

# Sustainability Management

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# Sustainability Management

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

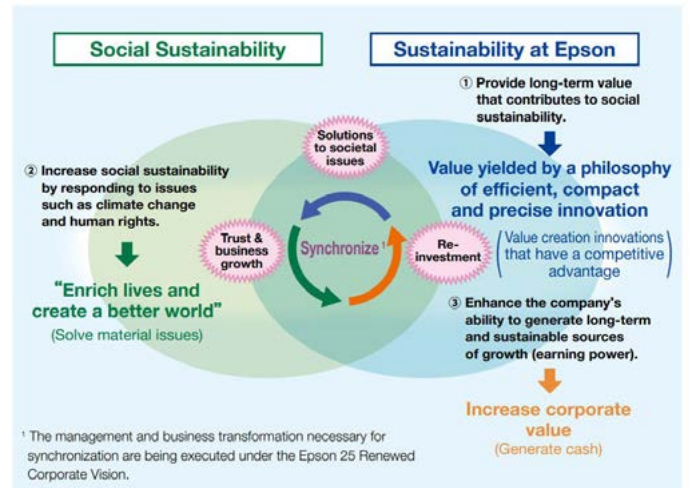
## Epson's Sustainability Management

The movement toward sustainability around the world is accelerating, with the expansion of ESG investment and the formulation of sustainability-related policies in various countries and regions. Against this backdrop, companies are increasingly being asked to take a stance on how to respond to the issues facing society through their business activities. Epson has been contributing to solving various social issues through the provision of its products and services.

We will provide long-term value that contributes to social sustainability by solving societal issues with a philosophy of efficient, compact and precise innovation.

This will enrich lives and help create a better world. This is purpose-based sustainability management.

Going forward, under the banner of our Corporate Purpose, we will continue to work with our customers and partners from a long-term perspective with the goal of achieving sustainability and enriching communities by working to get sustainability of society synchronized with that of Epson.



\* Illustration created by Epson based on Ito Review 3.0 (Ito Review SX Edition)


# 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.

## Approach

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

Epson will fulfill its social responsibilities through independent action and continuous improvement in accordance with the following principles of conduct, based on its Management Philosophy, EXCEED YOUR VISION, and the underlying spirit of “Sincerity and Effort” and “Creativity and Challenge” that the company has valued since its founding.

 [Management Philosophy \(Please refer to page 004\)](#)

 [Principles of Corporate Behavior \(Please refer to page 350 of “Appendices”\)](#)

### 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.

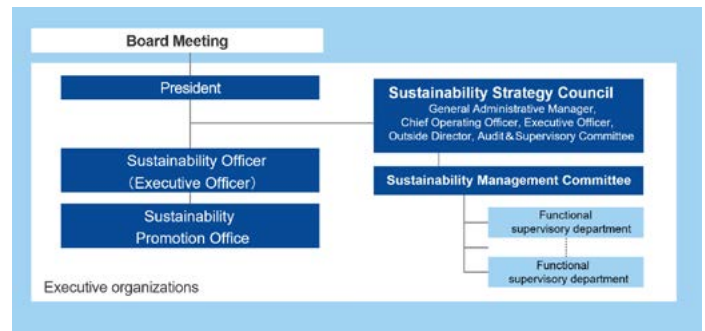
- The Ten Principles of the United Nations Global Compact
- The Sustainable Development Goals (SDGs)
- OECD Guidelines for Multinational Enterprises
- Keidanren Charter of Corporate Behavior
- ILO Core Labor Standards
- Responsible Business Alliance (RBA) Code of Conduct
- ISO 26000

## 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.

In addition, we have established the Sustainability Strategy Council as an advisory body to the President, which is composed of Outside Directors and Audit & Supervisory Committee Members, in addition to management-level personnel including the General Administrative Managers and Chief Operating Officers. The Sustainability Strategy Council formulates medium and long-term strategies for sustainability pertaining to the entire Group based on a review of social trends, reviews the status of implementation of activities, and deliberates on initiatives to address key issues.

Furthermore, the Sustainability Management Committee has been established as a subordinate body of the Sustainability Strategy Council to discuss and examine specialized matters related to sustainability activities. This committee is composed of the heads of relevant functional supervisory departments, and submits reports to the Sustainability Strategy Council.



Executive organizations chart

## Action Items

### Main Topics Discussed by the Sustainability Strategy Council

Fiscal Year (Meetings hold)	Main Topic of Discussion
2023(7)	<ul style="list-style-type: none"> <li>• Review of the effect of Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>• Discussion of FY22 results and FY23 targets for key sustainability topic KPIs</li> <li>• Annual review of sustainability communication activities</li> <li>• Discussion of FY23 plans</li> <li>• Review of CSV activity implementation</li> <li>• Review of RBA activity implementation</li> <li>• Review of CSR procurement implementation, etc.</li> </ul>

# Materiality and Progress

## Materiality

Epson's corporate management is rooted in the concept of materiality. Materiality is identified based on the impact of societal issues. We consider Epson's business activities to be a means of directly addressing these issues.

