers using smelters that are not conflict-free certified: 100% (750 companies)
3. Strengthening of CSR engagement with suppliers Supplier CSR meetings: Hold at 100% of manufacturing sites (15 main manufacturing sites)

Responsible Sourcing of Minerals

Profits from the extraction and sale of minerals such as tin, tantalum, tungsten, and gold (3TG) in conflict-affected and high-risk areas such as the Democratic Republic of the Congo (DRC) and neighboring countries are a source of funding for armed groups and antigovernment forces carrying out atrocities and human rights abuses. Furthermore, it has been pointed out that cobalt mines in the southern part of the DRC have become breeding grounds for child labor. Mineral mining and trade have negative social and environmental impacts.

Involvement in human rights abuses and environmental destruction run counter to our core values and we will not be tolerated. We will not engage in business relationships with any party involved in human rights abuses, nor will we support operations that result in the degradation of socioeconomic and environmental conditions. Epson has in place internal processes to ensure responsible sourcing and has joined the Responsible Minerals Initiative (RMI). We ask our suppliers to support our responsible mineral sourcing policies and cooperate in mineral surveys. We conduct annual surveys on the parts and materials used in Epson's products in accordance with "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). If a supplier's answers on a survey indicate that it was unable to verify whether a smelter or refiner from which minerals were sourced is certified as conflict-free under the RMI's Responsible Minerals Assurance Program (RMAP), we work with the supplier and the RMI to encourage the smelter/refiner to obtain RMAP certification as part of our efforts to avoid or mitigate human rights abuses and environmental destruction.

In 2022, we conducted 3TG (tin, tantalum, tungsten, and gold) and cobalt surveys covering approximately 80,000 components and materials. In addition to implementing a responsible minerals sourcing policy and survey program, we disclose on our website information about smelters and refiners that have been identified through surveys. We also respond to survey requests from our customers.

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 our global workforce of people working in areas such as human resources, health and safety, environment, ethics, and supply chain management about the RBA Code of Conduct and its requirements. In 2021, we revised the Epson Group Human Rights Policy. We took this as an opportunity to hold further study sessions on the subject of business and human rights for directors and personnel in corporate and global HR departments. In the 2022 fiscal year, we conducted an online course for all officers, employees, contract employees, and temporary staff, who work at Seiko Epson and all other group companies in Japan, to raise awareness of human rights and prevent human rights abuses.

Through this course, participants learned about the fundamentals of business and human rights, as well as about Epson's efforts to respect human rights, which are essential for conducting global business. The number of employees and workers completed the course was 16,539 as of March 2023. Understanding of business and human rights issues was deepened further by holding a human rights seminar led by an outside expert. The seminar, which any employee could attend, incorporated information on things such as recent trends and case studies. 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. From 2020, 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. Seiko 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.

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	Human rights seminar, SAQ briefing, and responsible mineral sourcing conference
FY2023 (plan)	Human rights seminar, SAQ briefing, and responsible mineral sourcing conference

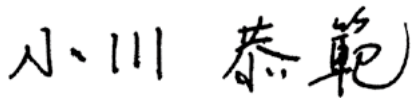
Epson has set up the Epson Helpline and various other channels that can be used to report harassment, long working hours, and other concerns involving issues such as human rights and labour. All personnel are regularly notified of disciplinary actions and other actions taken by the company in response to incidents related to labour, harassment, and other forms of human rights abuses to prevent similar incidents in the future. Furthermore, Epson has hotlines 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 28 July 2023 and signed by the President of Seiko Epson Corporation.



Yasunori Ogawa

President, Board of Directors
Seiko Epson Corporation

Date: 3rd August 2023

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 2023.

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, and Africa.

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 31 August 2023 and signed by the Managing Director.



Duncan Ferguson

Managing Director
Epson (U.K.) Limited

Date: 31 August 2023

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 2023.

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 17th August 2023 and signed by the Managing Director.



Kevin Browne
Managing Director
Epson Telford Limited

Date: 17th August 2023

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 2023.

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 28th August 2023 and signed by the President.



Craig Heckenberg
Managing Director
Epson Australia Pty. Ltd.

Date: 28th August 2023


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 2023.

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, and Africa.

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: 31 August 2023

EPSON

SEIKO EPSON CORPORATION

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

TEL: +81-266-52-3131

<https://corporate.epson/en/>