EPSON
EXCEED YOUR VISION

Epson Group

Sustainability Report 2021

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
EXCEED YOUR VISION

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 2020 to March 2021

Note: Contains some information on activities conducted after April 2021.

Scope

This report describes the sustainability efforts of Seiko Epson Corporation and 83 Group companies. The scope of environmental reporting, however, covers Seiko Epson Corporation, and 50 Group companies (representing 95% of revenue).

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

Guidelines

This report has been prepared in accordance with the Core option of the GRI[*1] Standards 2020. ISO 26000: 2010/ JIS Z 26000: 2012 (Guidance on social responsibility) was used as a reference.

WEB GRI Standards and ISO 26000 comparison (GRI content index)
https://global.epson.com/SR/gri/

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

Previous Reports

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

Date of Report Publication

September 30, 2021 (previous report: September 30, 2020)

Editorial Policy

This report has been compiled from comprehensive information about Epson's Sustainability that is available on our websites. An annual report, it is organized into chapters, each of which is aligned with an element of Epson's Management Philosophy.

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

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WEB CSR activity website
https://global.epson.com/SR/

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.

Sustainability Report Recognized with the Prize for Excellence at Environmental Communication Awards 2021

Epson's Sustainability Report 2020 received the Prize for Excellence in the environmental reporting category of Environmental Communication Awards 2021, a program jointly sponsored by the Ministry of the Environment and the Global Environmental Forum.

This award is meant to encourage enterprises in their environmental communications efforts and to promote qualitative improvement therein by recognizing the best environmental and environmental action reports. Epson's report, which covered Environmental Vision 2050 and TCFD compliance and presented extensive product and service examples and data, was recognized for the comprehensiveness of the information, and particularly the environmental information. (February 2021)

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

Revenue (consolidated)

¥ 995.9 billion
(FY2021)

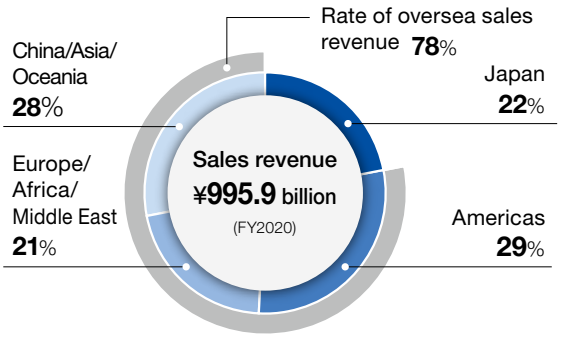
Number of employees

Epson Group (consolidated): **79,944**
Parent company: **12,676**
(as of March 31, 2021)

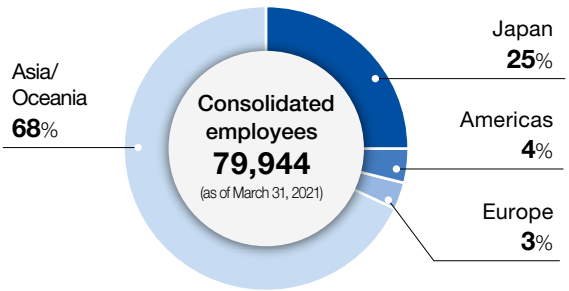
Group companies

83
(includes parent company)
Japan: **19**, Overseas: **64**
(as of March 31, 2021)

Sales revenue by region



Employees by region (consolidated)

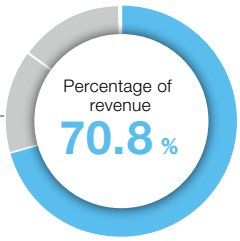


FY2020 Business Overview by Segment

Consolidated Revenue ¥995.9 billion Business profit ¥61.6 billion

Printing Solutions Consolidated Business segment

Revenue
¥707.7 billion
(YoY 0.1% down)
Segment profit
¥108.5 billion
(YoY 43.5% up)

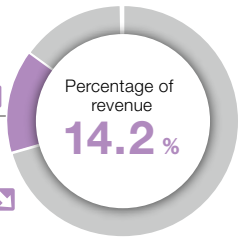


Business description

The businesses in this segment leverage Epson's original Micro Piezo as well as dry fiber technology and other technologies to develop, manufacture, and sell products and provide services related thereto.

Visual Communications Business segment

Revenue
¥141.4 billion
(YoY 22.8% down)
Segment profit
¥1.3 billion
(YoY 90.1% down)

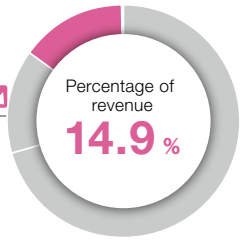


Business description

The businesses in this segment leverage Epson's original microdisplay and projection technologies to develop, manufacture, and sell products and provide services related thereto.

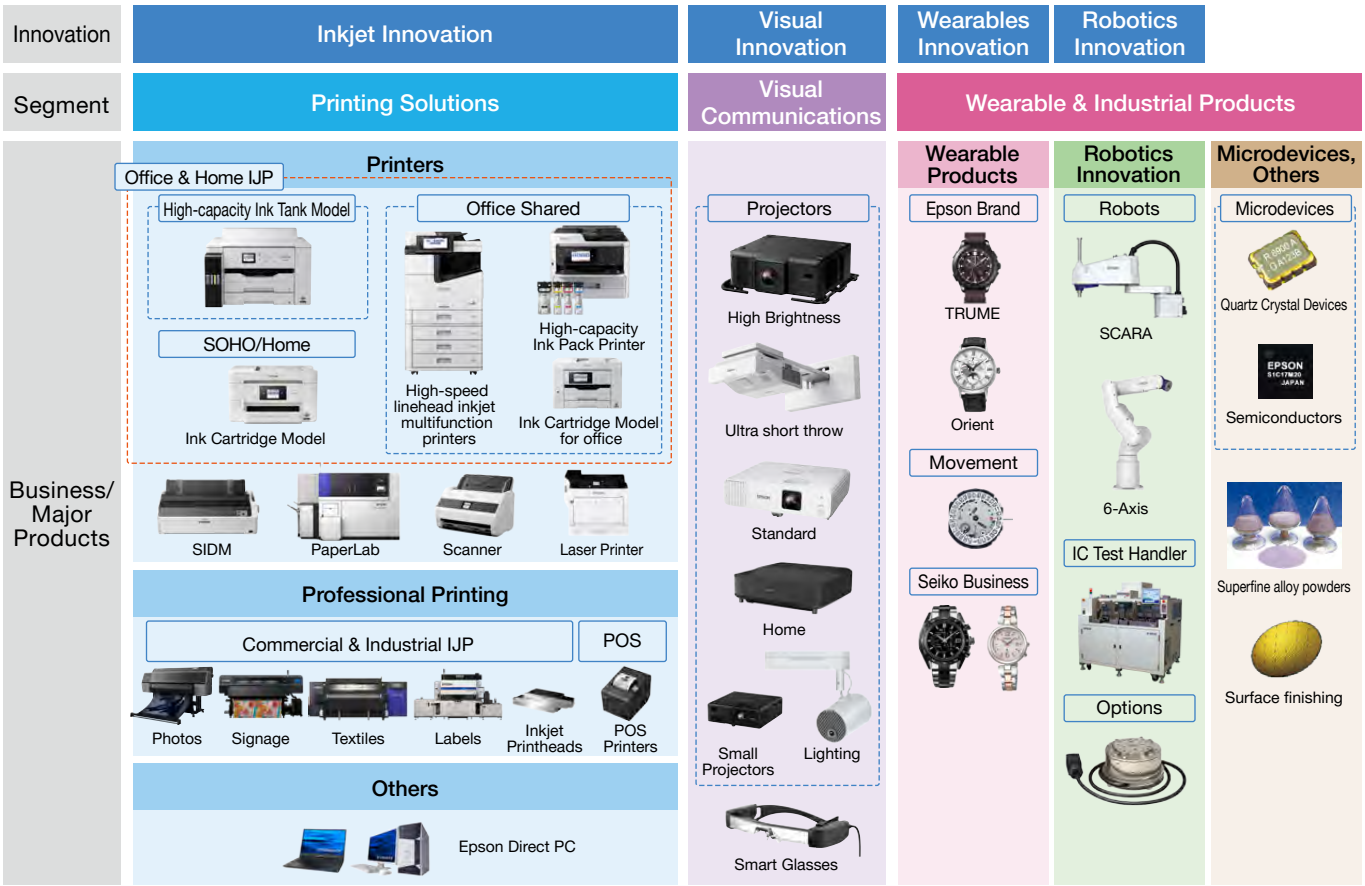
Wearable & Industrial Products Business segment

Revenue
¥148.6 billion
(YoY 2.8% down)
Segment profit
¥3.2 billion
(YoY 75.0% up)



Business description

This business leverages its ultrafine and ultraprecision machining and processing technologies, its high-density mounting and assembly technologies, energy-efficient technologies, high-accuracy sensing technologies, software technologies, advanced precision mechatronics and other technologies to develop, manufacture, and sell products and provide services related thereto.



* Consolidated total sales exclude intersegment sales
* Segment sales include intersegment sales
* Business profit and segment profit are very similar to operating income under Japanese accounting standards (J-GAAP), both conceptually and numerically. Epson began using business profit as an indicator after adopting International Financial Reporting Standards (IFRS) in FY2014 to facilitate comparisons with past results.

Top Message - To Our Stakeholders -

Contributing to Achieving Sustainability and Enriching Communities

The world is confronting a threat in the form of COVID-19, a virus that continues to restrict the way we have always lived. I would like to express my respect and thanks to the healthcare professionals and other frontline workers who are fighting to overcome this threat. COVID-19 has also severely impacted and changed our business activities. We have been doing everything we can in response to factory shutdowns, supply chain disruptions, national and regional restrictions on movement, and changes in the market environment due to people modifying their behavior.

Climate change and the COVID-19 pandemic are only a few examples of societal issues that we are currently facing. The United Nations has been sounding the alarm about the destruction of the natural world, saying that it is approaching the point of no return due to the actions of mankind. People have always sought enrichment, but the focus was on material and economic wealth. This desire for affluence may be a contributing cause to these issues. Going forward, it is both necessary and desirable to enrich not only ourselves but the rest of the world and the global environment as a whole. I think the world desires more than just material and economic wealth. People also want other, less tangible forms of wealth. They want to be enriched spiritually and culturally. Sustainability is a fundamental requirement for achieving this. We have revised Epson 25 Corporate Vision for the start of fiscal 2021. We added “quality of life” to “achieve sustainability in a circular economy” and “advance the frontiers of industry” as material themes that we can impact long-term.

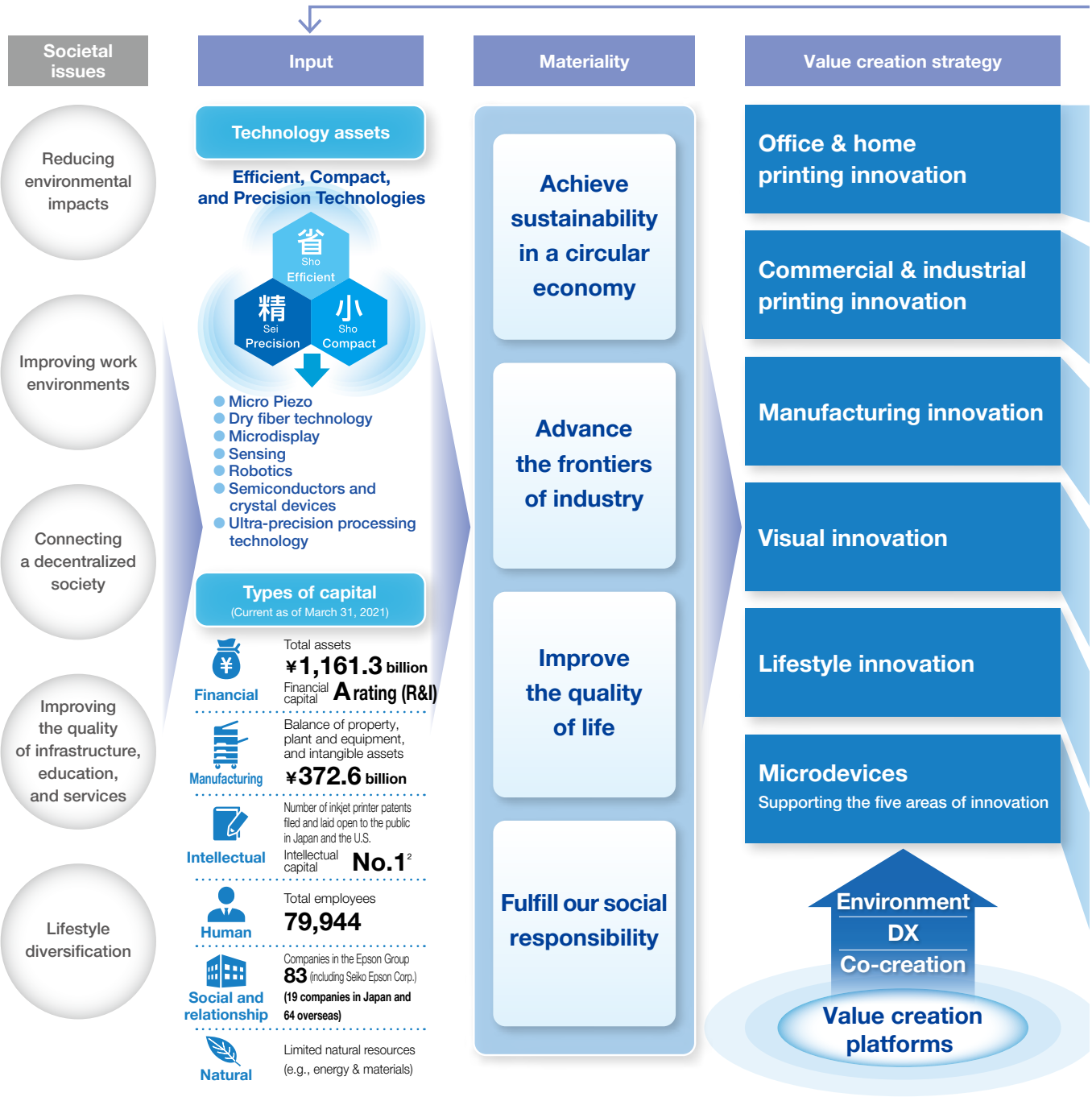
Climate change in particular is a long-term global threat, as climate is a foundation of our lives and society. Epson’s unique Micro Piezo inkjet technology can help to reduce environmental impacts. We will tackle this issue by using this technology to drive innovation in co-creation projects with partners who share our aspirations of creating new products and services that are eco-conscious and that contribute to higher productivity and a better working environment. We also revised Environmental Vision 2050. We analyzed our 2°C scenario last year based on the TCFD’s report, and are now studying a 1.5°C scenario. We will accelerate our environmental actions too. In 2020, Epson was named to the CDP’s prestigious A List after attaining the highest scores for the categories of climate change and water security. There are other environmental issues, such as energy saving and resource depletion, that we will also continue to address.

In addition to these environmental issues, there are various societal issues such as those described in the SDGs. In 2004, Epson became a signatory to the U.N. Global Compact, which sets forth 10 basic principles in the areas of human rights, labor, environment, and anti-corruption. In 2018, we declared our commitment to achieving the SDGs. In 2019, Epson joined the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains, and we have been promoting sustainability in our own supply chain. Multiple Epson sites earned platinum in RBA audits. We see this achievement as a result of our sincere efforts. We will further accelerate our efforts by working with our customers and partners and contribute to achieving sustainability and enriching communities.

Yasunori Ogawa
President and Representative Director, CEO
Seiko Epson Corporation

Value Creation Story

Epson examined societal issues and identified materialities that it can impact. We will achieve sustainability and enrich communities by using our unique core technology to drive innovation that enables us to create and provide social, environmental, and economic value in the form of solutions to societal issues. This commitment is aligned with the sustainable development goals (SDGs).



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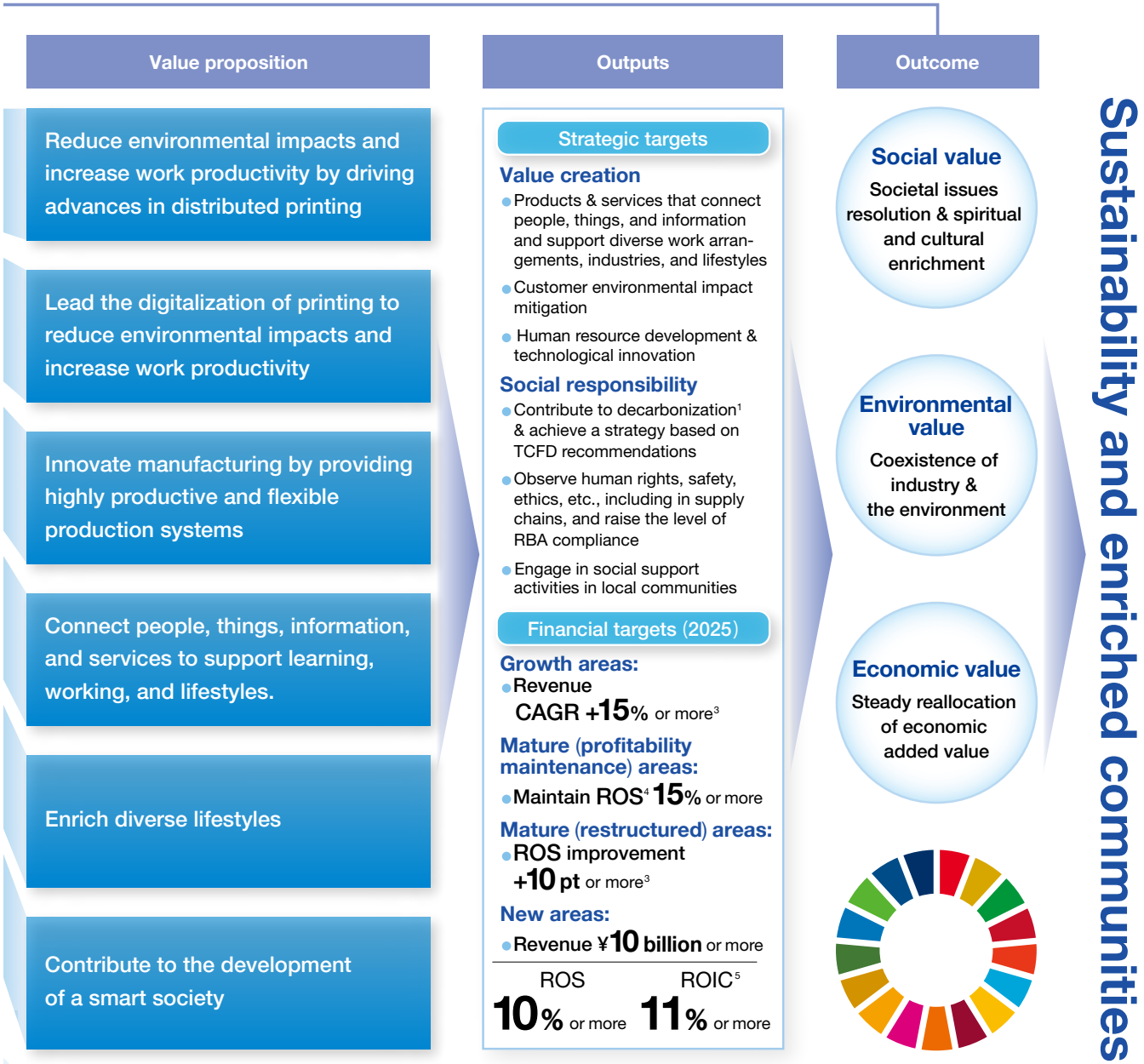


[1] Reduce GHG emissions by 2M tonnes or more by FY2030 (55% lower than in FY2017)
Achieve RE100 by 2023

[2] 2020 calendar year ranking based on number of patents laid open to the public, per Epson research

[3] YoY comparison

[4] Business profit / revenue

[5] Return on invested capital

Feature Article: Achieving Sustainability and Enriching Communities

Achieving Sustainability in a Circular Economy

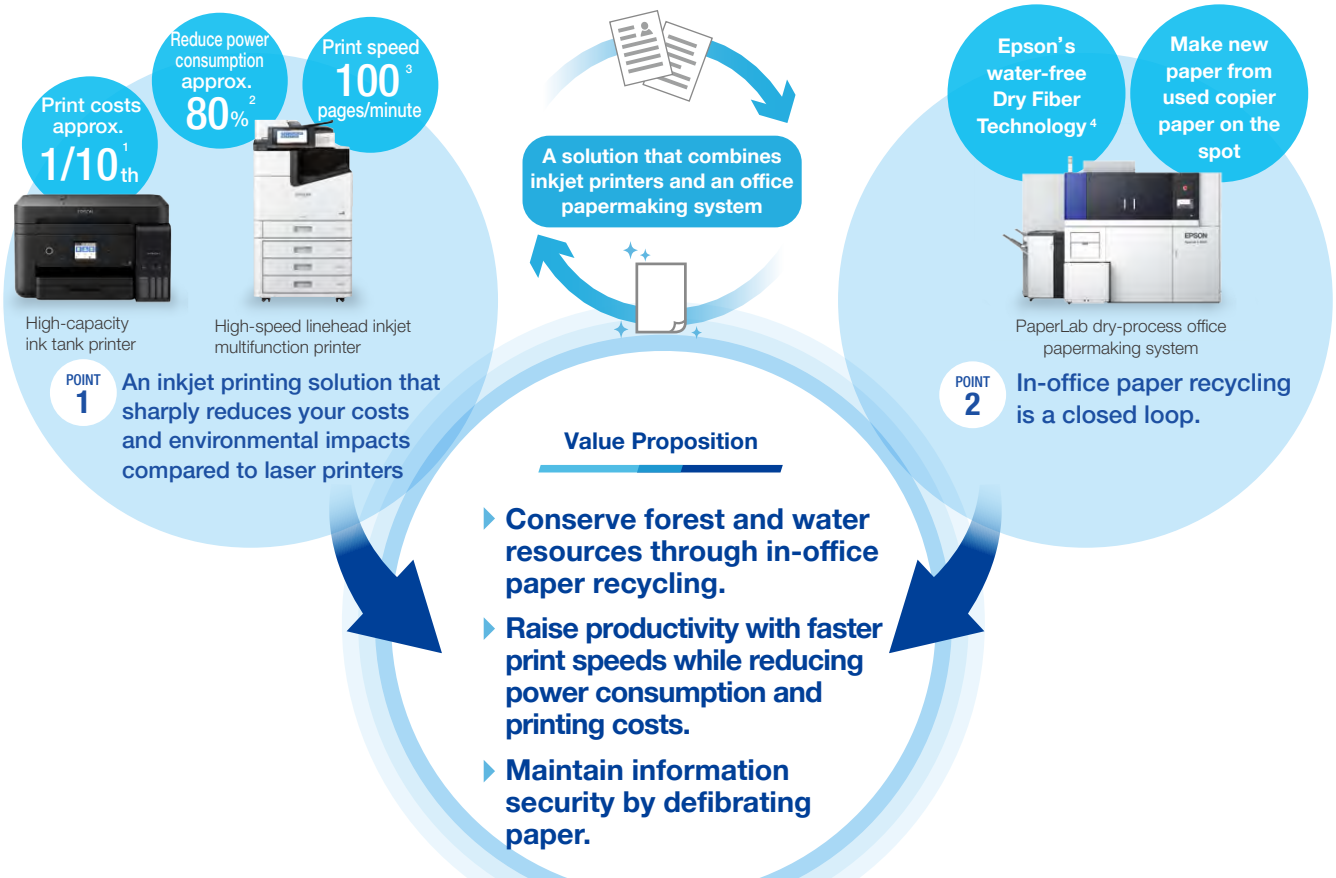
Epson is helping a sustainable circular economy gain traction in a variety of ways, including by using electricity, energy, water, and other resources efficiently, and by reducing the use of virgin underground resources.

Example 1

Eco-Conscious Offices

Societal issues & needs

More and more offices are going paperless to reduce their costs and environmental impact, but there will still always be a need for printing. Many people prefer the readability of paper. What businesses need are printing solutions that are eco-conscious, save money, and increase productivity.



[1] Comparison of A4 sheet printing costs between an EW-M670FT high-capacity ink tank printer and an LP-M620F Epson laser printer (only available in Japan)
[2] Testing was commissioned by Epson and conducted by Keypoint Intelligence. Epson selected four competitor's models from worldwide top four best-selling vendor** in the 45-69 ppm color laser multi-function printer class. Epson WorkForce Enterprise WF-C20600 D4TW (only available in Japan) with 60 ppm. 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.
** Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2020Q2, Units Share by Company
[3] Print speed of a WF-C21000 high-speed linehead inkjet multifunction printer. A4, landscape, single-side printing. Print speeds are measured in accordance with ISO/IEC 24734. Actual print times will vary based on system configuration, software, and page complexity.
[4] Some water is used to maintain humidity inside the system.

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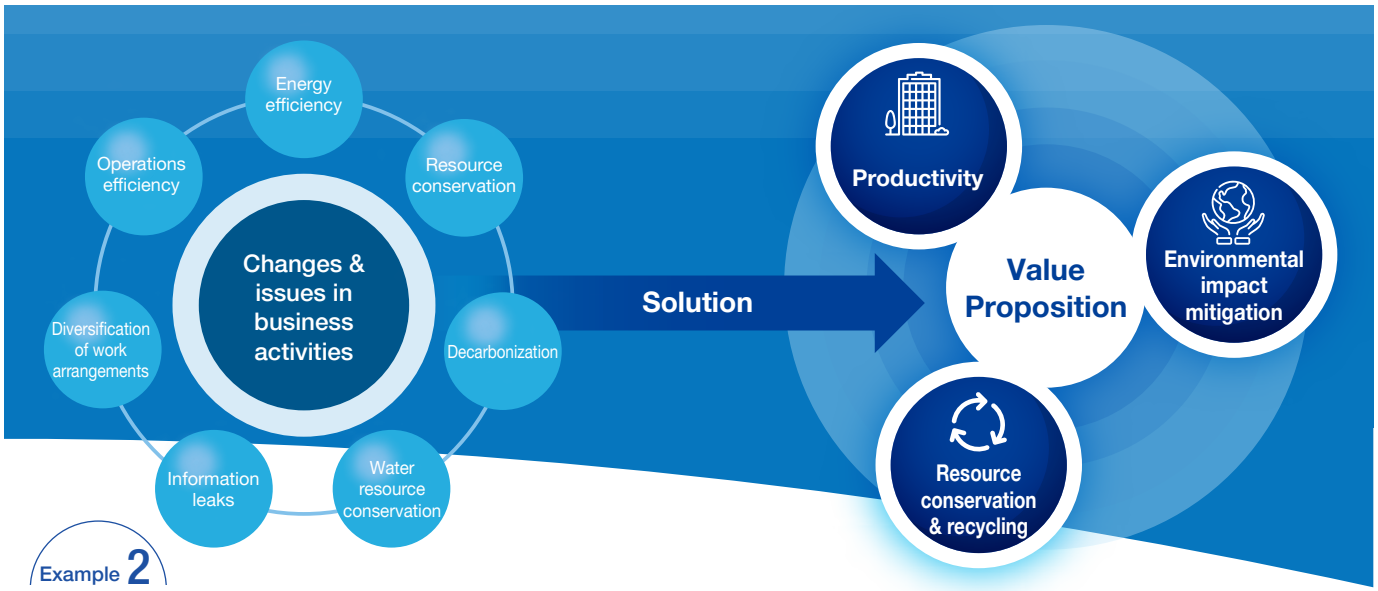


Example 2

A Printing Solution That Saves Resources and Maintenance

Societal issues & needs

With the problems of resource depletion and global warming becoming more evident, the world is demanding products and services that use limited resources efficiently. Meanwhile, the decentralization of the workforce making lightening the burden for ink replacement and other maintenance more important.

Recycled plastic content approx. 30%[5]

Reduce consumables CO_2 emissions approx. 73%[6]

High-capacity ink tank printer

POINT 1 Printers contain recycled plastic.

POINT 2 High-capacity ink tank printers use fewer resources and require less frequent ink replacement than ink cartridge printers.

Cardboard + coated paperboard (all sides)

Reduce CO_2 emissions approx. 10%[7]

POINT 3 Retail boxes with labels instead of coated paperboard on all sides reduce paper use

Value Proposition

- Reduce use of petroleum-based plastics and conserve resources.
- Reduce resources for consumables and packaging.
- Reduce amount of paper used for retail boxes.
- Lighten the burden of ink replacement-related maintenance.

[5] As a percentage of the total plastic by weight. 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.
[6] Comparison of the EP-M553T high-capacity ink tank printer and EW-452A ink cartridge printer (printers which are only available in Japan). Comparison of CO_2 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. CO_2 emissions were calculated based on Epson's evaluation conditions. Actual CO_2 emissions will vary depending on customer printer use.
[7] Comparison of retail boxes for the EP-M553T and EP-M552T high-capacity ink tank printers (only available in Japan)

Advancing the Frontiers of Industry

Epson seeks to solve production issues and drive industrial progress forward. Toward this end, we are providing new technology and production processes and are helping to advance the frontiers of industry, creating resiliency and enabling industry to flexibly adapt to a changing environment.

Example 1

Reducing Environmental Impacts with New-Concept Parts Production Systems

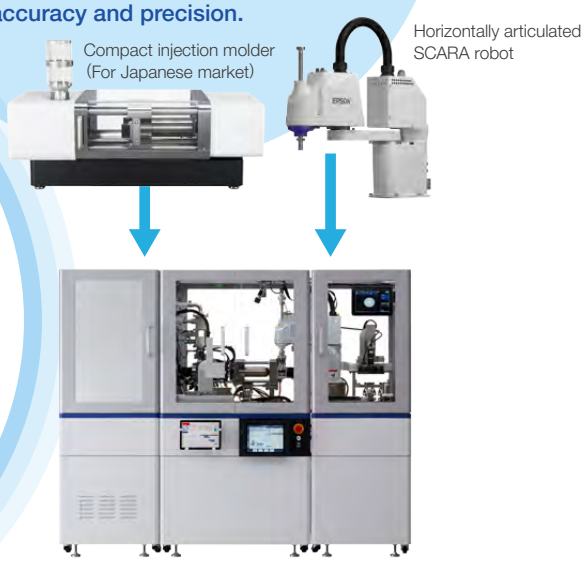
Societal issues & needs

Most injection molded plastic parts, even small ones, are manufactured using large machines. Producing parts with large machines wastes plastic materials and consumes a large amount of electric power. Manufacturing innovations are thus needed to create more compact production systems that reduce environmental impacts while ensuring economic feasibility.

Value Proposition

- **Increase personal and space efficiency with an integrated production system for small parts.**
- **Reduce environmental impacts by conserving energy and resources during parts production.**
- **Produce high-precision parts and stabilize quality with automated inspection processes.**
- **All-in-one molding process and direct connection to assembly processes for simplified production lines.**

- POINT 1 **Compact parts production systems integrate everything from injection molding to inspection and tray loading.**
- POINT 2 **Compact injection molders minimize material waste and energy consumption.**
- POINT 3 **High quality control is achieved through 100% visual inspection.**
- POINT 4 **Trays are transferred by compact robots that operate with superior accuracy and precision.**



Compact, multipurpose, expandable production systems flexibly support everything from injection molding to inspection and tray loading.
(For Japanese market)

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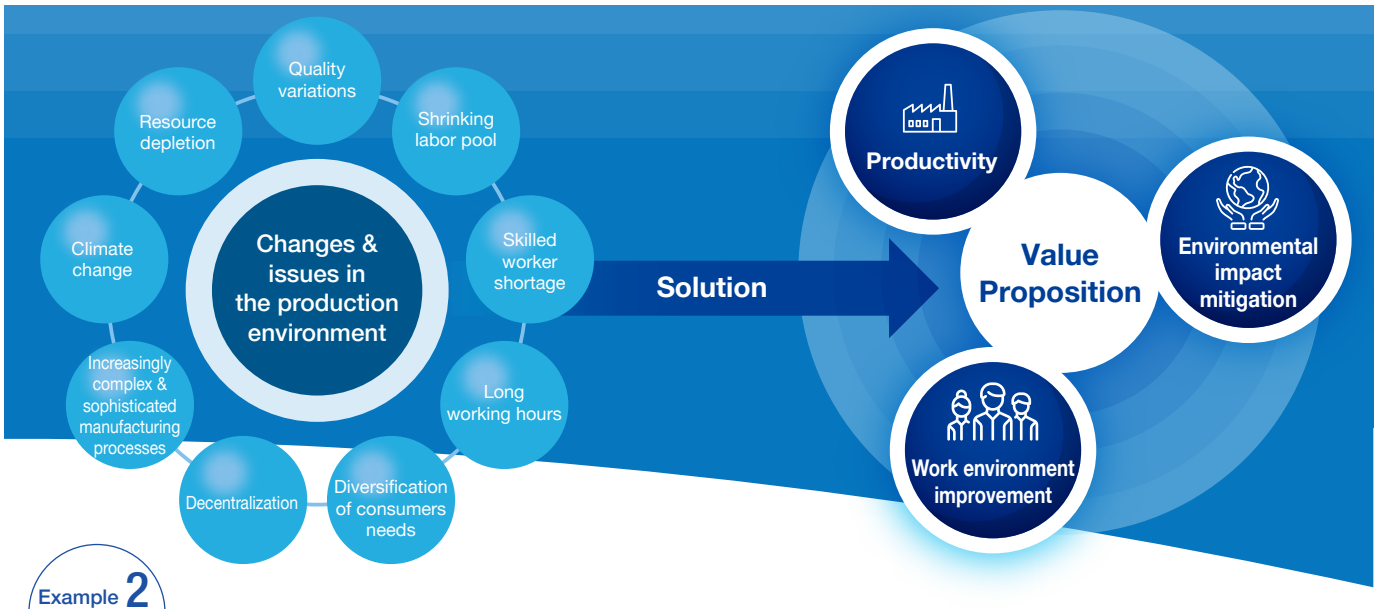


Example 2

Supporting Distributed Printing with Epson Cloud Solution PORT

Societal issues & needs

The commercial and industrial printing industries had already been moving toward distributed printing to meet rising demand for local products, but COVID-19 further accelerated this trend. Demand is also on the rise for tools that enable printing firms that use large-format printers to efficiently manage production at multiple locations and reduce their reliance on skilled workers to perform maintenance.

POINT 1 Monitor the live status of a fleet of printers at one or more sites on a single screen.

POINT 2 View daily reports on printer operational status and performance.

POINT 3 Epson monitors printer status remotely to accurately identify issues and helps users correct them.

Value Proposition

- **See printer status and quickly respond to issues to maximize productivity.**
- **Analyze daily printer operational status and error messages to improve production processes.**
- **Increase uptime with remote monitoring and support to reduce reliance on skilled maintenance workers.**

Remotely manage a fleet of distributed printers on a single screen from a PC or tablet.

Improving the Quality of Life

Epson aims to provide products and services that give people lifestyle options and that make life better. We provide value by helping people live healthier and safer lives and by contributing to education that leads to personal growth.

Example 1

Using Projectors and Virtual Classrooms to Level the Education Playing Field

Societal issues & needs

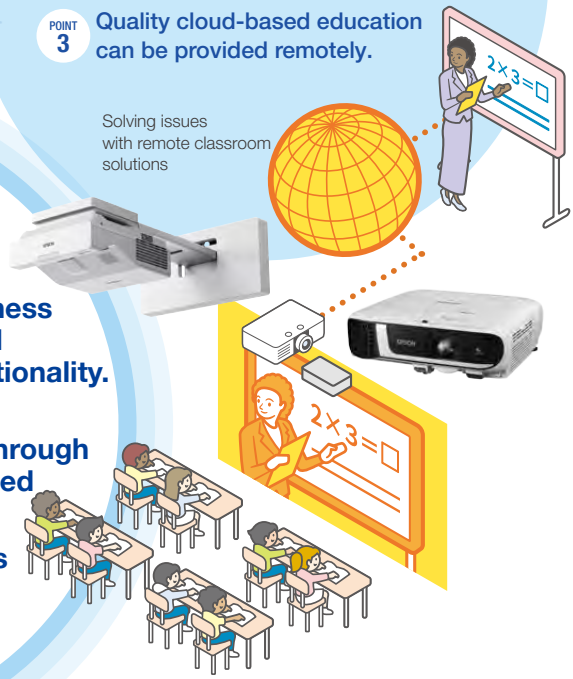
There are children in developing countries who are unable to attend school or have little opportunity to learn due to lack of basic infrastructure. Even in developed countries, there are learning environment issues, such as teacher shortages, a lack of teaching materials, and poorly equipped classrooms. These problems mean that not all children are provided equal education opportunities.

POINT 1 Portable projectors provide sharp, bright images that are easy to see from anywhere.

POINT 2 Electronic blackboards support interactive learning.

POINT 3 Quality cloud-based education can be provided remotely.

Solving issues with remote classroom solutions



Value Proposition

- Increase learning effectiveness with large display sizes and electronic blackboard functionality.
- Eliminate education quality disparities and shortages through collaboration with specialized services.
- Solve teacher and materials shortage issues.

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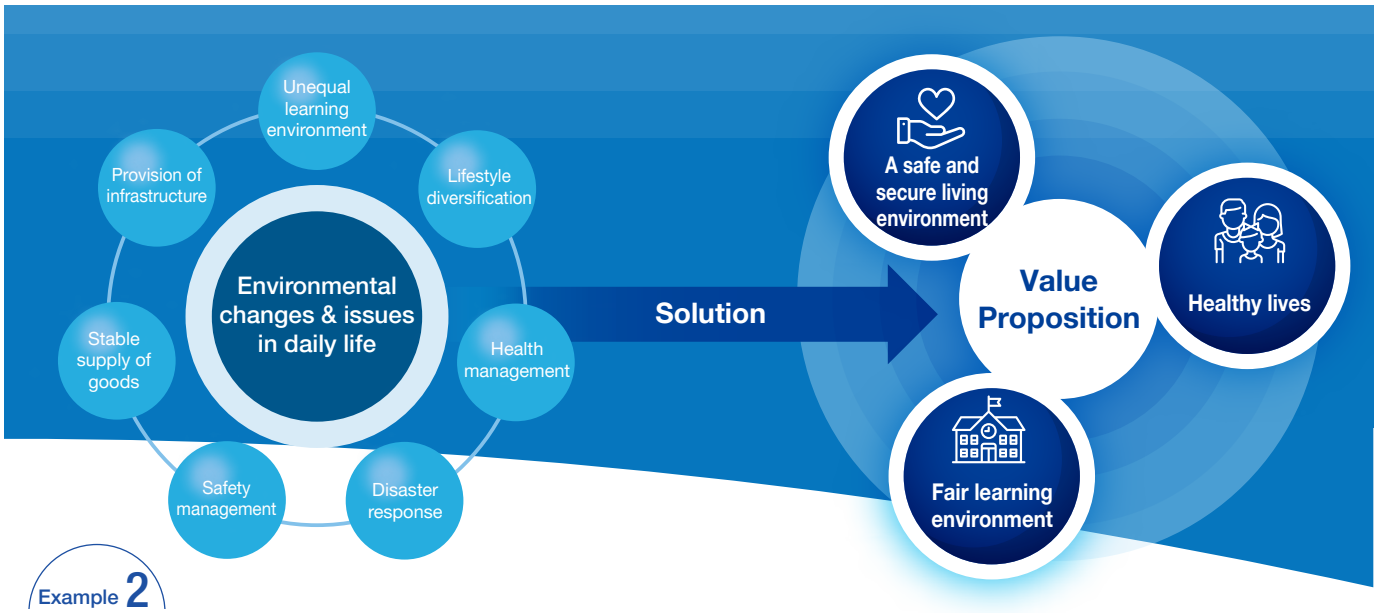


Example 2

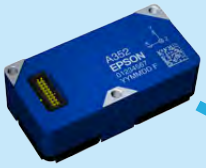
Monitoring Civil Infrastructure Safety with Vibration Sensors

Societal issues & needs

Much of Japan's civil infrastructure, including roads, bridges, and tunnels, was built during the post-war economic boom that began in the mid-1950s. This infrastructure is reaching functional obsolescence. Inspecting and maintaining nation-wide infrastructure is a huge and often dangerous job. The infrastructure on which we depend must be preserved by managing it efficiently, effectively, and, most of all, safely.

POINT 1 High-precision sensors detect abnormal vibration in real-time, discover problems, and monitor aging.

POINT 2 Compact, low-power sensors that can be installed almost anywhere enable efficient inspection.



Value Proposition

- **Ensure the safety of transportation infrastructure and contribute to personal safety and reassurance.**
- **Enable maintenance in more places with effective, efficient maintenance inspections.**
- **Avoid dangerous work and realize a safe working environment.**

Shin-Meishin Expressway, Ikuno Bridge (NEXCO West Nippon)

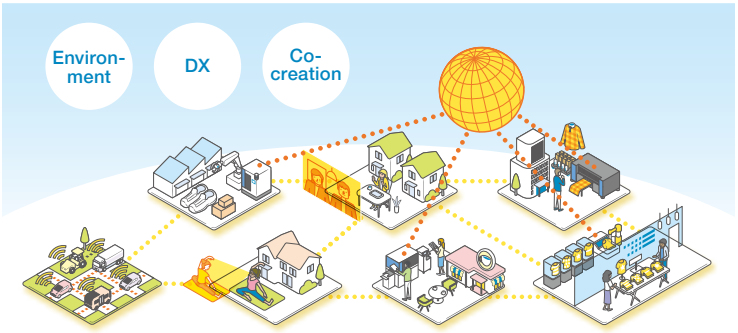
Business Vision

Epson 25 Renewed Corporate Vision

In March 2021, Epson established the Epson 25 Renewed corporate vision, outlining a revised strategy for achieving the company's aspirational goal of achieving sustainability and enriching communities.

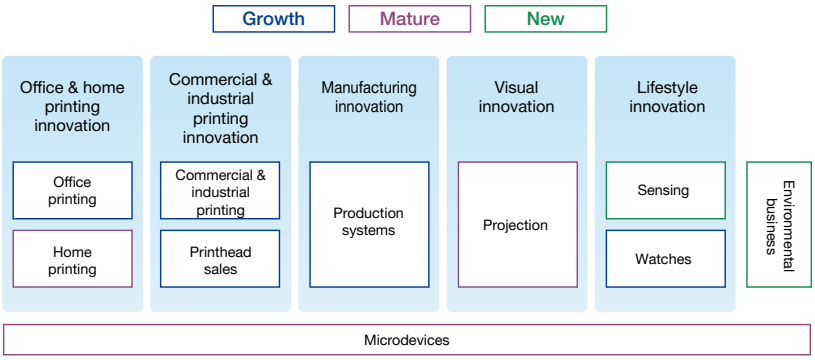
Epson 25 Renewed Vision

Co-creating sustainability and enriching communities to connect people, things, and information by leveraging our efficient, compact, and precision technologies and digital technologies



Innovation Areas

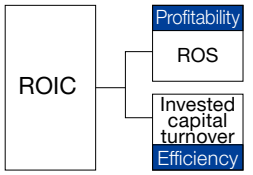
Five innovation areas were identified from a societal issues and customer perspective. These were reorganized into a growth area, mature area, and new area to enable us to focus most on the areas of highest priority.



Consolidated Financial Targets

In addition to adding ROIC (return on invested capital) to our financial targets to promote greater awareness of the cost of capital, we will emphasize profitability by clarifying the business portfolio and appropriately allocating management resources.