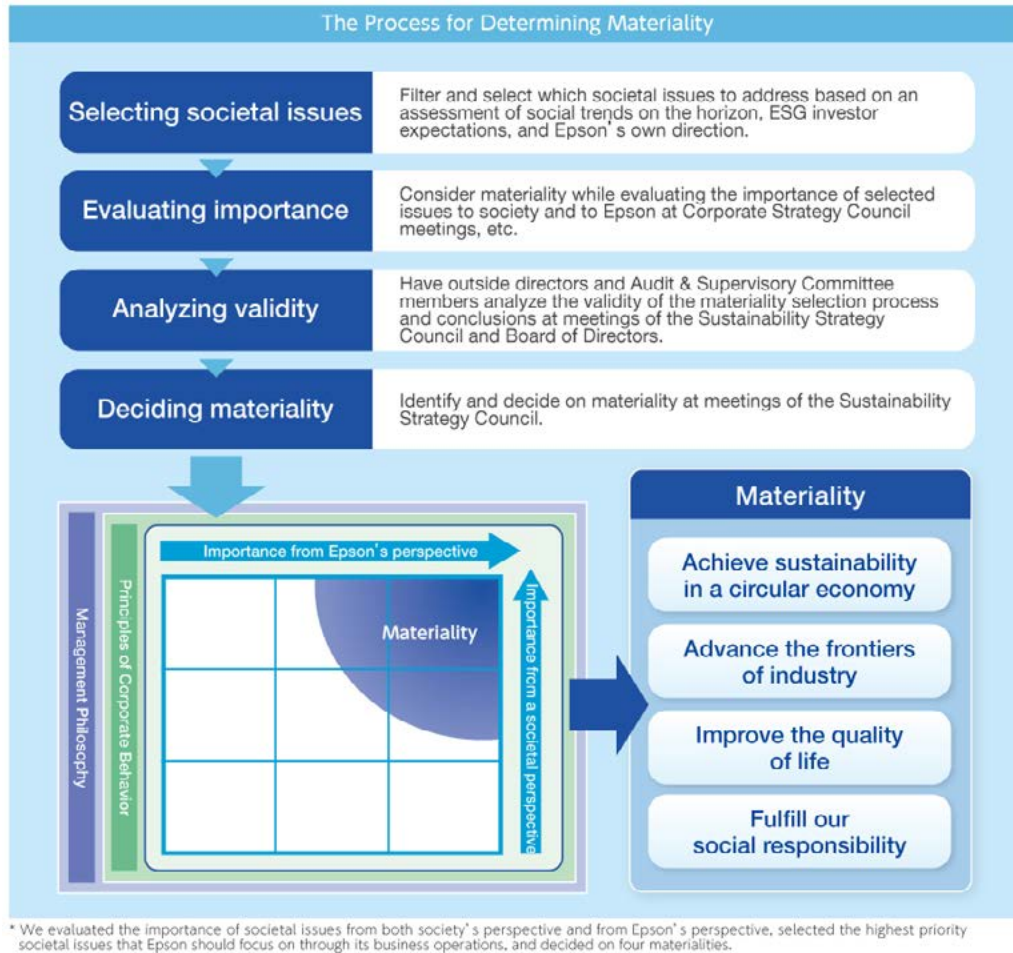
Epson sees achieving sustainability in a circular economy, advancing the frontiers of industry, improving the quality of life and fulfill our social responsibility as key themes for solving societal issues.



- **Achieve sustainability in a circular economy**  
This entails initiatives aimed at driving sustainable economic activities by achieving closed-resource-loop systems through effective use of resources such as electricity, energy and water as well as reduction in usage of underground resources to control climate change.
- **Advance the frontiers of industry**  
This entails initiatives aimed at transforming conventional processes to contribute to the resolution of social issues. It is intended to help to make improvements to environmental pollution, labor and other issues by converting manufacturing processes from analog techniques to digital, for example.
- **Improve the quality of life**  
This entails making contributions on the health front to help people lead a healthy life, and making educational contributions relating to people's growth and maturity. We will enable people to select diverse lifestyles through products and services offered by Epson, and promote initiatives that contribute to an abundant and colorful life.
- **Fulfill our social responsibility**  
This means that Epson is committed to fulfilling its corporate responsibility required to achieve sustainability and enrich communities. It entails initiatives that help to realize the ideal state expected of a company by society, such as dialogue with diverse stakeholders, environmental and social responsibility related to materials procured and suppliers, respect for human rights and promotion of diversity, and capabilities to ensure business continuity.

## Deciding Materiality

Epson has analyzed social issues and megatrends defined by SDGs, ISO26000 and others, examined its own strengths that can lead to social impact, and identified four materialities that are highly important issues for Epson to address to solve challenges in society.



### Material Trends and Frameworks Referenced

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

## Key Sustainability Topics, KPI, and FY2023 Results

### Key Sustainability Topics

To increase effectiveness with which we can address the materialities, we mapped 12 key sustainability topics to the materialities, considered how we could contribute to solving societal issues, set concrete key performance indicators (KPIs), and then got to work.

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	Utilizing resources efficiently by miniaturizing products, reduce their weight, and using recycled materials, and establishing a circular production system that minimizes production losses
	Customer environmental impact mitigation	Maximizing reduction contributions through products and services that contribute to reducing environmental impact
	Environmental technology development	Applying Dry Fiber Technology, using naturally derived (plastic-free) materials, recycling raw materials (metals, paper)
Advance the frontiers of industry	Improving productivity through digitalization and automation	Transitioning to distributed production, local production, and low-volume high-mix production; driving printing innovations; supporting diverse customer needs; innovating production processes and printing processes through the application of inkjet technology
	Improving working environment and educational environment	Creating clean, space-efficient workspaces, relieving labor shortages through automation, providing a fair, natural and comfortable communication environment, and mitigating learning disparities due to geographical differences and social situation
Improve the quality of life	Enriching diverse lifestyles	Providing personalized health support and lifestyle monitoring services
	Realizing an abundant and colorful life	Providing products such as high-quality watches with appealing designs
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 FY2023 Results

The table below summarizes the key sustainability topics, key performance indicators (KPI), and FY2023 results. In FY2022, some of the KPIs were incorporated in evaluations used to determine executive management compensation, thereby clarifying management responsibility for sustainability.