	FY2020 (Actual)	FY2023	FY2025
ROIC *1	5.6 %	8 % or more	11 % or more
ROE *2	5.9 %	10 % or more	13 % or more
ROS *3	6.2 %	8 % or more	10 % or more



Main actions

- Invest management resources in new and growth areas
- Efficiently expand and upgrade the lineup through platforming
- Restructure mature areas
- Invest in priorities
- Improve the cash conversion cycle (CCC)

*1 ROIC=Profit for the year attributable to owners of the parent company / (equity attributable to owners of the parent company + interest-bearing liabilities)
*2 ROE=Profit for the year attributable to owners of the parent company / equity attributable to owners of the parent company
Equity attributable to owners of the parent company and interest-bearing liabilities are calculated using the average at the begining and end of the period
*3 ROS=Business profit / revenue

Sustainability Management

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

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

Management Philosophy (Please refer to page 278 of "Appendices")

Message from the Chief Sustainability Officer

Solving Societal Issues Based on Epson's Management Philosophy

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

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

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

Tatsuaki Seki
Director, Managing Executive Officer
Chief Compliance Officer
General Administrative Manager, Corporate Strategy and Management Control Division / Sustainability Promotion Office

Sustainability Promotion Organization

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

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

Promotion Organization

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

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

Main Topics of Discussion by the CSR Executive Council Through FY2020

Fiscal Year (Meetings Held)	Main Topic of Discussion
2016 (3)	Rebuilding the CSR promotion organization Formulation of CSR strategies and a mid-term CSR plan
2017 (8)	Revisions to the Principles of Corporate Behavior Establishing and announcing a Key CSR Theme Matrix Introduction of the SDGs
2018 (4)	Review of external evaluation results and response to issues Improving the process for responding to CSR requests from business partners Establishing the Group statement on modern slavery
2019 (2)	Joining the RBA Report on actions to educate personnel about the SDGs
2020 (2)	Changes to the organization of the Sustainability Strategy Council Change of external CSR assessment indicators RBA activity progress report

Main Topics Discussed by the Sustainability Strategy Council

Fiscal Year	Main Topic of Discussion (Scheduled)
2021	Overview of opportunities and risks from a long-term perspective and their incorporation in management strategies Task Force on Climate-related Financial Disclosures (TCFD) review Selection of important sustainability topics and disclosure of progress

Materiality

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

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

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

Management Philosophy (Please refer to page 278 of "Appendices")

Principles of Corporate Behavior (Please refer to page 279 of "Appendices")

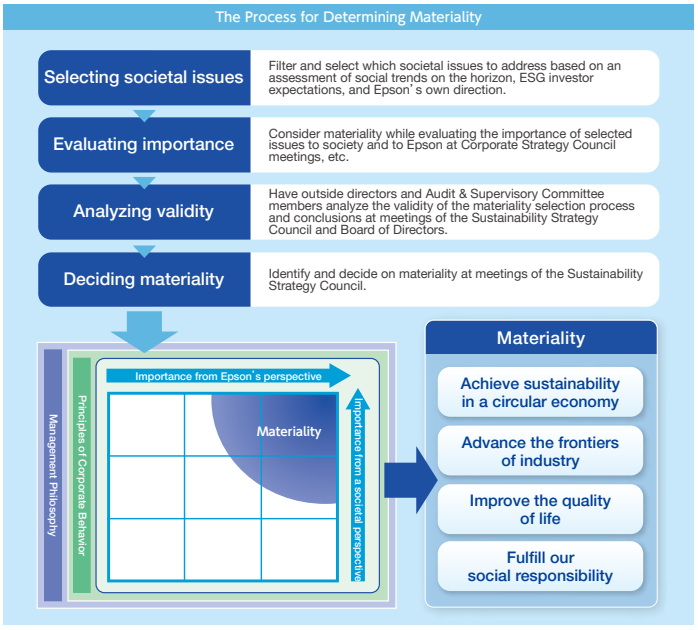
Sustainability-Related Norms That Epson Honors

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

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

Deciding Materiality

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



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

Material Trends and Frameworks Referenced

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

Key Sustainability Topics

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

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

Key CSR Themes: FY2020 Action Items and Results

The 2020 fiscal year action items and results for 16 of the 29 key CSR themes that Epson identified based on importance from a social and company perspective are shown below. (In the 2021 fiscal year, with the establishment of the Epson 25 Renewed corporate vision, we will take action based on the newly identified materialities and key sustainability topics.)

1. Materiality: Advance the Frontiers of Industry

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Business operations aligned with global social trends	• Strengthen global operations under Head Office control
	  • Continue promoting the Global Business Infrastructure Innovation Project
	  • Start designing and developing systems to create Group-unified IT systems
	• Invest management resources in a further disciplined manner according to the economic environment and strategy effectiveness
	  • Invest resources in strategic areas (continue)
	• Start disclosing climate change related risks and opportunities in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations
	• Enhance public disclosures, including about SDGs and other non-financial information, and strengthen dialog
	
	Response to the novel coronavirus
	• Implemented crisis response operations
	  • Strengthen business partner credit control
	  • Take additional action to secure earnings (e.g., expenditure control)
	• Prepare for rebound and demand recovery
	• Formulate new post-pandemic business strategies that take into account external environmental changes
		• Strengthened global operations under Head Office control
		  • Promoted the Global Business Infrastructure Innovation Project
		  • Started designing and developing systems to create Group-unified IT systems
		• Invested management resources in a further disciplined manner according to the economic environment and strategy effectiveness
		  • Defined the business portfolio in the new Epson 25 Renewed corporate vision
		• Disclosed climate change related risks and opportunities based on a scenario analysis of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations
		• Issued 70 billion yen in green bonds, and 75 firms declared an intent to invest
		• Enhanced public disclosures, including about SDGs and other non-financial information, and strengthened dialog
		  • Signed the Statement from Business Leaders for Renewed Global Cooperation by the United Nations Global Compact
		  • Earned a platinum rating for sustainability from EcoVadis
		
		Response to the novel coronavirus
		• Implemented crisis response operations
		  • Strengthened business partner credit control
		  • Took additional action to secure earnings (e.g., expenditure controls)
		  • Provided free face shields and medical masks to medical institutions
		  • Provided free face shields to boards of education
		• Prepared for a rebound and demand recovery
		  • Strengthened remote support
		  • Reinforced webinars and online sales
		• Formulated new post-pandemic business strategies that take into account external environmental changes
		  • Established the Epson 25 Renewed corporate vision
			

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Creating new products and services with leading technology	• Further accelerate collaboration and open innovation
	  • Establish corporate venture capital (CVC)
	• Shift to a new business model
	  • Continue strengthening the lineup of high-capacity ink printers, and capture the LP market by advertising value (e.g., low TCO, heat-free) and by conducting global sales promotions
	• Lead a rapid shift to digitalization
	  • Stimulate global sales campaigns and sell total solutions of commercial and industrial printers
	  • Strengthen external sales of printheads by increasing their business applications
	• Invest management resources in robotics to accelerate the growth of robotic solutions into a core business
		• Accelerated open innovation
		  • Established Epson X Investment, a corporate venture capital subsidiary
		  • Invested in GITAI Japan (robotics), Aroma Bit (smart infrastructure), and LetinAR (xR)
		  • Established open innovation centers in Aizu-wakamatsu (AiCT) and Tokyo (WeWork Shibuya)
		• Shifted to a new business model
		  • Used online messaging to advertise the value of high-capacity ink printers during the pandemic
		  • Expanded sales of high-capacity ink tank printers on heightened at-home demand
		• Led a rapid shift to digitalization
		  • Launched new commercial and industrial printers and began providing Epson Cloud Solution PORT, a platform that helps users correct issues in production and increase the efficiency of operations
		  • Accelerated the development of new areas for printheads through open innovation by launching sales of inkjet systems for R&D
		  • Introduced ICT-based online remote interviews as part of a lifestyle improvement program for health insurance associations
		• Invested management resources in robotics to accelerate the growth of robots solutions into a core business
		  • Transferred the IC test handler business to focus management resources on the robotics business	

Productivity improvement utilizing ICT	• Establish infrastructure for using integrated manufacturing data to optimize factory operations, speed up decision-making, and improve the efficiency of indirect operations • Finish deploying a standard manufacturing system to major manufacturing sites, and strengthen collaboration between factories by deploying the system to collaborating suppliers • Accelerate the establishment of remote assistance infrastructure for mass production start-up, service, and support • Innovate the engineering chain by smoothing information exchange and cooperation among design, engineering, manufacturing, and service departments	• Completed the establishment of infrastructure for using integrated manufacturing data to optimize factory operations, speed up decision-making, and improve the efficiency of indirect operations, and plan to go live from May 2021 • Finished deploying a standard manufacturing system to major manufacturing sites • Demonstrated multiple tools for establishing remote assistance infrastructure for mass production start-up, service, and support	

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs
Products competitiveness	• Review production site strategies and allocation of functions in line with risk events such as natural disasters and infectious diseases • Optimize inventory by setting appropriate theoretical DOS (days of supply) values, and establish CAPDo management • Introduce an ERP (Enterprise Resources Planning) system based on the standard business processes used in production control, procurement, and logistics through the Group-wide global IT renewal project • Reduce total costs in all directions • Reform sales logistics flow lines, and improve logistics competitiveness by reducing air transport **Response to the novel coronavirus** • Re-examine business continuity management that emphasizes risk dispersion • Strengthen the promotion of cost reduction programs	• Articulated corporate policies regarding distributed production and inventory maintenance as risk avoidance measures based on the Covid pandemic • Established CAPDo management and set medium-term inventory targets based on theoretical values • Revamped enterprise resources planning (ERP) • Total cost reduction program struggled due to the lockdowns, which causes labor costs and transport costs to soar • Reformed logistics flow lines in emerging markets (India, Africa, etc.), and logistics focused on securing transport space rather than reducing costs due to the destabilization of the international transport market	

Strategic marketing	• Strengthen customer touch points to improve the B2B sales organization and optimize the organization for each customer and category
	  • Revamp business models by strengthening infrastructure for solution sales
	  • Establish global marketing techniques that take advantage of digital platforms
	  • Execute strategic external communications to increase corporate value and support sales
	
	Response to the novel coronavirus
	• Respond to the changes of customer behavior
	  • Examine selling methods that accommodate a shift from face-to-face, real-world communications to on-line, digital communications
	  • Examine a remote maintenance support system and a repair organization
	  • Use on-line advertisements, on-line promotions, and Webinars
		• Strengthened customer touch points to improve the B2B sales organization and optimized the organization for each customer and category
		  • Launched the Epson ReadyPrint subscription-based printing service in Europe and expanded it to nine major countries
		  • Began providing Epson Cloud Solution PORT with large format printers, creating higher customer value
		  • This allows us to connect directly with customers in the cloud and help them maximize production by visualizing printer operation, diagnosing failures, and proposing ways to raise operational efficiency
		• Used Webinars to introduce new products to customers and sales channels and deployed various other digital sales support activities due to Covid-19
		• Established a Corporate Marketing Department and began preparations for full-scale deployment of strategic communications from FY2021
		
		Response to the novel coronavirus
		• Held Webinars, an online product exhibition, and online business negotiations
		• Used PORT to provide online installation and setup support for large systems, as well as to perform repairs and maintenance
		• Used a digital showroom, Chatbot, Webinars, and other digital means to provide sales support	

2. Materiality: Achieve Sustainability in a Circular Economy

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Contributing to the environment through products and services	• Establish a reduction scenario for achieving a science-based target and implement concrete reduction measures
	  • SBT initiative approved targets (FY2017 is the baseline year)
	  • Reduce scope 3 (categories 1 and 11) GHG emissions as a percentage of business profit by 44% by FY2025
	• Disclosed GHG data
	  • Disclose data in the Integrated Report and Sustainability Report (all scopes)
	  • Receive third-party verification of results data and disclose the verification results
	• Calculate and disclose the contribution of products to avoided emissions
	  • Start studying the contribution of textile printers
	• Practice manufacturing that achieves resource recycling targets
	  • The printer business first implements the measures
	• Implement a field survey and improvements to reduce the GHG emissions from the supply chain
		• Revised the Environmental Vision and committed to be carbon negative and underground resource free by 2050
		  • Disclosed renewable energy targets: Committed to ambitious targets ahead of the rest of the industry (all sites in Japan to use 100% renewable energy in 2021 and all sites globally in 2023)
		  • Joined the RE100 (300th company globally to do so)
		• Established a reduction scenario for achieving the SBT targets and implemented concrete reduction measures
		  • Scope 3 emissions (emissions intensity relative to business profit): 3.30 kt-CO_2e/100 million yen (3% lower than in FY2017)
		  • Scope 1 & 2 emissions: 470 kt-CO_2e (21% lower than in FY2017)...Achieve FY25 target
		  • Renewable energy use: Approx. 19% (62 kt-CO_2e reduction) *Electricity ratio
		  • Use of locally procured energy: Three sites became our first CO_2-free sites by procuring electricity from hydroelectric power plants in Nagano Prefecture
		• Disclosed GHG data
		  • Disclosed data in the Integrated Report and Sustainability Report (all scopes)
		  • Received third-party verification of results data and disclosed the verification results
		• Calculated and disclosed the contribution of products to avoided emissions
		  • Established calculation method for textile printing & PaperLab
		• Manufacturing for a closed resource loop: Began sales of high-capacity ink tank printers that use recycled materials (recycled plastic to account for 30% of printer's total plastic)
		• Surveyed all suppliers with questionnaires and returned the results as feedback
		• Started introducing a mechanism for deciding environmental investments (internal carbon pricing): One investment executed
		• Enhanced information disclosures for the Task Force on Climate-related Financial Disclosures (TCFD)
		• Issued 70 billion yen in green bonds, and 75 firms declared an intent to invest
		• Placed on the A list by the CDP for leadership in climate change and water security
			

Effective use of energy and resources	• Implement reduction measures to achieve the SBT targets
	  • SBT initiative approved targets (FY2017 is the baseline year)
	  • Reduce scope and 2 GHG emissions by 19% by FY2025
	  • Achieve CO_2-free sites and start using locally procured electricity (completely switch to CO_2-free electricity at the Head Office, Hirooka Office, and Shiojiri Plant)
	• Disclose GHG data
	  • Disclose data in the Integrated Report and Sustainability Report (all scopes)
	  • Receive third-party verification of results data and disclose the verification results (GHG emissions, energy usage, water usage)
	• Start using a mechanism for deciding environmental investments (internal carbon pricing)
	• Start disclosing climate change related risks and opportunities in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations
	• Issue green bonds and disclose the results based on the framework
	• Disclose the resource recycling targets for achieving the Environmental Vision 2050 and start implementing actions		

Effective use of energy and resources			
Climate change and global warming			

3. Materiality: Improve the Quality of Products and Services

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Product quality and communications	• Visiting customers directly to gather and analyze information about their wants and needs, closely examining customer wants by analyzing customer inquiries, using the findings to shape future products and services, and improving quality and customer satisfaction
	• Create an environment in which customers can confidently buy genuine Epson brand products, not counterfeit goods
		• Product planners and design engineers spoke directly with customers online to learn their wants, and analyzed these wants and used the results to shape products and maintain and improve product quality
		
		Visual Products Business, Example 1
		Introduced a projector equipped with a video conferencing application to facilitate remote communication, which exploded worldwide due to Covid.
		The projector is easy to carry and requires neither complicated settings nor the purchase of special new equipment. Simply connect a camera and microphone to enable remote communication from anywhere.
		
		Manufacturing Solutions Operations Division, Example 1
		The division had already commercialized the VT6L, an industrial 6-axis robot that meets the need for low power consumption, small size, light weight, and low price, but after hearing from customers that they also needed a robot that can be mounted on an AGV and can be powered by batteries to make it easier to move and reinstall in different locations, the division developed and commercialized a VT6L-based, DC-operated robot.
		
		Manufacturing Solutions Operations Division, Example 2
		Customers who have installed multiple robots need to check robots individually to find out their operating status. This was time-consuming. To solve this problem, the division commercialized an RMS (Robot Management System) and provided an environment where multiple robots can be monitored and managed via a network. The RMS allows customers to monitor robot status and operation all at once, and helped them improve productivity and quality by connecting customer factories to the IoT.
		
		• Continued to combat counterfeiting by exercising our intellectual property rights
		  • Blocked import and export of counterfeit goods at customs
		  • Uncovered and halted the sale of counterfeit goods
		  • Deleted web sites that sell counterfeit goods
		  • Implemented awareness building campaigns about counterfeit goods
			

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Consumer health and safety	• Conducted product safety training worldwide
	  • Revise the content of a basic product safety online course that is meant for all employees and ensure that they complete the course
	  • Develop human capital by providing various safety training (on functional safety, machine safety, risk assessment, etc.) and implement preemptive measures through product safety risk assessment
	  • Ensure that product safety incidents do not reoccur in the future
		• Revised and implemented online product safety training
		• Held industrial machinery safety training
		  • Held specialized machinery safety training by an outside instructor (twice)
		  • Held in-house machinery safety and functional safety training (6 times)
		• Issued market notifications for free inspection of ceiling-mounted projectors with brackets that could potentially fail, and shared information across the company to prevent similar incidents from recurring
		• Zero serious product-related accidents in FY2020
			

4. Materiality: Strengthen Supply Chain Management

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Supply chain management	• Establish supply chain management infrastructure to meet all obligations as a regular RBA member
	  • Modify Procurement Guidelines in line with the revision of the RBA Code of Conduct
	  • Obtain supplier agreements
	  • Communicate with and educate suppliers
	  • Check whether suppliers are observing the Procurement Guidelines (SAQ)
	  • Help suppliers make improvements and undergo RBA audits
	• Achieve 100% conflict-free mineral procurement by exercising due diligence in accordance with the OECD due diligence guidelines
	  • Modify forms for the conflict minerals survey
	  • Hold conflict mineral survey briefings
	  • Collect survey forms and follow up
	  • Extend the scope of the survey (add items about cobalt)
	• In-house education (RBA & conflict minerals)
		• Established supply chain management infrastructure to fully satisfy our obligations as a regular member of the RBA
		  • Updated the Epson Group Supplier Guidelines in line with revisions to the RBA Code of Conduct
		  • Obtained supplier agreements from 1,721 suppliers
		  • Explained the supplier guidelines to suppliers
		  • Checked whether suppliers are observing the supplier guidelines (CSR SAQ)
		  • Direct material suppliers: 172 sites in Japan & 325 sites overseas
		  • On-site contractors: 64 companies in Japan & 80 overseas
		  • Labor suppliers: 67 companies in Japan & 36 overseas
		  • Helped suppliers make improvements (domestic and foreign)
		• 100% of conflict minerals procured were conflict-free
		  • Conducted surveys (due diligence) in line with OECD due diligence guidelines
		  • Changed the form, briefed suppliers, and conducted surveys: Completed surveys returned by 97% of suppliers surveyed
		  • Asked suppliers that did not find out whether 3TG were procured from conflict-free smelters to redo the survey
		  • Expanded the scope of conflict-free mineral surveys to cover cobalt, which is used in projectors
		• Conducted in-house education on the RBA & conflict minerals
			

5. Materiality: Respect Human Rights and Promote Diversity

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Respecting human rights	• Find any human rights issues based on the RBA Code of Conduct and audit standards, and draft improvement plans
	  • Identify and confirm issues and problems and draft improvement plans based on the findings
	  • Identify issues using SAQs, draft improvement plans, and improve (establish an annual routine)
	  • Improve due diligence related to labor suppliers in collaboration with the Production Planning Department
	• Establish Group CSR regulations (human rights and labor categories)
	  • Involve overseas affiliates in an examination of the content and finalize it by the end of FY2020
		• Assessed human rights issues based on the RBA Code of Conduct and audit standards, and drafted improvement plans
		  • Assessed the human rights situation at Group companies via online meetings to alleviate any Priority level problems based on results of a SAQ completed by each company
		  • Eliminated the practice of charging workers hiring costs (Singapore)
		• Enacted an Epson Group regulation on human rights and labor
		  • Drafted a regulation that primarily covers the content of the RBA Code of Conduct and reached a consensus with overseas subsidiaries (the regulation will be enacted in 2021)
			

Diversity	• Advancement of women in the workplace
	  • Interview candidates and their boss before promoting them to senior staff and implement other individual measures (ongoing)
	  • Provide training in unconscious biases to a wider audience
	  • Provide career design training for women
	  • Make a list of female management candidates, set a population target, and take action to achieve the target
	  • Build an employee network and obtain feedback from employees (four times/year)
	• Advancement of foreigners in the workplace
	  • Continue to hire foreign employees
	  • Secure multiple sources for foreign employee hiring
	  • Decide hiring targets in collaboration with overseas affiliates and take action to meet targets
	  • Join events in universities outside Japan
	  • Study and implement a scheme for transferring workers of overseas affiliates to Japan
		• Promoted advancement of women in the workplace
		  • Split the Diversity and Inclusion Project away from Human Resources Department in October 2020 and launched it as an organization that reports directly to the president
		  • Implemented a variety of measures
		  • Conducted a questionnaire on careers and gender differences and received answers from 7,145 non-management employees and 1,119 managers (74.2% response rate)
		  • Provided online training in unconscious biases
		  • Mari Matsunaga, an outside director, gave a talk on the three issues that hinder women's advancement and made recommendations
		  • Made a list of women who are near-term or medium-term manager candidates and specified candidates for priority training
		  • Five senior staff and 51 Grade E employees participated in one of five discussions for women at E-grade, and the discussions were held to help motivate them to seek promotion to senior staff positions, which are a stepping stone for future managerial positions
		  • Held a QC story review class for women with 27 participants
		  • Made changes to the promotion examination system, resulting in a 1.4X increase in the number of women employees who submitted a research paper for promotion to senior staff and a 2.4X increase in the number of women who took the written exam compared to 2019
		  • Results of measures taken
		  • Women accounted for 19.1% of new hires just out of school in 2019 and 26% in 2020
		  • Women made up 2.8% of manager at the end of 2019 and 3.2% at the end of 2020
			

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

	• Advance and deepen foreign talent management
	  • Conduct personnel reviews of people in key positions at overseas affiliates (at least three companies)
	• Promote the participation of seniors
	  • Design various elements in detail and determine the forms and areas of employment of people after sixty
	• Employment of persons with disabilities
	  • Build and deploy throughout the Group a model for employing persons with mental or developmental disabilities (in cooperation with special subsidiaries, Epson Mizube and Epson Swan)
		• Promoted advancement of foreigners in the workplace
		  • Eight foreigners hired (hiring was difficult due to Covid)
		  • Diversified the sources for securing foreign personnel
		  • The Head Office hired one former employee of an overseas subsidiary
		  • Recruitment at overseas universities was postponed due to Covid
		  • Overseas human resources management
		  • Conducted HR reviews at 7 overseas affiliates (the target was 3)
		  • Built a conceptual framework for human resources management based on a global grading scheme and shared it with overseas affiliates through HR meetings
		• Employment for seniors
		  • Began preparations to provide employment opportunities up to the age of 70 under the Elderly Persons Employment Stabilization Law (prepared to set up a review committee with the labor union, etc.)
		• Employment of people with disabilities
		  • Provided rewarding work and a working environment that is a fit for the particular mental disability of each individual and created a management system (medium-term initiative)	

Human resources development, hiring, and retention	• Continue building a talent management system
	  • Implement and entrench rotation programs (ongoing)
	  • Make a list of rotation candidates and continue to try to reach the target of rotating 5% of candidates in the leader and young employee categories, respectively
	  • Understand the details of rotation results and incorporate the information into company-wide actions
	  • Talent management system
	  • Design the system and draft a plan for using the system in FY2020
	  • Implement lifetime career support training (LTCS30)
	• Continued implementing employee motivation surveys and 360-degree surveys
	  • Plan, design, and implement a new employee motivation survey (provisional name)
	• Develop leaders
	  • Improve and implement leader training programs (future leader training, the Global Incubation Seminar, the Global Executive Seminar)
		• Continued building a talent management system
		  • 9.3% of leaders and 13.1% of young employees were rotated to new jobs
		  • Incorporated personnel rotations into Epson 25 Renewed as a means of mid-term human resource development
		  • Conducted online/remote lifetime career support training (LTCS50, LTCS40)
		• Continued implementing employee motivation surveys and 360-degree surveys
		  • Revised the above surveys to create an organizational climate assessment for use along with a mental health assessment to further improve the organizational climate
		  • Sharply increased the weight that the building of a strong organization has in manager evaluations and used organizational climate assessments in evaluations
		  • Conducted a 360-degree survey
		• Developed leaders
		  • Continued future leader training (conducted online due to Covid) with 48 people
		  • Provided follow-up training online for 6 individuals (including 4 from overseas) who participated in the Global Executive Seminar (GES) in FY2019
			

6. Materiality: Strengthen Governance

Key CSR themes	FY2020 action item categories	Achievements & results in FY2020	Relevant SDGs

Information security	• Strengthen information security
	  • Revise in-house quality standards (Epson Quality Standards)
	  • Establish a secure development and operation regulation
	• Ensure customer security
	  • Implement cyber security measures that meet industry standards (e.g., configuration management, privileged account management, malware penetration prevention, system log monitoring)
	• Raise employee awareness about correct information handling practices
	  • Provide all employees with training for appropriately handling information depending on the type and life cycle
	  • Implement targeted email attack training
		• Strengthened product security
		  • Finalized a revision to the EQS (Epson Quality Standard) and standardized security measures for software embedded in equipment
		• Ensured customer security
		  • Acquired Information Security Management System certification for operation management of new service infrastructure
		  • Expanded the application area of cyber security measures and strengthened security
		  • Built a system to centrally assess and manage the latest security measures throughout Asia
		  • Conducted incident response training under the premise of a malware infection
		• Raised employee awareness about correct information handling practices
		  • Provided information security training online for all employees, including teleworkers
		  • Expanded the number of affiliates that participate in targeted email attack drills to better enable employees to identify and respond to suspicious emails
		  • Evaluated the security measures of 1,440 supplier companies
			

Compliance	• Continue implementing the global compliance program
	  • Assess the situation at Group companies and divisions, and entrench a PDCA cycle through activities of Head Office supervisory departments
	• Revise the compliance program
	  • Revise the program to improve system effectiveness based on the results of an evaluation by outside specialists
	• Introduce a whistleblowing system that suppliers can use to report potential issues at overseas manufacturing affiliates
	  • Introduce a system that overseas suppliers can use to report potential problems at our manufacturing affiliates in addition to the supplier reporting system already operating in Japan
		• Continued implementing the global compliance program
		  • Assessed compliance at Group companies and divisions, and actions of the Head Office supervisory departments were put in constant motion
		  • Held a meeting between the chief compliance officer (CCO) and the regional compliance officers to drive home an awareness of the criticality of compliance and to share information about good practices at Epson Group companies
		• Revised the compliance program
		  • Had an outside expert continuously evaluate the program and made changes based on the findings to improve program effectiveness
		• Improved and enhanced whistleblowing systems
		  • Revised the operating rules governing whistleblowing systems in response to RBA requirements and legal amendments
		  • Introduced a supplier whistleblowing system to overseas manufacturing subsidiaries
		  • Monitored the use of whistleblowing systems in the Group
			

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	ESG	Relevance to SDGs																
			1 NO POVERTY	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 THE 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	Environment		2.4				6.3 6.4	7.2 7.3	8.4	9.4		11.6	12.2 12.8 12.4 12.5	13.2 13.3	14.1	15.1 15.4 15.5		17.17
	Reducing the environmental impact of customers	Environment			3.9			6.3 6.4	7.3	8.4	9.4		11.6	12.2 12.8 12.4 12.5	13.2 13.3	14.1 14.3	15.115.5 15.2 15.4		17.7 17.17
	Environmental technology development	Environment		2.4	3.9				7.3	8.4	9.4		11.6	12.2 12.5	13.2	14.1	15.2		17.7 17.17
Advance the frontiers of industry	Improving productivity through digitalization and automation								7.3	8.2	9.4								17.16 17.17
	Improving the work and education environments					4.1 4.5 4.2 4.6 4.3 4.7 4.4 4.a		6.3		8.2 8.5									17.16 17.17
Improve the quality of life	Enriching diverse lifestyles				3.d	4.2 4.7					9.c								17.16 17.17
	Realizing lives that are rich, dynamic, and interesting				3.6														17.16 17.17
Fulfill our social responsibility	Increasing stakeholder engagement	Social	1.1 1.2 1.5	2.4	3.6 3.9 3.d	4.1 4.5 4.2 4.6 4.3 4.7 4.4 4.a	5.1 5.2 5.5	6.1 6.4 6.2 6.5 6.3 6.6	7.1 7.2 7.3	8.2 8.6 8.4 8.7 8.5 8.8	9.4 9.c	10.2 10.3 10.7	11.6	12.2 12.6 12.4 12.8 12.5 12.a	13.1 13.2 13.3	14.1 14.2 14.3	15.1 15.4 15.2 15.5 15.3 15.7	16.1 16.5 16.2 16.6 16.3 16.7 16.4 16.10	17.16 17.17
	Realizing responsible supply chains	Social	1.1 1.2		3.9	4.1 4.5 4.3 4.7 4.4	5.1 5.2 5.5	6.1 6.4 6.2 6.5 6.3 6.6	7.1 7.2 7.3	8.2 8.6 8.4 8.7 8.5 8.8	9.4	10.2 10.3 10.7	11.6	12.2 12.6 12.4 12.5	13.1 13.3	14.1 14.2 14.3	15.1 15.4 15.2 15.7 15.3	16.1 16.5 16.2 16.10 16.4	17.16 17.17
	Respecting human rights and promoting diversity	Social	1.1 1.2			4.1 4.4 4.2 4.5 4.3 4.7	5.1 5.5			8.2 8.7 8.5 8.8 8.6		10.2 10.3		12.a					
	Strengthening governance	Governance																16.3 16.7 16.4 16.10 16.5 16.6	
Epson confirmed that its initiatives are relevant to all 17 SDGs.			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

Registration as an SDG Partner in Nagano Prefecture

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

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

A company must meet two requirements for registration:
1. It must submit a written declaration of commitment to achieving the SDGs.
2. It must take specific actions to achieve the SDGs.

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

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

Building Awareness In-house

JICA Lecture on the SDGs

In October 2020, Mr. Hirohito Takata, then of the Japan International Cooperation Agency's (JICA) Tokyo Center, gave a lecture on the subject of world issues as seen from the SDGs at Epson's Value Creation Fair, an annual event held to share information about technologies within the Epson Group. This lecture, which introduced some of JICA's projects and programs around the world, sought to foster awareness of social issues facing emerging countries and provide insights that can be used in the development of technology products. Mr. Takata gave examples of SDGs that JICA is addressing. He spoke about specific activities that Japan Overseas Cooperation Volunteers are engaged in at home and abroad and about actions required of companies. The lecture, which was broadcast online because of the pandemic, was heard by nearly 500 employees, who found it to be a meaningful opportunity to learn about social issues. After the lecture, there was a discussion about efforts to achieve the SDGs through corporate activities. This served to expand the range of ideas for developing products that contribute to solutions to social issues.

Message from Hirohito Takata

Thank you for inviting me to speak about the SDGs. The passion of your people, whether engineers or office staff, was evident and clearly showed the seriousness of your commitment to action as a company. The SDGs are multi-faceted. Some sides require corporate initiatives, others individual actions. I earnestly hope that Epson and its people will achieve sustainable regional development. I also hope to see Epson and JICA develop a partnership that will enable us to contribute to solving societal issues in a post-pandemic world.

Introductory Online Course on the SDGs (2020)

In the 2020 fiscal year, the Epson Group's approximately 19,500 people in Japan, including executives, were required to complete an online course and to read the company's Integrated Report to familiarize them with the SDGs. Through the online course, our people read about examples of actions the company is taking to achieve the SDGs and learned how various operations and tasks relate to the SDGs. The course was designed to trigger a sense of ownership among and personal action by employees. Our people were also asked to read aloud in groups about the various SDG initiatives described in the Integrated Report and to then discuss them. This served as an opportunity to further deepen understanding of the SDGs and of Epson's own initiatives. These activities gave employees a clearer picture about the connection between their jobs and the SDGs, renewed their awareness of initiatives being taken to achieve a sustainable society, and prompted them to think again about societal demands and social responsibilities, and how their actions day to day, both professional and private, are tied to them.

Sustainability Communications

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

Event Sponsorship and Exhibition

Co-Sponsor and Exhibitor at the 2021 Sustainable Brands International Forum in Yokohama[*1]

Epson co-sponsored and exhibited at the 2021 Sustainable Brands International Conference in Yokohama, which ran from February 24 to 25.1 This was the third consecutive year that Epson has served as a co-sponsor.

The theme of SB2021 was "ReGENERATION," which aligns with Epson's goal of achieving sustainability in a circular economy. Epson showcased the social value that it can provide as a company and emphasized the need for co-creation to drive innovation.

In a plenary speech, Tatsuaki Seki, Seiko Epson director and managing executive officer, presented examples of how digital textile printing can solve problems in the fashion and apparel industry and how virtual schools can provide equal education around the world. He also called for co-creation to build robust ecosystems for achieving these.

In a breakout session, an art director, printer, retailer, and Epson employee took the stage as players responsible for building actual ecosystems. They discussed societal issues facing the fashion and apparel industry, efforts being made by various companies to solve those issues, and future possibilities. The value of digital textile printing was reiterated. As a kimono and other articles of digitally printed clothing were displayed, the panel discussed the value created by digital printing, including its production efficiency and its advantages in terms of environmental impact and better work environment.

The Epson booth, which fsshion designer/art director Aguri Sagimori had a hand in designing, exhibited many digitally printed textile works.

Visitors had a chance to see, touch, and get a sense of the outstanding quality of design, feel, and texture of these textiles.

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

Participant in SDGs National Forum in Nagano 2020

SDGs National Forum in Nagano 2020

The SDGs National Forum was held in Nagano Prefecture in January 2021. Sponsored by Nagano Prefecture and with the backing of the Cabinet Office, the Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment, the forum is a venue for proposing new ideas for living and working in an age of longevity and for sharing information about progressive practices for achieving the SDGs. The two-day event was held online, and a total of 2,536 people from across Japan watched and participated.

Harushi Yoshihashi, general manager of Seiko Epson's Sustainability Promotion Office, participated in a subcommittee panel discussion on the topic of global trends and new developments in SDG management. He gave examples of what Epson has done to date to contribute to the SDGs and then exchanged opinions with the other panelists. He spoke about and gave examples of how companies influence the entire supply chain and how they address business and human rights issues.

The audience asked many questions about how to balance business with SDG initiatives, signaling that business interest in the SDGs is increasing.

Subcommittee Participants

Masao Seki	Specially Appointed Professor, Faculty of Business Administration, Meiji University/Senior Advisor, Sustainability Promotion Department, Sompo Japan Insurance Inc.
Mariko Kawaguchi	Specially appointed professor at Rikkyo University/Assistant CEO of Fuji Oil Group Headquarters Co., Ltd.
Katsuhiro Kondo	Patagonia Provisions, Manager
Chika Yamanaka	Program Director, Toyota Mobility Fund
Harushi Yoshihashi	General Manager of the Government & Public Affairs Department and the Sustainability Promotion Office, Seiko Epson Corporation
Tomoko Hoshino	(Coordinator), Vice Chair, Environmental Partnership Council

Local Communities

Discussions with Local Citizens

Seiko Epson and Epson Group companies engage members of the communities in which they operate. We are working to build trust with these communities by explaining our business, environmental activities, and risk management system as well as by actively listening to their needs and issues.

In October 2020, we created an opportunity to meet and talk with local officials, including the mayor of Fujimi, Nagano Prefecture, home to the Suwa Minami Plant and the Fujimi Plant. We presented information about our site wastewater treatment facilities, Epson PaperLab office papermaking systems, and Epson textile printers and textile printing technologies. We also discussed and shared ideas about driving regional and company growth in a pandemic.

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.

Epson's Responding to TCFD (Please refer to page 71)

CDP

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

Science Based Targets initiative

The SBTi is an international partnership that persuades companies to set science-based GHG emissions reduction targets in order to keep the increase in average global temperature to well below 2°C[*1] 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℃ 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 sites[*1] 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.

Customer Commitment

Approach

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

Quality Policy

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

Quality Policy

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

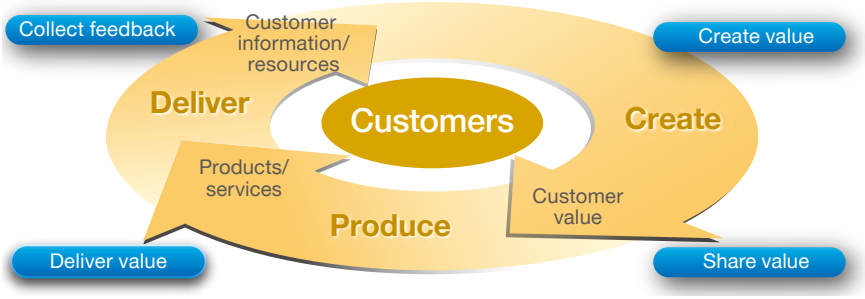
Vision for Mid-Range CS & Quality Initiatives

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

Goal

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

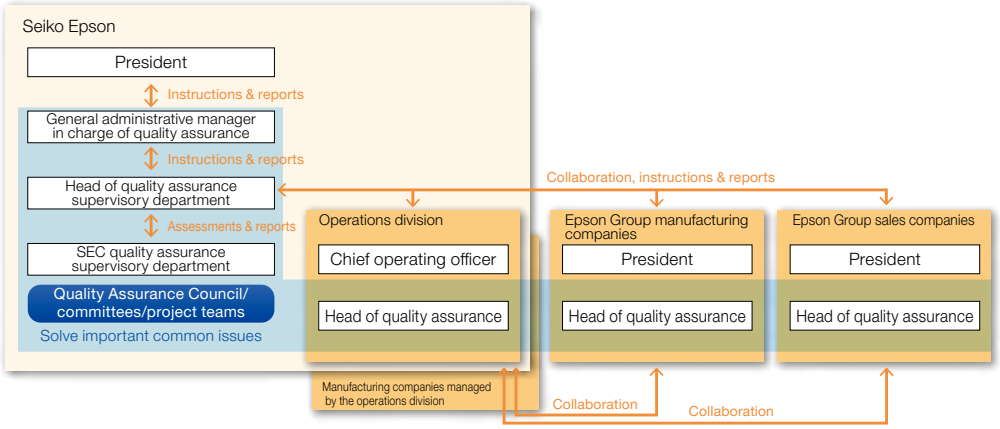
CS & Quality Vision (Creating Customer Value)



Quality Assurance Program Organization

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

Quality Assurance Program Organization



Customer Commitment

Customer Satisfaction

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

Product Design

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

Product Design (Please refer to page 40-44)

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.

Product Design

Epson undertakes various activities to provide our customers with satisfaction that exceeds their expectations through our products, services, production and sales. This is a representative example of Epson's activities.

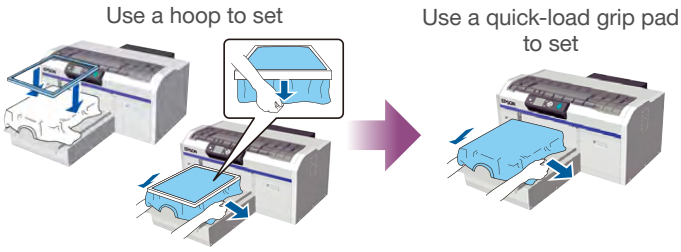
Epson seeks to meet the expectations of customers from the product design stage. As part of this effort, our design engineers personally visit customers to listen first-hand to their thoughts and needs. They also visit information centers to gather and analyze information on the types of problems customers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

Greater Work Performance and Efficiency in the Workplace　SC-F2100 Series

In 2013, we launched a product of a new type for Epson: a garment printer that prints on cotton fabric, such as T-shirts and tote bags. Its successor models came out in March 2018. Known as the SC-F2100 series, they offer greater work performance and efficiency in the workplace because they incorporate customer needs that came to light in the four and a half years since the first garment printer went on sale.

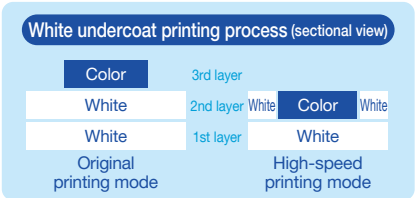
"Garment loading is troublesome"

We devised a way to set garments in place with a quick-load grip pad instead of a metal hoop. This cut the loading time by about half (to about 15 seconds) and keeps garments and other fabrics from expanding.



"I need faster print speed"

The original product prioritized color expression. Print jobs began by printing two white layers to cover the color of the fabric and then printed color as the third layer.



However, market survey results showed some customers wanted the productivity of faster printing while others prioritized color expression. To meet both needs, we developed a high-speed mode in which the first layer is printed in white and the second in color and white simultaneously. The high-speed mode increased print speed by 33% with little loss of color expression.

"There should be less waiting time"

The SC-F2000 series was designed to automatically circulate white ink every day for up to 10 minutes to prevent particles contained in white ink from settling. Sometimes the circulation process began just when the customer wanted to print, so they had to wait.

We analyzed the workflow and found there was a 20-second interval between printing jobs (to unload the printed garment and set the next one in). We created a program to break the circulation process down into steps that run only in the intervals so customers no longer need to wait to print.

“Print jobs should be more attractive”

A fabric preparation product is applied to the surface of dark fabric so that white ink will not penetrate the fabric. The product reacted with fabric dyes and made stains. People who bought garments sometimes returned them due to the stains. Other garment printer manufacturers all had the same problem.

We addressed the problem by identifying a material that effectively minimizes the reaction with fabric dyes and mixing it with the fabric preparation product. We tested the new fabric preparation product on more than 150 types of fabric manufactured around the world under expected usage conditions and confirmed that stains became less conspicuous.

Resolving Tank Refill Issues

Epson’s high-capacity ink tank printers, first introduced in Indonesia in 2010, were being sold, by 2017, in some 150 markets, both emerging and developed. These printers have earned loyal support from customers who want to print in high volume at low cost. However, we learned by interviewing customers and talking with sales companies that users wanted better protection against ink stains and spills when refilling the tanks.

- Issue 1

Ink could spill, splash, and stain users’ hands when users removed a protective seal under the bottle cap and tipped the bottle.

- Action

We eliminated the protective seal and replacing it with an airtight bottle cap and a slotted valve near the tip of the nozzle to prevent ink from splashing and dripping.

- Issue 2

The bottle had to be squeezed about 50 times in the roughly two minutes it took to refill a tank.

- Action

Ink bottles and printer ink tanks were redesigned to enable easy filling of each color. Users simply have to insert a bottle nozzle into an ink tank and wait about 40 seconds for the tank to fill. Filling automatically stops when a tank is full.

- Issue 3

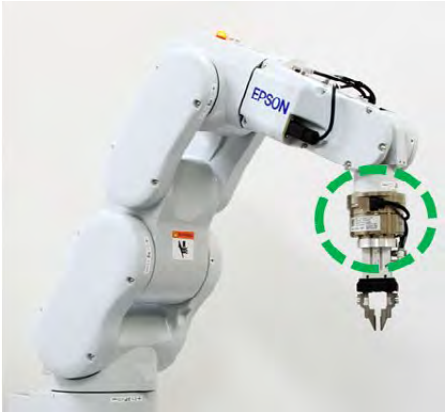
Filling a tank with the wrong color of ink

- Action

The ink bottles have a tip that is uniquely keyed for each color and can only be inserted in a tank of the same color.

Ink bottles act like a key that fits only into the keyhole of the correct ink tank

Innovating Manufacturing with New Force Sensors



In creating labels for displaying products to their best advantage, there is a need to be able to design color labels with photographs and text for each product, and print them attractively at high speed, on demand. On learning of this customer requirement, Epson developed the TM-C7500 color label printer. Manufacturers, faced with labor shortages and a need to increase productivity, are rapidly automating their assembly processes with robots. However, there are still many difficult, precision tasks that rely on human sensory perception and skilled workers due to task complexity, the fragility of components, and the need for fine adjustments. Epson is making it possible to automate even these challenging tasks with a new series of S250 robotic force sensors.

The S250 series of force sensors

Force sensors sense the direction and magnitude of force applied to a robot end-effector to precisely control robot movements. Robots that have the ability to sense force can be used to perform tasks that once relied on humans.

Epson visited dozens of companies that use its robots to identify customer needs. What we found was that users wanted to automate even some of the most complex and delicate tasks. The majority of force sensors on the market have a flexible component that elastically deforms when a force is applied to an object. Force is measured based on the degree of deformation of this component, so the sensor has to readily deform for the sensor to have a practicable level of sensitivity. The problem with sensors that readily deform under light pressure, however, is that the position of the robot end-effector, which is attached forward of the force sensor, becomes unstable. Conversely, sensors that do not readily deform typically have low sensitivity and are unable to accurately measure small forces. For this reason, manufacturers have been unable to automate precision tasks that require high end-effector positional accuracy and the ability to measure very small forces, such as tasks that require fragile components to be inserted in confined spaces. Solving this problem required the development of a new force sensor with conflicting properties: minimal deformation and high sensitivity.

Epson used its expertise in crystal devices, which deform very little but can still detect extremely small changes in pressure, to develop the S250 series of force sensors. These force sensors are far more sensitive than other force sensors despite extremely low deformation.

The S250 series of force sensors enable robots to perform difficult-to-automate tasks that in the past have always relied on humans. Examples include:

- High-precision assembly of fragile parts, such as tiny electronic components with bendable pins.
- Advanced insertion tasks in extremely narrow spaces, such as the insertion of precision components and automotive parts.
- Deburring, sanding, polishing and other finishing tasks that require delicate force control.

Epson was uniquely positioned to develop S250 series of force sensors because it designs and manufactures crystal elements, has material analysis capabilities, and uses robots on its own manufacturing lines. Epson will continue to drive innovation in manufacturing by providing customers with smaller, lighter solutions with enhanced usability that allow users to more easily automate tasks of all kinds.

The TM-C7500 Revolutionizes the Printing Environment

In creating labels for displaying products to their best advantage, there is a need to be able to design color labels with photographs and text for each product, and print them attractively at high speed, on demand. On learning of this customer requirement, Epson developed the TM-C7500 color label printer.

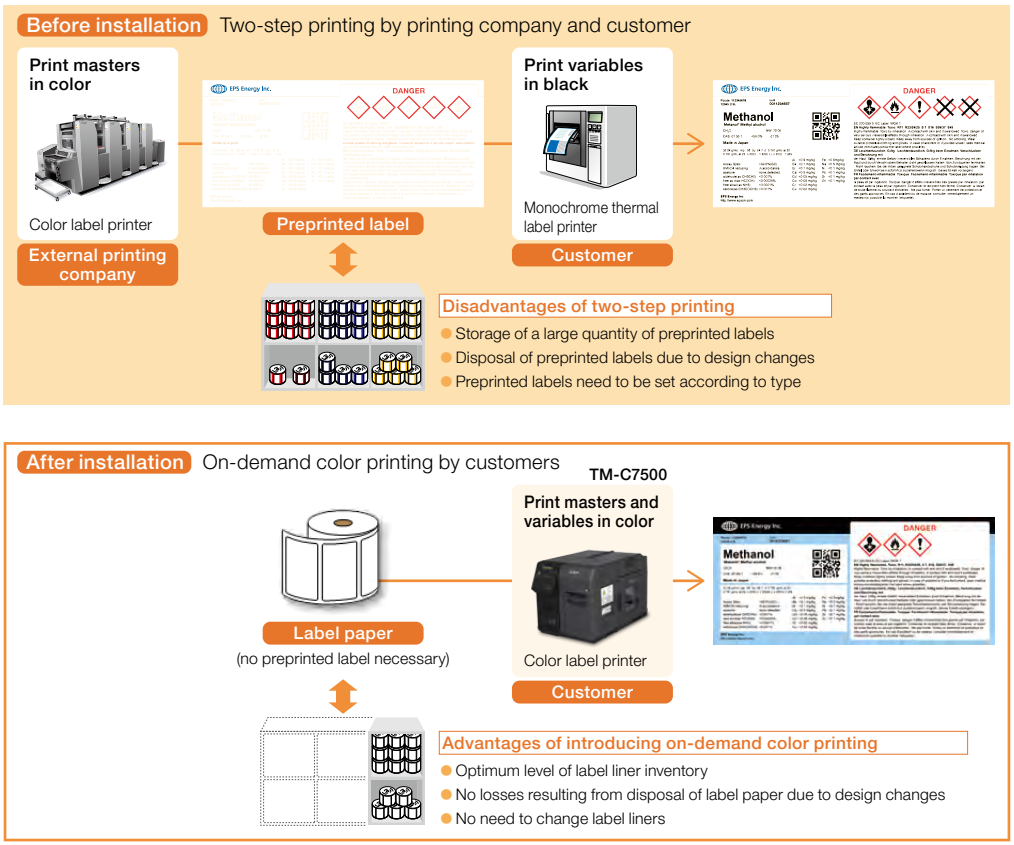
First, we sought to learn how businesses make and use labels, and ascertained what difficulties they encountered. For example, when making GHS (Globally Harmonized System of Classification and Labeling of Chemicals) for chemical containers, we discovered that customers followed a two-step procedure.

First they would ask an external printing contractor to make several varieties of preprinted labels showing the company logo and the red diamond for the picture symbol, in the places designated in the GHS standard.

Then, using their own barcode label software, they would print barcodes, product information, and picture symbols for each chemical on the preprinted labels using a monochrome thermal label printer. As a result, we discovered that customers faced the following issues.

1. It was necessary to prepare several varieties of preprinted labels for the different types of chemical. Also, the printing contractors imposed minimum print runs, resulting in inventory management headaches.
2. The cost of disposing of labels that became obsolete through design changes.
3. Printing the barcodes took time.

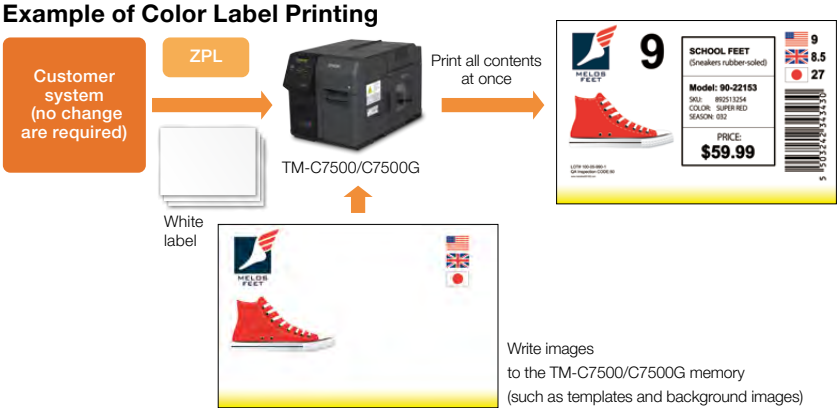
Comparison of GHS Label Printing Before and After TM-C7500 Installation



In order to solve these problems faced by customers, the product plan for the TM-C7500 was developed with a focus on achieving color, high speed and high resolution, and the ability to move to an environment enabling smooth, on-demand color label printing leveraging customers' existing label printing environments.

1. To achieve color, high speed and high resolution, the printer is equipped with PrecisionCore lineheads with print speeds of up to 300 mm per second.
2. The internal memory of the printer comes with a stock of images. Equipping the printer with a function for combining this image data with the text and other print information sent from the barcode label software significantly reduces the volume of data sent from the barcode label software. This substantially cuts down the waiting time while data is being sent and read.
3. In order to leverage customers' existing label printing environments, the printer is equipped with ZPLII commands which are standard in the monochrome thermal label printing environments, and ESC/Label commands including Epson's proprietary commands for achieving color printing with an inkjet.
4. By working with companies that produce three types of barcode label printing software popular with customers, we incorporated the three types of software in the TM-C7500 native driver to achieve an environment that enables on-demand color label printing without customers having to change their systems.

Example of Color Label Printing



The printer is highly regarded by customers in the healthcare packaging business who have been able to simplify product identification with highly expressive labels through high-resolution color printing with highly water and alcohol resistant pigment inks. They value the ability to cut costs through on-demand printing, reducing use of preprinted labels, as well as reducing the impact on the environment over the product life cycle.

Epson will continue to revolutionize the world of label printing by delivering label printing environments that meet wider customer needs.

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

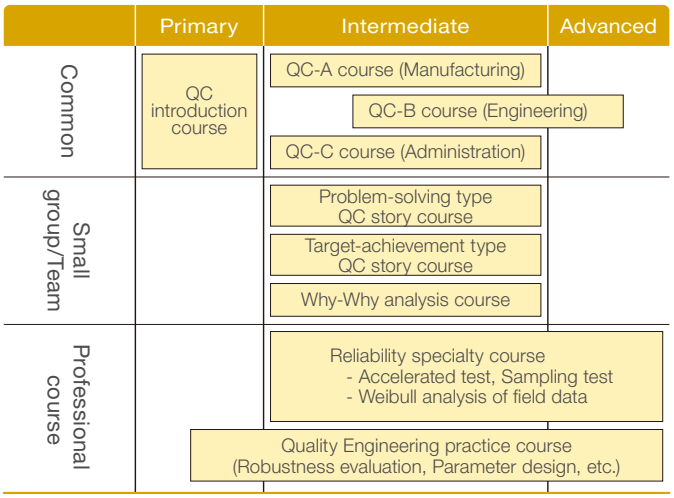
Training

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



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

Standard QC Courses for All Employees (FY2020, Japan)

Course	People trained	% trained
QC Introduction	366	90%
QC-ABC	389	77%

Licensed Quality Control Training Trainers

Region	Number of Production Sites with Licensed Trainers	Licensed Trainers*1
Southeast Asia	7 companies	77
China	6 companies	52

*1 Number of licensed trainers as of March 31, 2021.

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.

The 2020 Worldwide Team Presentations were conducted by judging video presentations to avoid the risk of COVID-19. Four teams from two companies in the Japan bloc, four teams from four companies in the Southeast Asia bloc, and four teams from two companies in the China bloc presented their Kaizen results. A team named “Open Circuit Pioneer” from Epson Engineering (Shenzhen) Ltd. came away with the top prize, the President’s Award, for their effort to reduce the functional defect rate of the S9000II models.

Members of the President’s Award-winning Open Circuit Pioneer team

Activities to Raise Awareness

November is CS & Quality Month across the global Epson Group. During the month, we review and improve our business processes from a customer satisfaction(CS) and quality standpoint.

In FY2020, we used the month as an opportunity to improve the quality of work by re-learning the basics of the quality management system and by reviewing our current practices. One of the events for CS & Quality Month was a talk given by a director, who spoke about executive management's commitment to CS and quality and about initiatives to improve CS and quality in Epson's businesses. The talk, which included numerous specific examples, helped raise awareness of the importance of both customer satisfaction and quality. A large number of employees listened to the talk live in the main hall and at the 13 sites to which it was broadcast. Others listened in after a movie was posted on the company intranet. An online course for Epson Group employees was also offered in Japan and completed by 94% of employees. In addition to the talk event and the online course, each of our sites and global manufacturing affiliates carried out their own events. We use events like these to help shape our products and services to the needs of our customers.

CS & Quality Month posters (English)

CS & Quality Month posters (Japanese)

CS & Quality Month posters (Chinese)

Customer Commitment

Product Safety

Approach to Product Safety

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

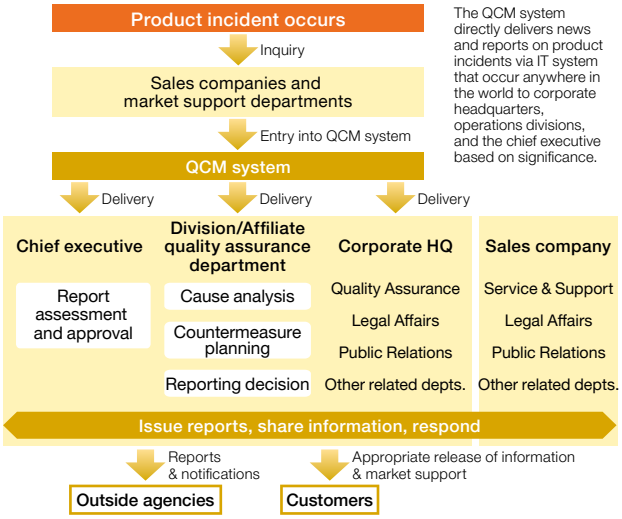
Our product safety and environmental compliance requirements are set forth in the Epson Quality Standard (EQS), a set of unified standards implemented across the entire Epson Group. EQS specifies independent controls that we widely implement to meet or exceed legal and regulatory requirements in each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

Process for Rapidly Responding to Product Incidents

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

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

Epson Product Incident Response Process



Analyses to Prevent Product Incidents

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

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

Burning test at combustion laboratory

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.

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 Angel[*1], and also evaluates the level and safety of substances for which the Japanese Health, Labor and Welfare Ministry has issued indoor concentration guideline values[*2]. 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 vulnerabilities[*3].

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

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

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 FY2020, we had 238 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.

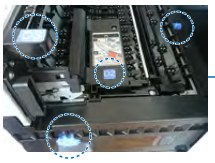
Some of Epson's Universal Design Features

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.

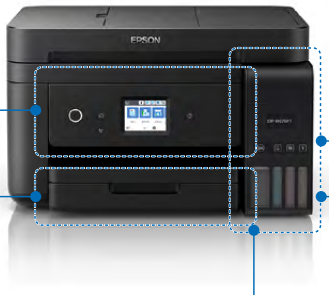


- Fin-shaped projections on the paper output tray make it easier to pick up sheets.

- 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.



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

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

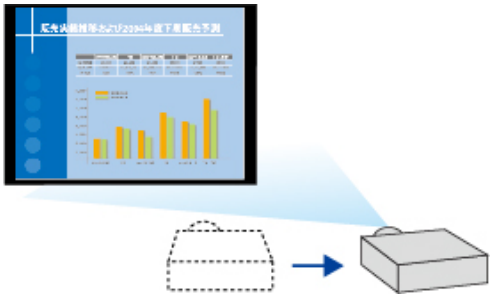
- The amount of remaining ink is easy to check with front-loading ink tanks and ink windows that repel moisture.

- 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.

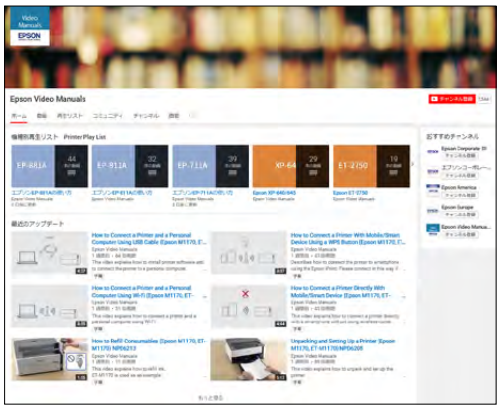
Epson’s EB-1795F business projector has one-touch image position and adjustment features that enable even novice users to effortlessly align images so that they sharp and clear. By eliminating troublesome and time-consuming set-up, we have enabled anyone to smoothly prepare a projector for business meetings.



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/UCcq-a3llOxcXQRuZFjYATpg

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

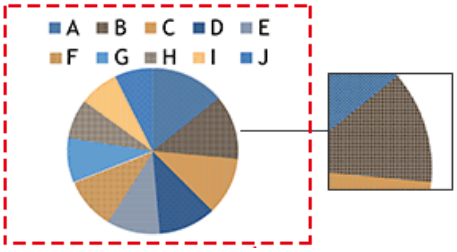
Color Universal Design

We are also employing color universal design[*1] 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 function[*2] hat 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.

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 resource[*1] free by 2050 to achieve sustainability and enrich communities

Goals

- 2030: Reduce total emissions in line with the 1.5˚C scenario[*2]
- 2050: Carbon negative and underground resource[*1] 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 Agreement[*4] 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.

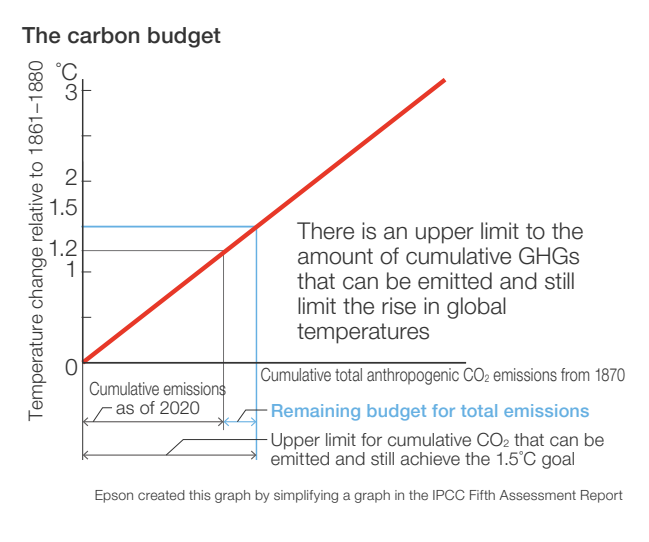
[*3] International goals for social sustainability adopted at the U.N. Sustainable Development Summit in September 2015, aimed at addressing global issues such as climate change, poverty, and human rights. There are 17 sustainable development goals with 169 targets.
[*4] A legally binding international 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 IPCC[*1] Fifth Assessment Report reaffirms that there is a near-linear relationship between cumulative anthropogenic greenhouse gas (GHG) emissions and the global warming they cause. This relationship indicates that there is an upper limit to the cumulative GHGs emissions (the sum of past and future emissions) that can be released into the atmosphere if we are to keep the rise in temperature to a certain level. This upper limit is the carbon budget.
According to the latest IPCC Assessment Report (AR6, released in August 2021), the remaining carbon budget for keeping global warming to within 1.5℃ is 300-400 bn tonnes. At the current pace of global emissions, the carbon budget will run out in 10 years. The UN's Decade of Action is of the utmost importance for containing global warming and meeting the SDGs.

[*1] Intergovernmental Panel on Climate Change



Epson created this graph by simplifying a graph in the IPCC Fifth Assessment Report

Natural Capital

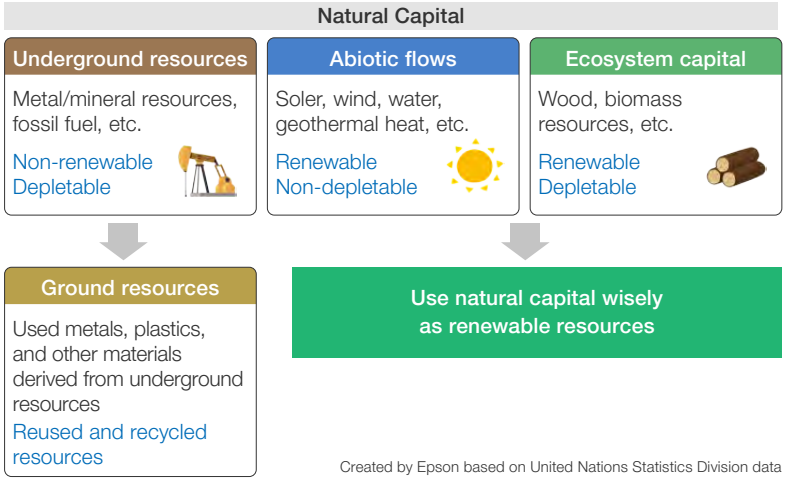
Business Activities Based on Natural Capital

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 CO_2. In other words, dependence on underground resources is unsustainable.

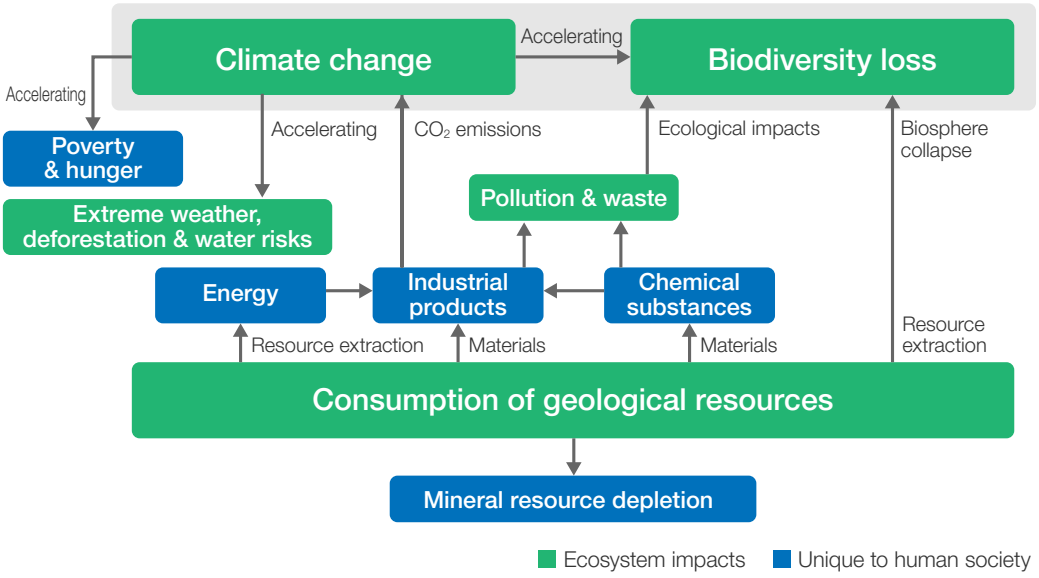
Epson will dramatically change the way natural capital is used. We will reduce the consumption of new underground resources by utilizing previous mined minerals as above-ground resources and will use abiotic flows as energy sources. Ecosystem capital is renewable and non-depletable if used wisely.

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



Created by Epson based on United Nations Statistics Division data

Relationship between climate change, biodiversity, and human society



Our Approach

Decarbonization Initiatives

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

The world needs to cooperate in transitioning societal systems toward net zero emissions by eliminating the consumption of fossil fuels and removing CO_2 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

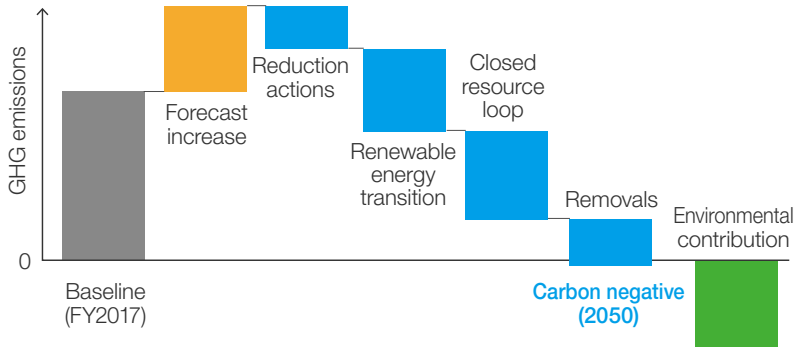
Decarbonization goal: carbon negative

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 CO_2 corresponding to the remaining GHGs to reach essentially zero GHG emissions, and then removing even more carbon.

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

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

Conceptual Image of Emissions for Becoming Carbon Negative



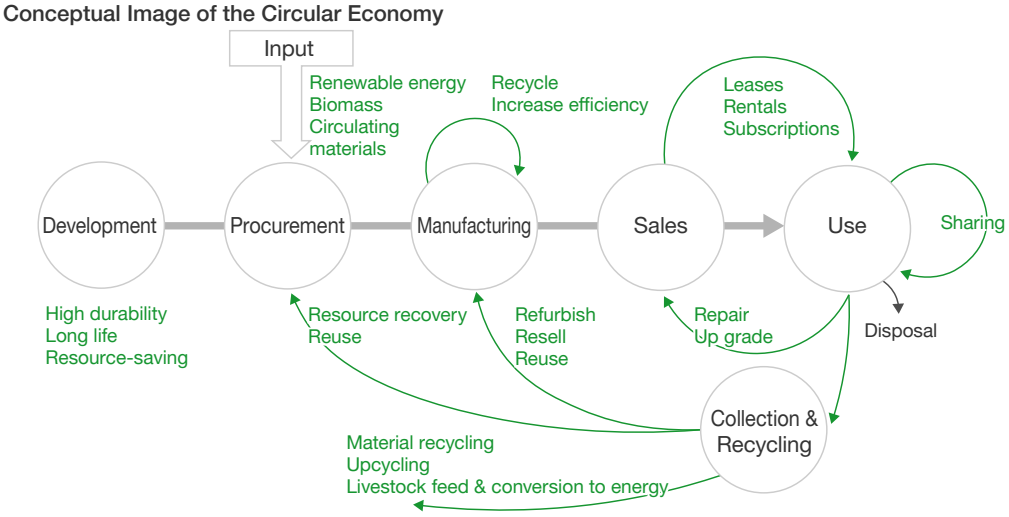
Closed Resource Loop Initiatives

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

According to an OECD[*1] report[*2], global resource consumption is predicted to increase to 167 gigatons in 2060, which is more than double the 79 gigatons consumed in 2011, due to population growth and GDP growth.

[*1] Organisation for Economic Co-operation and Development. A European-led international organization to which 35 developed countries, including Japan and the United States, are members.
[*2] Global Material Resources Outlook to 2060

Conceptual Image of the Circular Economy

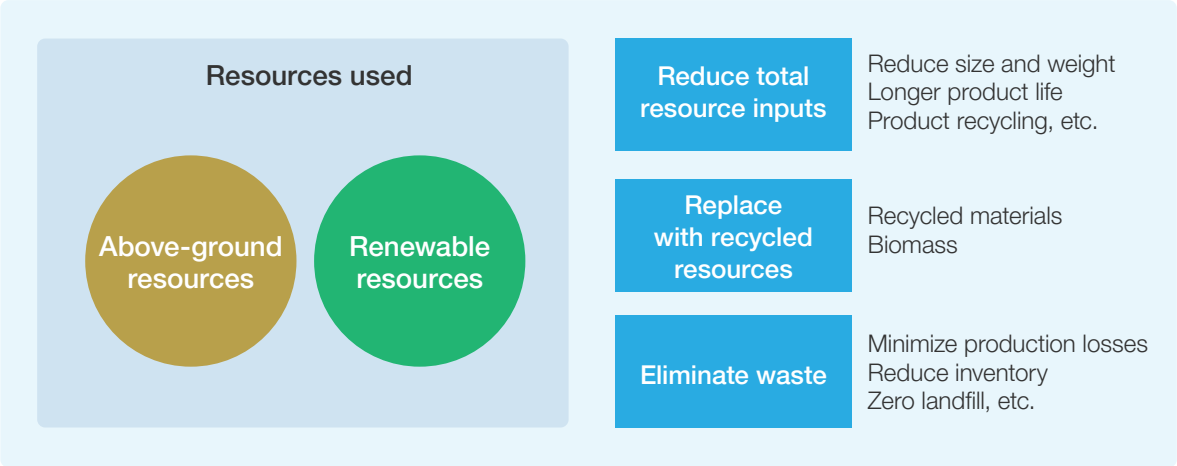


The closed resource loop goal: Becoming underground resource free

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

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

Conceptual image of resource use for becoming underground resource free



Mid-Term Targets

Environmental Vision 2050 and Mid-Term Targets

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

To achieve Environmental Vision 2050, Epson sets mid-term milestone targets and has steadily been working to bridge the gap needed to reach them. The company's current mid-term milestone targets are for 2025 and were set by backcasting[*1] 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.

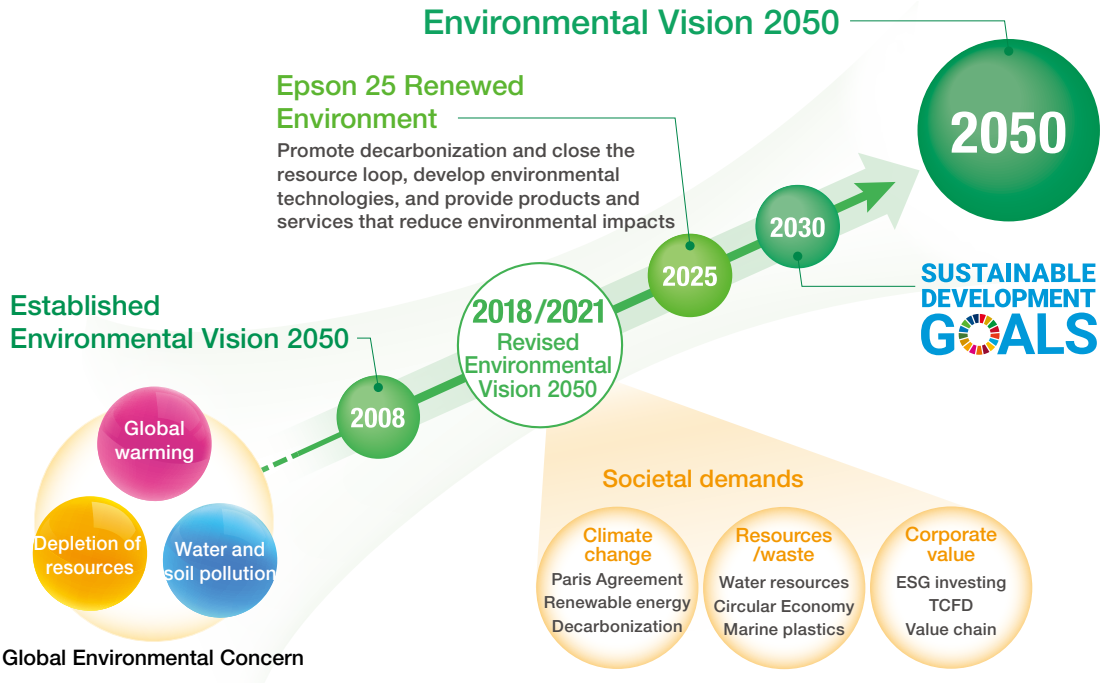
The efficient, compact, and precision technologies that Epson has developed since its founding have yielded inkjet technology that reduces environmental impacts and increases productivity along with a host of other technologies that Epson believes can play a major role in solving societal issues and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

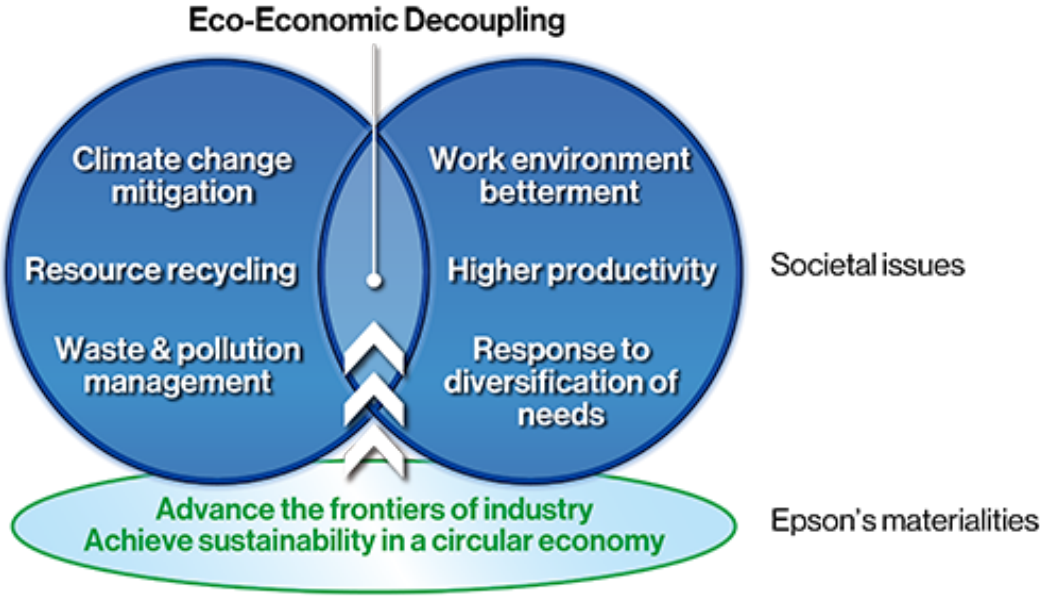
"We want to change the world with inkjet technology."

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

Solving Social Issues Through Inkjet Technology

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

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



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

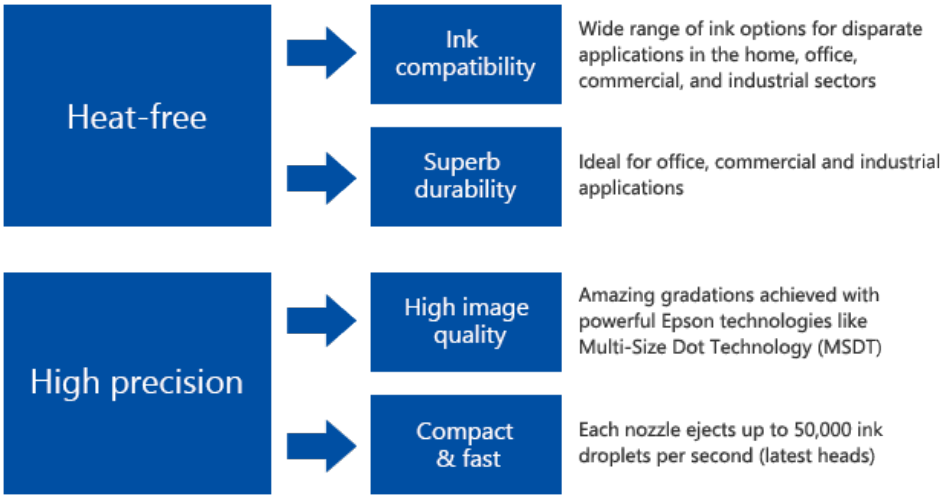
Feature Article

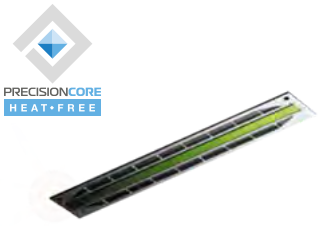
Advantages of Inkjet Technology

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

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

Characteristics of Epson inkjet systems





PrecisionCore Micro TFP print chip

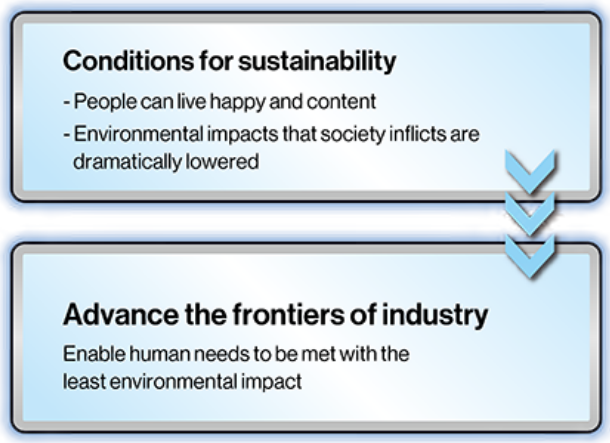
Epson is deploying its state-of-the-art piezo-electric PrecisionCore printheads in printers across a wide range of categories. We want to use this technology, which can deliver value by boosting productivity while mitigating environmental impacts, to replace analog printing in every possible application.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

Feature Article

Future Outlook (Expansion in Production & Creative Areas)

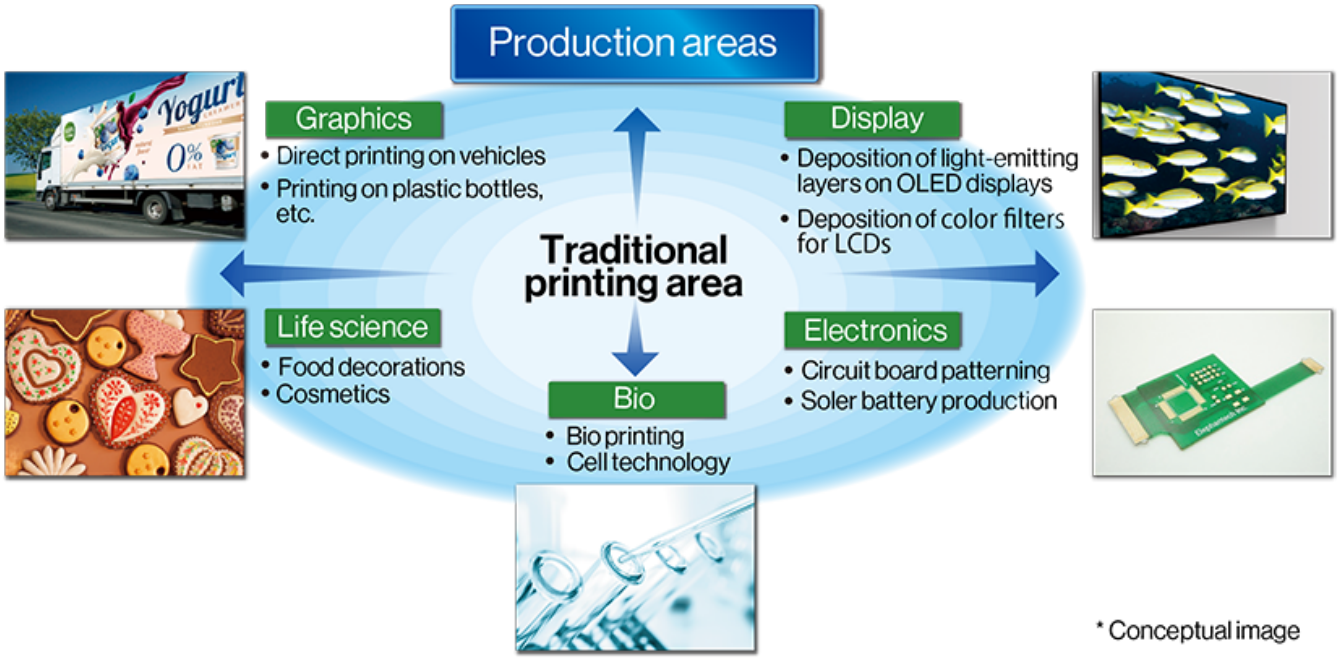
Inkjet-based manufacturing innovations
Advancing the frontiers of industry through open innovation

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.

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.

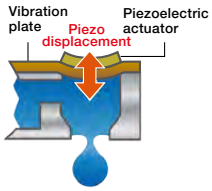
PrecisionCore head nozzles are 0.02 mm (20 μm) in diameter

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

A nozzle with rough rim edges cannot jet ink straight.

Epson uses microfabrication technology to form perfectly round nozzles that jet ink straight.

Piezo-electric inkjet heads consume little electricity and, since they are heat-free, are compatible with all manner of inks. Since 1984 Epson's inkjet heads have evolved across three generations to become faster, more precise, and more compact. PrecisionCore heads are the 3rd and newest generation. They were achieved by using the latest high-precision MEMS technology for everything from the ultra-thin film piezo-actuators to the nozzles. Epson was able to obtain a larger displacement by fabricating thin-film piezo-actuators a mere 1 micrometer (1/1,000 mm) in thickness.

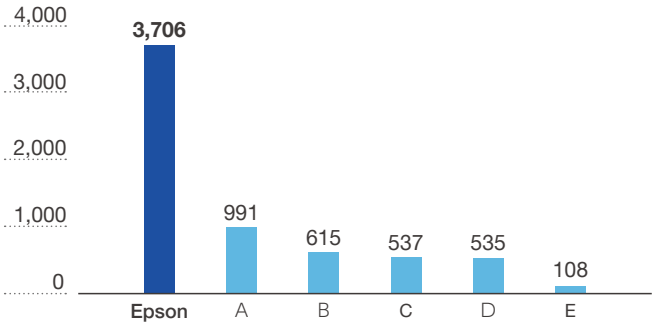


Epson's piezoelectric printheads

Key intellectual property

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

Number of Piezo Printhead-Related Patents Owned



* Epson research as of July 27, 2021
* The number of registered piezo-type printhead patents in Japan, the U.S., China and Europe that application after April 1, 2001

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 acclerating 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://global.epson.com/newsroom/2020/news_20200228.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 bonds[*1] 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	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). (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	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. 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.

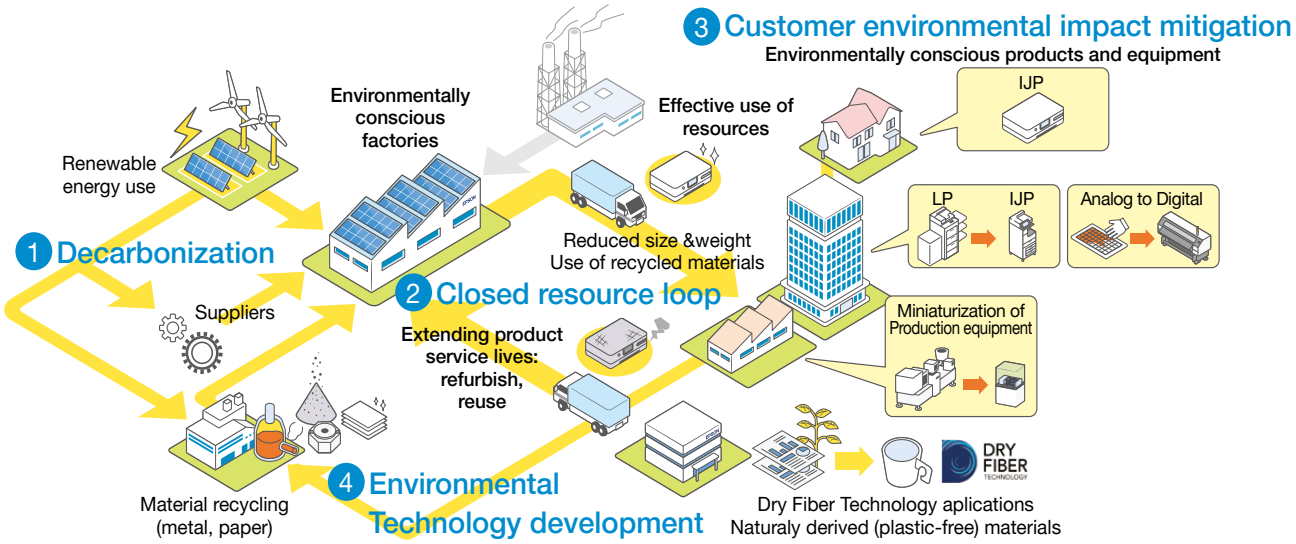
2. Third-Party Conformity Assessments

Seiko Epson Corporate Green Bond Framework Second Party Opinion by Sustainalytics
https://global.epson.com/SR/greenbond/pdf/greenbond_framework.pdf

2025 Goals

Epson 25 Renewed Corporate Vision: Environment

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



1. Decarbonization	• Renewable energy use • Energy-saving facilities • Greenhouse gas removal • Supplier engagement • Carbon-free logistics
2. Closed resource loop	• Effective use of resources: Reduce size and weight, use recycled materials • Minimize production losses • Extend product service lives: Refurbish and reuse
3. Customer environmental impact mitigation	• Lower power consumption • Longer product life • Fewer consumables and limited lifetime parts • Digitalization of printing • Miniaturization of production machines
4. Environmental technology development	• Dry fiber technology applications • Naturally derived (plastic-free) materials • Material recycling (metal, paper) • CO_2 absorption technology

Environmental Investment and Spending

- Spend 100 billion yen over the 10 years to 2030 (items 1, 2, 4)
  - Reduce GHG emissions[*1] 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 2023 (achieved in Europe sales offices: April 2020, plan to achieve in Japan: March 2021)[*2]
- Concentrate management resources on the development of products and services that reduce environmental impacts (item 3)

[*1] GHG Scope 1, 2, 3 emissions
[*2] Excludes leased properties for sales offices, etc. where the amount of electricity consumed cannot be determined

Decarbonization

Reducing Greenhouse Gas (GHG) Emissions

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

The current targets are consistent with the 2°C goal, and, in the 2021 fiscal year, Epson plans to update its emissions reduction targets in line with a 1.5°C scenario, as set forth in Environmental Vision 2050.