### 1. Materiality: Achieve Sustainability in a Circular Economy

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 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	Reduce by 65% compared to FY2017	Reduced by 80% compared to FY2017	Reduced by 80% compared to FY2017 (SBT: FY2025 Target 34%)
	●		Scope 3 GHG emissions (per unit of business profit) reduction ratio	Reduced by 45% compared to FY2017	Reduced by 17% compared to FY2017	Reduced by 35% compared to FY2017 (SBT: FY25 Target 44%)
		Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Achieve 100% globally	Achieved adoption ratio of 100% globally	Maintain adoption ratio of 100% globally
Closed resource-loop initiatives		Becoming underground resource <sup>2</sup> free by 2050: ● Using resources efficiently by reducing size and weight, using recycled materials, etc.	Ratio of sustainable resources <sup>3</sup>	27%	32%	35%
		● Establishing closed-loop production systems that minimize production losses	Final landfilled rate <sup>4</sup>	≤1%	0.6%	≤1%
Customer environmental impact mitigation		Maximizing avoided emissions with products and services that have a lower environmental impact <sup>5</sup>	Emissions avoided through products & services	Commence the calculation based on a new calculation logic and determine target values	- Started calculating the reduction contribution of A3 color inkjet printers using the new calculation logic. - FY23 Results: 15.1 thousand t-CO <sub>2</sub> e <sup>6</sup>	Exceeding the previous year



Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 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"> <li>• Packaging materials</li> <li>• Housing materials</li> </ul>	Progress of development process	Expand the scope of practical application	- Packaging: Development aimed at expanded use (cotton scraps) - Housings: Development of composite plastic materials (improved performance of materials)	Expand the scope of practical application
		Establishing high-added-value recycling technology for used metal	Progress of development process	Technology for high-value-added metal powders (molding material) for practical application	Completed the development of elemental technology as a molding material, with PoC <sup>7</sup> in progress	Technology for high-value-added metal powders (molding material) for practical application

<sup>1</sup> Compensation (Restricted Stock) evaluation indicator

<sup>2</sup> Non-renewable resources such as oil and metals

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

<sup>4</sup> Ratio of landfilled amount of production resources against the volume of resources injected

<sup>5</sup> Quantified the contribution of products and services toward GHG emissions reductions

<sup>6</sup> Based on the calculation method confirmed by Mizuho Research & Technologies Co., Ltd., the value obtained by multiplying the difference between the weighted average of the publicly disclosed lifetime CO<sub>2</sub> emissions of major laser printers in the global market and the lifetime CO<sub>2</sub> emissions of our A3 color inkjet printers by the number of Epson A3 color inkjet printer units sold in the relevant fiscal year.

<sup>7</sup> PoC (Proof of Concept): A process to verify the feasibility and actual effect, etc. of a new technology, etc.

## 2. Materiality: Advance the Frontiers of Industry

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Increasing 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	Sales growth rate of commercial and industrial inkjet printers compared to the previous year	10%	1%	3%
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	Sales growth rate of high-capacity inkjet printers for SOHO and home users compared to the previous year	5%	(9%)	5%
		Eliminating labor shortages through automation using robots	Number of labor shortages eliminated <sup>8</sup>	28,000 persons	25,000 persons	29,000 persons
		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 (FY2023) Number of adopting companies, or number of partners (FY2024 after)	Number of partners: 2	Number of partners: 2	Continuing + new: ≥2 companies
		Creating equal 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	20 programs	29 programs	40 programs (Total)
	Number of countries with PoC verifying mitigation of learning disparities in general education and awareness of societal issues.		-	Selected countries with PoC programs	Countries with PoC programs:2	

<sup>1</sup> Compensation (Restricted Stock) evaluation indicator

<sup>8</sup> Calculated based on the effectiveness of Epson's internal projects

### 3. Materiality: Improve the Quality of Life

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 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 sensing business sales <sup>9</sup>	20%	22%	28%
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	4%	4%	12%

<sup>1</sup> Compensation (Restricted Stock) evaluation indicator

<sup>9</sup> Business model that provides value by converting data based on algorithms

#### 4. Materiality: Fulfil our Social Responsibility

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 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	240 times	≥200 times
			Evaluation indices of external evaluation agencies	Acquired high recognition <sup>10</sup>	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)	Achieve no impact on sales due to disruption in supply chain to the extent possible	Impact of supply chain disruption: None	Zero sales impact
	●	Realizing responsible supply chains	CSR risk levels of suppliers	CSR risk ranks of main suppliers: (Direct materials) - 0% high risk, ≤4% middle risk (Indirect materials) - 0% high risk	(Direct materials) - High risk: 0% - Middle risk: 4.2% (Indirect materials) - High risk: 0%	(Direct materials) - High risk: 0% - Middle risk: ≤2% (Indirect materials) - High risk: 0% - Middle risk: ≤20%
		Realizing responsible sourcing of minerals	Conflict-free (CF) ratio of products	Release CF information for CF strategic products	Preparation for the disclosure of the result of CF information	New products that are conflict-mineral free
	Survey response ratio <sup>11</sup>		100%	100%	100%	