GHG Reduction Targets

Scope 1 Scope 2	Reduce scopes 1 and 2 GHG emissions by 19% by the FY2025.
Scope 3	Reduce scope 3 (categories 1 and 11)[*1] GHG emissions as a percentage of value added (business profit) by 44% by the FY2025. [*1] Category 1: Purchased goods and services Category 11: Use of sold products

Scope 1: Direct GHG emissions from the use of fuels, etc.
Scope 2: Indirect GHG emissions from purchased energy, etc.
Scope 3: Indirect GHG emissions of the entire value chain

Epson's Science-Based Targets (SBTs)

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

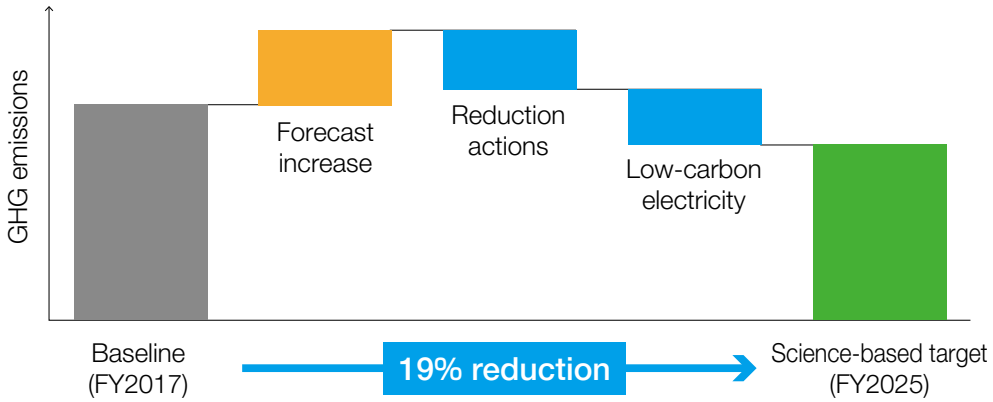
Initiatives to Reduce Scopes 1 and 2 Emissions

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

Main actions for reducing emissions

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

Conceptual image of FY2025 scopes 1 & 2 emissions reductions



- Renewable Energy Use

Epson expects its energy use to increase as production increases in line with its long-term growth strategy. Therefore, all Epson sites and businesses are implementing energy-saving measures and increasing the use of renewable energy to achieve our SBT. In 2018, Epson decided to expand its use of renewable energy by purchasing low-carbon electricity for a new factory in Japan that is involved in the production of PrecisionCore printheads, the core device at the heart of inkjet printers. We were able to increase the rate of renewable electricity use to 19% in FY2020 and make progress in reducing the Epson Group's total scope 2 emissions. We achieve this primarily by entering into long-term contracts for the purchase of low-carbon electricity and by generating power on-site at our plants overseas.

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 sites[*1] around the world by 2023.

[*1] Excludes some sales sites and other leased properties

- Carbon Pricing

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

Reducing Scope 3 Emissions Intensity

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

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

- Environmental Contributions

Epson's inkjet technology saves resources. Our printers, which do not use heat to print, draw comparatively little electricity while consumables and limited lifetime parts require only infrequent replacement. Using Epson inkjets instead of laser printers can cut users' electricity consumption and reduce the environmental impacts of society as a whole. In fiscal 2020, in addition to business inkjet printers and laser projectors, the contribution to avoided environmental impacts[*1] from our digital textile printing and dry process office papermaking systems was calculated to be 257,000 t-CO_2e.

[*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.

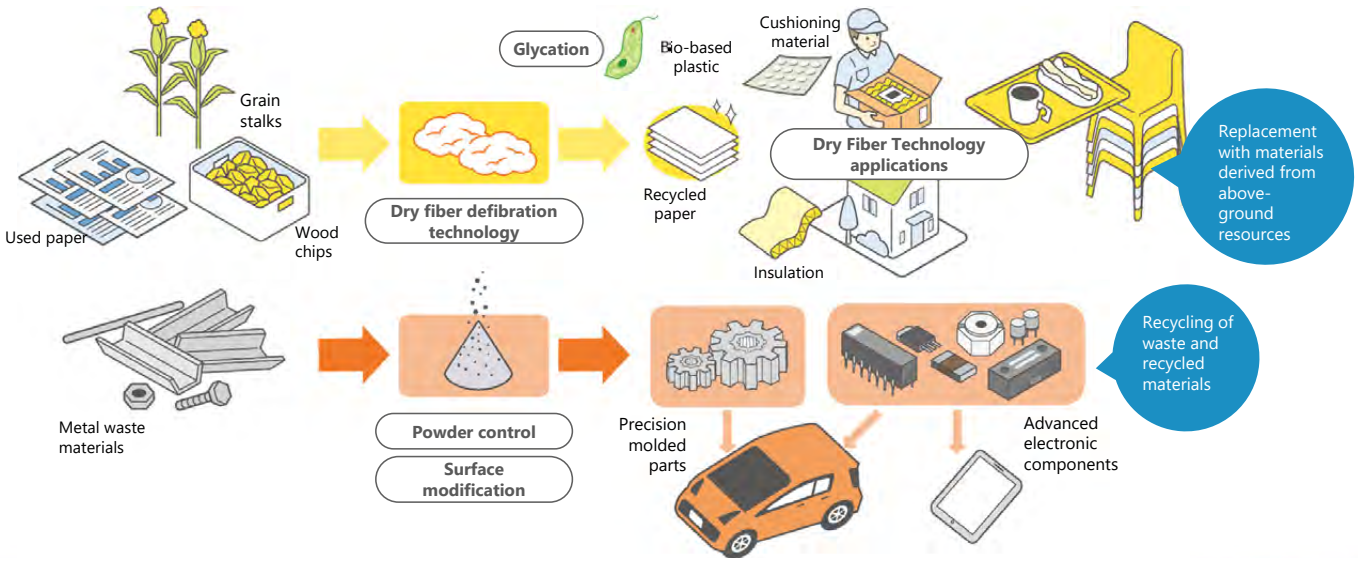
Climate-Related Issues: Risks & Opportunities

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.

Epson considers the impact of climate change on business to be an important topic. We are responding to the associated risks and business opportunities. We will address risks arising from the effects of things such as the power consumption of our products during their production and use. As presented in the Epson 25 Renewed Corporate Vision, we will also expand sales opportunities by upgrading the resource and energy efficiency of the products and services that we provide. In addition, we see opportunity in contributing to a restructuring of industry through collaboration and open innovation and in the building of a low-carbon society.

Environmental Technology Development

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



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

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

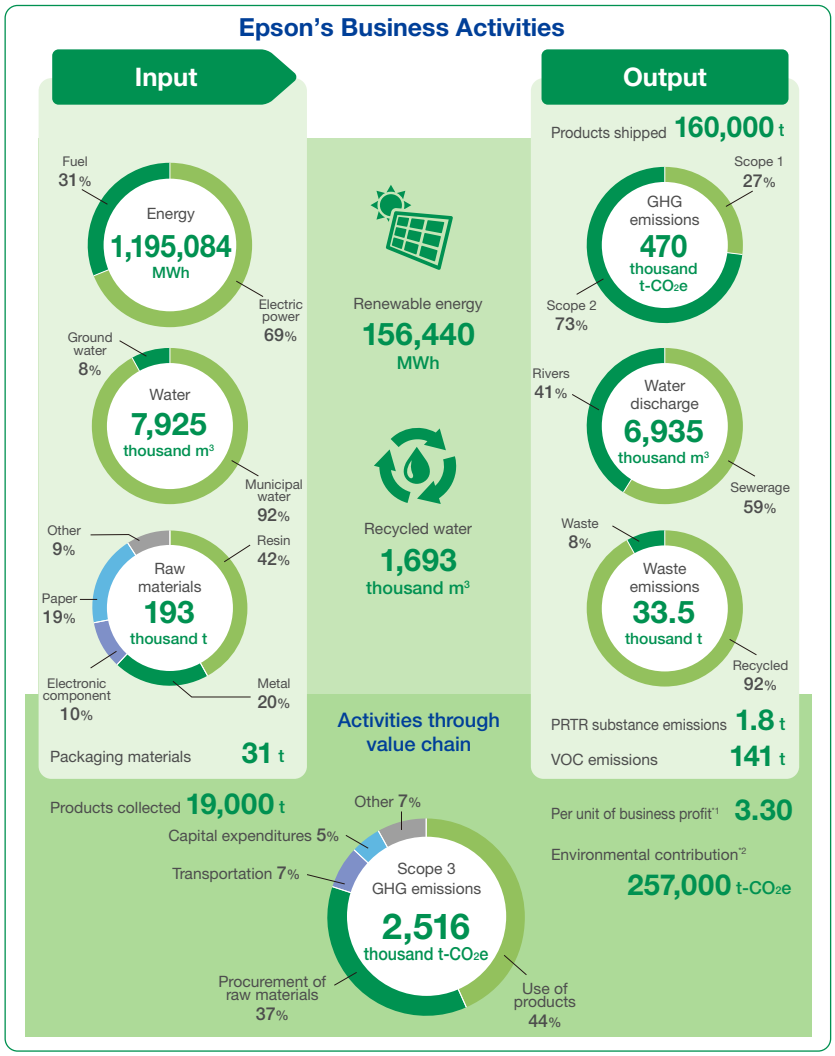
Established of the Pararesin Japan Consortium to develop biomass plastic technology in March 2021. The goal is to have the capacity to supply 200,000 tons of biomass plastic annually in 2030.

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 (FY2020)



Achievements

Scopes 1 & 2 GHG emissions
-21%
Target: -19% by FY2025
Target value: 479 thousand t-CO_2e

Water usage
-2.5%
Target: previous year or less
Target value: 8,131 thousand m³

Waste emissions
+2.8%
Target: previous year or less
Target value: 32.6 thousand t

PRTR substance emissions
-22%
Target: previous year or less
Target value: 2.3 t

VOC emissions
-1%
Target: previous year or less
Target value: 143 t

Scope 3 GHG emissions (Per unit of business profit)
-3%
Target: -44% by FY2025
Target value: 1.90

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

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

Responding to TCFD 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℃ above pre-industrial levels and try to limit the temperature increase to 1.5℃. To achieve this, Epson is working to reduce total emissions in line with a 1.5℃ scenario[*1] 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[*2] 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 Epson declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019, it 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.

[*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℃ 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 100 billion yen 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.

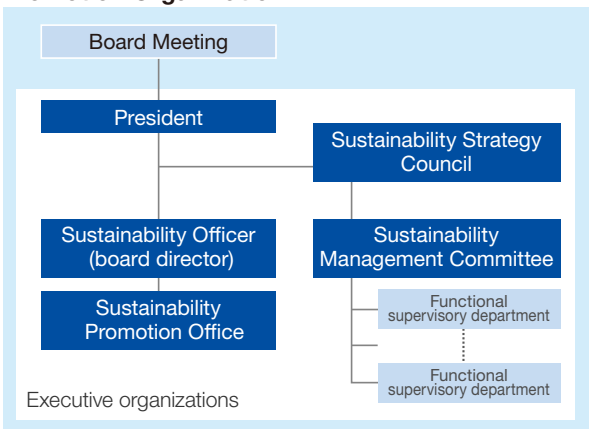
On the other hand, even in a 4℃ scenario in which global warming has advanced because the world failed to take additional measures, we found that the impact of physical risks on our domestic and overseas sites due to the damages arising from weather extremes would be small.

Governance

Important matters related to climate change are supervised by the board of directors, which receives reports at least once a year after deliberations by the Sustainability Strategy Council, which formulates medium- to long-term strategy for the Epson Group's sustainability activities and reviews the status of implementation as the president's advisory body.

In addition, Seiko Epson's president and representative director, the individual who has the highest responsibility and authority for climate-related issues, delegates responsibility for climate-related issues to the Sustainability Director, who heads the Sustainability Promotion Office and manages and promotes climate change initiatives, including TCFD.

Promotion Organization



Main Climate Change Initiatives

FY2019
- Declared support for the TCFD recommendations
- Studied risks of natural disasters caused by climate change (2℃ scenario and 4℃ scenario)

FY2020
- Qualitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (2℃ scenario)
- Studied risks of natural disasters caused by climate change (1.5℃ scenario)

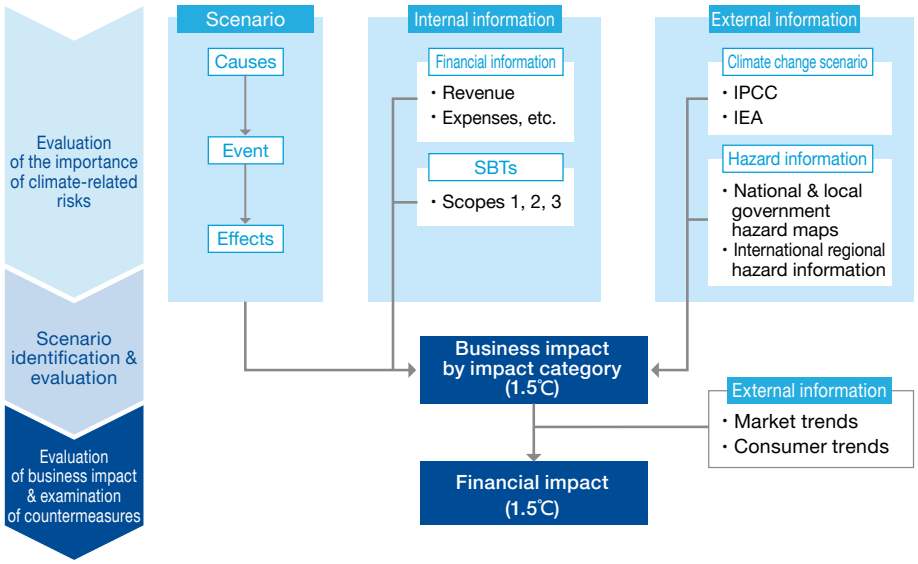
FY2021
- Revised Environmental Vision 2050 and set clear objectives, including becoming carbon negative
- Quantitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (1.5℃ scenario)

Strategy

Epson has determined that achieving sustainability in a circular economy and advancing the frontiers of industry are material matters in its value creation story. To achieve these, we will further reduce greenhouse gas (GHG) emissions by leveraging our efficient, compact, and precision technologies to drive innovation.

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℃ 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. The results of the evaluation of climate-related risks and opportunities based on this scenario analysis are as follows:



Climate-Related Risks and Opportunities in a 1.5℃ Scenario

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

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Transition risks	Market changes Policy & laws and regulations	Paper demand	Short-term	**Impact** • 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 that shift to paperless advances further due to changes in trends due to COVID-19 (such as the contraction of office printing because of decentralization), we expect that the 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) will be limited.	Small
		(Initiatives in Environmental Vision 2050) - Decarbonization - Closed resource loop - Environmental technology development	Short-term	**Impact** • "Decarbonization" of products and services as well as the supply chain and advanced initiatives in "resource recycling" are needed to respond to "climate change" and "resource depletion," which are social issues shared globally. • Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts. **Response to risks** • Decarbonization - Renewable energy use - Energy-saving facilities - Greenhouse gas removal - Supplier engagement - Carbon-free logistics • Closed resource loop - Effective use of resources - Minimize production losses - Extend product service lives • Environmental technology development - Dry fiber technology applications - Naturally derived (plastic-free) materials - Material recycling (metal, paper) - CO_2 absorption technology	Invest a total of approximately ¥100.0 billion by 2030
Physical risks	Acute	Damage to business sites due to floods, etc.	Long-term	**Impact** • Based on the results of the latest FY2021 risk assessment for 36 sites (17 sites in Japan and 19 sites overseas), the changes in future operational risks due to flooding (rivers overflowing) and high tides 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			

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Opportunities	Products and services	(Initiatives in "Environment Vision 2050") - Customer environmental impact mitigation	Short-term	**Assumed scenarios** • The need for environmentally friendly products and services will increase due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, sustainable production amounts, and reduced resource use. **Business opportunities** • For the growth areas of "Epson 25 Renewed," a CAGR (compound annual growth rate) of 15% is expected for revenue growth by providing 1) office printing, commercial & industrial printing and printhead sales utilizing inkjet technology to achieve a reduction of environmental impacts, increased work productivity and reduction of printing costs and 2) production systems with expanded use of new production devices to achieve a reduction of environmental impacts.	Large CAGR of 15% is expected in growth areas until 2025
		Environmental business	Short-term	**Assumed scenarios** • Market growth is expected in the field of combatting global warming and the field of waste treatment and effective utilization of resources. • Due to the shift to a circular economy, market growth is expected for recycled plastics, high-performance Bio-based plastic, Bio-based plastic and metal recycling. **Business opportunities** • As effective solutions for combatting global warming and responding to the shift to a circular economy, 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).	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

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
・Study risks of natural disasters caused by climate change at major sites worldwide. ・Research social trends.	・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.	・Effectively manage risks through the Sustainability Strategy Council and the board of directors.

Metrics and Targets

Under Environmental Vision 2050, in order to achieve the medium- and long-term greenhouse gas (GHG) emission reduction targets validated by the Science Based Targets initiative (SBTi), we are actively working to reduce environmental impacts throughout the value chain. We are doing so primarily by improving the environmental performance of our products, utilizing renewable energy, and enhancing our business activities, based on our efficient, compact, and precision technologies.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

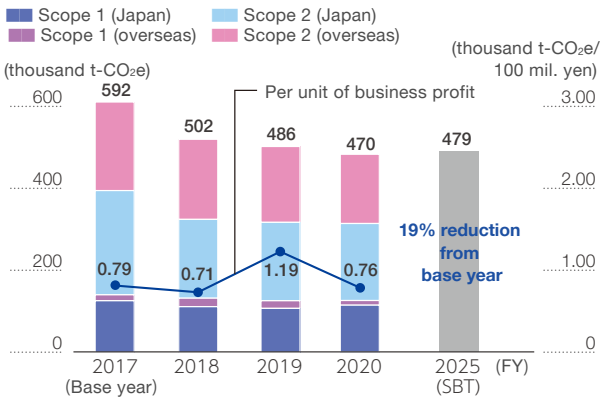
The current targets validated by the SBTi correspond to the 2℃ target. In FY2021, we plan to update the reduction targets to those that correspond to the 1.5℃ target, which is the target in Environmental Vision 2050.

GHG Reduction Targets (reduction targets in line with "SBT 1.5˚C Scenario")

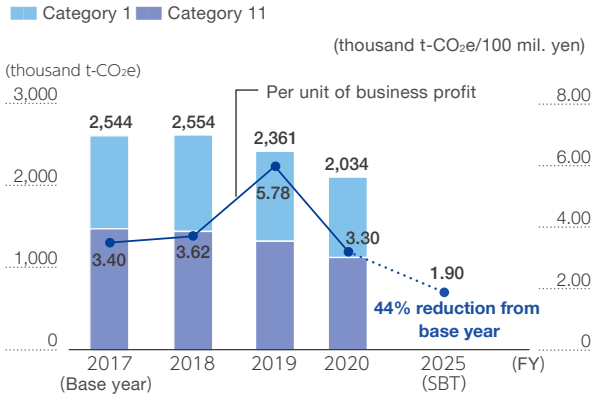
Scopes 1, 2, 3	Reduce GHG emissions by 55% compared to FY2017 by FY2030.

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

GHG Emissions (Scopes 1 & 2)*3

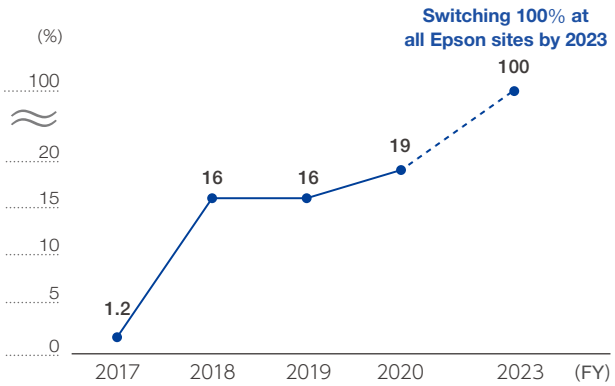


GHG Emission (Scope 3: Categories 1 & 11)



*3 CO_2 conversion factor of greenhouse gas emissions
- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.
  Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
- GHGs other than CO_2: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Rate of Renewable Electricity Use (on an Electricity Basis)



Epson and the Environment

Global Environmental Positioning Statement

Better Products for a Better Future

At Epson, we know that planning for the future requires a strong commitment to the environment. That is why we strive to create innovative products that are reliable, recyclable, and energy efficient.
Better products that use fewer resources help ensure a better future for us all.

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

Epson and the Environment

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 78.)

Choose
Use environmentally conscious materials

Management of Chemical Substances in Products
(Please refer to page 130.)

Paper Products Procurement
(Please refer to page 230.)

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

Climate Change/Realizing a Decarbonized Society
(Please refer to page 114.)
Resources/Forming a Circular Economy
(Please refer to page 122.)
Pollution Prevention & Chemical Management
(Please refer to page 130.)

Deliver
Transport products efficiently

Transport/Value Chain
(Please refer to page 117.)

Use
Eco-performance as customer value

Products and Services that Reduce Environmental Impacts
(Please refer to page 80.)

Recycle & Reuse
Reuse resorces

Product Recycling
(Please refer to page 125.)

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.

Think

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.

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 rate[*1] 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.

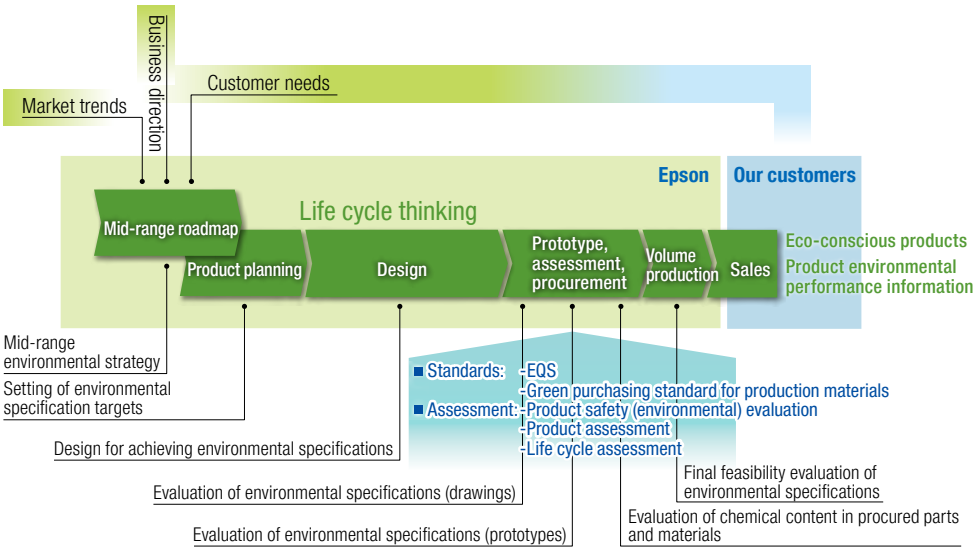
Substance Safety

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

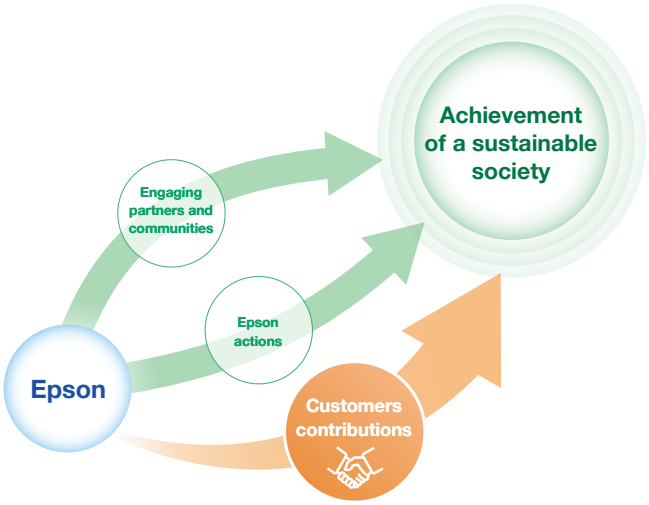
Evaluation

- 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

Epson and the Environment

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.

Minimizing Customer Environmental Impacts

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

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

Office

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

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

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

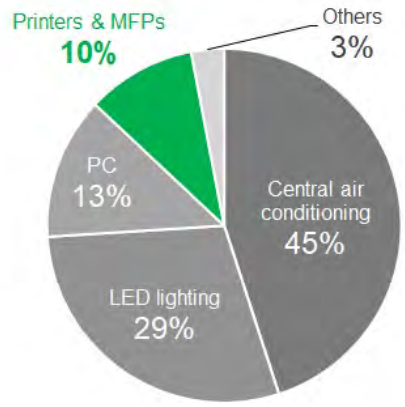
WorkForce Enterprise Series
(A fully configured model with staple finisher unit and high capacity paper tray)

Ideas for the Office

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

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

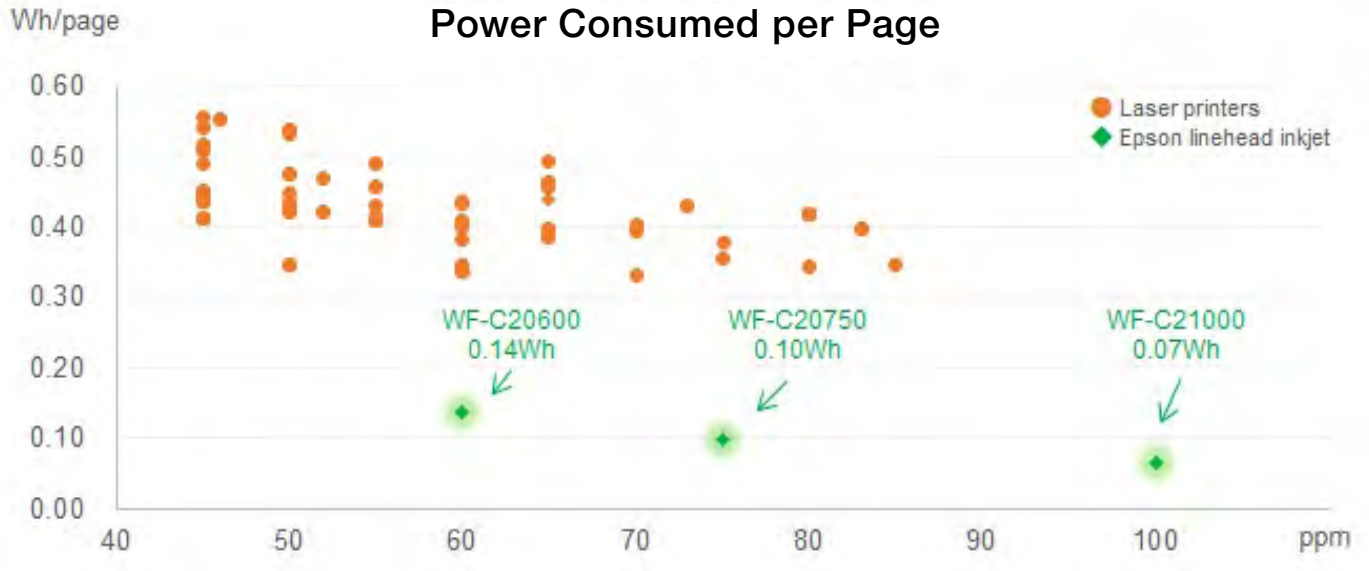
How Power is Consumed at the Office*2



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

Power Consumed per Page

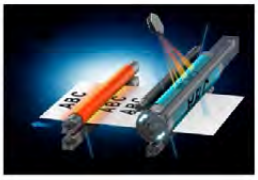
The graph below shows the estimated energy consumed per page. The figures, which are based on typical electricity consumption (TEC) values provided by the ENERGY STAR®, may be used as a guide to compare products running at different speeds. The graph indicates the superior energy efficiency of Epson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

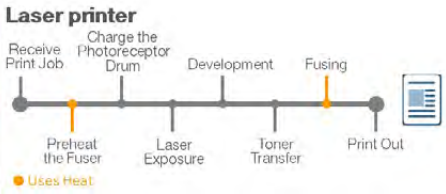


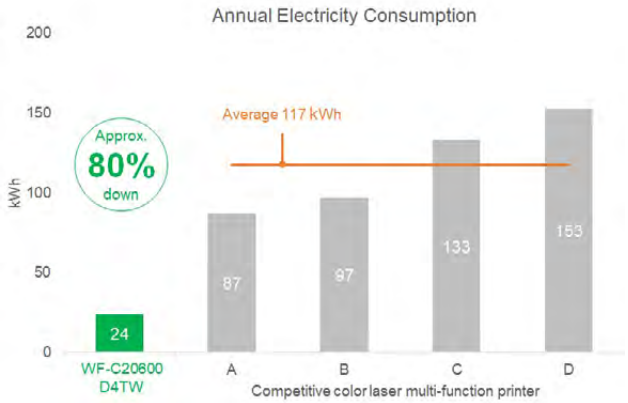
* Comparative simulation of power consumption per page. All A3 color MFPs with outputs of 45-100 ppm (excluding Digital Front End) which is posted on energystar.gov as of February 16, 2021. Our per page calculations are based on TEC measurement.

Reduces Annual Electricity Consumption

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







* Keypoint Intelligence-Buyers Lab was commissioned by Epson to evaluate the WorkForce Enterprise WF-C20600 D4TW (60 ppm) for Europe. Test data is from September 2020. Epson selected four competitor's models from worldwide top four best-selling vendor[*3] in the 45-69 ppm color laser multi-function printer class. Devices were tested in default mode as per Keypoint Intelligence's proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.

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

Recognized for Excellence in Energy Efficiency and Conservation

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

Eco Features

WorkForce Enterprise

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

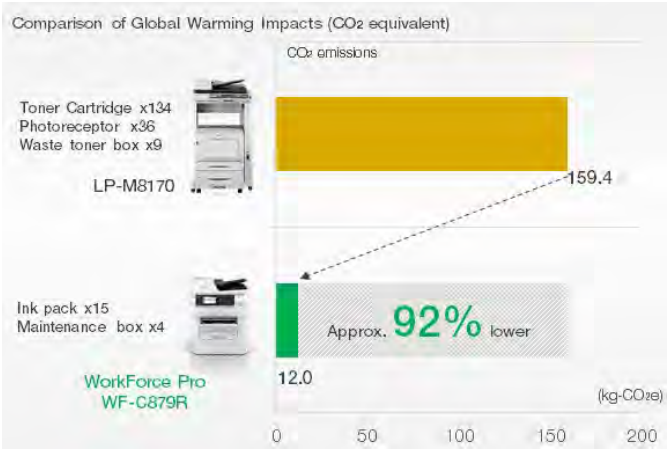
Changing Office Printing with Inkjet Technology

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

High-capacity Ink Pack Model
WorkForce Pro WF-C879R

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

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



* Comparison of global warming impacts of consumables and their packaging. The 200,000 page[*1][*2] of the WF-C879R was used as the basis for comparing consumables[*3] 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 CO_2 emissions based on Epson's test conditions. Figures don't include ink and toner, but include the effects[*4] of the material recycling. CO_2 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 testes 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.

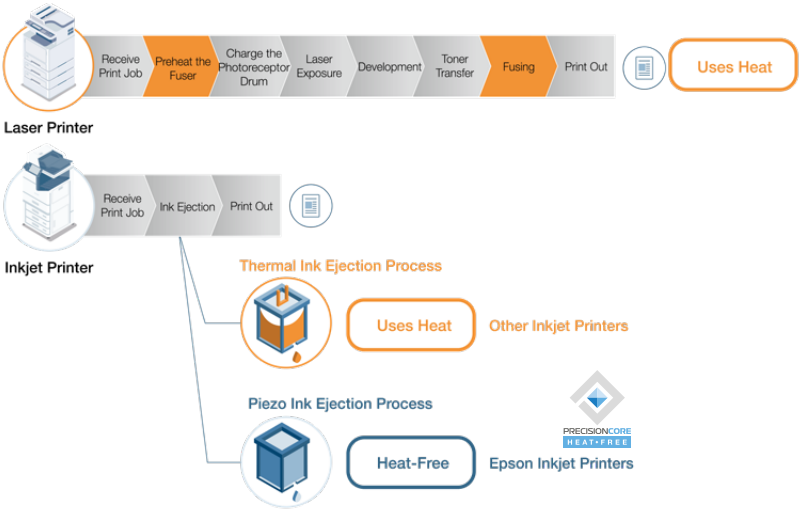
[*4] Reduction of CO_2 emissions due to recycling.

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 CO_2 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 color[*2] without replacing ink and reduce CO_2 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 waterless[*1] 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 1/100th[*2] 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.

R100
Utilizing 100% post-consumer recycled paper pulp

Reduction of Life Cycle CO_2 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 CO_2 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

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.

Waste ink pads for inkjet printers (maintenance box)

User Comment

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

Toshiyuki Oguchi
Mayor
Shiojiri, Nagano

The city government of Shiojiri decided to install a PaperLab after examining the potential environmental, security, and job creation benefits. We saw that we could promote environmental conservation through local recycling of used paper without stressing water resources. We saw that we could strengthen security by destroying sensitive information on-site. And we saw that we could develop employment opportunities for persons with disabilities. I personally feel that the biggest benefit is that the PaperLab can inspire children. For a resource-poor country like Japan, the development of high-productivity industries is important for the national identity. So, I think it is critical to instill in children a sense of awe and excitement about technology and learning.
A tangible benefit of installing PaperLab is its productivity: We are producing, on average, 18,000 new sheets of paper per month from locally recovered paper and use them to make application forms etc. This has enabled us to reduce the amount of waste paper transported off-site for disposal by 20% (FY2017 results).

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 water[*1].
- "Paper to paper" recycling, where fresh sheets of copy paper are produced from used paper generated on-site, is an effective way to conserve forests.
- The ability to recycle at the office reduces the volume of paper that must be transported to off-site recyclers.

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

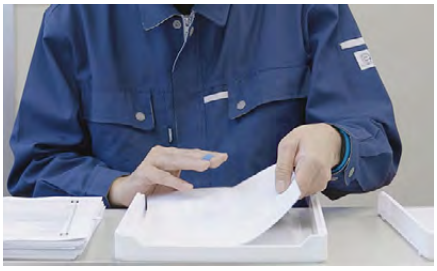
An Eco-Conscious Office Created by Combining Inkjet Printers with an Office Papermaking System

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

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

The Eco-Conscious Office Center[*1] on the 29th floor of Epson's Shinjuku office serves as a model for a metro office building. It demonstrates to visitors that a greener office can be achieved anywhere. Over the three fiscal years from 2017 to 2019, Epson installed 19 PaperLabs at its eight main sites in Japan. Through the local recycling of paper for local consumption, Epson is looking to reduce the amount of new paper purchased by the Epson Group.

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



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

Raising Meeting Productivity with Interactive Communication

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

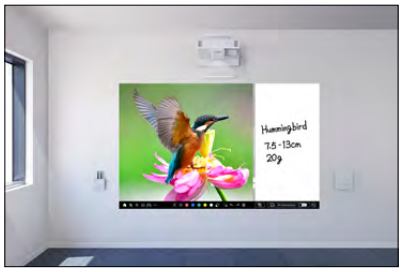
Interactive projector
EB-1485Fi
(known as the BrightLink 1485Fi in certain markets)

Reduce Your Environmental Footprint with Videoconferencing

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

- Multi-location Interactive Function

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



- Split Screen Function

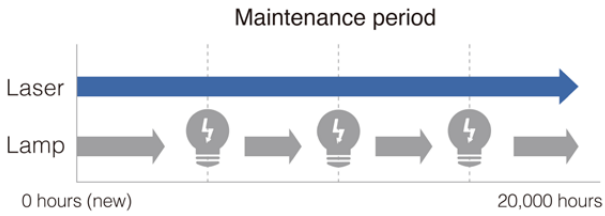
- Achieve virtual face-to-face collaboration while sharing whiteboard and PC screen images.
- Clearly display different content on a split screen that measures up to 100 inches.

Use as a Copyboard

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

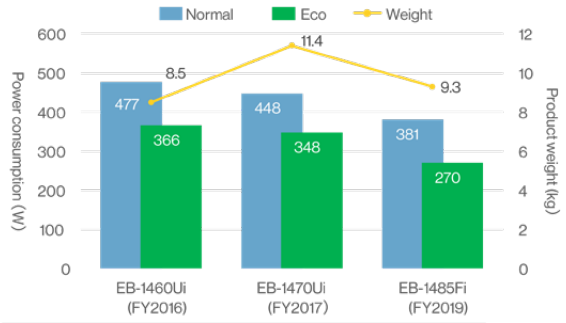
Maintenance-free Light Source

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



Energy and Resource-saving

Within the projector's lifecycle, CO_2 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.

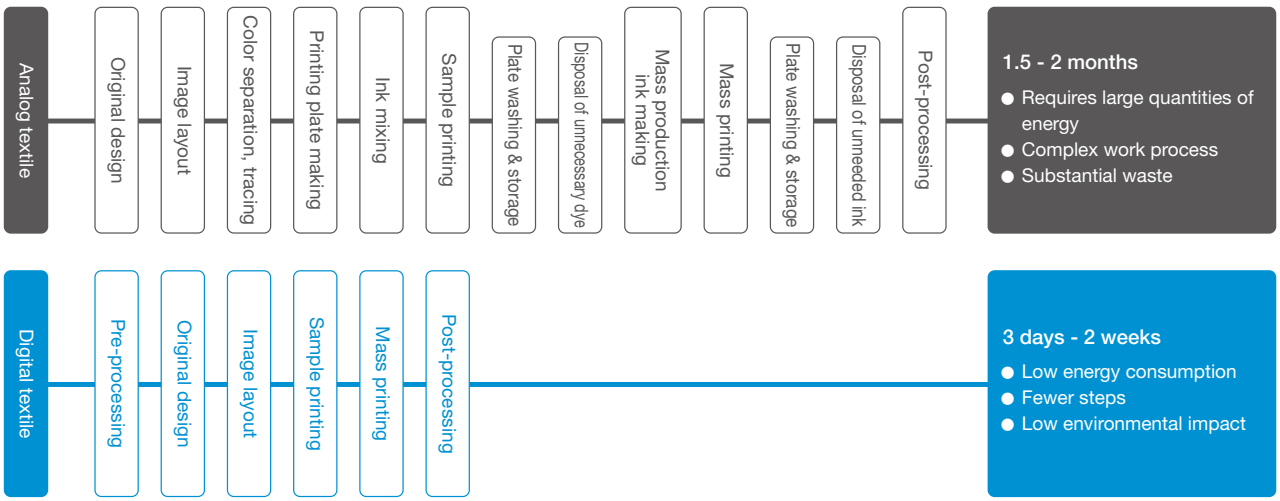
Digital Textile Printer
Monna Lisa Evo Tre

Streamlined Manufacturing Process

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

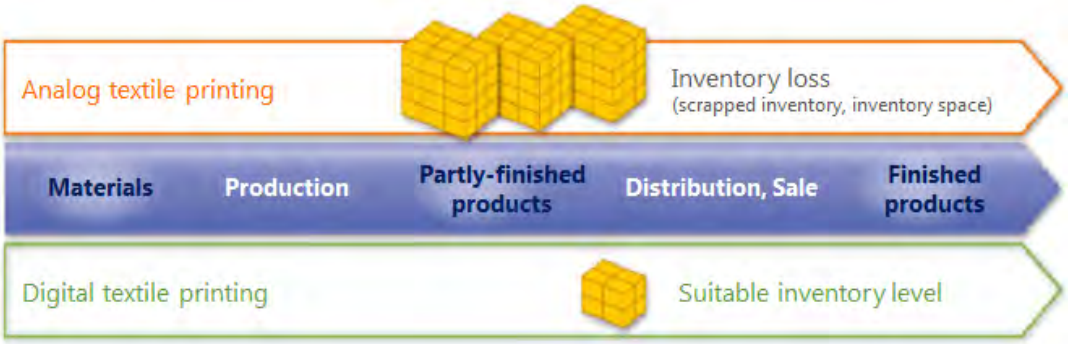
1. Faithful reproduction of fine gradations and subtle color tones
2. Since no analog plates are needed, digital textile printing saves storage space, eliminates time spent on plate management, and enables small production runs at low cost and with fast turnaround
3. Minimize the environmental impact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

Comparison of Analog and Digital Textile Printing Processes



Efficient Inventory Management

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



Eco Features

MonnaLisa Evo Tre

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

An Inkjet Workflow for Brightly Colored Garments with Fineness of Detail

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

Garment Printer
SureColor SC-F2100

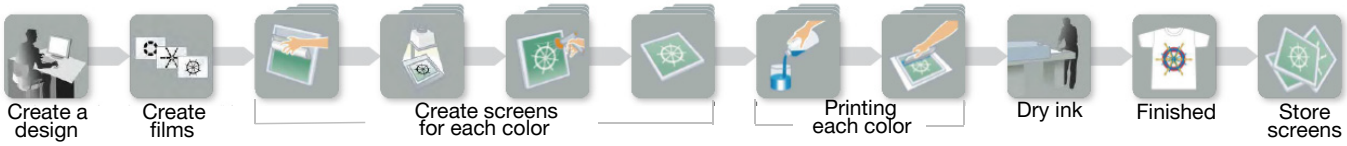
Transforming the Garment Printing Workflow

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

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

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

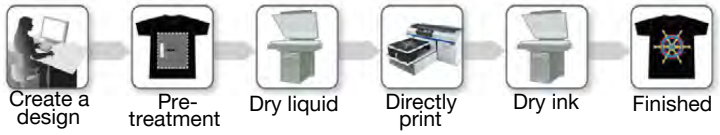
Silk screen printing



Direct-to-Garment printing

· For light color T-shirts

· For dark color T-shirts



Infant-safe Prints on Textiles

The UltraChrome DG inks and pretreatment liquid used in Epson's garment printers are Eco Passport[*1] certified, indicating that they meet international safety standard for textiles. Under this standard, even printed textiles that directly contact the skin of infants and toddlers are safe.

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

Eco Features

SureColor SC-F2100

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

Manufacturing

The Value of Color on Demand

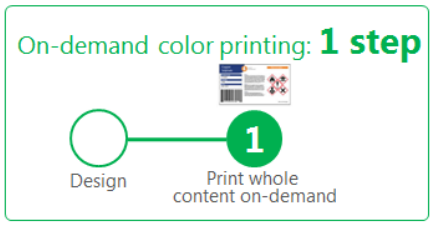
Easily print full-color labels, tickets and tags - where and when users need them and in the quantities required.

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

Epson ColorWorks
Color Label Printers

Epson's ColorWorks Inkjet Label Printers Simplify Traditional Processes

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



Eco Features

Epson ColorWorks

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

Label Printing Technology Shifting from Analog to Digital

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

Digital Label Press
SurePress L-4533A/AW

An Efficient Label Printing Process with a Low Environmental Impacts

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

SurePress AQ Ink for a Better Printing Environment

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

Eco Features

SurePress L-4533A/AW

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

Reducing Environmental Impacts by Providing Remote Work Assistance with Smart Headsets

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

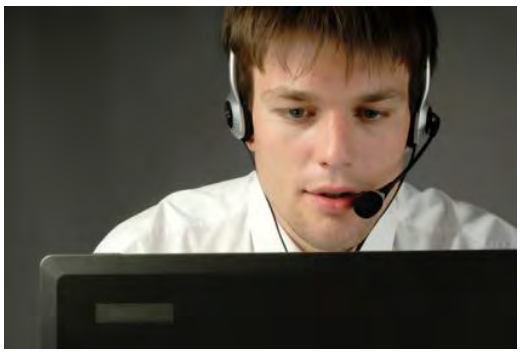
MOVERIO Pro BT-2000

MOVERIO Pro BT-2200
(For helmet)

Remote Work Assistance

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

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



- Advantages

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

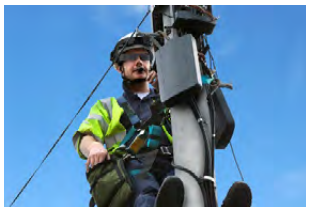
Usage Scenes

BT-2000
- Used for work where they wear caps, or where they do not need to wear anything on their head

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


BT-2200
- Used for work where wearing a helmet is mandatory

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




Eco Features

BT-2000

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

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.

TM-T88V-DT

- 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 day[*1]. 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 m^2 installation footprint[*2].
  The compact design allows greater installation freedom.