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Respecting human rights and promoting diversity		Creating a free and open organizational culture	Organizational climate assessment score for “strength to work in teams”	<ul style="list-style-type: none"> <li>- Motivation cloud engagement rating: BB</li> <li>- Number of workplaces with D rating: 31</li> </ul>	<ul style="list-style-type: none"> <li>- Motivation cloud engagement rating: BB</li> <li>- Number of workplaces with D rating: 45</li> </ul>	<ul style="list-style-type: none"> <li>- Motivation cloud engagement rating: BBB</li> <li>- Number of workplaces with D rating: 15</li> </ul>
			Number of high risk workplaces with “general health risk” in the mental health check <sup>12</sup>	Reduce the number of high risk workplaces from the previous year, heading toward zero	The number of high-risk workplaces increased compared to FY2022	Reduce the number of high risk workplaces with “general health risk” from the previous year, heading toward zero
			Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	<ul style="list-style-type: none"> <li>- Revise training content based on social trends, incidents and common issues</li> <li>- Hold training for those at consultation contact points on a periodic basis</li> </ul>	Made progress as planned for planned training, including the renewal of content	<ul style="list-style-type: none"> <li>- Continued harassment prevention training at different echelons</li> <li>- Regular training for advisory service staff</li> </ul>
				<ul style="list-style-type: none"> <li>- Identify company-wide trends</li> <li>- Confirm common operations and verify whether contact points with high operational burden should be outsourced partially</li> </ul>	Completed the selection of consultation contact points to be outsourced and prepared for the operation	<ul style="list-style-type: none"> <li>- Start outsourcing advisory services and conduct a review</li> <li>- Consider introducing external advisory services at domestic affiliates</li> </ul>

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 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	<p>Embed and improve PDCA cycle for respecting human rights</p> <ul style="list-style-type: none"> <li>- In Japan: Build a system for coordinating with various consultation contact points</li> <li>- Overseas: Develop a system for consolidating information and grasping the situation by clarifying reporting rules from contact points at respective local subsidiaries</li> </ul>	<p>(PDCA cycle)</p> <ul style="list-style-type: none"> <li>- Continued activities for respecting human rights using RBA's scheme</li> <li>- Re-assessed the risk of violating human rights and conducted human rights DD (Remediation mechanisms)</li> <li>- In Japan: Built cooperative structures for internal consultation points, and began using JaCER<sup>13</sup> as a consultation point for those outside the Company.</li> <li>- Overseas: Started to pull together information on this project</li> </ul>	<p>Establishing and improving the PDCA cycle for respecting human rights.</p> <ul style="list-style-type: none"> <li>- Regular review of human rights policy</li> <li>- Continuing and improving human rights due diligence through RBA schemes, etc.</li> <li>- Understanding and establishing the system and situation of advisory services overseas.</li> </ul>
	●	Utilizing human resources in a way that respects diversity	<ul style="list-style-type: none"> <li>- Female manager ratio (the Company)</li> </ul>	<ul style="list-style-type: none"> <li>- Female manager ratio: 5%</li> <li>- Female supervisory position ratio: 8%</li> </ul>	<ul style="list-style-type: none"> <li>- Female manager ratio: 4.7%</li> <li>- Female supervisory position ratio: 7.7%</li> </ul>	<ul style="list-style-type: none"> <li>- Female manager ratio: 6%</li> <li>- Female supervisory position ratio: 9%</li> </ul>
			1 or more female executive officers by FY2025 (in Japan)	-	-	-

Key Sustainability Topics	RS Index <sup>1</sup>	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Fulfil our Social Responsibility	●	Reinforcement of compliance management platform	Number of serious compliance violations <sup>14</sup>	0 cases	0 cases	0 cases
		Enhancement of Group compliance level	Implementation ratio of compliance training (e-learning) to all Group employees <sup>13</sup>	Completion rate in Epson Group: 100%	Completion rate in Epson Group: 100%	Completion rate in Epson Group: 100%
		Maintenance and strengthening of governance structure to realize transparent, fair, prompt and decisive decision-making	Ratio of outside directors on the board of directors	- Maintain the ratio of Outside Directors on the board at $\geq 1/3$	- Maintain the ratio of Outside Directors on the board at $\geq 1/3$	- 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 $\geq 80\%$	- Maintain the ratio of Outside Directors on the Nomination & Compensation Committees at $\geq 80\%$	- Maintain the ratio of Outside Directors on the Nomination & Compensation Committees at $\geq 80\%$
		Strengthening information security	Number of serious information security incidents	0 cases	0 cases	0 cases

<sup>1</sup> Compensation (Restricted Stock) evaluation indicator

<sup>10</sup> Sustainalytics: Low; FTSE: 4 or higher; Top 50 or higher in "Toyo Keizai CSR ranking"

<sup>11</sup> Ratio of suppliers who submitted answers to supplier survey requests

<sup>12</sup> Target-value control is performed for workplaces with 10 or more respondents.