[*2] Without sorter option

Environmentally Conscious Products

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

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

Office & Home Printing Innovation／Commercial & Industrial Printing Innovation

Home Printer Made Using Recycled Plastic

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

EP-M553T
* Only available in Japan

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

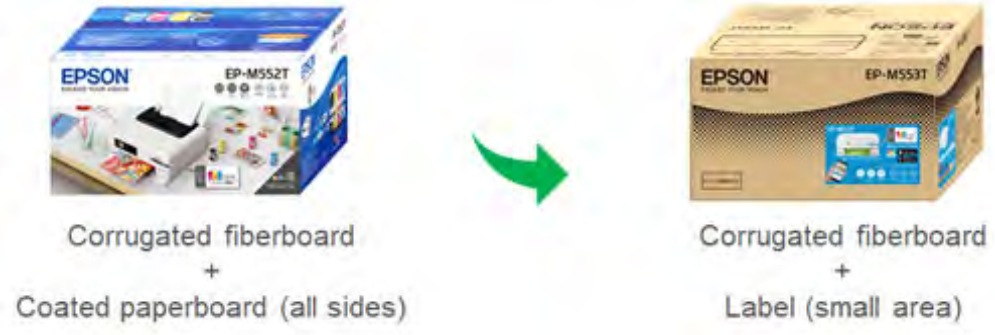
Printer Made Using Recycled Plastic Material

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

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

Reducing Paper Use in Retail Boxes

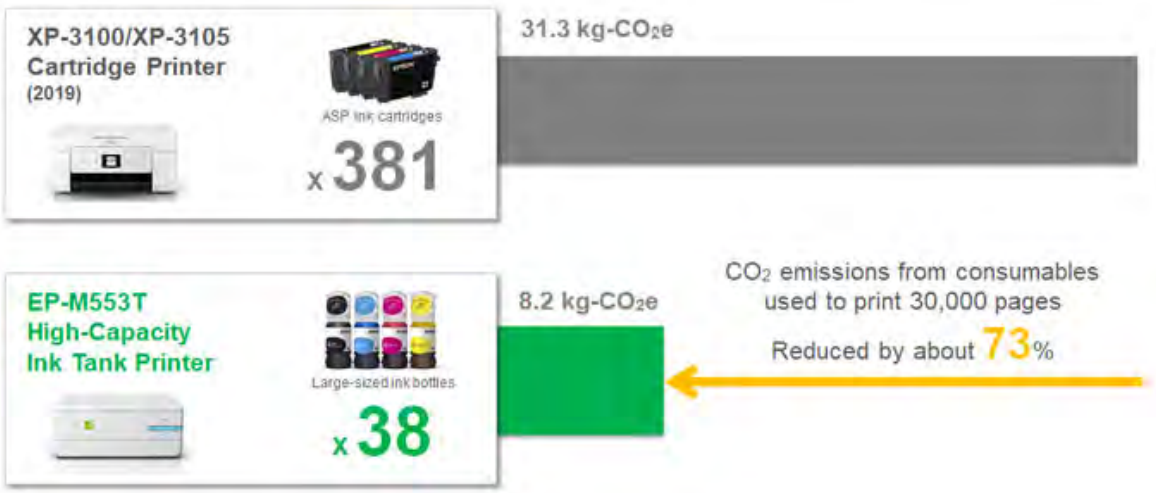
We have achieved an approximately 10% reduction in CO_2 emissions associated with retail boxes by replacing coated paperboard with labels, thus using less paper.*2 All necessary information is displayed simply on a label.



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

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 CO_2 emissions from consumables by about 73%.



* Comparison of CO_2 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. CO_2 emissions were calculated based on Epson's evaluation conditions. Actual CO_2 emissions will vary depending on customer printer use.

Eco Features

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

High-Capacity Ink Tanks Reduce Resource Consumption for Consumables

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

Create

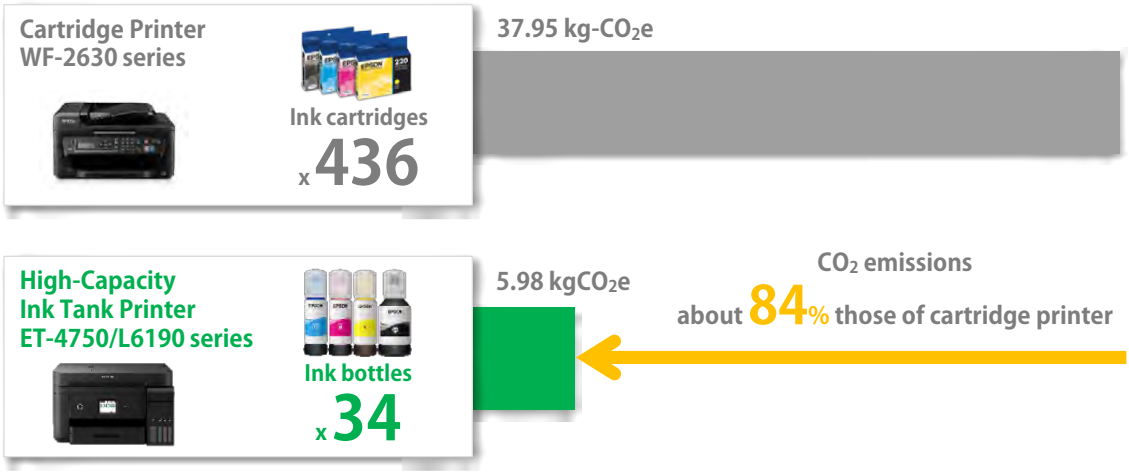
Deliver

Use

ET-4750/L6190 series

CO_2 Emissions of Consumables

Consumables CO_2 emissions are less than 1/5th of conventional cartridge model.



* Comparison of CO_2 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. CO_2 emissions were calculated based on Epson's evaluation conditions. Actual CO_2 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 CO_2 emissions of consumables[*1]
  - TEC: 0.15 kWh[*2]

[*1] Compared with WF-2630 series when using consumables to print 50,000 pages.
[*2] Typical electricity consumption (TEC) is calculated by Epson based on the ENERGY STAR® TEC test method criteria. Electricity consumption will vary according to the customer printer use.

Compact, Stylish Receipt Printer

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

Choose

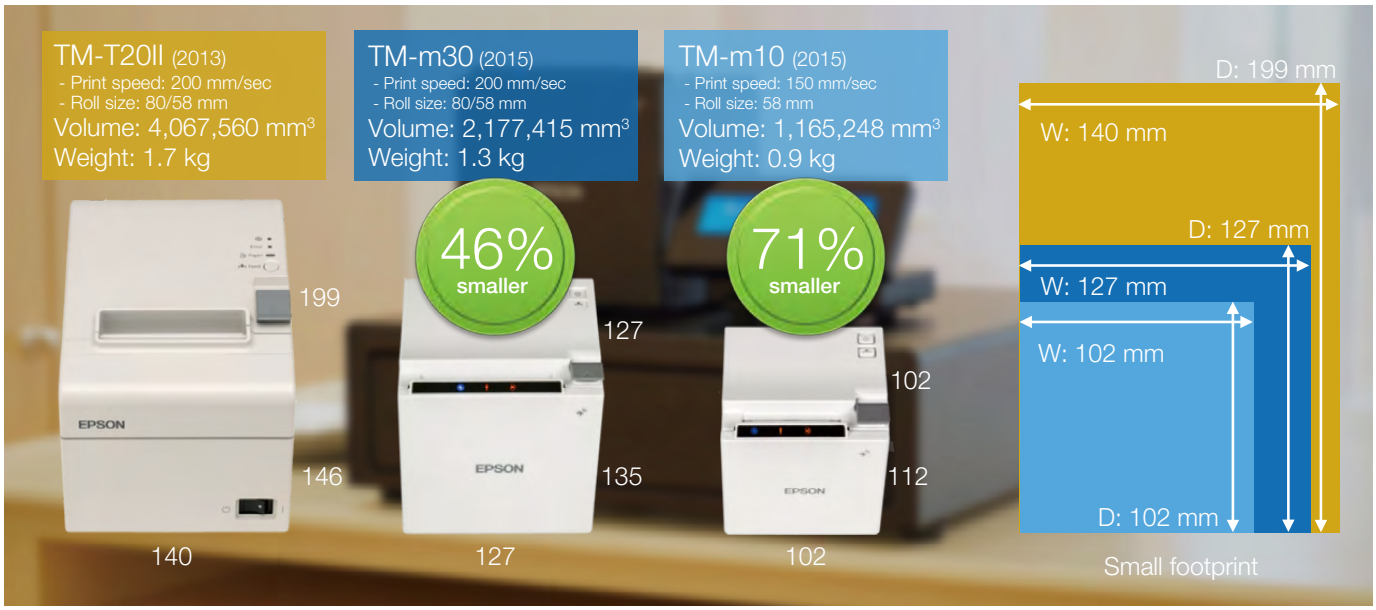
Create

Use

TM-m30/TM-m10

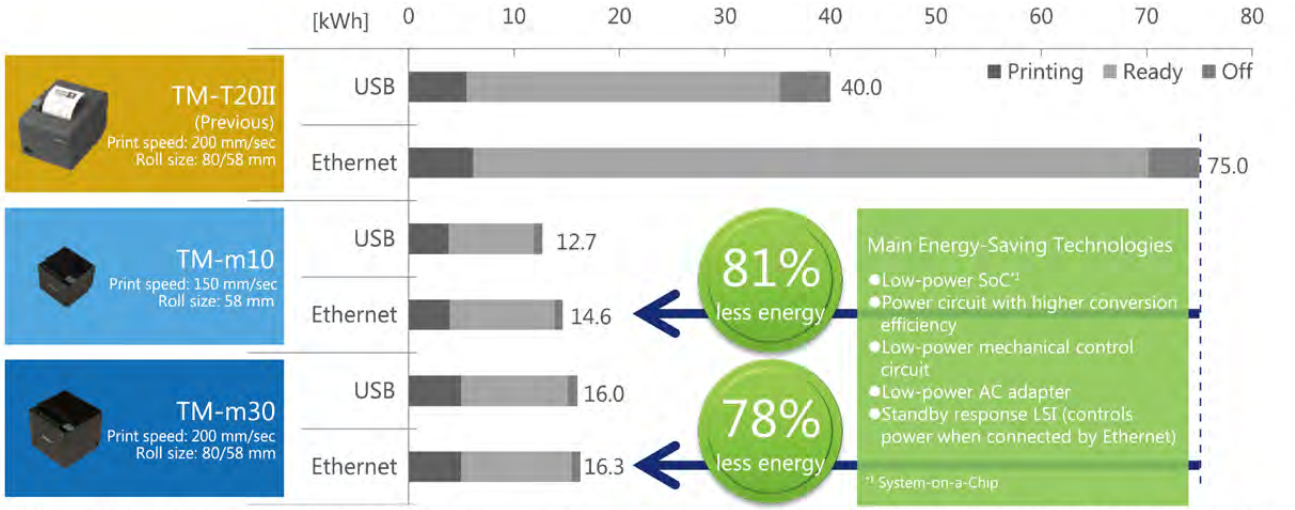
Compact & Lightweight Design

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



Energy Saving Design

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



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

Paper Reduction Function

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

Eco Features

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

*1 Comparison when connected to Ethernet (230 V)

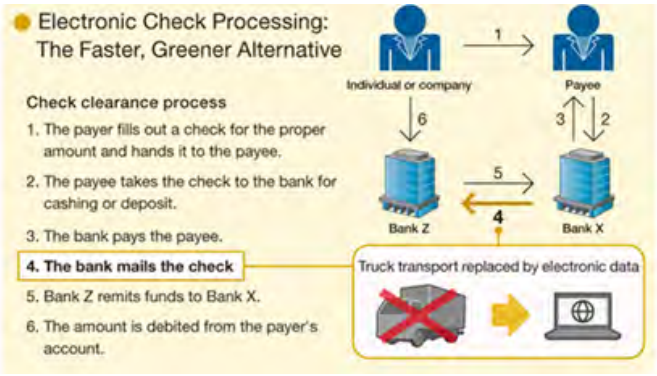
Fully-Integrated, Feature-Rich Compact Teller Device

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

TM-S9000MJ

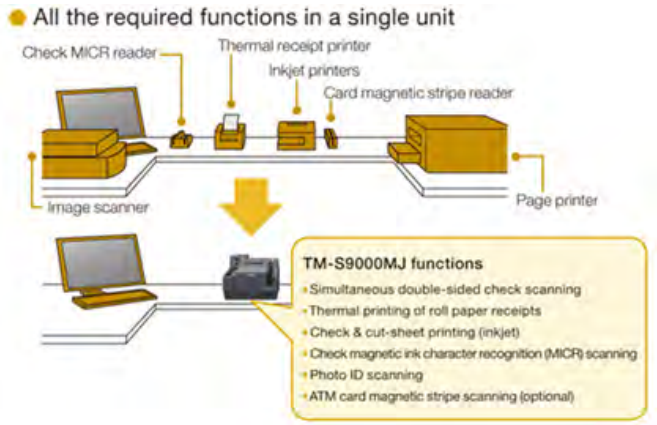
Electronic Check Processing: The Faster, Greener Alternative

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



ALL the Required Function in a Single Unit

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



Eco Features

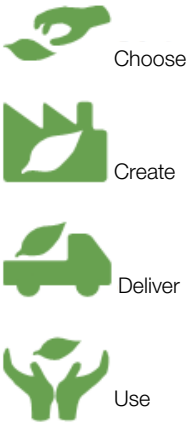
- Support the digitalization of the check settlement process and also greatly reduce the environmental impacts related to physically transporting checks.
- The functions necessary for the tellers are integrated in one unit, reducing the environmental impacts related to energy use, resources and so on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

Manufacturing innovation

Compact SCARA Robots

Epson's industrial robots have led the industry for over 30 years thanks to their innovativeness and reliability. And Epson has SCARA robot global market share leader for ten successive years[*1].

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, 2011-2020.
(Source: Fuji Keizai "2012 - 2021 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

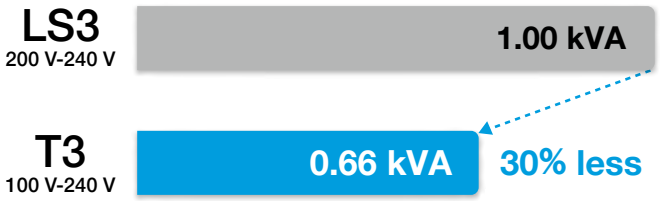
* Weights indicated in the above pictures do not include cables.

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

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 systems[*1]
  - 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.

Choose

Create

Use

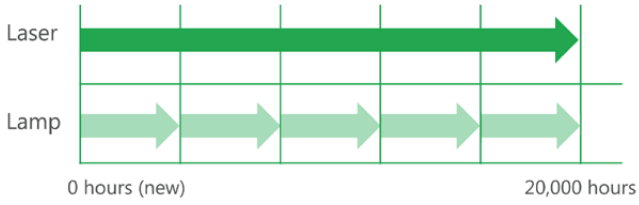
EB-L25000U

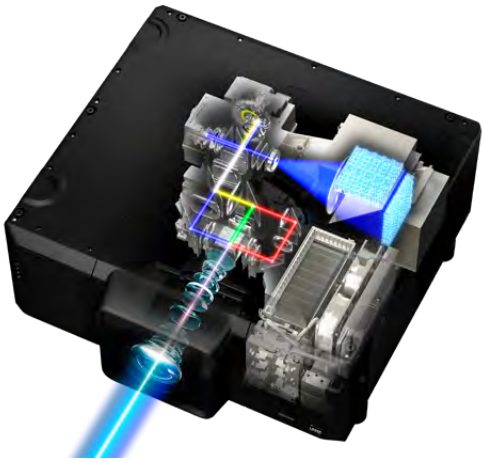
Laser Light Source

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 hours[*1], practically assuring that it will be ready to go when you are.

Maintenance Period of Laser and Lamp





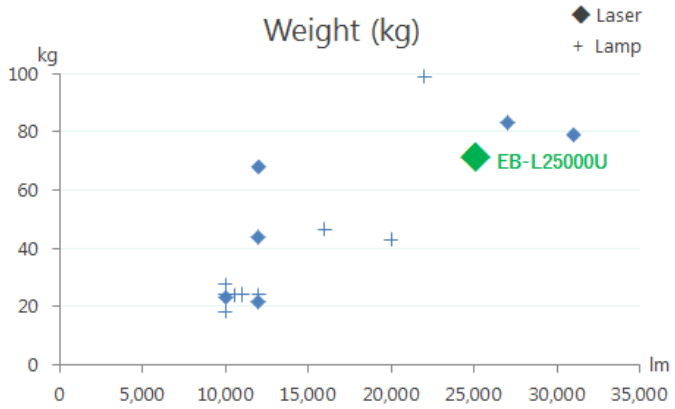
A portion of the light from a blue laser is converted to yellow light after striking a yellow phosphor wheel. This yellow beam is then split into red and green. Thus only a single light source is needed to produce the three primary colors of light (red, green, and blue), which helps to reduce the size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

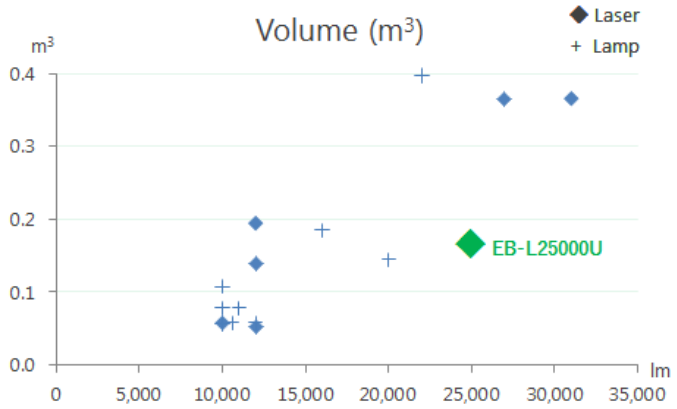
[*1] Approximate time until brightness decreases 50% from first usage. Measured by acceleration test assuming use of 0.04 - 0.20 mg/m^3 of particulate matter. Time varies depending on usage conditions and environments.

Lightweight Yet Durable

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

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

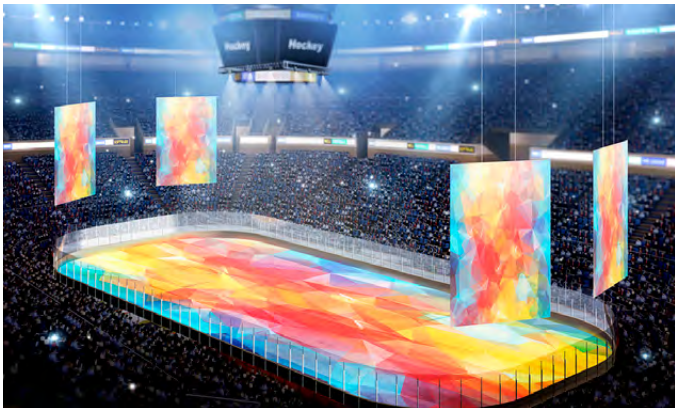




* Compared to the weight and volume of projectors with 10,000 lumens of brightness or more (per Epson research conducted in May 2017). Some projectors use a laser light source, others use a lamp.

EB-L25000U wins iF Design Award 2017.

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



Scene images

Eco Features

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

Experience a New Way with Light and Comfortable Smart Glasses

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

Choose

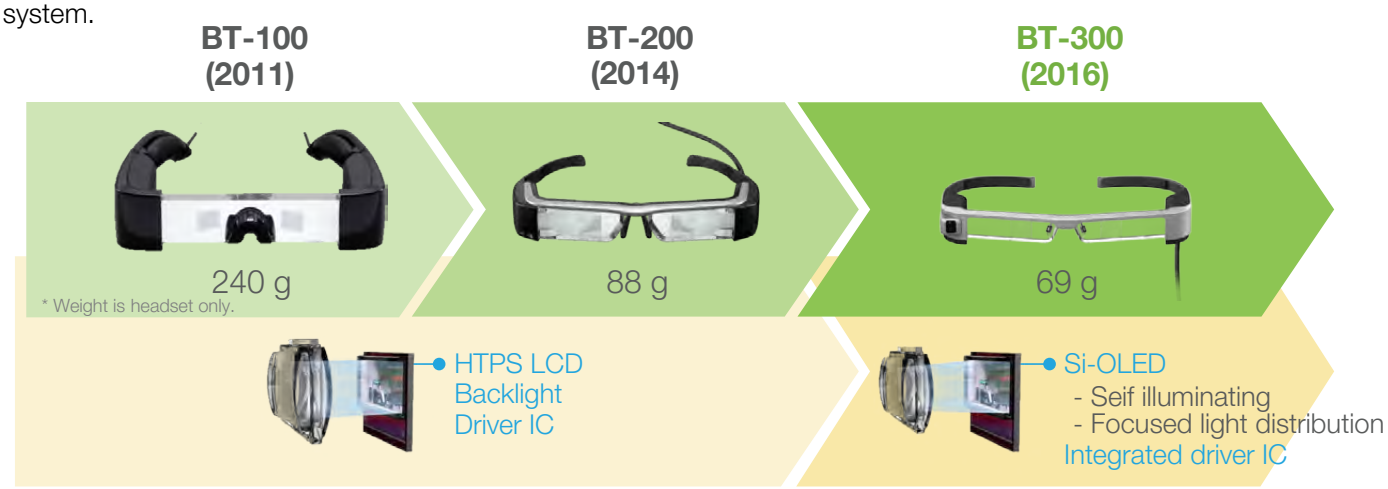
Create

Use

BT-300

Miniaturization of the Optical System

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



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

Eco Features

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

Product Environmental Information

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

Compliance with Environmental Labels

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

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

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

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

Eco Labels Acquired In Different Product Categories

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

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

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

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

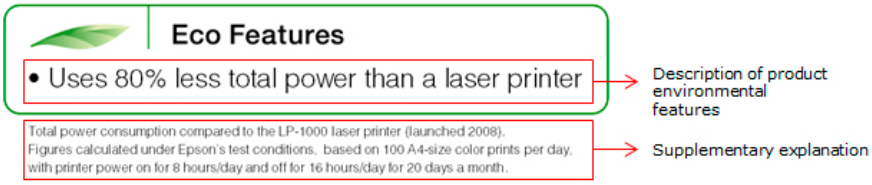
Epson's Type II Environmental Labelling Program

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

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

Eco Labels

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



Epson Ecology Profiles

The environmental attributes of Epson brand products are published in the form of an "ecology profile." For finished products such as printers and scanners, the environmental attributes of the product as a whole, including but not limited to accompanying packaging material, supplies, and consumables, are published in the format specified by ECMA-370[*1]. 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."

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.

Epson and the Environment

Climate Change/Realizing a Decarbonized Society

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

Production

Epson's initiatives to mitigate global warming revolve around reducing CO_2 emissions by conserving energy, and reducing global emissions of greenhouse gases (GHG) other than CO_2.

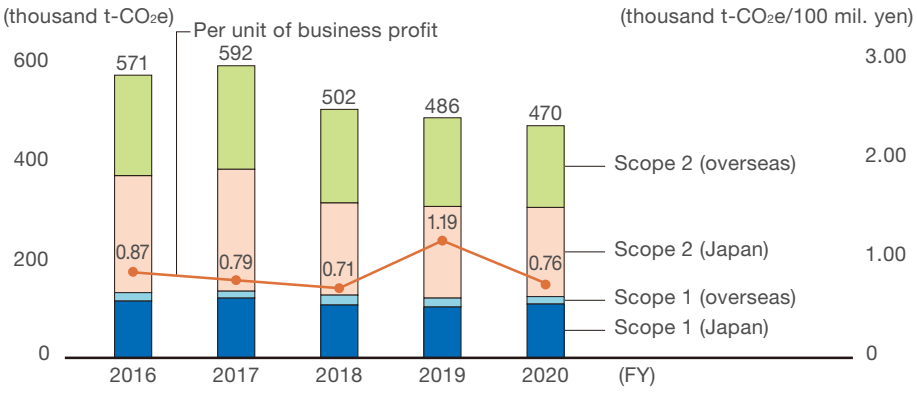
2020 Overview

In the 2020 fiscal year, Epson accelerated the use of renewable electricity in addition to driving site-based energy-saving initiatives, enabling us to already reach our 2025 goal of reducing scope 1 and scope 2 greenhouse gas (GHG) emissions by 19% compared to FY2017. Some 50% of the reduction, or about 62,000 tonnes, came from boosting our percentage of renewable energy use from less than 1% to about 13% (19% from electricity).

Our energy use is expected to increase as we grow our business. However, we will achieve our target primarily through energy-saving initiatives, including production innovations, as well as by using low-carbon electricity. In the future, we will switch to a reduction target that is in line with the more ambitious 1.5˚C scenario.

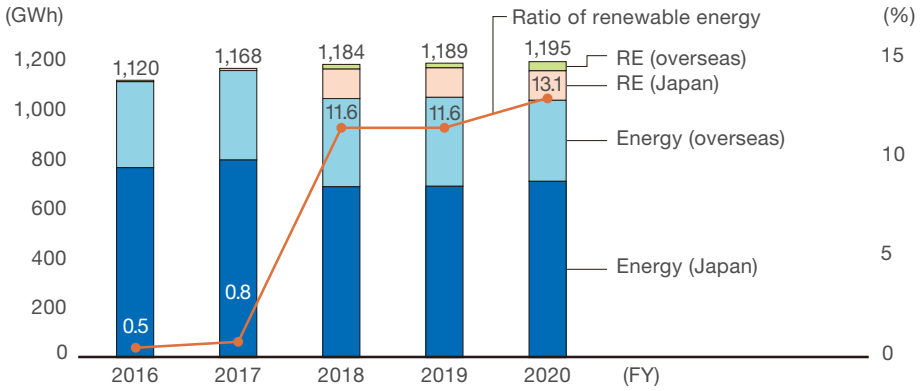
21% Reduction
Scopes 1 & 2 emissions
(compared to FY2017)

Greenhouse Gas Emissions (Scopes 1 & 2)



* CO_2 conversion factor of greenhouse gas emissions
- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.
  Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
- GHGs other than CO_2: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Energy Usage



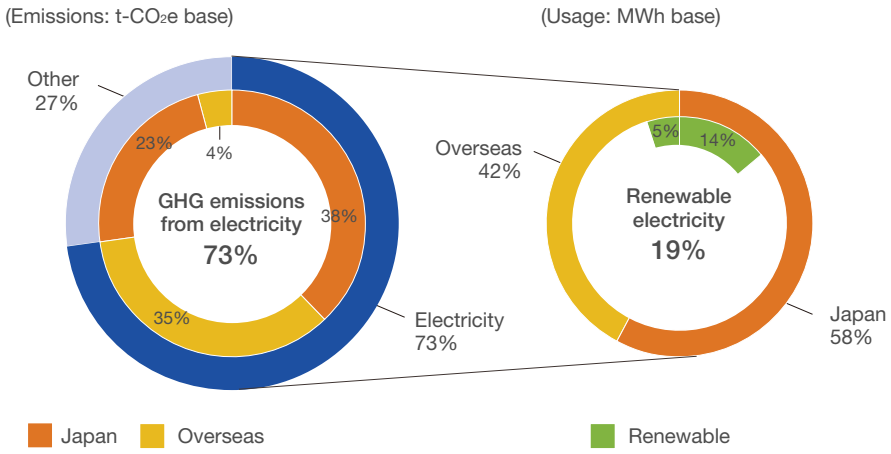
* RE: Renewable Electricity
* Percentage of energy from renewable source

Renewable Energy

Use of Renewable Energy

Seventy percent or more of Epson's GHG emissions come from the consumption of electricity. At home and abroad, we have increased the ratio of renewable electricity to 19% by selecting the optimal low-carbon electricity in each region, such as hydropower and wind power, and by actively investing in on-site electricity generation.

Scopes 1 & 2 Breakdown and Electricity Condition (renewable or non-renewable)



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 sites[*1] around the world by 2023.

Transitioning to Renewable Energy at Epson's Global Sites

Outside Japan, we transitioned to 100% renewable electricity at our manufacturing sites in the United Kingdom and the United States (Portland), as well as at buildings owned by our sales companies in Europe (France, Germany, Italy, the Netherlands, Spain, and the U.K.). We also achieved the RE100 goal at our manufacturing site in the Philippines by generating power with a rooftop mega-solar power plant and by switching to a mix of geothermal and hydroelectric power in January 2021. The Philippines is exploiting its volcanic resources to harness geothermal power, and Epson's site in that nation serves as an example in which our energy use is adapted to regional characteristics.

In Japan, Epson purchases Shinshu Green Electricity, CO_2-free value-added electric power produced locally in Nagano Prefecture using Nagano Prefectural hydroelectric power. This is both reducing Epson's GHG emissions and increasing local consumption of locally produced energy. As of April 2021, 100% of the electricity purchased for use at Epson sites[*1] in Nagano Prefecture is from renewable energy sources.

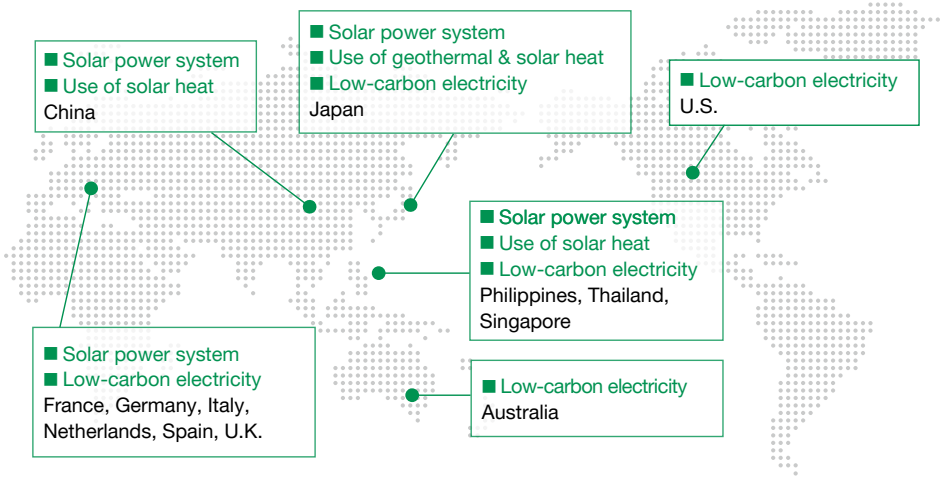
[*1] "All sites" referenced in this release excludes leased properties for sales offices, etc., where the amount of electricity cannot be determined.

Sites using 100% renewable electricity

Fully powered by 100% renewables	Overseas manufacturing plants	U.K., USA (Portland), the Philippines
	Overseas sales sites	Office buildings owned by Epson's European sales companies (France, Germany, Italy, the Netherlands, Spain, U.K.) Office buildings not owned by Epson's European sales companies (some use 100% renewable electricity) * For more details about our European sales companies, please see the Green Choice Report.
	Japan	All sites in Nagano Prefecture [*1] (Shinshu Green Electricity)
Plans	FY2021	All sites in Japan[*1]
	2023	All overseas sites[*1]

(As of July 31, 2021)

Use of Renewable Energy Globally



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

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.

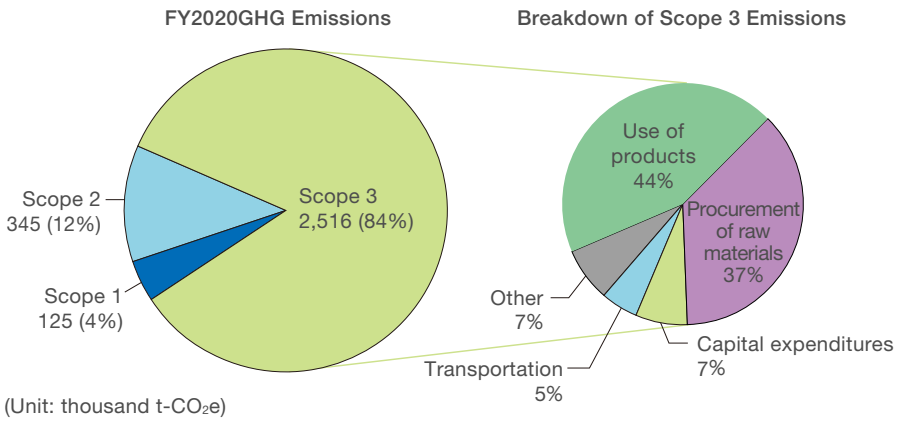
Month/Year	Recommendations	Secretariats
Apr. 2021	Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal	Japan Climate Initiative (JCI)
Jan. 2021	Calling on the Japanese government to raise its 2030 renewable energy target to 40-50%	Japan Climate Initiative (JCI)
Aug. 2020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

Value Chain

Value Chain Initiatives

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

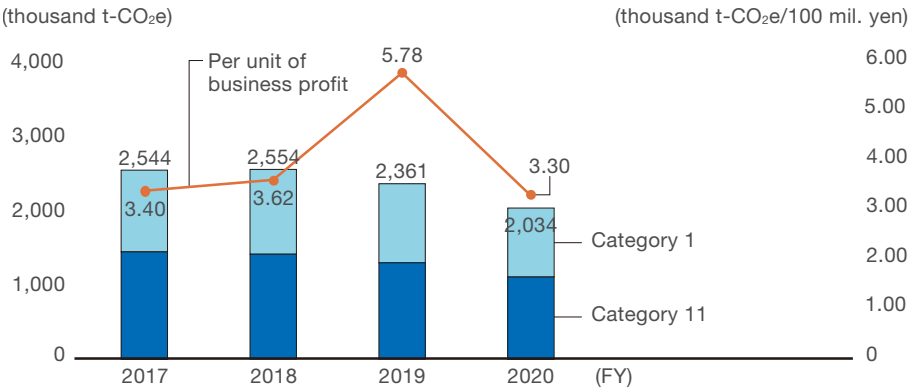
Greenhouse Gas Emissions from Value Chain



3% Reduction

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

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

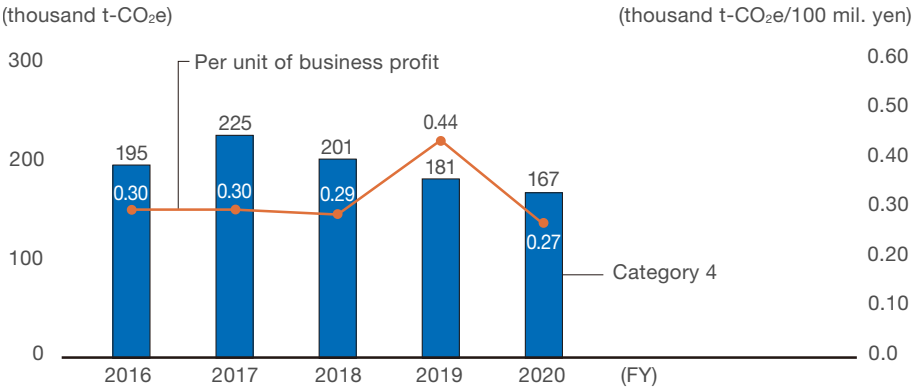


* Coverage of science-based target, Category 1: Purchased goods and services, Category 11: Use of sold products

Logistics Initiatives

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

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



* Category 4: Upstream transportation and distribution

Cooperation with Suppliers

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

Case study - Value Chain

Epson has manufacturing sites and sales centers in all parts of the world making environmentally-conscious transportation an important consideration. Here we present examples of such environmentally-conscious transportation initiatives in which we introduced high cube containers[*1] and changed our distribution center and shipping method.

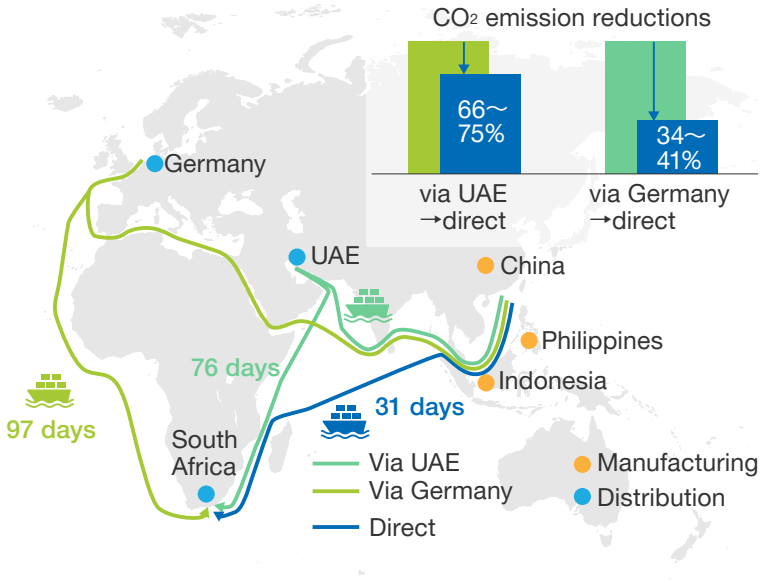
[*1] With a height of 9 ft 6 in (about 2.6 m), they are 1 ft (about 30 cm) taller than standard containers, whose height is 8 feet 6 inches (about 2.3 m).

Topic 1 : Slashing CO_2 emissions by Redesigning Distribution Routes

Epson was providing consumer products for customers in southern Africa by shipping them to Johannesburg, South Africa from a distribution center in the United Arab Emirates or from a central warehouse in Germany. This approach was taken because Epson did not have its own distribution center in Africa and was using an existing distribution center.

Having to first ship products to the UAE or Germany from our production sites in Asia (China, Indonesia, and the Philippines) before delivery to southern Africa increased transport distances. We needed to address the issue of higher transport CO_2 emissions and long delivery times.

Improvements achieved by changing the distribution flow



To do so, we established our own new distribution center in South Africa and began shipping directly to it from our production sites to serve the expanding African market. This dramatic change in distribution routes resulted in a 66%-75% reduction in transport CO_2 emissions compared to when we shipped via the UAE and a 34%-41% reduction compared to when we shipped from Germany.

Topic 2 : Improving Transport Efficiency with High Cube Containers

Currently, high cube containers account for about 70% of shipping containers in the marketplace. Hitherto, Epson has used the standard type of container for shipping products from its factories, but with the widespread adoption of high cube containers, we are gradually making the switch.

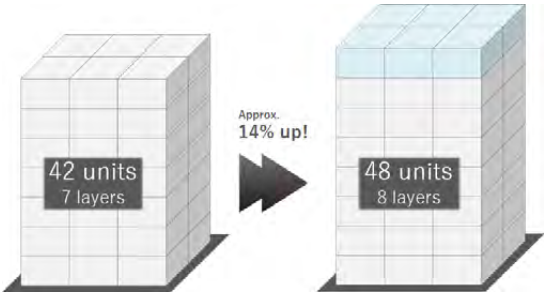
Since the inner dimensions of the containers are higher, palletizing products for standard containers resulted in wasted space amounting to about 10%. Optimizing the pallets for high cube containers reduces the number of containers required, contributing to reducing environmental impact by raising transportation efficiency.

The head of logistics planning, who led the initiative, says, “All of our arrangements including the number of products shipped and the height of the pallet racks in our warehouses were optimized for pallet sizes to fit standard containers. In order to introduce high cube containers, it was necessary to ask for the cooperation of the warehouse managers at sales companies who receive the containers. We had to ask them to review the layout of their warehouses, optimize the method of stacking and so on. We had a very hard time adjusting the cost factors, but a shared awareness that this would reduce our environmental impact was a very important point in undertaking this activity.”

For shipments from Southeast Asia, where many of Epson’s finished products are manufactured, the switch to high cube containers for all areas of Europe was completed in fiscal 2011 and in fiscal 2015 for the U.S., Brazil and India.

Comparison of Standard and High Cube Containers

	40 ft Standard containers	40 ft High cube containers	Advantages
Container size (LWH)	12,033 x 2,352 x 2,393 mm	12,033 x 2,352 x 2,698 mm	1 ft (30 cm) up
Cubic capacity	67.7 m^3	76.4 m^3	12.9% up
Case of WF-2650 Series			
Packaging dimensions	488 x 434 x 301 mm		-
Pallet dimensions	976 x 1,302 x 2,108 mm	976 x 1,302 x 2,409 mm	1 additional layer
Number of units per pallet	42 units	48 units	14.3% up
Number of units per container	882 units	1,008 units	



Results of Switching Containers for Shipping to the U.S.

* We have calculated the reductions in CO_2 emissions emitted when transporting containers by cargo ship, train and truck from our manufacturing affiliates in Southeast Asia, as a result of reducing the number of containers shipped to the U.S. by about 200. The unit indicator by the Japan Ship Technology Research Association is used for calculating emissions during sea transport.

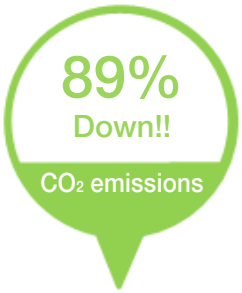
Topic 3 : Reduced Environmental Impact by Changing Printhead Shipping

Previously, printheads for shipping to our printer manufacturing sites in Indonesia were gathered from our plants around Japan at Tohoku Epson in Yamagata Prefecture and transported by truck to Narita Airport for air transportation. By establishing a sea transportation pipeline from Sakata Port, which is located conveniently about 8 km from Tohoku Epson, we significantly reduced our costs and CO_2 emissions.

Containers shipped overseas from Sakata Port

CO_2 Reductions Due to Changing the Shipping Method (Unit: t-CO_2)

	Before		After	
	Distance	CO_2 emissions	Distance	CO_2 emissions
Land	Approx. 500 km	33.9	Approx. 8 km	0.5
Air	Approx. 5,800 km	401.3	-	
Sea	-		Approx. 6,200 km	47.7
Total		435.2		48.2



* We calculated the CO_2 emissions from shipping a 20-foot container from Tohoku Epson to Indonesia's capital, Jakarta. The unit indicator by the Japan Ship Technology Research Association is used for calculating emissions during sea transport.

Resources/Forming a Circular Economy

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

Reduction of Waste (zero emissions)

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

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

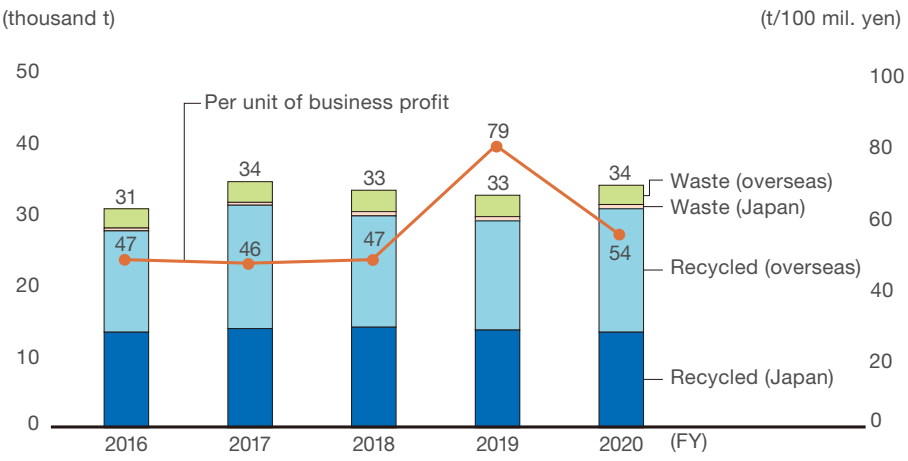
To help combat pollution from oceanic plastic wastes, Epson sales companies in Europe banned disposable cups and other single-use plastics in their office buildings in April 2019.

2020 Overview

We fell short of our goal of reducing the amount of waste emissions compared to last year, as the 34 t of waste emissions in FY2020 was slightly higher than in FY2019.

2.8% **increase**
Wastes emissions
(compared to FY2019)

Waste Emissions



* Waste emissions data includes special wastes that cannot be recycled and wastes that are unrelated to production.
* Amounts of FY2019 differ from those in Sustainability Report 2020.

Preservation of Water Resources

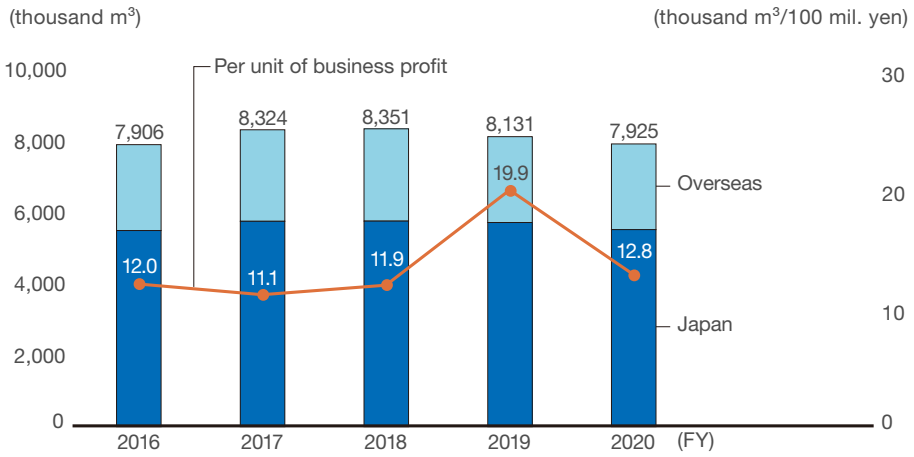
Water and climate change, as well as other environmental factors, are closely linked. Epson's business activities rely on water resources, and the sustainability of water resources substantially affects business continuity. Given this, we are working to preserve water resources by avoiding unnecessary 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.

2020 Overview

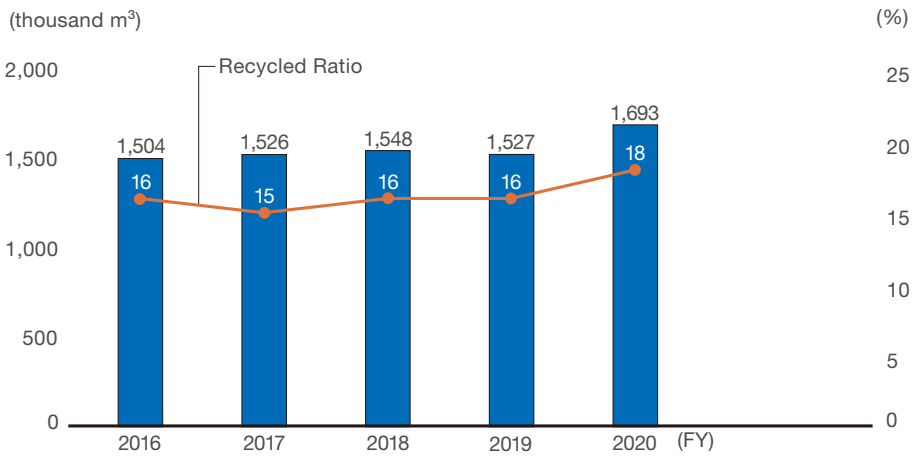
In the FY2020 we employed control metrics benchmarked against previous year usage, and we met our Group reduction target.

2.5% Reduction
Water usage
(compared to FY2019)

Water Usage



Recycled Water

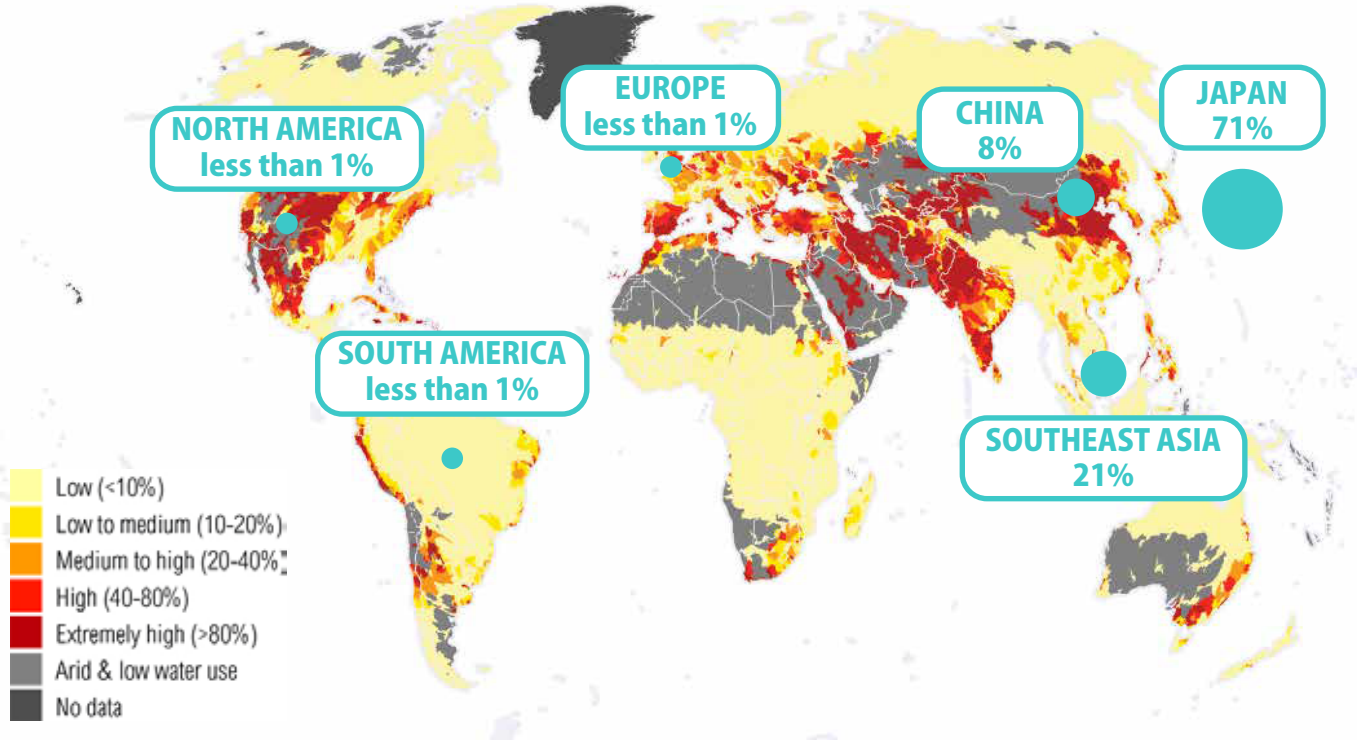


* Past data was revised due to changing the calculation method of recycling ratio.

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

Water Usage by Region and Baseline Water Stress Map (FY2020)



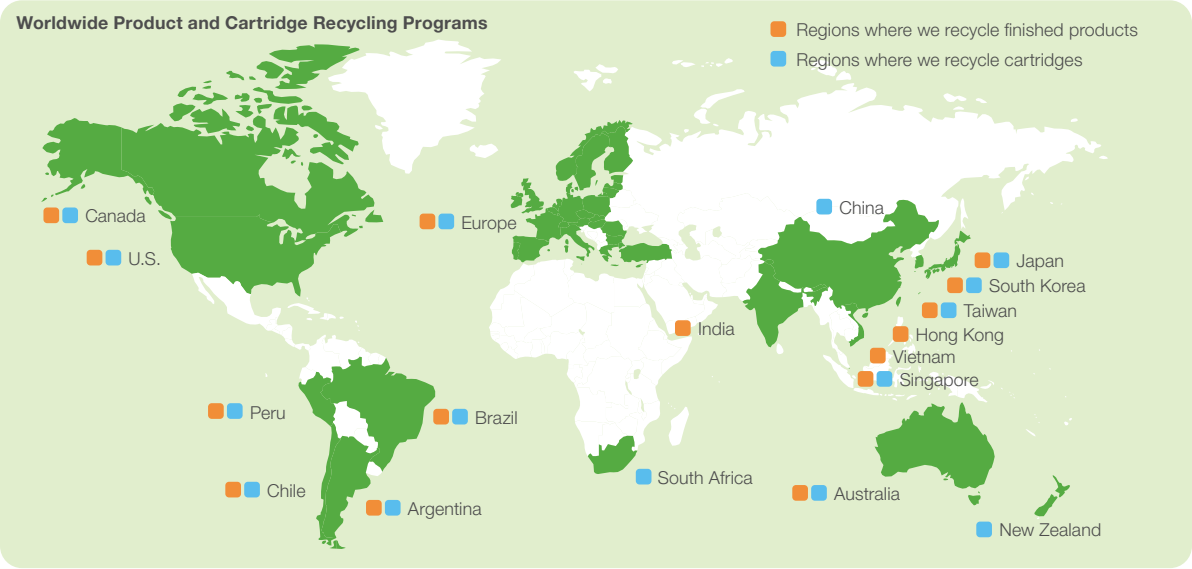
●: The percentage of Epson's total water usage in each region is shown on a baseline water stress map from Aqueduct Global Maps 2.1 (WRI). The size of the circles visually indicates the percentage of water usage in each region.

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

Product Recycling

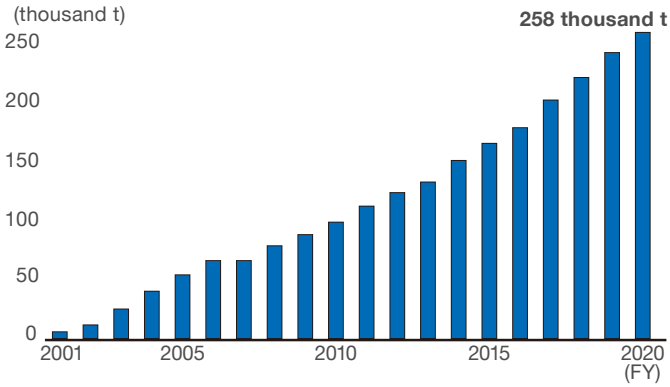
To expand the resource reuse and recycling loop, work with customers, communities, and others in the industry to collect and recycle end-of-life products in countries around the world.

Epson's Global Collection and Recycling Systems

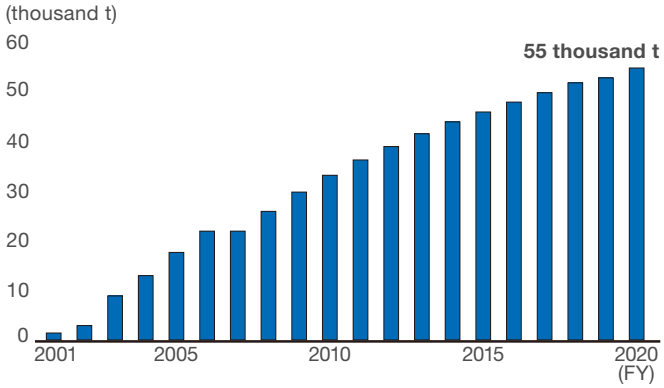


Collection Trends for Products and Cartridges

Finished Products Collected (cumulative through fiscal year)



Cartridges 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

Summary of Activities in Each Region

Europe

- Finished Products

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

[*1] Europe, the Middle East and Africa

- Cartridges

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

- Postal Collections

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

- Epson Express Center

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

- Box Collections

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

Americas

- Finished Products

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

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

In Brazil, the National Solid Waste Policy (PNRS) was launched in 2010, requiring the electronics industry to implement reverse logistics. Epson do Brasil Industria e Comercio, Ltda. (EDB) implemented a Collection Program for disposing of used products and consumables. The Collection Program operates throughout Brazil, with more than 100 collection points countrywide. Products and supplies collected are sent to an approved recycler who disassembles and then sends the item to recycling and/or co-processing[*1] 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 OISCA[*1] and NACS-J[*2], organizations that work on environmentally sustainable development.

[*1] The Organization for Industrial Spiritual and ultural Advancement-International.
[*2] The Nature Conservation Society of Japan.

- Bellmark Program

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

- Cartridge Collection Program at Epson Sites in Japan

  Epson began collecting used ink cartridges at Epson Group sites in Japan in 2011 in order to expand aid to the Bellmark program. Collection boxes have been installed at every Epson business site to collect cartridges from employees, business partners, and members of the community. The collected cartridges are recycled and Bellmark points are granted based on the number of cartridges collected. The points are then donated to the Bellmark Educational Support Foundation, local schools, or schools that were damaged by natural disasters. We donated approximately 140,000 points to the Bellmark Educational Support Foundation In fiscal 2020.

- Ink Cartridge Satogaeri (Homecoming) Project

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

Collection box

- Joint Environmental Program

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

Eco Benefits

- Life cycle environmental impacts per cartridge reduced by 56%
- CO_2 emissions reduced by 39.5 tons per year

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

Pollution Prevention & Chemical Management

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.

Purchasing

- Instruct suppliers to comply with the requirements stated in the Epson Group Green Purchasing Standard for Production Materials[*1]
- Exclude substances that are subject to legal, regulatory, or other restrictions, and obtain information about substances contained in parts and materials.[*2]

Production

- Confirm that no restricted substances are present in parts and materials before producing products. (Analyze parts and materials using x-ray fluorescence (XRF) spectrometer.)

Shipping

- Confirm that restricted substances have not been used in products before they are shipped.

[*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 Directive*1

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 GHS*2

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 Passport*3 certification

Epson's textile printer inks*4 have acquired Eco Passport certification, indicating that they meet international safety standards for chemical substances used in textile production. Even printed textiles that directly contact the skin of infants and toddlers are safe.

*3 Eco Passport by Oeko-Tex® is a system by which textile chemical suppliers demonstrate that their products can be used in sustainable textile production.
*4 UltraChrome DS inks for textile printers, UltraChrome DG inks and dedicated fabric processing agents for garment printers, digital textile printer inks.

- Safe Printing Ink for Food Labels

Compliant with Food Contact Material regulation

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

Sample of food packages

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

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

Production

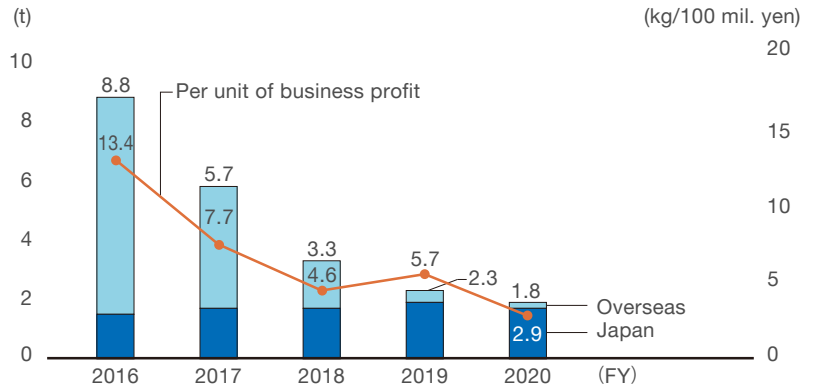
Epson uses its "E-Chem" chemical data management system to centrally track information on chemical substances used at Epson sites around the world. We are engaged in ongoing efforts to reduce the quantities of chemicals used and to moderate emissions of pollutant release and transfer register (PRTR) substances and volatile organic compounds (VOC).

2020 Overview

Using previous year emissions as a benchmark, all Epson business units managed and met their FY2020 targets for reducing emissions. Amid increasingly strict environmental regulations and government guidance, our production sites in China are controlling emissions by using scrubbers to remove harmful materials from exhaust gases before they are released into the atmosphere. In addition, we are building trust relationships by making our substance data available and by creating opportunities to exchange opinions with members of the local community.

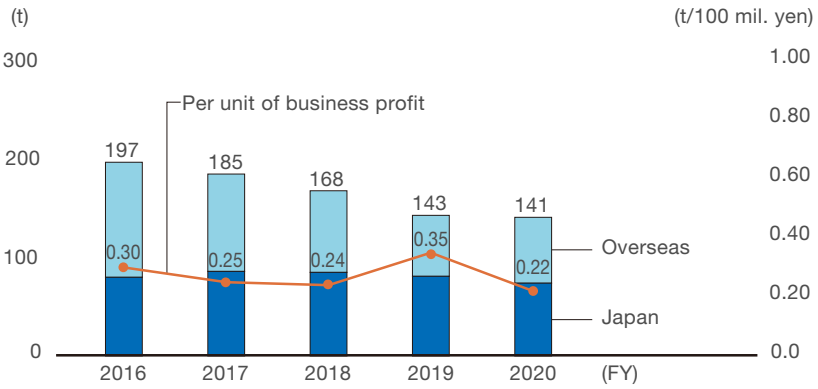
22% Reduction
PRTR substance emissions
(compared to FY2019)

PRTR Substance Emissions



1% Reduction
VOC emissions
(compared to FY2019)

VOC Emissions



* Amounts for FY2017 and FY2019 differ from those in Sustainability Report 2020.

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 the 2020 fiscal year, Epson's emissions exceeded the legal limit in one incident and the company was assessed an administrative penalty in another, but the incidents were addressed with prompt government reporting and equipment improvements. Neither incident had a serious impact on the environment. There were no environmental complaints or accidents.

Type	Description
Legal limit exceeded	NOx emissions exceeded the legal limit in soot producing equipment
Administrative penalty	Waste material was stored in an unapproved location (145,000 yuan fine)

Environmental due diligence

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

Soil and Groundwater Remediation

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

Site Groundwater Data and Remediation Methods

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

Site	Unit	FY2018	FY2019	FY2020	Remediation
Head Office	mg/L	6.2	18	11	Barrier, pump and treat, monitoring
Shiojiri	mg/L	0.17	0.12	0.10	Barrier, pump and treat, monitoring
Fujimi	mg/L	0.013	0.008	0.013	Barrier, pump and treat, monitoring
Suwa-Minami	mg/L	0.048	0.049	0.038	Barrier, pump and treat, monitoring

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

Drainage Management

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

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

Waste Management

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

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

PCB Waste Storage

PCB waste storage in the domestic Epson Group is summarized below.
We plan to finish disposing of the PCB waste that is currently in storage by the legal deadline.

Type	Situation
Transformer equipment, etc.	Disposal already complete
Other electric facilities	Machinery and equipment are being investigated for the presence of PCBs. (They will be disposed of as soon as PCBs are found to be present.)
Fluorescent light ballast	Two units are awaiting disposal. All others have been disposed of.

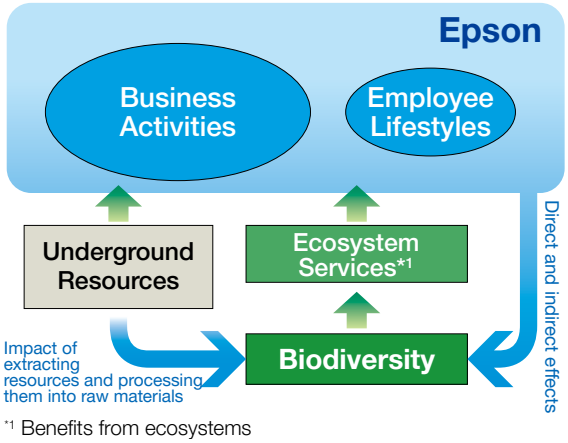
Asbestos

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

Biodiversity Conservation

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

Epson and Biodiversity



*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

Conservation of Wildlife Resources in Taiwan

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

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

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

Activities in Protected Area (U.K.)

Epson Telford Ltd. (ETL) is a core production site for manufacturing ink cartridges for European market and textile ink. It was the first site within the Epson group to achieve ISO14001 and participates in many environmental preservation activities such as recycling of wastes and energy-saving. With an area of 220,000 m^2, 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 burnet[*1], 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.

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

Bee hives introduced in the site

Pond in the special area

Conservation of Natural Environment

Coral Reef Transplant Project (Indonesia)

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

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

Conservation of Forests

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

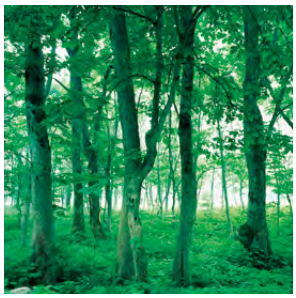
Using Limited Resources Effectively by Leveraging Our Unique Paper Recycling Technology

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

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

Calendars made using recycled paper

Waste ink pads for inkjet printers (maintenance box)



PaperLab A-8000
Dry-process office papermaking system

Epson Paper Products Procurement

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

Eco Community

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.

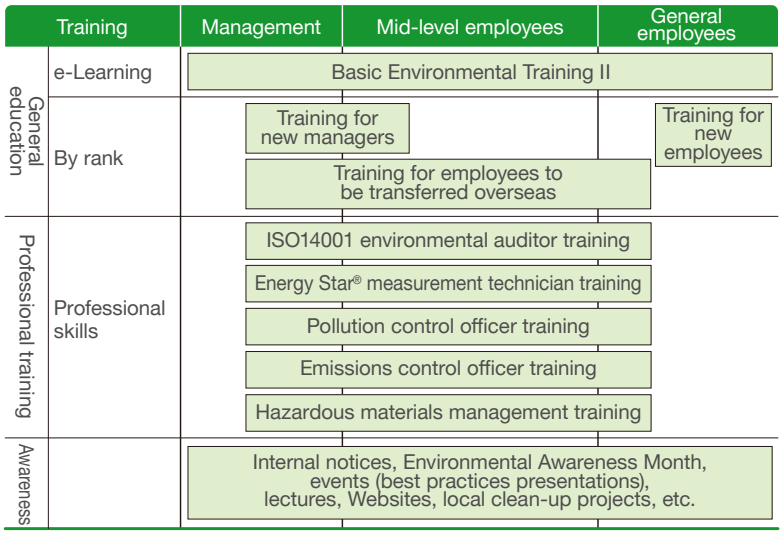
Epson also contributes to broader environmental preservation by sharing its knowledge and experience with outside organizations.

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)



FY2020 Environmental Education (Japan)

Training	Participants (Certification Recipients)*1
Basic Environmental TrainingⅡ (2020 Edition)	18,626
ISO14001 environmental auditor training	114 (1,131)

*1 This is the number of persons who took Basic Environmental Training II during the period it was offered (June 2020 to March 2021). ISO 14001 figures show the number of certified person as of the end of March 2021.

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 CO_2. But measuring PFC gases was difficult until 2000, when Epson independently developed a simple method for measuring PFCs*1 that enables easy and accurate measurement using Fourier transform infrared spectroscopy (FT-IR). This method enabled Epson to sharply reduce PFC gas.

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

*1 Formerly called the "Epson Method"

Environmental Management

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 Policy. 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 Policy (Please refer to page 284 of "Appendices")

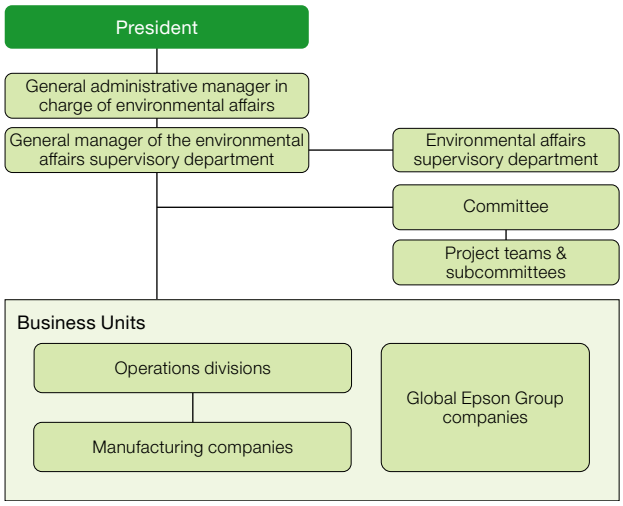
Environmental Management System

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 FY2020, environmental data was gathered from 50 of those companies (representing 95% of revenue).

Promotion System for Environmental Activities



Our People

Human Resources Development

Approach

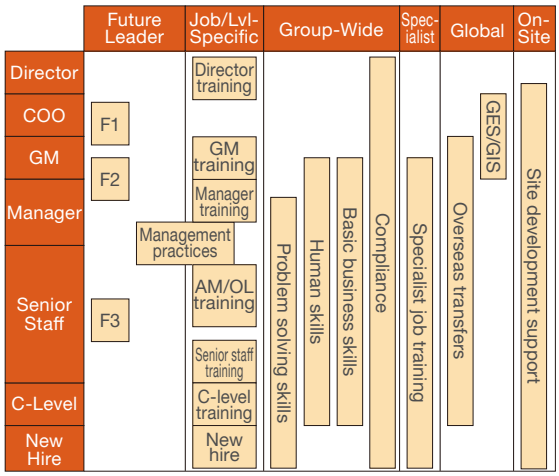
Epson focuses considerable effort on the development and training of its human resources in line with a Human Resources Development Policy established in 1996 that designates talented people as a precious management resource. We assist employees achieve their dreams of self-fulfillment, and we develop people who connect and support all the companies in the Epson Group. We provide various trainings so that our people understand their roles and what is expected of them as members of the Epson team. Training enables them to work and communicate effectively, solve problems and achieve goals, and experience personal and professional growth.

Human Resources Development Policy (Please refer to page 285 of "Appendices")

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.

Training System (Japan)



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

Practicing Off-the-Job Training on the Job

A feature of human resource development at Epson is that we provide level-based group training at every juncture along the career path, from entry level jobs through management, and give employees a chance to put into practice on the job the knowledge they acquire.

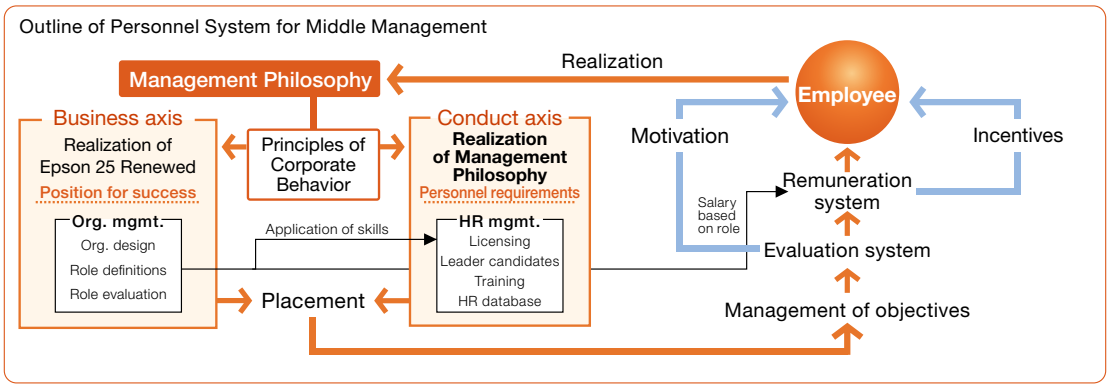
After completing group training, new hires undergo a one-year practicum. Other employees who complete other group trainings undergo a three-month practicum. During the practicum, employees prepare action plans based on what they learned and put these plans into action on the job under the supervision of their supervisors, thus enhancing their ability to use the knowledge and skills they learned during training, in their actual jobs.

Epson has used a management by objectives systems for more than 30 years. All employees of every grade are subject to the systems, and managers and their subordinates work together to set objectives that they can both agree on. Progress toward the objectives is periodically reviewed, end results are evaluated, and new, higher objectives are set. The management by objectives system is itself an on-the-job human resource training system. It is a win-win development cycle in which individual growth leads to the growth of the organization and the company.

Building the Optimal Organizations and Training Leaders

Epson seeks to put itself in the best position to achieve the goals of the Epson 25 Renewed corporate vision by adapting organizations to best serve our business strategies and the ever-changing business environment. At the same time, we develop and train leaders in each organization around the globe to drive business forward.

Once a year and in each business and function, we evaluate and refine the roles and job requirements needed for important posts and organizations, and we review the human resources who can accomplish those roles. Candidates for future executive management and middle management positions are thereby identified, and a list is created. Succession plans are formulated, and training and education are provided to develop the needed skills. Training opportunities are also provided to prospective leaders and young employees, and a company-wide rotation program ensures that they gain a broader range of knowledge and experience.



Training Initiatives

Global Leadership Training

In addition to a course in management practices for managers and employees who will be transferred overseas, 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 ranges from lectures on the Epson Code of Conduct to hands-on training in manufacturing. New employees learn the importance and enjoyment of working in teams, through group activities that take place throughout the training period.


Training to think about customer satisfaction

After they complete group training, new employees are sent to the department where they have been assigned. There they learn their job through on-the-job training under a mentor. Mentors are usually selected from among young employees with three to five years of experience. They produce training plans tailored to the individuals they will be mentoring and, for a full year, provide them with the support they will need to stand on their own. Mentors themselves are expected to grow through this experience.

At the end of the first year, the new employees gather again for follow-up group training, where they can observe how they and others have grown and developed. To further solidify the foundation they have built as a business professional, they review the previous year and consider action plans for the next year and beyond to achieve further growth and expand their contributions to the company.

Overseas dispatch of young employees

Epson is actively developing human resources who can work effectively globally.

Young employees are dispatched to Epson Group companies overseas in order to develop global-minded human resources. (Trainee program)

Number of Employees Assigned to Overseas Training Programs

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

(This program was suspended in 2020 due to COVID-19.)

Lifetime Career Support

Epson continuously implements initiatives aimed at being an organization that promotes personnel development. We provide support towards building motivating and challenging careers that encourage growth. To help our employees set their own medium- and long-term career goals and take actions toward achieving them, we have been offering Lifetime Career Support (LTCS) since FY2016. The LTCS provides age- and grade-specific training, which gives employees an opportunity to independently plan their own career path.

FY2020 training results

LTCS50 training (for all employees age 50)
- 425 people

LTCS40 training (for all employees age 40)
- 303 people

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.

Mechatronics Training for Building, Maintaining, and Enhancing Automated Lines

Factory productivity improvement initiatives are nothing new at Epson. Earlier examples included the introduction of simple and systematic tools to production processes. More recently, however, we are facing great changes in the manufacturing environment. As wages have risen rapidly and workers prefer non-manufacturing jobs, it is not always easy to recruit the necessary labor. Earlier improvements were based on the assumption there would be plenty of inexpensive labor. Our business is not likely to survive if we just try to repeat such improvements. Therefore, we are making a strong push to build production lines that rely on human labor as little as possible but are still capable of stable production.

Monozukuri Juku holds about 100 trainings of various types each year to develop the engineers who keep production lines running. Trainings impart machining skills like mechanical drafting and measuring required to build equipment. The organization prepares such curricula as mechatronics basic technologies, where engineers who promote automation technology get training in basic technologies like compressed air and electrical control as well as assembling and adjusting simple devices. Other courses include FA robot training, image processing training, and mechatronics practical training, which are designed to teach practical technologies and skills. Thus, we are offering employees an opportunity and place to learn.

Monozukuri Juku trains machine tool and maintenance engineers in Japan but also sends staff to teach at overseas affiliates that serve as our major manufacturing sites. There, we develop leaders in production and machine tool maintenance at overseas affiliates, by giving courses based on our training program in Japan.

Training engineers at an overseas affiliate (Philippines)

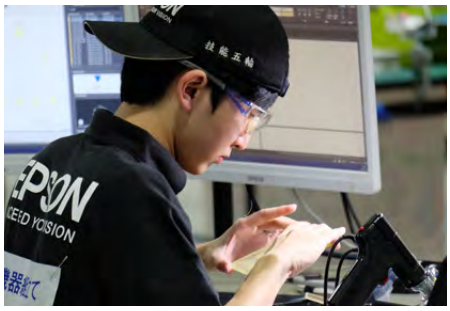
Mechatronics practical training

Developing Young Technicians through National Skills Competition

As a manufacturing company, Epson uses training for WorldSkills competitions to develop "groundbreaker technicians"[*1] who have acquired essential manufacturing knowledge and skills at an early age. As a rule, individuals are allowed to take part in WorldSkills trainings just once. The purpose of the short-term intensive trainings is to help participants learn technical skills at the all-Japan level. Every year we send 10-15 individuals to the National Skills Competition associated with WorldSkills to compete in six selected occupational categories that are applicable to our employees' work: Instrument making, Plastic die engineering, Mechatronics, Industrial electronics, Web design, and Watch repair.

New employees sent to Monozukuri Juku as WorldSkills trainees experience monozukuri (the art and science of manufacturing) in such forms as filing and sawing. They also learn basic knowledge about machinery, electricity, and other general topics in each occupational category. In conjunction with everyday occupation-specific training, there are training camps three times a year. Participants lodge together, run a long distance, set targets, and the like. All of this helps to build a sense of solidarity as a team.

To recreate the feel of the national competition, we also hold joint training events with other companies that take part in WorldSkills. Additionally, our employees actively pursue such national qualifications as machining technician, electronic device assembly technician, web design technician, and watch repair technician. After participants finish WorldSkills trainings, they get practical training to help them build the basic skills learned there into skills they can use to make products. Each participant then joins an operations division. The units they join often praise these employees for performing beyond expectations.



Everyday training


The 58th National Skills Competition of Japan 2020

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

FY2020 Workforce Composition and Training Data

Main Online Courses (Japan)

Course	Trainees
Fundamentals of Export Control (2020)	17,332
Epson's Compliance (2020)	20,891
Basic Information Security (2020)	21,982
Basic Environmental Training II (2020)	18,626
Introduction to Procurement 2020 (Subcontract Act.)	17,801
J-SOX	(Will be held in 2021)
Basic Harassment Preventive Training (2020)	17,128
Occupational Safety Training (2020)	17,721
RBA Basic (2020)	20,907
SDGs Basic (2020)	19,535
Unconscious Bias Training (2020)	17,261

* The number of persons completing the course by March 31, 2021.

Training by Employee Level

Training	Who	People Trained	Percent Trained
New employee orientation	New hires	344	100%
C-level employee training	New C-level staff	350	98.3%
Senior staff training	New senior staff	231	97.4%
Section manager training	New section managers	130	98.5%
General manager training	New general managers	53	93.0%

* Data for Seiko Epson Corporation employees as of March 31, 2021.
* Employees who have not received training are scheduled to do so in FY2021.

Training by Employee Level

	Unit	FY2017	FY2018	FY2019	FY2020
Training by regular employee	Hrs.	9.5	11.0	11.1	7.4

Seiko Epson HR Department training for regular employees and time spent on online courses. Does not include education and training courses of functional supervisory departments and operations divisions.

Promotion of Diversity

Message from SEC President Yasunori Ogawa

All Epson employees to be given equal opportunities without regard to gender, sexual orientation, race, nationality, religion, or age. Ideally, we should naturally accept one another's differences and diversity without the need for thought or debate. To help ensure such acceptance, we launched a Diversity and Inclusion Project. This project team, which reports directly to me, hosts seminars, raises awareness of diversity issues, aids employees who have caregiving responsibilities, and has been involved in revamping the employee promotion system. Epson Sales Japan, a domestic Group company, has set up an advisory unit made up of younger employees and women employees. Their mission is to get executive management to embrace a more diverse range of ideas and opinions. The executive management team is also seeking greater diversity and is actively recruiting a broad range of human resources while also developing talent internally.

We want to be a more flexible company, one that values different ideas from a diverse workforce and that capitalizes on those ideas to achieve sustainable growth. Innovative changes are still in their infancy, but we see the promotion of diversity as an important management issue and will continue to drive further advances.

Diversity Policy

Respect for diversity is a cornerstone of Epson's Management Philosophy, and our personnel policies reflect it.

Diversity is the inclusion of individuals of different genders, national origins, religions, regions, educations, social statuses, and LGBT, regardless of whether these traits are innate or acquired, visible, or invisible.

Epson's true customers are end users the world over. In order to enrich their lives, we have to understand them and meet their needs. To achieve this, our own diversity is important. We believe that only with a diverse workforce of people who have respect for one another and who know and practice what is important can we create customer value. In order to deliver results that surprise and delight our customers, Epson promotes female managerial staff and foreign nationals, fostering a corporate culture that enables diverse personnel to display their abilities to the full.

Taro Shigemoto,
Director and Executive Officer, General Administrative Manager of the Human Resources Division and Health Management Office

Alleviating the Gender Gap

Epson is promoting diversity and inclusion with the goal of being a company where all employees can maximize their abilities regardless of gender or other attributes. Diversity and inclusion issues diverge widely by country and region, and the action we take is tailored to each.

In Japan, we are focusing our efforts on gender, nationality, age, and disabilities. In addition to promoting the advancement of women, we are strengthening recruitment of other nationalities, expanding work opportunities for persons with disabilities, and developing human resources, personnel systems, and work arrangements that enable all people to make the most of their abilities.

Advancement of Women in the Workplace

In 1983, Seiko Epson eliminated the gender pay gap and has sought to enable employees to enjoy a good work-life balance by providing leaves of absence, shorter workdays for women with young children, and financial assistance to help cover babysitter expenses. These and other actions have met with some success, as women stay with the company longer than men, on average. However, there is still a gender gap when it comes to promotion to management and other leadership positions. Seiko Epson recognizes this as an issue and is taking additional action to support the advancement of more women in the workplace.

Goal for the Advancement of Women in the Workplace

In promoting the advancement of women in the workplace, we aim to achieve gender equality and enable all employees to reach their full potential regardless of gender or other attributes. Our goal is to have women at each level of middle and executive management. The ratio of women in management should be the same as the ratio of women in our workforce. We look to achieve this naturally, even without being conscious of gender.

Organization

In 2016, Seiko Epson created a Female Empowerment Project team in the Human Resources Department to create a climate of support for employees who want to advance their careers, regardless of gender. The project team was dissolved in October 2020, and a Diversity and Inclusion Project that reports directly to the president was launched.

Actions Taken

Plans for promoting women's participation and advancement in the workplace

- We are aiming to have female employees account for 5% (40 people) of management positions and 7% (350 people) of leadership roles (equivalent to assistant manager) by FY2022.
- We are increasing the pool of candidates to increase the number of women in management positions in the future.
- We will recruit new graduates, with a goal of securing a hiring class composed of at least 25% women.
- We will expand and enhance a variety of policies and measures to enable women to shape their long-term careers at Epson. (For example, we will host dialog with management, and encourage women to participate in management and career development training seminars.)
- We will explore and expand telecommuting and other more flexible ways of working.

Female Empowerment Project

Issue	Direction of Actions	Concrete Policies/Measures
1. Unconscious bias (employees, managers, organizations)	Education - Changing mind-set Separate education programs for all employees, women, and managers	- Senior executive messages - Online course in unconscious bias
2. Long working hours (organizations & managers)	Program - Dealing with time constraints - Introducing flexible work arrangements - Supporting employees with child-rearing or nursing/caregiving responsibilities - Encouraging men to take paternity leave Work reforms - Changing how managers work - Changing attitudes toward work	- Performance evaluation system that does not put time-constrained employees at a disadvantage - Remote work system - Babysitter assistance - Seminar for working caregiver

Issue	Direction of Actions	Concrete Policies/Measures
3. 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 - Training of select management candidates
4. Other		- Advisory service for women - Infertility treatment - Help for employees with children on preschool waiting lists - Promotion of hiring & retention of women - Networking

Concrete Actions

<Unconscious bias>

Senior executive messages

Epson's senior executives stress the importance of diversity at bi-annual Group policy meetings. They arrange meetings and 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.

Unconscious bias training

In 2020, we provided an online course for employees of Seiko Epson and domestic Group companies to drive home the importance of diversity and learn about unconscious bias, which is one of the main factors that hinder diversity. The course has been completed by 17,261 employees (about 90%).

<Long working hours>

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 remote work 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.

Male participation 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 participation in childcare by sharing stories from men who have taken paternity leave.

Babysitters

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 reforms

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 day-care.

Furthermore, a labor-management subcommittee on work reform 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 changes

To be eligible for promotion exams, employees must write a dissertation and pass a written test in the same year. Since a considerable amount of time is needed to write the dissertation and prepare for the written test, employees who have limited free time faced additional challenges. Another stumbling block was that employees who qualify to take the test must 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 thesis as an opportunity for professional development and allowing them to write their thesis and take the written test during work hours.

Training of select management candidates

We are creating a pool of management candidates by providing training to select individuals. A cumulative total of 38 female employees have taken this training.

<Other>

Career counseling 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 put them into contact with a female mentor who can help them think positively about their career at Epson. We also have a health consultation service for women who wish to speak with an occupational physician or qualified obstetric nurse.

Infertility treatment
We have made it possible for employees to take wellbeing leave for fertility treatment.

Help for employees with children on waiting lists
A growing number of children in recent years have been put on waiting lists for childcare services not only in the Tokyo area but also in Nagano Prefecture, where our main offices are located. Therefore, we are promoting a partnership with company-led nursery schools in the areas where employees live. (There were six schools as of June 2021.)

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. So far, more than 20 meetings have been held, with more than 100 people participating. In the 2020 fiscal year, discussions were held between female employees and the president on two 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 telecommute 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

In July, 2016, the Japanese Minister of Health, Labour and Welfare granted Seiko Epson the top "Eruboshi" mark* (three stars) in recognition of its efforts as a good company to promote the active participation and advancement of women in the workplace.

The Ministry established the Eruboshi mark in February 2016 based on the newly enacted Act on Promotion of Women's Participation and Advancement in the Workplace. Companies that draw up and submit an action plan and meet certain standards are eligible to receive the mark if they have demonstrated successful efforts to promote the advancement of women.

Seiko Epson launched a project to step up its initiatives related to women's advancement. Through such programs as setting up discussions between female employees and management and establishing a new mechanism that enable people to continue working while they provide care for elderly relatives, the company intends not only to help women continue working, but also to provide an environment where women who want careers can advance into leadership roles.

* Companies are graded on five criteria and awarded one of three levels of certification depending on how many of the criteria they satisfy. The criteria are recruitment, continued employment, working hours, percentage of women in managerial positions, and diversity of career courses. A company, which met all five criteria, is certified to receive the Grade 3 (three stars) Eruboshi mark.

Certification as a Kurumin and Platinum Kurumin Company

Since 2007, Seiko Epson has received Kurumin certification from the Minister of Health, Labour and Welfare in recognition of its efforts to implement policies that support childrearing and will benefit the next generation. In 2016, we earned Platinum Kurumin recognition.

The Platinum Kurumin mark is awarded as proof that a Kurumin-certified company that has demonstrated the highest level of excellence and has satisfied certain rigorous requirements has earned special recognition (Platinum Kurumin certification) for child-rearing support from the Minister of Health, Labour and Welfare. Seiko Epson is committed to driving further child-rearing support initiatives in the future primarily by reducing working hours and encouraging paternity leaves through work reforms and the activities of the Diversity and Inclusion Project.

Platinum Kurumin mark

Future Initiatives

Seiko Epson will roll out further actions to expand the career advancement possibilities for women and increase diversity.

Main Programs Introduced (Japan)

1980

- Eliminated gender pay gap (1983)

1990

- Main childbirth & childcare programs
  - Parental leave (1991)
  - Shortened workday (1992)

2000

  - At-home childcare service (2005)
  - Medical leave okayed for paid parental leave (2007)
  - Medical leave okayed for half-days for expanded range of reasons (renamed wellbeing leave) (2009)
- Certification as a company with policies to benefit the next generation
  - Acquisition of the "Kurumin" next-generation accreditation mark, the first company to do so in Nagano prefecture (2007)
    - (Ongoing certification in 2009 & 2012)
  - Free at-home childcare service (2015)
  - Acquisition of the Grade 3 (the highest grade) Eruboshi certification (2016)
  - Acquisition of Platinum Kurumin (2016)
  - Telecommuting system for dependent care (2018)
  - Introduced remote work company-wide (2020)
  - Changed the promotion examination system (2020)

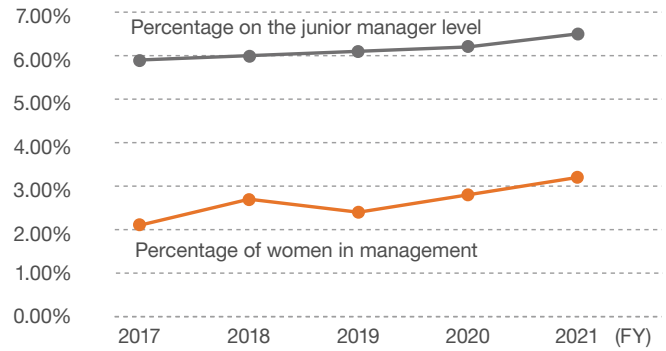
Statistics of Advancement of Women in the Workplace

Percentage of women in workplace and in management
(All affiliated companies/domestic affiliated companies/Seiko Epson)

	Group total		Japan		Except Japan	
	Male	Female	Male	Female	Male	Female
Percentage of regular employees	55.5%	44.5%	81.0%	19.0%	45.9%	54.1%
Percentage of managers	82.9%	17.1%	93.3%	6.7%	65.3%	34.7%

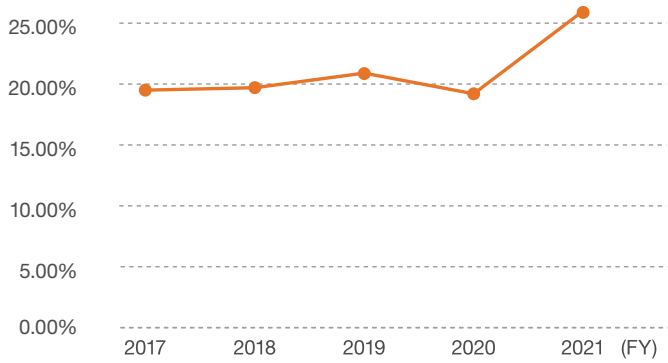
* Managers means all managers including junior manager level (e.g. leaders, supervisors)

Percentage of Women in Management and on the Junior Manager Level



Seiko Epson Corporation. Management means higher than section manager.