<sup>13</sup> JaCER: Japan Center for Engagement and Remedy on Business and Human Rights

<sup>14</sup> Violation that correspond to timely disclosure matters



## 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 2024).

Materiality	Key Sustainability Topics	SDG	Relevance to SDGs																					
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17					
Achieve sustainability in a circular economy	Decarbonization initiatives	Environment	1.5	2.4					7.2 7.3	8.4	9.4			12.2 12.8	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	12.8 13.3	14.1	15.1 15.2 15.4		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	12.8 13.3	13.2 14.3	14.1	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	Society						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	Society			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	Society	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	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 15.7	15.4 15.5 16.1 16.2 16.3 16.4 16.5 16.6 16.7 16.8 16.9 16.10	17.7 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	13.1 13.3	14.1 14.2 14.3	15.1 15.2 15.3 15.7	15.4 15.5 16.1 16.2 16.3 16.4	17.7 17.16 17.17
	Respecting human rights and promoting diversity	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	Governance																						16.3 16.4 16.5 16.6
Epson confirmed that its initiatives are relevant to all 17 SDGs.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

● The figures in the table below indicate which of the 169 targets (1.1 to 17.19) under the SDGs Epson is addressing with its initiatives (August 2024)

### 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

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### 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

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 scenario<sup>1</sup> 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 free<sup>2</sup> 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. Since 2023, Epson has enriched qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities.



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

<sup>2</sup> 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.

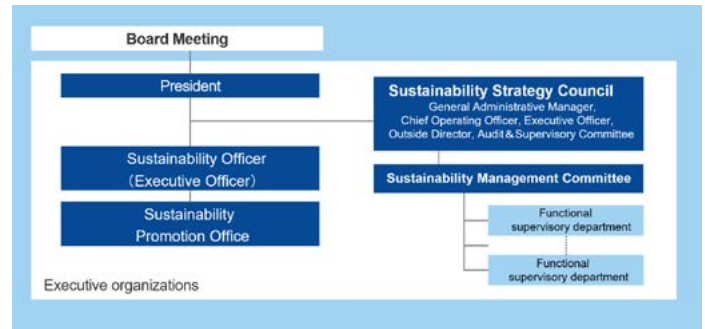
Based on the results of these analyses, Epson will continue to try to maximize its opportunities while addressing recognized risks in order to achieve decarbonization, which we believe is a rational goal both for society and for Epson.

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, an Executive Officer. The sustainability director heads the Sustainability Promotion Office and oversees the execution of climate change initiatives, including TCFD.



Executive organization chart

## 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 FY2023, 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	FY2024
<ul style="list-style-type: none"> <li>Declared support for the TCFD recommendations</li> <li>Studied risks of natural disasters caused by climate change (2°C scenario and 4°C scenario)</li> </ul>	<ul style="list-style-type: none"> <li>Qualitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (2°C scenario)</li> <li>Studied risks of natural disasters caused by climate change (1.5°C scenario)</li> </ul>	<ul style="list-style-type: none"> <li>Revised Environmental Vision 2050 and set clear objectives, including becoming carbon negative</li> <li>Quantitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (1.5°C scenario)</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced disclosures on the results of specific initiatives in line with the revised TCFD recommendations</li> <li>Studied risks of natural disasters caused by climate change, taking into account the changes in the IPCC Sixth Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>Created a new Global Environmental Strategy Promotion Office and environmental subcommittees for each topic</li> <li>Enhanced disclosures on the results of specific initiatives in line with the revised TCFD recommendations</li> <li>Studied risks of natural disasters caused by climate change, taking into account the changes in the IPCC Sixth Assessment Report</li> </ul>	<ul style="list-style-type: none"> <li>Updated qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities</li> </ul>

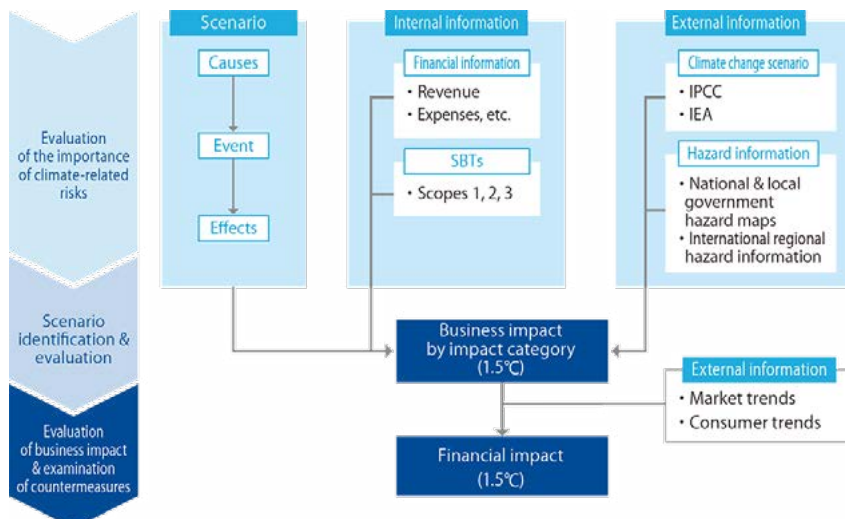


In the 2023 fiscal year, Epson created a Global Environmental Strategy Promotion Office, the mission of which is to draft and carry out corporate environmental strategy. It also established environmental subcommittees for each environmental topic. These organizations will strengthen collaboration with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