Percentage of Women Among New-hires Directly Out of School

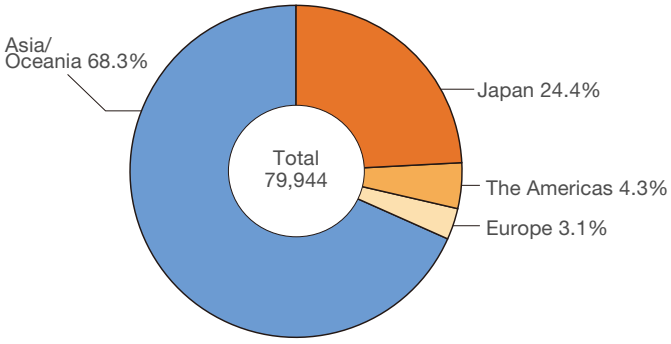


Seiko Epson Corporation

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.

Employee Numbers by Region (as of March 31, 2021)



Epson is vertically integrated, which means we have control over the value chain. A high-performing, diverse workforce is essential for achieving vertical integration, making it vital for our operations divisions in Japan and Epson Group companies overseas to be on the same page in terms of business vision and policies. That is why we have a variety of international programs to promote communication and interaction among people at various levels within our operations divisions, Head Office, and other internal organizations.

Global Meetings

Epson holds a variety of meetings and seminars for representatives from our global sites.

Some are function specific, for areas such as legal affairs, finance and accounting, safety, and the environment. Others are for global projects involving matters such as IT systems and the adoption of IFRS. Still others, such as sales meetings, are held to discuss a range of topics and to share information and opinions globally.

Global Talent Management

Epson seeks to put itself in the best position to achieve the goals of Epson 25 Renewed by reviewing organizations, roles, and human resources from a global perspective and making adaptations that best serve our business strategies and the ever-changing business environment. The company specifies the roles and requirements for key positions in the global Epson Group. It establishes succession plans and has systems in place to ensure that the best people for these positions are selected without regard to consideration such as age, gender, and nationality.

Epson Group companies outside Japan identify certain ranks at which they look for candidates to fill future top-level management positions. They then compile basic information about everyone at those ranks. Seiko Epson consults with Epson Group companies to grade these individuals based on common global criteria and identify the top talent. Information about their skills and capabilities is gathered by various means, including 360-degree evaluations, and future career path and development plans are explored.

As a result of these initiatives, 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 has responsibility for all administrative and business operations at Epson companies in North, Central, and South America. In Europe, all local affiliates controlled by the regional head office are headed by locals. In addition, a number of Epson sales and manufacturing affiliates around the globe have recruited or promoted locals to run their operations.

Currently, 34% of directors at overseas affiliates are non-Japanese, while 57% of those affiliates' CEOs are non-Japanese.

Initiatives to Globally Develop Human Resources

The Global Incubation Seminar (GIS)

The Global Incubation Seminar (GIS) is a program for developing global leaders who will be a driving force in the Epson Group. At the seminar, we share Epson's vision and values with up-and-coming leaders from around the world and empower them to put these into practice in their own organizations. Since 1999, the first year of the program, more than 380 people have participated in GIS training and nearly all the chief executives of Epson's overseas affiliates are graduates of the program.

For five days in February each year, about 25 persons participate, members of overseas affiliates plus a few employees from Japan. Through direct communication with executive management, they get a deeper understanding of Epson's long-term vision and business strategy and learn the importance of compliance in Epson management. The participants, who work in different regions, functions, and businesses, share the issues they each face and what they are doing to overcome them. They each consider how they can play a central role in their organizations to create Epson value. On the final day of the seminar, they reveal their personal action plans to executive management and after that they execute those plans.

Currently, the seminar is on hiatus because of the COVID-19 pandemic. With that exception, we will offer this training on a continuing basis, hoping to develop diverse global talent who will drive Epson to new heights in the future.

Global Executive Seminar (GES)

In FY2017, Epson launched the inaugural Global Executive Seminar (GES) to further strengthen executive management at overseas affiliates. The seminar is designed to develop leaders who are capable of devising strategies and analyzing issues, leaders who can help guide us toward Epson's long-term goals, understand the roles that they and their companies should play, and identify changes to make in a business environment where the future is hard to read. The seminar starts with a three-day group training session (session 1) and is followed by a year-long period during which participants apply lessons in actual practice, after which they gather to report the results over two days (session 2).

Six people (four overseas affiliate members and two employees from Japan) took part in GES 2019-20 session 1 in FY2019. They did their session 2 online in FY2020 owing to the COVID-19 pandemic. The participants each gave a presentation on the management issues they tackled over the past year. The seminar concluded with them promising further growth and development in the future.

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 actively accepts interns from overseas manufacturing sites to stay in Japan for a period of three months to one year. We provide 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 business processes. In fiscal 2019, we accepted 34 technical interns and trainees, and since 1988, we have welcomed a total of 1,800 Group employees.

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

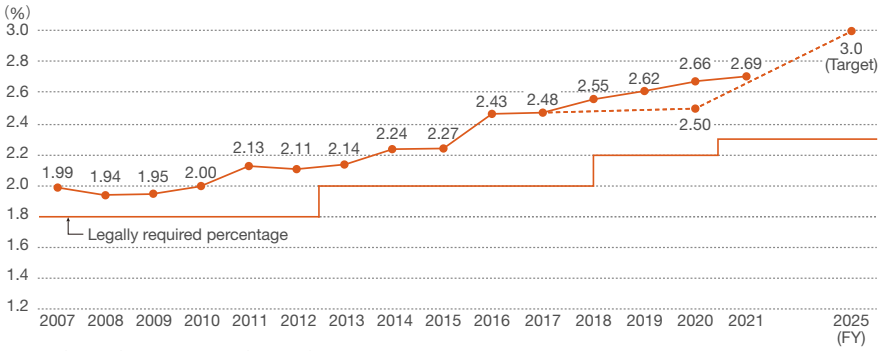
Epson also recently introduced a program that is designed to deepen the insights of young employees at Epson sales companies. The program enables them to get a different perspective on projects they are working on through interaction with people from the operations divisions and Head Office supervisory departments in Japan. It also enhances their appreciation of Epson and Epson values.

(These programs are currently on hiatus because of COVID-19.)

Employing and Supporting Persons with Disabilities

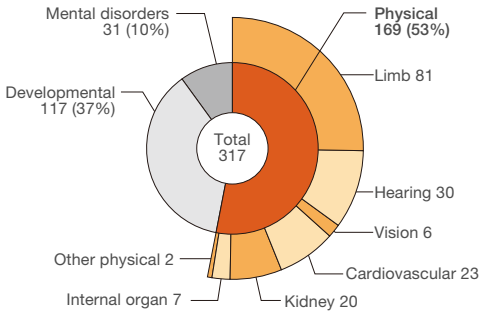
Epson employs a large number of persons with disabilities. For this reason we accommodate special needs in a variety of ways. For example, we provide easy-access restrooms, parking spaces, and other facilities. We also provide services such as sign language interpretation for in-house training and interviews, and special shortened working hours for dialysis treatment. Two special subsidiaries in Japan, Epson Mizube Corp., and Epson Swan Corp. have made special provisions to accommodate employees with disabilities and allow them to make the most of their talents, and they are now expanding job opportunities for disabled employees.

Employees with Disabilities (Japan)



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

Type of Disability (Japan)



* The data is current as of June 1, 2020.

Epson Mizube Corp.

Epson Mizube Corporation was founded in 1983 as a special subsidiary of Seiko Epson. It began with a workforce of 15 people, 11 of whom had disabilities, and has expanded steadily since then.

Epson Mizube's wide range of services include assembly, inspection, cleaning, and packaging of various electronic and precision devices; paper recycling; printing, copying, and bookbinding; document digitization; dust suit cleaning; building cleaning; and sorting and dismantling used ink cartridges. The company employs 147 persons with disabilities at seven sites (as of the end of March 2021).

Facilities cleaning services were launched in 2008, and have since grown to a crew of 48 employees who provide services to 5 sites (as of March 31, 2021). The cleaning crews contribute to maintaining pleasant working environments. In 2017, we installed an upcycling model line in the PaperLab. This has expanded employment opportunities for persons with disabilities and promotes environmental impact reduction by using the PaperLab and DFP to turn used paper into business cards and notebook paper.


Board assembly


PaperLab upcycle center


Sorting used ink cartridges


Cleaning company facilities

Certification as an Employer of Persons with Disabilities

The Japan Association of Employers of Persons with Disabilities, which works on a commission from the Ministry of Health, Labour and Welfare, certifies companies that demonstrate excellence in matching disabled employees with the right jobs and working conditions, employ multiple persons with disabilities, and meet certain other criteria for the advancement of persons with disabilities. Epson Mizube earned certification as an employer of persons with disabilities in recognition of its efforts to expand hiring of individuals with mental disabilities and for company-wide initiatives to engage and support people with disabilities as they seek to gain independence.(January 1, 2020)

Taking part in the Abilympics

Many of Epson's employees with disabilities have amazing skills that are invaluable to the company. At the National Abilympics competition in Aichi, Japan in FY2019, Shoichi Yokouchi earned silver in the electronic device assembly event and Katsunori Nakajima competed in the building cleaning event. Yokouchi, an Abilympics veteran who has won six medals over the years, including a gold in electronic circuit assembly, is also helping to train his younger coworkers. His mere presence is a source of encouragement for other employees with disabilities and helps to invigorate the workplace. (Epson did not participate in the FY2020 Abilympics because of the COVID-19.)

Shoichi Yokouchi at the National Abilympics competition in Aichi, Japan

Their Imperial Majesties Emperor and Empress Pay the 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 Corporation.

Their Majesties showed great interest in the effort that Epson Mizube employees were putting into their jobs and had warm, heartfelt messages for each.

At the end, His Majesty the Emperor remarked that "I am grateful to have had this conversation with persons who have disabilities." Her Majesty the Empress also expressed her appreciation, saying, "I'm glad to hear how actively you are all working. COVID-19 is creating challenges for everyone. Please take care of yourselves."

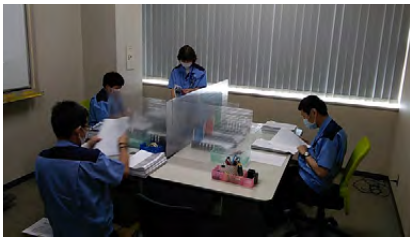
Their Majesties' visit will encourage persons with disabilities working throughout Japan. For Epson Mizube employees, it was a once-in-a-lifetime experience that they will never forget.

Source: Imperial Household Agency website

Misaki Kamijo of Kanbayashi Plant conversed with the royals while Takamasa Arai served as facilitator.

Epson Swan Corp.

Epson Swan Corporation 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 in the grounds of Tohoku Epson, 23 people with disabilities (as of April 1, 2021) clean dust suits and provide building cleaning services within the company. In October 2020, the staff also took charge of preparing PaperLab materials (sorting paper).



PaperLab materials preparation (paper sorting)

In addition to employee and leisure support, we also focus on professional development. In FY2020, we competed once again in the facilities cleaning category at the Yamagata Abilympics. Epson Swan publishes the magazine “Smile” periodically to promote communication within and beyond Epson. The magazine, available on our internal website and in print form, is packed with all types of information about Epson Swan. A total of 45 issues have been released, counting the most recent published in March 2021.

Workforce Composition and Service Period

Workforce Composition

Male/Female Ratio	
Female	16.6%
Male	83.4%

Mgmt. Diversity*1	
Female	3.2%
Male	96.8%

Junior Mgmt. Ratio*2	
Female	6.5%
Male	93.5%

* Data for Seiko Epson Corporation employees as of March 31, 2021.
*1 Section manager and higher
*2 Team leader

Length of Employment

(Unit: Year)

Total	Female	Male
19.1	20.4	18.9

* Data for Seiko Epson Corporation employees as of March 20, 2021.

Turnover Rate

	FY2016	FY2017	FY2018	FY2019	FY2020
Total turnover ratio	3.6%	3.6%	4.5%	4.1%	4.5%
Voluntary turnover ratio	1.6%	1.5%	1.8%	1.5%	1.4%

* Data for Seiko Epson Corporation and domestic major affiliated companies as of March 20, 2021.

Respecting Human Rights

Human Rights, Non-Discrimination, and Unjust Labor Initiatives

Epson respects human rights. We work actively to ensure that our business activities around the world are free of any discrimination and unfair labor practices that could potentially occur. This stance is reflected in our participation in the United Nations Global Compact since 2004. Moreover, the Epson Group's Policies regarding Human Rights and Labor Standards, established in 2005, stipulate that we shall respect human rights, prevent all forms of harassment and discrimination, respect local culture and customs, prohibit child and forced labor, and maintain positive labor-management relations. These attitudes are widely disseminated and practiced throughout the Group and disclosed to the public.

Policies regarding Human Rights and Labor Standards aligns with the following internationally recognized standards:

- The United Nations Global Compact
- The OECD Guidelines for Multinational Enterprises
- ISO 26000
- ILO Core Labor Standards

The Policies Regarding Human Rights and Labor Standards (Please refer to page 287 of "Appendices")

Epson also follows the United Nations Guiding Principles on Business and Human Rights (2011), and in April 2019 joined the Responsible Business Alliance (RBA), a coalition dedicated to corporate social responsibility (CSR) in global supply chains. We are actively using RBA practices to evaluate the state and make improvements in line with the RBA Code of Conduct.

Under the supervision of the director and executive officer in charge of human resources, Seiko Epson's human resources department, working in concert with the HR departments of our global affiliates, guides initiatives to prevent human rights abuses, discrimination, and unjust labor practices. Epson has identified human rights risks such as child labor, forced labor, other exploitative labor, workers' rights, labor conditions, discrimination, and harassment as business risks based on the Group's Policies regarding Human Rights and Labor Standards and the RBA Code of Conduct. As such, Seiko Epson and all Epson Group companies conduct an annual CSR assessment to evaluate and mitigate risks related to human rights, discrimination, unfair labor practices, and the like. We are working on these human rights risks throughout the Epson Group because we consider this to be a key CSR theme. We similarly conduct risk assessment and improvement initiatives in our supply chains through the department that supervises socially responsible procurement.

Results of the FY2020 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.

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, discrimination, and unfair labor. All personnel are regularly notified of disciplinary actions and other actions taken by the company in response to incidents of discrimination, unfair labor, harassment and other human rights abuses to prevent similar incidents in the future. Furthermore, Epson provides a whistleblowing system and support centers for stakeholders including customers, investors, and local communities and responds appropriately to any grievances.

Anti-harassment Initiatives

Power Harassment Prevention Training

Epson maintains a harassment hotline to respond to employees' harassment concerns. We have also been actively fostering the development of an organizational culture with zero tolerance for harassment. To achieve a fair and pleasant working environment, we have been providing anti-power harassment training seminars to Epson Group companies since 2014 as a way to prevent and stamp out harassment.

In addition to echelon-based training tailored to executive management, middle management, leaders, and employees preparing to work overseas, respectively started in FY2015, we also provided an online anti-harassment course for all employees, including those in non-management roles, after FY2018.

Anger Management Training

Anger management training is said to be an effective way to prevent so-called power harassment (abuse of authority at work).

Seiko Epson has provided anger management training since 2016 to teach employees skills needed to control feelings of anger at work. Echelon- and department-based anger management training is offered about 70 times a year. An introductory course teaches people the skills they need to defuse their anger and improve their control long-term, while a course in constructive criticism teaches managers and others effective communication skills. More than 7,500 Epson Group employees in Japan have taken a course. By providing its people with the proper training and skills, Epson hopes to eliminate power harassment from the workplace.

Power Harassment Prevention Training/Anger Management Training

	Course	2014	2015	2016	2017	2018	2019	2020	People Trained
All	Harassment preventive e-learning	●				●	●	●	Mandatory for all employees and executives
	Awareness building for all employees	●	●	●	●	●	●	●	Educate the entire workforce about corporate efforts and about reporting/counseling services
	Anger management training			●	●	●	●	●	Voluntary training for those who wish it
Executive	Power harassment prevention training/anger management training for executive		●	●	●	●	●	●	Mandatory
Management	Power harassment prevention training for managers		●	●					1,303 people at 70 trainings at 27 sites in Japan
	New general manager training					●	●	●	FY2020: 53 people
	New section manager training			●	●	●	●	●	FY2020: 130 people
	Anger management training						●	●	FY2020: 130 people
Overseas Assignees	Power harassment prevention training prior to assignment overseas		●	●	●	●	●	●	FY2020: 43 people at 5 trainings
	Anger management training								Will start from FY2021
Junior management	Power harassment prevention training for junior management			●					2,561 people at 131 trainings at 27 sites in Japan
	New senior staff training				●	●	●	●	FY2020: 146 people
Other	Harassment prevention/ anger management training conducted by division			●	●	●	●	●	Conducted upon demands of the division or the affiliated company

Current as of March 31, 2021

Epson Slavery & Human Trafficking Statement

Based on 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 discloses the policy for eradicating modern slavery and human trafficking from the supply chain and the situation of Epson as follows:

Epson Slavery & Human Trafficking Statement (Please refer to page 290 of "Appendices")

Human Rights Due Diligence

Epson continually practices human rights due diligence as based on the United Nations Guiding Principles on Business and Human Rights. Group companies as well as business partners fall within the scope of this process. Human rights due diligence concerns human rights risks like forced labor, child labor, harassment, and discrimination in value chains connected to the business activities of product development, manufacturing, and sales. The due diligence process seeks to identify and study potential and emerging human rights risks, isolate the problems, and correct, improve, and prevent them.

The human rights due diligence process in Epson's business is as follows.

1. Establish policies
2. Identify human rights risks and assess their impact
3. Plan improvements and stop, prevent, and mitigate negative impacts
4. Monitor results and progress
5. Communicate and report
6. Take remedial action

Specific aspects of human rights due diligence are as follows.

(1) Establishing policies and making commitments

- The Policies regarding Human Rights and Labor Standards (established 2005)
- RBA Code of Conduct
- United Nations Guiding Principles on Business and Human Rights and other international norms and standards

(2) Method of identifying and assessing risks

When we assess human rights risks, we focus particularly on employees, workers, and migrant workers, because of all Epson stakeholders (customers, shareholders and investors, local communities, business partners, NGOs and non-profits, employees, etc.), it is they who should be given greatest priority in terms of human rights.

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	Same as above	Same as above
On-site vendor employees	Same as above	Same as above
Supplier employees	Same as above	Same as above
Migrant workers	Same as above	Same as above

Epson administers a CSR self-assessment questionnaire compliant with the RBA Code of Conduct and SAQ template. We started asking suppliers in turn to fill it out in FY2015 and began asking overseas manufacturing sites to do so in FY2017. Since then, we have continued taking similar annual CSR self-assessment questionnaire of business sites, Group companies in Japan and overseas, and suppliers.

(3) Assessment results, correction, and prevention

Based on the above assessment, we identify places where there may be human rights risks. We direct companies and sites to take action to correct, improve on, and mitigate the identified risks.

Examples of human rights risks we have identified, corrected, or improved on or are acting on:

- Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
- Holding migrant workers' passports
- Agreement process with workers regarding overtime work
- Long working hours

(4) Monitoring

Epson continues to take CSR self-assessment questionnaire once a year and to confirm improvements being made by companies and sites that do not meet the RBA Code of Conduct. Moreover, major manufacturing sites voluntarily undergo the RBA's Validated Assessment Program (VAP) audit. These assessments help the subject company accurately grasp how well they are conforming to the RBA Code of Conduct and identify issues for correction and improvement.

(5) Communication and reporting

Each year, after the responsible executive officer has reviewed the results and progress of efforts to carry out improvement plans, the findings are disclosed on the web and released as a Sustainability Report. We also report on the Epson Group's global initiatives in our Epson Slavery & Human Trafficking Statement.

(6) Taking remedial action

Epson provides a whistleblowing system and support centers that are particularly geared toward Epson Group employees, dispatch workers, on-site vendor employees, and supplier employees, 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 its all Epson Group plants, offices, and companies around the world to complete a self-assessment questionnaire to evaluate their performance with respect to CSR requirements. The purpose of the SAQ is to identify and address risks and potential threats in areas such as human rights.

Epson joined the Responsible Business Alliance (RBA) as a regular member in April 2019 and, in 2020, evaluated the situation in the Epson Group using the RBA self-assessment questionnaire. The questionnaire is based on the RBA Code of Conduct and consists of 400 questions concerning human rights, labor, safety and health, environmental issues, ethics, and management systems. 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
Survey period	April - June, 2021
Surver coverage	12 Seiko Epson facilities 8 domestic affiliated companies (6 manufacturing companies and 2 sales companies) 49 overseas subsidiaries (16 manufacturing companies and 33 sales companies)
Questionnaire	RBA Self-Assessment Questionnaire (SAQ)
Analysis	August - September, 2021
Corrective action	October, 2021 - Companies will begin taking corrective action
Status check	The status of corrective action will be checked by having companies complete another SAQ (planned in FY2022)

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. 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.

2021 SAQ results

Risk rank	Total score	Seiko Epson		Japanese affiliated companies						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.	12	100	5	83	1	50	6	75	12	75	15	45	27	55	45	65
Medium risk	66-85 pts.	0	0	1	17	1	50	2	25	4	25	18	55	22	45	24	35
High risk	65 pts. or less	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		12	100	6	100	2	100	8	100	16	100	33	100	49	100	69	100

Summary

- All Epson plants, offices, and Group companies were found to be either middle risk or low risk as a result of the CSR self-assessment questionnaire. No serious human rights, compliance or ethics problems were found.
- In the 2020 fiscal year, the Head Office supervisory departments reviewed and revised regulations and standards based on the RBA Code of Conduct and reminded Epson Group business sites of Group policies and Group regulations, as well as of various other rules and guidelines. As a result, the number of sites rated medium risk decreased from 50% to 33%.
- Furthermore, where the 2020 results indicated potential priority non-conformances in the human rights and labor section, we checked the situation at our overseas affiliates and instructed them to take corrective action with respect to the following:
  - Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
  - Agreement process with workers regarding overtime work
  - Long working hours
- In the 2021 fiscal year, we will build further awareness and understanding of Group policies, Group regulations, rules, guidelines and so forth at our business sites, and we will check the content of answers in detail to eliminate potential priority non-conformances and further reduce the number of medium-risk sites.

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 FY2020 we conducted a CSR self-assessment questionnaire to confirm that thoses suppliers, as well as other suppliers of indirect materials, provided human rights training to those people.

Fostering a Better Workplace

Improving the Organizational Climate

Epson seeks to create an environment that encourages free and constructive communication, thereby improving the quality of relationships and solidifying an organizational climate that promotes the continuous growth of both employees and the company.

To attain this goal, Epson began conducting annual employee surveys in 2005 to assess the workplace environment and employee motivation and, in 2020, replaced this survey with an organizational climate assessment survey.

Survey results are reported to the president and other members of executive management, and workplaces are provided with feedback. Managers of workplaces review and analyze the state of the organizational climate and incorporate actions to address problems and issues in action plans for the new fiscal year to improve the organizational climate and build stronger organizations.

In addition to actions taken to date, Epson began working in 2020 to improve the performance of the organization and team across the company, as this has been an area where scores have been low despite it being an important factor for improving the quality of relationships. Managers set specific action plans and targets, and they develop and implement activities in their departments based on these. To support management's efforts, the divisions hold meetings for manager discussions. These discussions serve as an opportunity for managers to gain insights into underlying problems and to encourage behavioral changes. In addition, Epson has set up an advisory service and arranges mentors for less experience managers.

We seek to create a satisfying work environment and toward that end are driving organizational climate innovations that include programs to address things such as health and productivity, diversity, and harassment prevention.

Work-Life Balance Initiatives

Recognizing the importance of the well-being and development of our children, Epson encourages employees to balance their careers with their personal lives and is putting in place an environment that allows them to do so. We enforce an eight-hour no overtime workday at least once per week at our sites in Japan, and an increasing number of sites have a day each year for a family tour.

Childbirth and Childcare Support

To create an environment that allows all employees to advance their careers if they wish to do so, we are strengthening childcare support equally for both men and women so that they can continue to work after the birth of a child. We offer time off, leaves of absence, shorter working hours and other benefits so that they can give attention to their children and achieve a healthy work-life balance.

In recent years, nearly 100% of women have opted to take childcare leave.

Childcare Leave Trends

FY	Childcare Leave				Employees using parental reduced hours
	Total[*1]	Women	Ratio of women granted leave[*2]	Men[*3]	
2020	109	37	100%	72 (50)	137
2019	102	41	100%	61 (42)	147
2018	75	35	100%	40 (33)	160
2017	64	44	98%	20 (14)	170
2016	60	42	100%	18 (16)	-
2015	52	40	98%	12 (11)	-
2014	67	49	100%	18 (13)	-
2013	71	66	98%	5 (4)	-
2012	80	66	100%	14 (12)	-
2011	66	55	98%	11 (10)	-

* Data for Seiko Epson Corporation employees as of March 20, 2021.
[*1] Including individuals who took well-being leave.
[*2] Number of individuals granted childcare leave/ eligible individuals.
(Individuals who have had a child and are eligible for childcare leave)
[*3] Numbers in parentheses indicate employees who took special paid leave.

Caregiver Leave Trends

FY	Caregiver Leave	Employees using caregiver reduced hours
2020	2	4
2019	6	4
2018	2	5
2017	2	2
2016	2	-
2015	6	-
2014	4	-
2013	4	-
2012	1	-
2011	2	-

* Data for Seiko Epson Corporation employees as of March 20, 2021.

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.

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	Available for up to 3 years from start of use
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)

Remote work system

Seiko Epson introduced a system in FY2018 that gives time-constrained employees the opportunity to work from home so that they can provide care to dependents, including children and other sick or ill family members. In 2020, the remote work option was expanded to encompass all employees. This allows employees to work from home even if they are not constrained by childcare or nursing/caregiving responsibilities.

Employees can also work remotely from approved locations outside the home, providing even greater flexibility. Or, when their child gets sick, they can work a certain minimum number of hours while their children are sleeping. Whereas parents previously may have had to take paid leave for these situations, they now can work more flexibly around them.

Family tours

Seiko Epson conducts family tours every August. Children of employees visit the company, see our products, make fans using paper printed from an Epson printer, assemble watches, use the employee cafeteria, and participate in other events that show them what Epson is like.

Monitoring and Controlling Working Hours

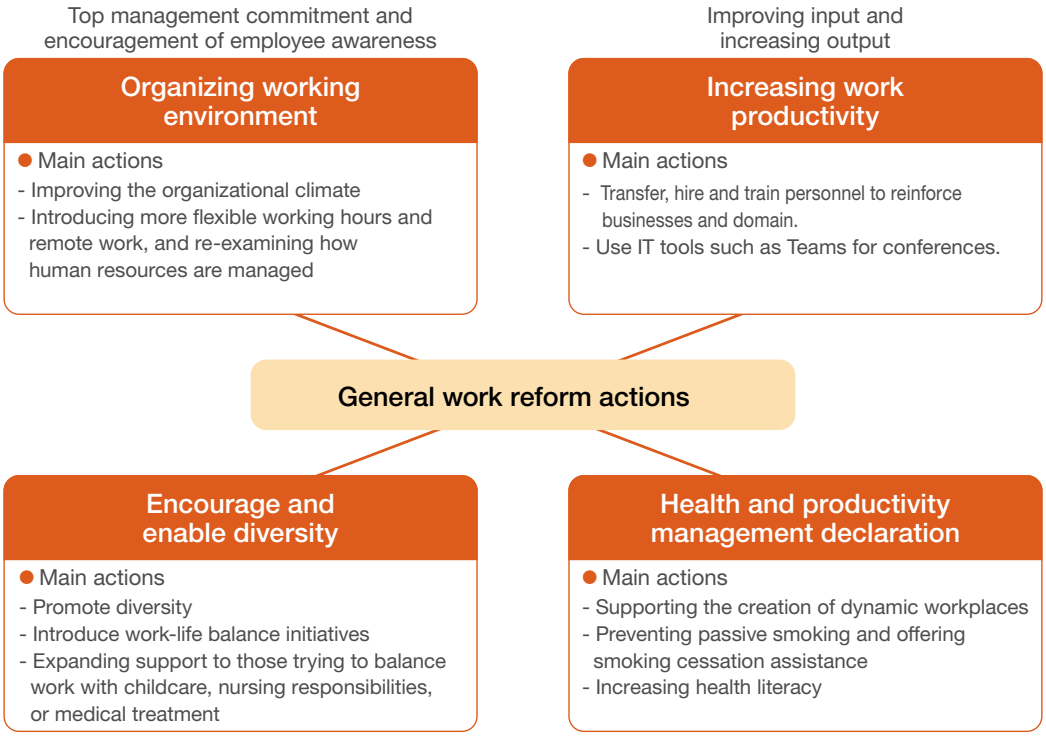
Epson specifies its work goals and work culture. Our goal is for all employees to maintain and improve their physical and mental health while working efficiently in a vital, rewarding work environment, without excessive labor demands. In this way, the company will develop in perpetuity, raising its corporate value and ensuring a win-win relationship with its employees.

We have put in place numerous actions to track and control working hours. In addition to ensuring reasonable working hours and legal compliance by familiarizing employees with an operations manual for managing working hours, we have installed automated systems to track time and attendance to assure that employees do not exceed set limits on working hours. We also frequently remind them in various ways of the importance of maintaining reasonable working hours.

Work reform actions

Epson has been driving work reforms since 2017. In Phase I (FY2017-2019), we prioritized the optimization of working hours and the prevention of long working hours. In Phase II (FY2020-2022), we have been introducing a wider range of work arrangement options. Epson is engaged in medium- and long-term efforts to realize the corporate vision, stated in Epson 25 Renewed, of achieving sustainability and enriching communities, and, recognizing the urgent need to create an environment in which a diverse workforce can work most effectively. In conjunction with this, Epson introduced more flexible work hours and remote work options, including work from home, and the company examined changes to the way it manages human resources (encompassing things such as changes to team building, operations management, personnel evaluations/appraisals, and human resource development). It also expanded and improved support for management to cope with these changes, as well as support for employees who are trying to balance work with childcare, nursing responsibilities, or medical treatment.

General Work Reform Actions



Work Reform Targets

We have set the following work reform targets:
FY2021: Annual Total Working Hours 1,850 hours, Number of Paid Leave Used 18days

Annual Total Working Hours per Employee

FY2016 actual: 2,001 hours
FY2017 actual: 1,971 hours
FY2018 actual: 1,943 hours
FY2019 actual: 1,879 hours
FY2020 actual: 1,848 hours * Impacted by COVID-19

Number of Paid Leave Used

FY2016 actual: 12.6 days (use rate of 63.0%)
FY2017 actual: 14.0 days (70.0%)
FY2018 actual: 13.9 days (69.5%)
FY2019 actual: 15.6 days (78.0%)
FY2020 actual: 15.9 days (79.5%)

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.

In Japan, Epson pays its people based on the principle of equal pay for equal work, regardless of type of employment, as required by law. The wage system does not discriminate by age or gender.

In Japan, for regular employees who are not in management positions, we have introduced a qualified grade-based system wherein compensation is determined by the employee's job and competencies. For leaders, we have a system wherein the compensation is determined by their job, which is given based on their competencies, and the level of roles they are fulfilling. We have a role-based grade system for managers wherein compensation is determined by the size of the person's role. The suitability of non-management employee and leader wages and the wage system are reviewed once a year by a committee made up of members of management and the labor union.

In every country and region outside Japan, we establish rules that are compliant with all local wage-related regulations governing things such as minimum wages, legal benefits, and overtime. Wages, deductions, and so forth are calculated based on these rules, and employees receive an electronic or printed pay stub showing the details of each pay period. Payment is made on 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: 86.5%

Main Employee Welfare and Benefits Systems (Japan)

Category	Description of System
Childcare	Childcare leave, shorter work hours for parents, home care service
Caregiving	Caregiver leave, shorter work hours for caregivers, care insurance
Retirement	Retirement benefits (defined cntribution pension plan, corporate defined benefit pension plan), asset-building pension scheme, etc.
Wellness	Personal injury or illness leave, in-house therapy (massages), special paid leave, payment of additional amount to defray costs of injury, illness and child-rearing, subsidies for general medical checkups
Training	Subsidies for passing national exams, work-related correspondence courses, etc.
Housing	Company housing, property accumulation savings incentives, etc.
Commuting	Subsidies for commuting expenses (gasoline costs, highway tolls, commuter passes, etc.)
Insurance	Group life insurance, corporate group insurance, income insurance
Other	Employee cafeterias, employee stock ownership plan, long-term service award, etc.

Our People

Health and Productivity Management

Health and Productivity Management Initiatives

Epson believes that providing and maintaining a safe and healthy work environment and promoting physical and mental well-being are the foundation of a healthy company. And, proclaiming safety and health to be the lifeblood of the company, we have instituted NESP[*1] activities globally, so that our employees and partners can enjoy working as part of a team in a healthy environment and in the knowledge that they are safe and secure.

In Japan, we manage health and productivity to improve employee wellbeing and increase corporate value. We established a mid-range health plan called Health Action 2020 and tied it in with work reform and health insurance association measures and policies. The president of SEC has committed to creating an environment that encourages free and open communication, making work enjoyable, and changing the organizational climate. In conjunction with this, Epson established a Health Management Office, publicly announced the Health and Productivity Management Declaration below as a management commitment, and is strengthening the initiatives of relevant organizations.

Outside Japan, we are working continuously to improve employee health in ways that fit the situation at each company. Occupational safety and health laws vary by country and region, so each overseas affiliate manages employee health based on local law.

[*1] The New Epson Safety & Health Program (NESP), established in FY2000, is an original Epson program that covers safety, health, fire and disaster prevention and management, and facilities. It is based on an occupational safety and health management system (OSHMS) that conforms to International Labour Organization (ILO) guidelines.

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.

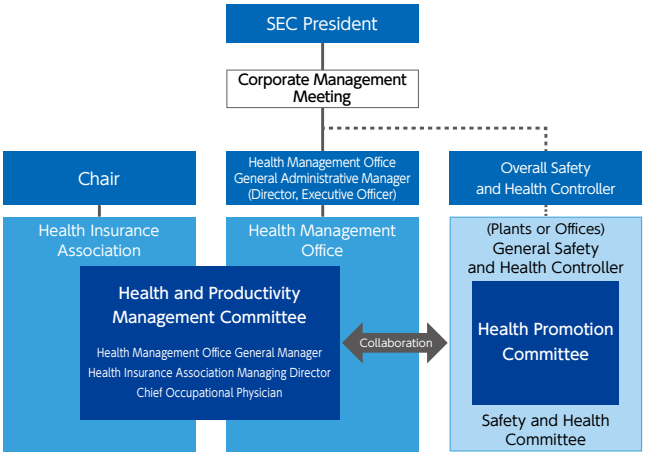
Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Basic NESP Policy (Please refer to page 286 of “Appendices”)

Health Management Objectives and Organization

Objectives. The health of our employees is of the utmost importance to us as a company. Accordingly, we want to see employee health improve and to create a positive, energetic workplace that is conducive to job satisfaction in line with the Management Philosophy and Basic NESP Policy. We believe this will ultimately result in better financial performance and higher corporate value.

Epson Health Management Organization



Organization. Epson established a Health Management Office to drive initiatives under the president, who is responsible for health and productivity management. The director of the Health Management Office is an executive officer who participates in Corporate Management Meetings. The office director, who also serves as the general administrative manager of the Human Resources Division, the chair of the Health Insurance Association, and overall safety and health controller, is responsible for the general management of health and productivity. A Health and Productivity Management Committee shoulders responsibility for health and productivity-related information analysis, measures and policies, as well as health evaluations and improvements. The Health and Productivity Management Committee regularly meets so that activities can be carried out cooperatively among the company, the health insurance union, and the health promotion committees within each site. 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 physicians and a public health nurse serve in an advisory capacity.

Initiatives under Health Action 2020

Health Action 2020, which ran from the 2016 through the 2021 fiscal years, focused on three priority areas: workplace health, physical health, and mental health. The company promotes workplace health with work arrangements and human resources polices that are designed to energize individuals and organizations and promote productivity. Physical and mental health are the foundation on which workplace health depends. The plan is fundamentally focused on ensuring safety and improving the work environment (from the viewpoint of both reducing risk and strengthening positive aspects) as well as fostering the independence and autonomy of employees and departments.

In addition to the physical and mental health of the individual, the plan addresses workplace health[*2] and includes actions to energize and build a sense of unity between individuals and the organization and to increase productivity through work reforms and personnel measures.

In April 2020, we sorted through issues involving the various initiatives taken and decided to continue the following key actions to further accelerate the growth of a sense of workplace unity, which helps to avoid mental health issues, passive smoking countermeasures, and improvement of lifestyle habits.

1. Creating an enjoyable and dynamic workplace environment: Improving the workplace environment based on half-yearly stress checks
2. Passive smoking countermeasures: Prohibiting smoking on the premises of Epson sites nationwide in Japan
3. Improving lifestyle habits by increasing health literacy: Creating teams and holding walking competitions, and providing online courses to raise health-related awareness

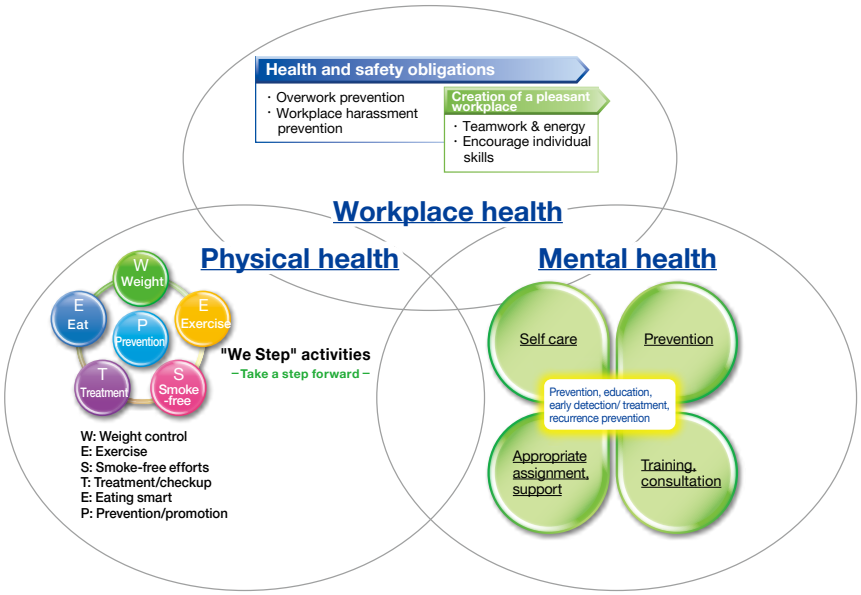
[*2] Epson coined and has used the term "workplace health" since FY2016. It is based on the World Health Organization's definition of health as "a state of complete physical, mental and social well-being" but also incorporates the idea of health and productivity management, which has elements of both mental and physical well-being coupled with how we work. It is creating a safe, dynamic, communicative workplace in which everyone feels energized and enjoys job satisfaction.

Health and Productivity Management Indicators

Indicator	Target Value	2016	2017	2018	2019	2020
Job satisfaction*2 (%)	-	72.3	72.4	71.8	71.3	70.9
Vitality*3 (%)	-	78.6	77.8	78.5	78.2	75.7
Smokers (%)	16.0% or lower	25.6	24.1	22.4	21.5	20.6
Metabolic syndrome or pre-metabolic syndrome (%)	18.0% or lower	18.4	19.7	20.5	20.9	23.3
Mental health leave (1 month or more) rate*4	0.7 or lower	1.0	1.2	1.2	1.0	0.9

*2 Percentage who answered "High" or "Rather high"
*3 Percentage who answered "High," "Rather high," or "Normal"
*4 Indexed with the FY2015 percentage set to 1

Health Action 2020: Three Key Areas and Actions



Recognized for Health Management Excellence for Fifth Consecutive Year

In March 2021, Seiko Epson was recognized for the fifth consecutive year under the Certified Health and Productivity Management Organization Recognition Program (White 500), in the large enterprise category. The program, which is jointly administered by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi, honors enterprises who work with insurers to promote good health and productivity.

Under the recognition program, companies are evaluated in 25 areas related to health and productivity management. Epson satisfied the criteria for all of them. Epson earned among the highest marks in items concerning the involvement of executive management, scheme building and employee education, measures specifically targeting at-risk individuals, and the verification and improvement of issues and measures effectiveness. Epson was at the top level of 2,523 organization replied for this research.

2021
健康経営優良法人
Health and productivity
ホワイト500

Health and Productivity Management and Work Reforms

The health promotion committees at our various sites have been operating since the 1990s in a cooperative effort among management, the union, and the health insurance association based on THP (Total Health Promotion Plan) guidelines to maintain and improve health and revitalize/energize the workplace. Employees selected by their workplace plan and lead activities from an employee perspective.

Initiatives designed to increase workplace health, which are described in Health Action 2020, preserve the spirit of work and work culture goals set forth in 2004 in a labor-management agreement regarding overtime work and work on days off. They are aligned with Epson's position regarding health and productivity management. Epson has been carrying out work reforms to achieve our work and work culture goals. These reforms are driving the improvement of workplace health.

Introductory Statement to "Epson's Work Goals and Work Culture"

Our goal is for all employees to maintain and improve their physical and mental health while working efficiently in a vital, rewarding work environment, without excessive labor demands. In this way, the company will develop in perpetuity, raising its corporate value and ensuring a win-win relationship with its employees.

We aim to achieve this beneficial working style and work culture both for the individual and the company.

Creating an Enjoyable and Dynamic Workplace Environment

Seiko Epson and the companies in the domestic Epson Group are looking to increase the sense of workplace unity and foster a team-oriented, positive workplace environment as a means of improving workplace health. And, to avoid mental health issues, we are focusing on improving the ability of individuals and organizations to manage stress (ability to recognize and deal with stress).

Consultation System

The Health Management Offices at Epson sites have medical professionals (occupational physicians, nurses, and clinical psychologists) who counsel and educate employees about mental and physical health. Meanwhile, Employee Counseling Offices are staffed with industrial counselors who provide mental health as well as career counseling. The Health Management Offices, Employee Counseling Offices, and a Corporate Planning Team work in concert to devise mental health measures. They have undertaken a wide range of actions, from offering individual support to providing site support to improve workplace communication.

Stress Checks

Since 2004, all employees undergo an occupational stress evaluation when they take their annual physical examination. Medical professionals and industrial counselors follow up with employees found to be highly stressed. The primary purpose is to help employees manage their stress. This evaluation facilitates early detection and early treatment of mental health issues.

Since 2017, we have been providing feedback on the results of group analyses along with support to improve the workplace environment. Concrete support was provided to workplaces with issues as well as to workplaces that asked for assistance in making improvements. We interviewed managers, supervisors, and personnel in workplaces that had good scores in the group analysis to gather information about best practices. We shared these with other workplaces, wrote about them in company newsletters, and conducted workshops to improve the workplace. Since 2020, we have stepped up our efforts to assist workplaces by analyzing group results every six months.