Increasing resilience	FY2023 initiatives & results	
Environmental Strategy Council	Decarbonization	<ul style="list-style-type: none"> <li>- Finalized the roadmap for reductions over the medium term toward Scope 1 zero emissions (upgrades of facilities and equipment for electrification and switching of fuels).</li> <li>- Implemented sustainable and stable procurement of renewable energy and formulated a plan for in-house power generation.</li> <li>- Supplier engagement (surveys of suppliers' reduction plans and switching to renewable energy, etc.)</li> </ul>
	Closed resource loop	<ul style="list-style-type: none"> <li>- Started operating resource-loop indicators and targets to become underground-resource-free.</li> <li>- Formulated business-specific/company-wide medium-term plans for utilizing compact, lightweight and recycled materials and switching to sustainable resources.</li> </ul>
	Customer environmental impact mitigation	<ul style="list-style-type: none"> <li>- Started calculation of objective and fair avoided emission for product genre that contributes to reducing the environmental impact of society.</li> </ul>
	Environmental technology development	<ul style="list-style-type: none"> <li>- Materialized the topic of dry fiber technology application (developed packaging materials and cellulose composite bioplastics).</li> <li>- Developed an elemental technology for practical application of a high-value-added technology for metal powders.</li> </ul>

## 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. Seven 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	<b>Impact</b> <ul style="list-style-type: none"> <li>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).</li> </ul>	Small
	Market changes Policy & laws and regulations	(Initiatives in Environmental Vision 2050) <ul style="list-style-type: none"> <li>- Decarbonization</li> <li>- Closed resource loop</li> <li>- Environmental technology development</li> </ul>	Short-term	<b>Impact</b> <ul style="list-style-type: none"> <li>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.</li> <li>Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts.</li> </ul> <b>Response to risks</b> <ul style="list-style-type: none"> <li>Decarbonization               <ul style="list-style-type: none"> <li>- Renewable energy use</li> <li>- Energy-saving facilities &amp; equipment</li> <li>- Greenhouse gas removal</li> <li>- Supplier engagement</li> <li>- Carbon-free logistics</li> </ul> </li> <li>Closed resource loop               <ul style="list-style-type: none"> <li>- Use resources effectively</li> <li>- Minimize production losses</li> <li>- Extend product service lives</li> </ul> </li> <li>Environmental technology development               <ul style="list-style-type: none"> <li>- Dry fiber technology applications</li> <li>- Naturally derived (plastic-free) materials</li> <li>- Material recycling (metal, paper)</li> <li>- CO<sub>2</sub> absorption technology</li> </ul> </li> </ul>	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)	<b>Impact</b> <ul style="list-style-type: none"> <li>Based on the results of 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.</li> <li>Short-term climate change risks to the supply chain will be addressed in line with our business continuity plans.</li> </ul>	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><b>Assumed scenarios</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Business opportunities</b></p> <ul style="list-style-type: none"> <li>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 &amp; 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.</li> </ul>	Large CAGR of 15% is expected in growth areas by FY2025
		Environmental business	Short-term	<p><b>Assumed scenarios</b></p> <ul style="list-style-type: none"> <li>Market growth is expected in the areas of global warming prevention, waste treatment, and effective utilization of resources.</li> <li>The shift to a circular economy is expected to drive market growth for recycled plastics, high-performance biomaterials, bioplastics and metal recycling.</li> </ul> <p><b>Business opportunities</b></p> <ul style="list-style-type: none"> <li>Generate revenue by value transformation (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.</li> </ul>	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

## FY2023 Actions

Epson implemented the following initiatives in FY2023 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 ink have been stable with a decrease in sales of ink cartridges offset by increases in sales of high-capacity ink bottles and ink for office shared printers 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 <sup>1</sup>
		Decarbonization	- Completed switching 100% to renewable energy at all sites of the Epson Group globally <sup>2</sup> . - Developed a roadmap for long-term stable procurement of renewable energy and a plan to construct a biomass power plant, our first such in-house plant (operation to begin in 2026).	¥4.79 billion (breakdown) - Investment: ¥1.54 billion - Expenses: ¥1.73 billion - Personnel expenses: ¥1.52 billion  Cumulative input costs and investments for Environmental Vision 2050: ¥12.64 billion in total
		Closed resource loop	- Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse. - Started construction of a new plant to recycle metal waste as materials for metal powder products (operation to begin in June 2025) (Epson Atmix).	
		Environmental technology development	- Coordinated with external parties for the development of new technologies for fiber recycling by applying dry fiber technology. Strengthened a system for the development of cellulose composite bioplastics and promoted the development. - Promoted the development of a technology for separating and collecting CO <sub>2</sub> using a separation membrane and a CO <sub>2</sub> absorption technology utilizing algae.	

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"> <li>- Assessed risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 in overseas)<sup>3</sup>.</li> <li>- 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 Plant<sup>4</sup>.</li> </ul>	Small <sup>1</sup>
	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"> <li>- Promoted initiatives in the growth areas (office printing, commercial &amp; industrial printing, printhead sales, production systems) under "Epson 25 Renewed."</li> </ul>	FY2020 →FY2023 Revenue CAGR +14.7% <sup>5</sup>
		Environmental business	<ul style="list-style-type: none"> <li>- Started verification of a business model for fiber recycling with an eye to business development with dry fiber technology as the core technology</li> </ul>	-

<sup>1</sup> Small financial impact: less than ¥1 billion.

<sup>2</sup> Excluding some rental properties housing sales sites.

<sup>3</sup> Assessed using IPCC climate change scenarios RCP 2.6 (2°C), RCP 8.5 (4°C).

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

<sup>5</sup> Comparison of actual results for FY2022 to FY2023 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"> <li>• 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.</li> <li>• Research social trends.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify risks and opportunities from the policies and actions of Epson 25 Renewed and Environmental Vision 2050.</li> <li>• Evaluate scenario analysis through the Sustainability Strategy Council and board of directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Effectively manage risks through the Sustainability Strategy Council and the board of directors.</li> </ul>

## 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 Scenario<sup>1</sup>)

#### Scopes 1, 2, 3

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

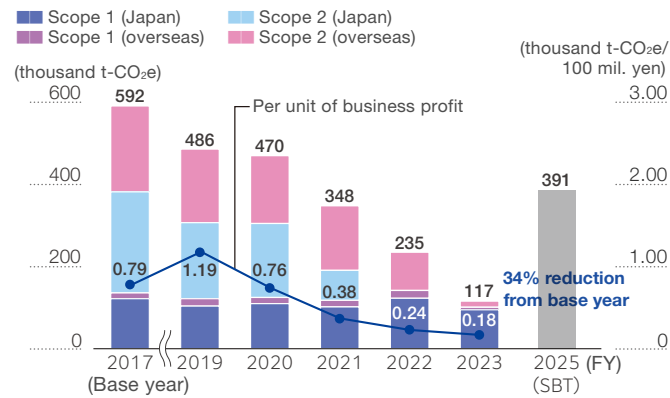
<sup>1</sup> Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

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

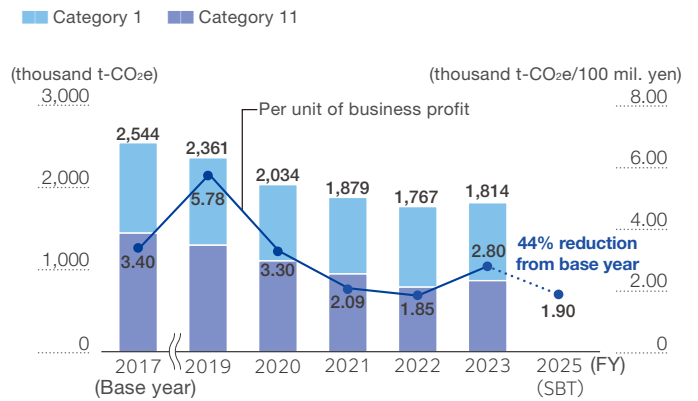
Scope 2: Indirect emissions from purchased energy

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

#### Greenhouse Gas Emissions (Scopes 1 & 2)



#### 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.3.3 is used for calculations from FY2022.

\* CO<sub>2</sub> 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 CO<sub>2</sub>: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

## 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 address the issue of conflict minerals and to enhance conflict minerals surveys in global supply chains.



## 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.



## Taskforce on Nature-related Financial Disclosures

In June 2024, Epson has expressed its support for the public disclosure recommendations published by the Taskforce on Nature-related Financial Disclosures (TNFD)<sup>1</sup> in September 2023.



<sup>1</sup> TNFD is an international initiative dedicated to establishing a framework that companies and organizations can use to assess and disclose the impact of their own economic activities on natural capital and biodiversity.



## 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 1.5°C compared to pre-industrial levels.



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

## RE100

In April 2021, Epson joined the RE100, a global initiative that brings together the world's most influential businesses driving the transition to 100% renewable electricity. Epson had previously announced that its worldwide Group sites<sup>1</sup> will all meet their electricity needs from 100% renewable energy sources (renewable electricity) by 2023.



<sup>1</sup> "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

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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

### Inclusion in SRI Indices and Ratings

Seiko Epson Corporation has been rated highly by ESG assessment organizations around the world. The company has been selected as a constituent of all ESG Japanese stock indices adopted by the Government Pension Investment Fund (June 2024).

#### FTSE4Good Index Series

Seiko Epson Corporation was selected for inclusion in the FTSE4Good Index Series, a responsible investment (RI) index of FTSE Russell, a subsidiary of London Stock Exchange Group, for the 20th consecutive year since 2004. Ever since Seiko Epson was selected by the Government Pension Investment Fund (GPIF), FTSE Russell has continuously included the company in the FTSE Blossom Japan Index (since July 2017) and the FTSE Blossom Japan Sector Relative Index (April 2022), which are composed primarily of Japanese companies whose environmental, social, and governance (ESG) practices meet global standards. (June 2024)



#### MSCI ESG Indexes

MSCI ESG Ratings is a global ESG investment index provided by U.S.-based MSCI. MSCI researches and analyzes how well companies manage environmental, social, and governance risks. It then assigns the companies one of seven ratings ranging from AAA (leader) to CCC (laggard). In March 2024, Seiko Epson received a AAA rating. In addition, since being adopted by the Government Pension Investment Fund (GPIF), Seiko Epson has been a constituent of the MSCI Japan Empowering Women Index (since July 2017), which is composed primarily of companies with high gender diversity compared to their peers in the industry, and the MSCI Nihonkabu ESG Select Leaders index (March 2024), which is composed primarily of companies with high ESG ratings compared to their peers in the industry. (June 2024)



#### The S&P/JPX Carbon Efficient Index

Created by the Japan Exchange Group and U.S.-based S&P Dow Jones Indices, this index is composed chiefly of companies that sufficiently disclose their environmental information and companies that demonstrate high carbon efficiency (carbon emissions per unit of revenue). Seiko Epson has continuously been included in the index since its establishment in September 2018 and since its adoption at the same time by the Government Pension Investment Fund (GPIF). (June 2024)



### Morningstar Japan Ex-REIT Gender Diversity Tilt Index

This Index is composed primarily of companies that have embedded gender diversity policies into their corporate culture and that are committed to providing all employees, regardless of gender, with equal opportunities. Morningstar Indexes of the U.S. selects companies using data and evaluation methodology provided by Equileap. Seiko Epson has continuously been included in the index since it was adopted by the Government Pension Investment Fund (GPIF) in March 2023. (December 2023)



### 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 12th 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. (July 2024)



### ISS ESG Corporate Rating

Seiko Epson Corporation has earned Prime status from ISS ESG, an ESG investment solutions business unit of the world's leading proxy advisory firm, Institutional Shareholder Services Inc. (ISS) of the United States. (As of September 2024)



### Epson on CDP A List for Tackling Climate Change and Protecting Water Security

Seiko Epson has been placed for the prestigious corporate sustainability A list by the globally influential environmental non-profit CDP for leadership in tackling climate change and water security. (February 2024)



### Received EcoVadis Platinum Rating for Overall Sustainability

Seiko Epson Corporation has been awarded a Platinum rating for overall sustainability by independent platform EcoVadis (France). Epson is in the top 1% of companies rated by EcoVadis in the Manufacture of computers and peripheral equipment industry. (September 2024)



## Recognition

### Multiple Epson Sites Earn RBA Platinum or Gold Recognition under the RBA's Validated Assessment Program

Seiko Epson Corporation strives to improve its CSR by having its main production sites voluntarily and systematically undergo Validated Assessment Program (VAP) assessments of the Responsible Business Alliance (RBA), which is dedicated to responsible business conduct in global supply chains.



In VAP assessments, independent, third-party firms approved by the RBA assess, and score manufacturing facilities based on their conformance with the RBA Code of Conduct in the areas of labor, health and safety, the environment, and ethics. To date, Epson production sites in Indonesia, Malaysia, Thailand, China and Philippines have earned Platinum, the highest rating. Platinum is reserved for factories that have closed all findings and received a full score of 200.

### Epson Sites that Currently Hold Platinum and Gold Status

Site name (country)	Main Products Manufactured	Recognition (Score)	Expiration Date
PT. Indonesia Epson Industry (Indonesia)	Inkjet printers, large format printers, small printers, impact dot matrix printers	Platinum (200)	February 28, 2026
Epson Precision (Philippines), Inc. (Philippines)	3LCD projectors, Inkjet printers	Platinum (200)	October 16, 2025
PT. Epson Batam (Indonesia)	Inkjet printer ink cartridges and ink bottles, scanners	Platinum (200)	March 16, 2025
Epson Engineering (Shenzhen) Ltd. (China)	Inkjet printers, large format printers, 3LCD projectors, industrial robots	Gold (196.5)	December 7, 2024

### Recognized under the Health & Productivity Stock Selection Program for the 3rd Consecutive Year

Seiko Epson Corporation was recognized for the third 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 2024)



## 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 Silver at ESG Finance Awards Japan

Epson won the Silver Award in the Environmentally Sustainable Company category of the fifth 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 2024)



### Selected as a Winner Company of Corporate Governance of the Year 2023

Epson was selected as a Winner Company of Corporate Governance of the Year 2023 by Japan Association of Corporate Directors. The awards go to the companies which have achieved and maintained long term profitability by implementing good corporate governance with the goal of revitalizing the Japanese economy, since 2015. (January 2024)





## Recognized for Excellence in Energy Efficiency and Conservation

Seiko Epson received the Agency for Natural Resources and Energy Commissioner's Award (Product & Business Model Category) for LM-C6000/C5000/C4000 of high-speed linehead inkjet multifunction printers under the fiscal 2023 Grand Prize for Excellence in Energy Efficiency and Conservation awards program organized by the Energy Conservation Center, Japan. (December 2023)



FY2023 Energy Conservation Grand Prize  
(Product & Business Model Category)  
Sponsor: The Energy Conservation Center, Japan

## Recognized for for Sustainable Procurement

Epson's sustainable procurement program aimed at ensuring a responsible supply chain were recognized with the Grand Prize, Minister of Economy, Trade and Industry Award at the 24th Green Purchasing Awards. The Green Purchasing Awards program, organized by the Green Purchasing Network, recognizes initiatives that contribute to the expansion of green markets and the achievement of SDG targets through sustainable procurement. (December 2023)



## 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 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)

令和4年度  
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 Ltd., Co., won the ESG Grand Prize for the third consecutive year at the Chosun Corporate Social Responsibility Awards. These prestigious awards are operated by Chosun Media and sponsored by multiple ministries within the Korean government. EKL was recognized primarily for “Details for Tomorrow,” a campaign that promotes social value with power-saving inkjet printers and ultra-short throw projectors that help to narrow the education gap through distance learning, as well as for its sustainability and ESG reporting. Reviewers analyzed and evaluated approximately 713 companies in South Korea by looking at their ESG, SDG, CSR, and environmental reports for the past three years. Epson was one of the 7 winners in the ESG award category. (April 2021)



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

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



## Winner of the METI Minister's Prize

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



## 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)



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

## Received the first EcoPro Award (METI Minister Award)

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



EcoPro Awards

## Received PEZA Outstanding Environmental Performance Award

Epson Precision (Philippines), Inc. received its 3rd PEZA<sup>2</sup> 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)

<sup>2</sup> 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)