Training

We have offered ongoing mental health training since 2000. We provide separate group training for new employees, mid-level employees, and managers. Certain online courses have been designed for all employees. Also, employees gather to read out loud from a mental health textbook.

One example of a distinctive self-care training course is "Around 35: Mental Health for the Prime of Your Career." This course is for employees who are around 35, an age at which their role in the company tends to change and when there are often important changes in their personal lives. Since 2012, a total of 2,414 employees have taken this course, which has been conducted 195 times.

On the other hand, staff care training was revamped for managers in FY2019 because we saw a need for managers and supervisors of various ages to redouble their efforts to improve the work environment. In the 2020 fiscal year, 1,253 out of 1,266 managers (99%) at Epson Group companies in Japan took staff care training. In the future, this training will be extended to workplace leaders, as well.

In November 2019, a guest lecturer was invited to provide training to employees who are in charge of promoting workplace improvements in the personnel and general affairs departments. The topic of the training, for which Epson sought the cooperation of the Kenko Iki-iki Shokubazukuri Forum (sponsored by the Japan Productivity Center), was "What you can do to create a vibrant workplace: Learning about health management from practical examples and building a vibrant organization." In February 2020, a lecture was held for all executives, managers, and supervisors on the topic of "Creating a lively workplace that supports health management: focusing on work engagement."

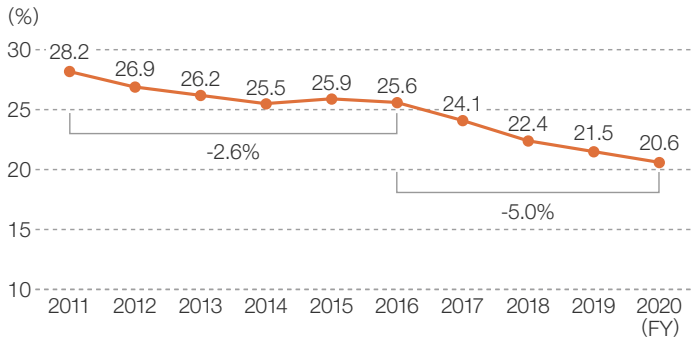
Relapse Prevention

Employees whose mental health issues have caused them to take time off from their jobs can benefit from our back-to-work program. The program has helped smooth the transition back to the workplace and prevent relapses. We have strengthened our efforts to review what led each individual to take a leave of absence when they return to work and have been successful in reducing relapses. Medical professionals and industrial counselors come together to consider how to respond as a team, and they work closely with the individual's primary care physician, workplace manager, and human resources department to provide better support.

Providing a Clean, Smoke-Free Work Environment

We have been stepping up actions to protect employees from harm caused by tobacco smoke. In 2016, we began to gradually reduce the number of smoking areas at our sites in Japan and to move them outdoors. Furthermore, in April 2018, we banned smoking during working hours, except for during the lunch break, and, on October 1, 2020, instituted a complete smoking ban on the premises for additional protection against passive smoking.

Percentage of Smokers (Japan)



We have also been promoting smoking cessation among employees by drawing their attention to associated risks on World No Tobacco Day, offering professional counseling, and fully subsidizing the cost of treatment at a smoking cessation outpatient clinic. These actions have accelerated the rate at which employees in the domestic Epson Group have quit smoking. Whereas the percentage of smokers declined by 2.6% over the five years from FY2011, it declined by 5.0% over the four years since FY2016. In FY2020, the percentage of smokers dropped to 20.6%.

Improving Lifestyle Habits by Increasing Health Literacy

Epson has added initiatives for improving lifestyle habits in order to achieve the indicator targets in Health Action 2020. We plan events and programs to promote physical activity, control weight gain, and help employees maintain a suitable weight, including:

(1) a spring and autumn walking competition under the auspices of the company and health insurance association;
(2) online courses to raise health awareness (in 2020, “Diet that incorporates chrono-nutrition”, and, in 2021, “Exercise and Sleep”);
(3) exercise programs created by the health promotion committees

The spring 2021 walking competition, held from April 22 to June 30, pitted the divisions against one another using the health insurance union’s health data platform. The president endorsed the use of an illustrated self-portrait on a poster advertising the event, and with chief operating officers of the divisions leading the way, the competition drew 4,824 participants.

Epidemic Prevention and Life-Saving Initiatives

Global Roll-out of Measures to Prevent Infections

Epson considers infectious diseases to be a serious risk to its global business activities. To eliminate disease-related plant closures, we have been taking action to ensure that our people are alert to infectious diseases and that they practice measures to prevent their spread in the workplace. Epson Group companies around the world maintain their own business continuity plans (BCP) to control risks associated with emerging infectious diseases. These BCP are tailored to their specific needs and serve not only to protect their employees but to minimize harm and ensure the continuity of business operations. In 2017, we stepped up our inspection and improvement programs at our overseas manufacturing companies to prevent the spread of infectious diseases such as tuberculosis, malaria, and Middle East respiratory syndrome (MERS).

Epson Group companies around the world maintain their own business continuity plans (BCP) to control risks associated with emerging infectious diseases. These BCP are tailored to their specific needs and serve not only to protect their employees but to minimize harm and ensure the continuity of business operations.

Support for Japanese Employees Working Overseas

The Health Management Office has set up a global health support desk to provide consultation services and health-related information to Epson employees from Japan who are working overseas. Previously, occupational physicians and public health nurses visited Epson Group companies to help reduce mental and physical health risks, but due to the coronavirus pandemic, we have begun using an IT tool.

An occupational physician in charge of overseas provides information and education about the three priority diseases (HIV, malaria, and tuberculosis) to employees before they are transferred overseas. Materials that cover a broad range of mental and physical health risks are also posted on the company intranet and are available for viewing by all employees.

Response to COVID-19

We have installed measures to prevent the spread of COVID-19, as we believe that the health and safety of our employees, customers, and other stakeholders are our top priority. In addition to asking employees to take their temperature and assess their health before reporting for work, we have limited the number of people in meeting rooms, installed partitions in the employee cafeteria, and staggered lunch hours to maintain social distance. We have also been changing the way we work in response to the new normal, having expanded eligibility for remote work, limited business trips, and enforced remote meetings.

Training in Life-saving Procedures

There have been incidents in the past in which individuals have suffered cardiopulmonary arrest at Epson sites. In view of this, Epson began to spread awareness of emergency procedures at Group companies in Japan so that we can provide the best first aid and life-saving treatment if we should ever be present when someone suffers such an event. Executives and other personnel have been given hands-on training in cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators (AEDs). As of the end of March 2020, approximately 14,000 employees had received training. This training has had to be suspended due to the pandemic.

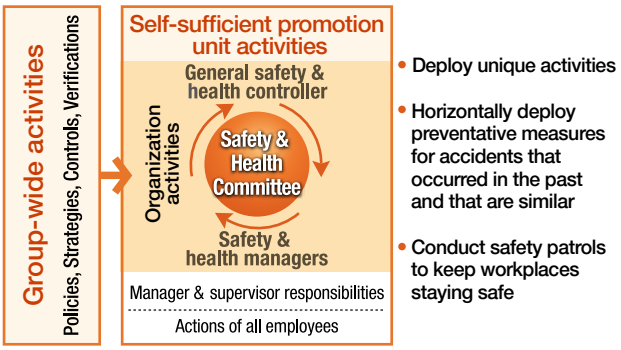
Our People

Occupational Safety and Health

Approach to Occupational Safety and Health

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. Accordingly, understanding that safety and health are the lifeblood of the company, we have instituted safety and health activities at our sites around the world, so that our employees and partners can enjoy working as part of a team in a healthy environment and in the knowledge that they are safe and secure.

Basic Concept of NESP



The core component of this effort is the New Epson Safety & Health Program (NESP), established in FY2000. Covering safety, health, fire/disaster prevention, and facilities, this original Epson program is based on an occupational safety and health management system (OSHMS) that conforms to International Labour Organization (ILO) guidelines. Since that program came into effect, we have enforced the Basic NESP Policy and manage our workplaces with the idea that every workplace is responsible for maintaining its own safety.

Basic NESP Policy (Please refer to page 286 of "Appendices")

Epson believes that the company's reason for being is to allow its employees to use their skills and make them happy. We will communicate this idea among employees and take the necessary actions to achieve it by observing all local and regional laws, regulations, and internal rules. We endeavor to provide safe, secure, healthy workplaces to maintain and promote the mental and physical wellbeing of our people.

Understanding that safety, security, and health are life of the company, we will work together to eliminate occupational accidents, injuries, and illnesses and achieve sustainability and enrich communities.

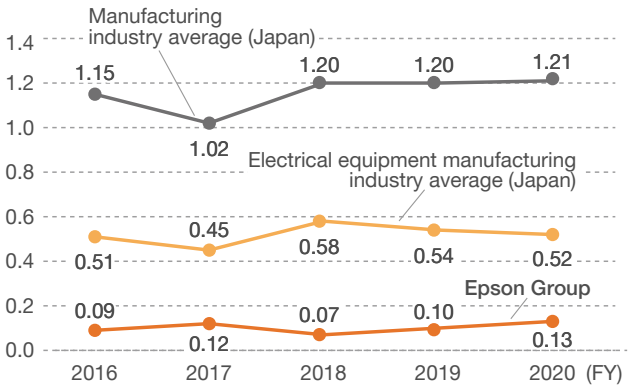
Taro Shigemoto
Director and Executive Officer
General Administrative Manager, Human Resources Division
and Overall Safety and Health Controller

Occupational Accidents

We had no serious occupational accidents (accidents resulting in fatalities or permanent disabilities) in the 2020 fiscal year.

The frequency and severity of occupational accidents in the Epson Group were also far lower than the national average. The frequency and severity did increase over FY2019. However, a drop in operating hours caused by factory closures in response to COVID-19 had an impact on these numbers.

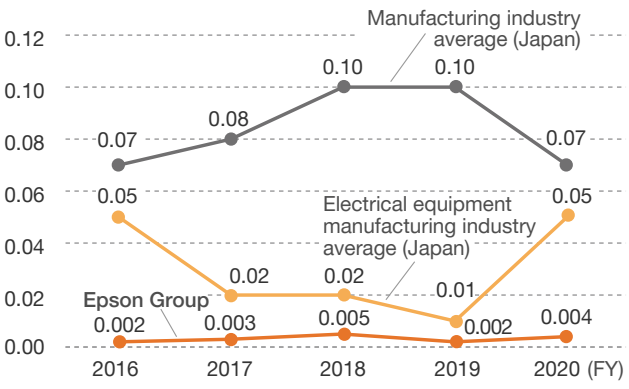
Occupational Injury Accident Frequency



Occupational injury accident frequency = Number of injury accidents / Total actual working hours × 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



Occupational injury accident seriousness = Number of working days missed / Total actual working hours × 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

Safety Management Initiatives

Epson's FY2021 safety targets are as follows.

- Zero serious occupational or industrial accidents
- Frequency 0.13 or less & severity 0.004 or less

Obtaining ISO 45001 Certification

To protect employees from occupational safety and health risks, Epson will systematically aim to acquire certification under the ISO 45001 international standard for occupational safety and health management systems, mainly at manufacturing sites, over a three-year period. As of June 2021, four of our 16 overseas manufacturing sites have acquired ISO 45001 certification, for a coverage rate of 25%.

Thai Subsidiary Awarded Gold for Zero Accident Record

In August 2020, Epson Precision (Thailand) Ltd. (EPTH) was awarded the Gold Level Award under the Zero Accident Campaign, an authorized program of the Thai Ministry of Labor.

This award recognizes companies whose employees have collectively operated without an occupational accident for 10,000,000 consecutive hours or more. EPTH recorded 13,150,385 hours of accident-free operations between March 19, 2017 and December 31, 2019. In the 2019 fiscal year, 75 companies were recognized with the Gold Level Award, 16 of which were Japanese companies.

Global Sharing of Information on Safety and Health

Epson seeks to improve its safety and health programs around the world by holding regular meetings at our production sites in Japan and overseas to share information and discuss issues at the executive management and operational levels. In 2020, as a countermeasure to COVID-19, we switched to online meetings to share information.

At the executive management level, the chief operating officers and presidents of Epson companies and sites in Japan and overseas separately gather twice a year for meetings of the General Safety and Health Controllers Committee to update one another about actions being taken and discuss issues to identify opportunities for improvement.

A December 2020 meeting of the General Safety and Health Controllers Committee in Japan

At the operational level, managers and health and safety personnel also meet regularly to share information. In Japan, they meet every other month to discuss important topics and issues. Overseas, in China and Southeast Asia, representatives from each manufacturing affiliate meet regularly to develop a common understanding on shared issues, discuss key actions to ensure compliance with applicable local legal and regulatory requirements, and drive improvement.

Raising Employee Awareness with Accident Reports

Epson analyzes all occupational injuries and accidents in the Epson Group, identifies causes, and makes plans for preventing similar incidents. Occupational injuries and accidents are reported in the form of Safety News bulletins that describe accident causes, countermeasures, and actions that all sites are to take to prevent similar accidents in the future. These reports are placed on the intranet and discussed with employees.

Professional Development through Safety and Health Training

Epson considers safety and health training vital for protecting employees. The training curriculum is tailored to the position, roles, and responsibilities of employees. Training for non-management employees focuses on practical techniques such as risk assessment and hazard prediction. Training for managers and supervisors focuses on leadership. All Group companies use the same training curriculum.

To prevent COVID-19 from spreading, we train our employees online instead of holding ordinary group trainings. At overseas affiliates in China, employees can take safety courses through their tablet or phone in a secure online environment.

In the 2020 fiscal year, we offered an online safety course in Japan that was taken by about 99% of managers and supervisors (2,406 people) and by about 99% of non-management employees (15,606 people). We also planned and implemented basic training for managers and supervisors overseas. The course was taken by 97% of managers and supervisors in Greater China (700 people) and by 100% in the Southeast Asia territory (1,232 people). In FY2021, we will provide training to all eligible people, including new managers and supervisors, with a goal of a 100% course completion rate.

Fire and Disaster Prevention

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

Formation of Independent Fire Brigades

Epson has had independent fire brigades in place for 66 years. The first brigade was formed in 1955, with 15 employees dedicated to protecting their factory from fire. As our business has grown, so has the number of fire brigades. There are now approximately 900 employee firefighters active at business sites 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.
- Preserve the safety of personnel (render first aid) and extinguish fires early to limit damage to facilities and equipment in the event of an occupational accident or natural disaster.
- Employees who learn about safety and firefighting techniques and skills become key members of the workplace to instruct others there. They model fire/disaster prevention and safety for all employees, which raise workplace awareness of the same.
- Initiatives to fight fire enhance communication. Fire brigades are a good place to foster friendships between members from different departments, develop character, and cultivate human resources.

Fire Brigade Competitions

Epson has held a fire brigade competition annually in September that gives brigade members around the world a chance to demonstrate how quickly they are able to take the proper action in an emergency and to demonstrate their skills in extinguishing a small fire.

About 700 people in 43 teams, including 15 from overseas, took part in the 2019 Competition. The 43 teams consisted of 23 in the small pump division, 12 in the indoor fire hydrant division, and eight in the bugle band division. The high level of fire safety awareness was evident from the seriousness with which the teams competed in bad weather, showing that the spirit to protect lives and property under which the brigades were first formed is alive and well. The entire Epson Group will continue to improve our fire and disaster prevention and management programs.

The FY2020 Epson Group Fire Brigade Competition was canceled due to COVID-19, but the fire brigades continue to routinely practice basic fire-fighting skills to extinguish fires early.

A men's small pump team preparing for spraying water

Members of a ladies' indoor fire hydrant team spraying water while maintaining the trajectory

Drum and bugle corps performing

Facility Safety Maintenance

Epson maintains safe facilities in line with the NESP program to prevent accidents caused by faulty buildings, equipment, and facilities.

Facility safety maintenance covers all domestic and foreign Epson Group buildings and building equipment, including but not limited to electrical equipment, air conditioning and sanitary equipment, drainage equipment, disaster management equipment, communication equipment, and equipment for supplying gas and chemicals to production machinery. Maintaining the soundness of buildings and building equipment, preventing damage from fires and earthquakes, and ensuring the safety of employees and others will help Epson to ensure business continuity and deliver products and services on time. Epson thus has in place a variety of facility safety measures.

For example, before a new building or new building equipment is constructed, installed, refurbished, or removed, a safety assessment is conducted to identify potential problems and improve designs. In addition to managing safety during construction, we also conduct post-construction safety assessments where we check whether buildings and building equipment were constructed or installed as designed. If there is a problem, we have it fixed, and if it is not fixed, the building or equipment cannot be used until the problem is resolved.

In addition to ensuring compliance with applicable laws, regulations, and codes when conducting safety assessments, we are also working to build safer buildings and building equipment by establishing our own standards and preventing the recurrence of past accidents and problems.

In many cases, we hire outside contractors to do the actual construction work. When we hire a contractor, we carefully manage safety by communicating the construction rules, controlling access to the site, ensuring that confidentiality is maintained, and providing instructions for working safely. We also try to raise safety awareness among contractors by holding safety conferences.

To encourage employees to acquire the licenses and qualifications needed for facility management and to maintain and raise the level of facility management, Epson provides employees with ongoing professional education. To help ensure electrical safety, Epson created its own program for training and qualifying electrical equipment technicians. Only qualified technicians are allowed to perform electrical work and maintenance on machinery used at Epson sites worldwide.

We at Epson will continue to try to eliminate occupational accidents through activities like these.

Building safety assessment

Contractor safety conference

Electrical equipment technician training

Corporate Governance

To achieve our goals, promote sustainable growth, and increase long-term corporate value, Seiko Epson continuously improves corporate governance to ensure transparent, fair, and fast decision-making, including by ensuring that independent outside directors comprise at least one-third of the board, and by establishing committees to nominate officers and determine compensation.

Epson will continue to enhance the effectiveness of its corporate governance by further improving the supervisory function of the Board of Directors and by enhancing discussions at board meetings, as well as by speeding up decision-making in management as a company with an Audit & Supervisory Committee.

Principles of Corporate Governance

The general principles of corporate governance at Epson are as follows:

1. Respect the rights of shareholders, and secure equality.
2. Keeping the interests of shareholders, customers, communities, business partners, employees and other stakeholders in mind, work in an appropriately cooperative manner with them.
3. Disclose company information as appropriate and ensure transparency.
4. Directors, Executive Officers, and Special Audit & Supervisory Officers shall be aware of their fiduciary responsibilities and shall fulfill the roles and responsibilities expected of them.
5. Epson shall engage in constructive dialogue with shareholders.

Corporate Governance Structure

Seiko Epson ("the Company") has established itself as a company with an Audit & Supervisory Committee with the aim of strengthening the supervision and monitoring of management and of speeding up decision-making by separating the management supervision and execution of operations.

The main corporate management bodies and their aims are described below.

Board of Directors

The Board of Directors, with a mandate from shareholders, is responsible for realizing efficient and effective corporate governance, through which the Company will accomplish its social mission, sustain growth, and maximize corporate value over the medium and long terms. To fulfill its responsibilities, the Board of Directors supervises general operations to ensure that operations are fair and transparent. The Board of Directors also makes decisions on important business affairs of the Company, such as decisions on the formulation of important business matters, such as the establishment of management plans and business plans and decision on investment projects that exceed a certain fixed amount of money.

The Board of Directors is composed of 11 directors[*1], including five Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. Meetings of the Board of Directors are chaired by the Chairperson of the Board (who is a Non-Executive Director) per the Board of Directors Regulation. The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations. Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. Under the company with an Audit & Supervisory Committee structure, the scope of business affairs delegated by the Board of Directors to executive management, such as making decisions on investment projects that are less than a certain fixed amount of money, has been expanded. As such, matters discussed by the Board of Directors are limited to motions of the highest importance (e.g., governance, capital policy, compliance, risk management, deliberations on megatrends and mid- to long-term strategies), thereby speeding up business decision-making and increasing the agility of business. The Company has specified in the Corporate Governance Policy that at least one-third of the members of the Board of Directors shall be Outside Directors.

[*1] As of June 30, 2021

Audit & Supervisory Committee

The Audit & Supervisory Committee, with a mandate from shareholders, is responsible for independently and objectively auditing and monitoring the execution of Director duties and for ensuring the sound and sustained growth of the Company. The Audit & Supervisory Committee establishes criteria for properly evaluating potential External Financial Auditors. After selecting External Financial Auditors, the Audit & Supervisory Committee verifies whether External Financial Auditors possess the necessary independence and expertise. In addition, the Audit & Supervisory Committee conducts audits in cooperation with internal audit departments and Financial Auditors.

The Audit & Supervisory Committee is composed of four Audit & Supervisory Committee members[*2], 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, 2021

Compliance Committee

The Compliance Committee hears and discusses important matters concerning the Company's compliance program in order to supervise whether the compliance program is being properly implemented along the executive line. It reports its findings and offers opinions to the Board of Directors.

As an advisory body to the Board of Directors, the Compliance Committee is composed of all 5 Outside Directors and Directors who are full-time members of the Audit & Supervisory Committee. It is chaired by the full-time member of the Audit & Supervisory Committee, and meetings are held once every six months and as needed.

A Chief Compliance Officer ("CCO") is chosen by the Board of Directors to oversee and monitor the execution of all compliance operations. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

Director Nomination Committee & Director Compensation Committee

A Director Nomination Committee and a Director Compensation Committee have been established as advisory bodies to the Board of Directors, with the aim of ensuring the transparency and objectivity regarding selections for and compensation of Directors, Executive Officers and Special Audit & Supervisory Officers. Outside Directors are the main members and the human resources department is the secretariat.

The outline of each Committee is as follows:

Composition

The Director Nomination Committee and the Director Compensation Committee are both comprised of all the Outside Directors, the President/Representative Director, and the Director in charge of Human Resources. Directors who are full-time members of the Audit & Supervisory Committee can attend either meeting as observers.

By a resolution of the Board of Directors in June 2021, the chairperson will be elected by the Board from among the Outside Directors.

Activities of the Director Nomination Committee

The Committee met eight times during the period from April 2020 to the time of the dispatch of this convocation notice. The Committee deliberated on matters including policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers) and candidate proposals, changes to the timing of appointment of Executive Officers, and chairpersons of the Director Nomination Committee and the Director Compensation Committee.

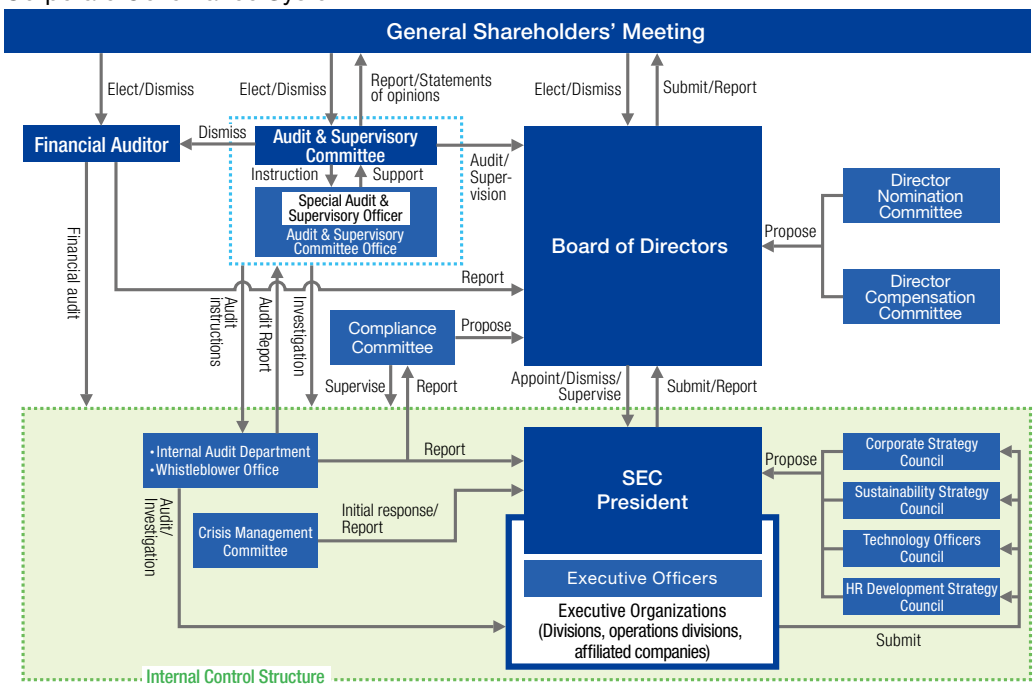
Activities of the Director Compensation Committee

The Committee met nine times during the period from April 2020 to the time of the dispatch of this convocation notice. The Committee deliberated on matters including the amount of base compensation and bonuses for each Director, as well as granting of basic points under the performance-linked compensation system.

Corporate Strategy Council

The Corporate Strategy Council is an advisory body to the President. It was created to help ensure that the right decisions are made based on the advice and views of executive management. Meetings of the Corporate Strategy Council are held to discuss important matters that affect the entire Epson Group and matters brought up before the Board of Directors. The Corporate Strategy Council is composed of Directors, Executive Officers, and Special Audit & Supervisory Officers.

Corporate Governance System



Nomination of Officers

With an aim to ensure transparency and objectivity, Director candidates who are submitted for their appointments to the General Meeting of Shareholders are determined by the Board of Directors after going through a fair, transparent, and rigorous screening and reporting by the Director Nomination Committee in which Outside Directors make significant contributions.

Policies

1. Officers must be impartial and possess high integrity and ethical standards
2. Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established "Criteria for Independence of Outside Directors."

* As a general rule, Outside Directors shall not concurrently serve as either a Director or a Kansayaku of more than three publicly listed companies other than Epson per the bylaws established by resolution of the Board of Directors.
* Per Epson policy, Directors shall attend at least 75% of the meetings of the Board of Directors per year.

Procedures

1. After passing a fair, transparent, and rigorous screening and reporting by the Director Nomination Committee, Executive Director candidates and Executive Officers are selected by the Board of Directors in addition to the foregoing policy and on nomination criteria, such as broadness of insight, extensiveness of experience, sense of mission, sense of responsibility, leadership, and the ability to drive change.
2. The Director Nomination Committee screens Non-Executive Director candidates and Special Audit & Supervisory Officers in a fair, transparent, and rigorous screening in line with the foregoing policy and on the basis of nomination criteria, including but not limited to broadness of insight, extensiveness of experience, sense of mission, sense of responsibility, management knowledge and specialized knowledge. The Director Nomination Committee reports its opinions to the Board of Directors, which finalizes the selections. 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 partner[1], or has served as an executive[2] within the past five years in an entity for which the Company is a major business partner;
   II. The person is a major business partner[3] 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 compensation[4] (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 shareholder[5] 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 lender[6] 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 donation[7] from the Company or, within the past three years, has performed duties equivalent to those of an executive as an employee of a corporation or a group, such as a union, that has received a large donation from the Company;
X. The person came from an entity that employs someone from the Company as an Outside Director; or
XI. A spouse or relative within the second degree of kinship of a person having the interests listed in (1) through (9) above.

2. Even if any of the foregoing criteria apply to a potential Outside Director, the Company can elect that person as an Outside Director if that person satisfies the requirements for Outside Directors set forth in the Companies Act, and the Company deems the person suitable as an Outside Director of the Company in light of his or her personality, knowledge, experience, or other qualifications upon explaining and announcing the reasons thereof.

Notes
1. A person (usually a supplier) considers the Company to be a major business partner if 2% or more of its consolidated net sales (consolidated revenue) has come from the Company in any fiscal year within the past three years.
2. "Executive" means an executive officer, executive director or operating officer, or an employee occupying a senior management position of department manager or higher.
3. A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated revenue has come from that partner in any fiscal year within the past three years.
4. "A large sum of money or other forms of compensation" means an average annual amount for the past three years that is:
   I. no less than 10 million yen for an individual; or
   II. no less than 2% of the annual revenues in any fiscal year for a group.
5. "Major shareholder" means a shareholder who directly or indirectly holds 10% or more of the voting rights.
6. "A major lender" means a financial institution or other major creditor that is indispensable for the Company's financing and on which the Company depends to the extent that it is irreplaceable in any fiscal year within the past three years.
7. "Large donation" means a donation whose annual average amount for the past three years exceeds either:
   I. 10 million yen or
   II. 30% of the annual expense of the group, whichever is higher.

Reason for Appointed as Outside Directors, and Attendance at Meetings of the Board of Directors

Name	Reason for Appointment	Attendance at meetings of the Board of Directors
Hideaki Omiya	Mr. Omiya has served as the President and a Chairman of the Board of Mitsubishi Heavy Industries, Ltd. and has considerable experience and insight as a chief executive and engineer. He has monitored corporate management by expressing opinions actively including findings and proposals regarding overall managerial issues from a perspective of a corporate manager well-versed in the global corporate management in the heavy industry, a different business field. We have nominated him as a candidate for independent Outside Director with the expectation that he will utilize his wealth of experience and insight to monitor corporate management appropriately in order to achieve sustainable growth and improve the Company's corporate value over the medium and long terms.	13/13 meetings (100%)
Mari Matsunaga	Ms. Matsunaga has created new business models and served as an Outside Officer in multiple companies, has a wealth of experience and considerable insight. She has effectively monitored corporate management by actively speaking out on and proposing solutions to managerial issues,As an Outside Director of the Company, she has appropriately monitored management, actively pointing out business issues and offering recommendations particularly from the viewpoint of promoting open innovation. We have nominated her as a candidate for independent Outside Director with the expectation that she will utilize her wealth of experience and insight to monitor corporate management appropriately in order to achieve sustainable growth and improve the Company's corporate value over the medium and long terms.monitor corporate management appropriately aimed at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term.	13/13 meetings (100%)
Yoshio Shirai	Mr. Shirai has served as Directors at Toyota Motor Corporation, Hino Motors, Ltd. and Toyota Tsusho Corporation. He has considerable insight, a wealth of experience as a corporate manager, and a track record of achievements as an Outside Director and member of the Company's Audit & Supervisory Committee. We have nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee member with the expectation that he will appropriately supervise and contribute to the soundness of the Company's management so as to achieve sustainable growth and improve the Company's corporate value over the medium and long-terms.	13/13 meetings (100%)
Susumu Murakoshi	Mr. Murakoshi possesses a high level of professional knowledge and insight as an attorney. Given his extensive experience in the legal community, which has included stints as the Chairman of the Japan Federation of Bar Associations and the Chairman of the Political Federation of Japan Patent Attorneys, the Company believes that Mr. Murakoshi can be expected to contribute to the effective supervision and soundness of management so as to help ensure sustained growth and enhance long-term corporate value.	10/10 meetings (100%)
Michiko Ohtsuka	Ms. Ohtsuka possesses a high level of professional knowledge and insight as a certified public accountant. Given that she has experience and considerable insight as an Outside Officer in a public company, the Company believes that Ms. Ohtsuka can be expected to contribute to the effective supervision and soundness of management so as to help ensure sustained growth and enhance long-term corporate value.	10/10 meetings (100%)

* Mr. Murakoshi and Ms. Ohtsuka were eligible to attend the 10 meetings held after their appointment at the Ordinary General Meeting of Shareholders on June 25 2020.

Succession Plans

The Company's Director Nomination Committee, which is composed primarily of Outside Directors, discusses enhancements to succession plans and the Director appointment process, reviews the roadmap, selects Director candidates, establishes and implements development plans, and reviews the process for evaluating, narrowing down, and replacing candidates.

The Company selects candidates for senior management positions in order to systematically develop these individual as future executives. After their development is assessed, the HR Development Strategy Council, an advisory body to the President, devises and implements a concrete development plan. The state of development and issues are reported to the Director Nomination Committee, and development activities are further enhanced under the supervision and advice of the Outside Directors. Candidates to succeed the President are identified through the aforesaid process and developed by appointing them to key management roles and by providing them with other essential training opportunities.

Matrix of Areas of Expertise Particularly Expected for Directors

The Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, the Company has a fundamental policy of assembling a Board of Directors that is well balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill, without regard to things such as gender, race, ethnicity, nationality, cultural background, or age.

The current Board of Directors reflects this policy and has articulated a management organization for realizing the Management Philosophy and corporate vision so as to enable the Company to achieve sustainable growth and improve corporate value over the medium to long term.

The areas and skills where there are particularly high expectations for Directors are as below.

Title	Name	Areas of expertise and skills particularly expected by the Company						
		Corporate management	Development Design Technology Production	Sales Marketing	IT Digital	Finance Accounting	Legal affairs Compliance	Global (Internationality)
Chairman and Director	Minoru Usui	●	●	●				
President and Representative Director	Yasunori Ogawa	●	●		●			
Representative Director Senior Managing Executive Officer	Koichi Kubota	●		●				●
Director Managing Executive Officer	Tatsuaki Seki				●	●	●	
Director Executive Officer	Taro Shigemoto					●	●	●

Title	Name	Areas of expertise and skills particularly expected by the Company						
		Corporate management	Development Design Technology Production	Sales Marketing	IT Digital	Finance Accounting	Legal affairs Compliance	Global (Internationality)
Outside Director	Hideaki Omiya	●	●		●			
Outside Director	Mari Matsunaga			●	●			
Director Full-Time Audit & Supervisory Committee Member	Masayuki Kawana					●	●	
Outside Director Audit & Supervisory Committee Member	Yoshio Shirai	●	●					●
Outside Director Audit & Supervisory Committee Member	Susumu Murakoshi					●	●	
Outside Director Audit & Supervisory Committee Member	Michiko Ohtsuka					●	●	

* Up to three areas of expertise particularly expected are stated.

Compensation of Officers

With an aim to ensure transparency and objectivity, compensation of officers is determined by the General Meeting of Shareholders, the Board of Directors or Audit & Supervisory Committee after going through a fair, transparent, and rigorous reporting by the Director Compensation Committee in which Outside Directors make significant contributions.

Policies

The Company has established the basic policies regarding the Officer compensation in its internal rules decided by the Board of Directors.

Compensation of Officers Who Have Executive Duties

1. Compensation shall provide incentive to improve business performance in order to increase corporate value in the near, medium, and long terms.
2. Compensation shall be sufficient to attract 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.

Compensation Policies for Officers Who Do Not Have Executive Duties

1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract qualified persons both from within the Company and from outside.

Compensation System

The Officer compensation system consists of the following components: base compensation, which is comprised of fixed compensation and a variable portion, bonuses, which are performance-linked compensation, and stock compensation, which is performance-linked, non-monetary compensation. Non-Executive Officers receive base compensation only, a fixed amount, because their role is to supervise general management. They do not receive bonuses and stock compensation, which are forms of compensation that are linked to performance and share price.

Base Compensation (fixed and variable)

Base compensation is a monthly monetary amount that is determined by taking into account factors such as the individual's position and responsibilities. The variable compensation component of base compensation for Officers who have executive duties reflects the results of annual performance evaluations based on criteria set according to the individual's role. (Variable range: 20%)

Bonuses (variable)

Monetary compensation is paid as a bonus once per year to Officers who have executive duties in an amount determined in accordance with considerations such as the level of achievement with respect to annual operating performance targets. It is possible that bonuses may not be paid if business profit does not reach a certain amount. Bonuses reflect the results of annual performance evaluations based on criteria set according to the individual's role. (Variable range of bonuses in months' worth of salary: ±1.2 months)

Bonuses are calculated based on a calculation standard that the Board of Directors has determined in advance. However, due to the nature of the short-term incentive bonus, non-recurring losses and other factors are taken into account based on the business profit of a single fiscal year. The amount of bonuses payable are calculated by multiplying the monthly amount of base compensation by a certain number of months determined according to the achievement level of the abovementioned performance indicators, in accordance with the calculation standards predetermined by the Board of Directors. The final payment amount is decided at the Ordinary General Meeting of Shareholders to ensure transparency.

Performance-linked Compensation (variable)

Officers who have executive duties are compensated with Seiko Epson shares under a trust scheme. Under this system, the Company contributes money up to 500 million yen in total for each target period, which covers a period of three consecutive fiscal years, to the trust as compensation for officers eligible for this system. During each target period, the trust uses the entrusted money to acquire up to 300,000 shares (in the event of a share split, share consolidation, etc., the said maximum number of shares will fluctuate in proportionate to the ratio of split or consolidation) of the Company's ordinary shares from the stock market or the Company (disposal of treasury shares). Every July during the trust period, basic points are granted based on positions and other factors. The number of points will fluctuate by multiplying the basic points by a performance-based coefficient determined based on the achievement level of the Company's medium- to long-term performance targets (the maximum number of total points per year is 100,000 points, and one point is equivalent to one share). In principle, after the elapse of three years from the date of grant of basic points, approximately 50% of the Company's ordinary shares equivalent to the number of points after multiplying the

performance-based coefficient determined based on the achievement level of the Company's medium-term performance targets, which include business profit, ROS, and ROE, are delivered from the trust, and the remainder is paid as money equivalent to the cash value of the Company's ordinary shares for the purpose of appropriating it as funds to pay withholding taxes and other taxes.

The ratio of stock compensation to base compensation increases or decreases from 10% to 22% depending on position, while the number of shares delivered is linked to the achievement level of the performance indicators during the target period (3 years).

The Company has introduced provisions (malus and clawback provisions) under this stock compensation system that will cause Officers to lose their right to receive stock and require them to pay back an amount equal to the value of the stock already issued if they are found to have violated any laws, ordinances, or company regulations, standards, or other policies.

The Company has selected quantitative evaluations (business profit, ROS, ROE, cash flows from operating activities) as well as qualitative evaluations as indicators, so that the performance-linked compensation based on performance indicators can provide appropriate incentives to Directors and for the purpose of showing its commitment to promoting sustainable growth and increasing its medium to long-term corporate value. The Director Compensation Committee qualitatively evaluates performance based on progress against the previous Mid-Range Business Plan financial targets, the effects of currency volatility, progress in ESG management (environment assessment, CSR survey ranking and evaluation of the effectiveness of the Board of Directors), etc.

Compensation to Directors (Fiscal year ended March 2020)

(Millions of yen)

Category	Number of individuals (Persons)	Base compensation		Performance-linked compensation		Total
		Fixed (monetary)	Variable (monetary)	Bonuses (monetary)	Stock compensation (non-monetary)	
Directors who are not Audit & Supervisory Committee members (of which, Outside Directors)	8 (2)	290 (28)	9 (-)	76 (-)	24 (-)	400 (28)
Directors who are Audit & Supervisory Committee members (of which, Outside Directors)	6 (5)	81 (48)	- (-)	- (-)	- (-)	81 (48)
Total	14	372	9	76	24	482

Notes
1. 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.
2. The amount above includes bonuses to be paid to Directors in the amount of 76 million yen (amount to be paid to five 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 25, 2021.
3. The Company introduced a performance-linked stock compensation plan (stock compensation) by employing a framework referred to as the officer compensation BIP (Board Incentive Plan) trust, for the purpose of showing its commitment to promoting sustainable growth and increasing its medium to long-term corporate value, in addition to strengthening the sense of sharing common interests with its shareholders. The stock compensation stated above represents the amount recorded based on Japanese Generally Accepted Accounting Principles (JGAAP) concerning the stock delivery points granted in the current fiscal year.
4. The number of individuals above includes two Directors who are Audit & Supervisory Committee Members who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2020.
5. Stock options are not granted.

Actions to Ensure Board Effectiveness

1. Overview of Efforts to Evaluate the Effectiveness of the Board of Directors

The Board of Directors of the Company analyzes and evaluates the effectiveness of the entire Board of Directors every year based on Article 28 of the Corporate Governance Policy.

Evaluating the effectiveness of the Board of Directors

When evaluation is performed: February to March
When evaluation results are analyzed and issues are selected: April to May
Disclosure of issues in a Corporate Governance Report: June
Interim report to the Board of Directors (regarding actions taken to resolve issues): October
Final report to the Board of Directors (regarding action take to resolve issues): February of the following year
Disclosure in a Corporate Governance Report of the results of actions taken to resolve issues: June of the following year

2. FY2019 Evaluation Results

The Company analyzed and evaluated the effectiveness of its Board of Directors by asking all Board members to complete a questionnaire that covered the topics listed below.

1. Board composition, functioning, and operation
2. The function of the Audit & Supervisory Committee
3. The function and operation of advisory bodies to the Board
4. Management team evaluation, compensation, succession planning, and training
5. Dialogue with shareholders
6. Other

The results showed that the Board of Directors as a whole is functioning effectively.
The Company identified and addressed the issues below to improve Board effectiveness in the future.

1. Further improving the organization and disclosure of business strategy risks and opportunities
   We have redefined the risks in the Company's management strategy, concretized the risk items, and clarified the relevance to the business strategy. The management process for further enhancing the effectiveness of risk management has been rearranged and applied since 2021.
   The Company's website discloses our view on the risks associated with changes in paper demand, while Integrated Report 2020 states the risks and opportunities for the Company vis-á-vis the social transformation brought about by the Covid pandemic.
   The Company's view on the risks associated with changes in paper demand: (WEB https://global.epson.com/SR/tcfd/) Risks and opportunities for the Company vis-á-vis the social transformation brought about by the Covid pandemic: (WEB https://global.epson.com/IR/library/integrated_report.html)
   We will continue to consider whether to further expand the scope of disclosure of risk management items based on a comprehensive assessment, including of the social and competitive environments.
2. Further improving the organization and disclosure of the thinking with regard to business portfolio management.
   The businesses in the Company's portfolio have been positioned and broadly divided into three areas according to the product life cycle: a new area, growth area, and mature area.
   Funds will be allocated and targets set according to the positioning of the business, the PDCA cycle will be implemented for each, and the direction of the businesses will be determined while taking into consideration synergies among businesses. These strategies were articulated in the Epson 25 Renewed Corporate Vision announced in March 2021.

In April 2021, we transferred the IC test handler business to Kanematsu Corporation as part of our business portfolio management efforts.
The generated cash will be preferentially allocated to growth investments primarily in growth areas, new areas, and the environment. On top of that, the Company will continue to provide stable shareholder returns and build a sound financial structure.

3. FY2020 Evaluation Results

To incorporate a more objective perspective to the Board of Directors effectiveness evaluation for the 2020 fiscal year, we asked an independent firm to evaluate and provide feedback about each step in the process, from creating a questionnaire to analyzing and evaluating the answers.
In addition, the Company dug deeper based on recent corporate governance trends (such as the interests of institutional investors) and identified the following issues in order to improve effectiveness in the future:

1. Promote diversity; and
2. Promote digital transformation (DX).

In the future, we will work to further improve effectiveness by addressing these issues.

Responding to Large-Scale Acquisitions of Seiko Epson Shares

Epson's Corporate Governance Policy stipulates the following:

1. Whether to accept a bid to purchase a number of shares that would give the acquirer control over the Company's financial and business policies ("large-scale acquisition" hereafter) should ultimately be decided by the shareholders.
2. Epson shall ask persons who attempt to make large-scale acquisitions of Company shares to provide a sufficient amount of the information needed to determine the desirability of the large-scale acquisition from the perspective of ensuring and enhancing corporate value and the common interests of shareholders, after which Epson shall disclose the opinions of the Company's Board of Directors regarding the proposed large-scale acquisition, thereby doing its due diligence to provide shareholders with the time and information they need to consider the desirability of the large-scale acquisition. The Company shall also take appropriate actions based on the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations.

Organizational Governance

Internal Control System

Epson's Management Philosophy outlines the vital business principles to which the global Epson Group is committed, while Epson's Principles of Corporate Behavior describes the conduct required to live up to these principles. Epson has established the basic concept of internal control in the Basic Internal Control System Policy, and is taking action to steadily improve internal control across the entire Group.

Group Governance

The Epson Group is managed based on the concept: global consolidated responsibility of product-based divisions; and global responsibility of the Head Office supervisory functions. The head of the business operations divisions take the responsibility for the business execution systems of subsidiaries. And the head of Head Office supervisory sections take the responsibility for Group-level corporate functions. With this system, Epson strives to streamline operations throughout the Epson Group, including subsidiaries.

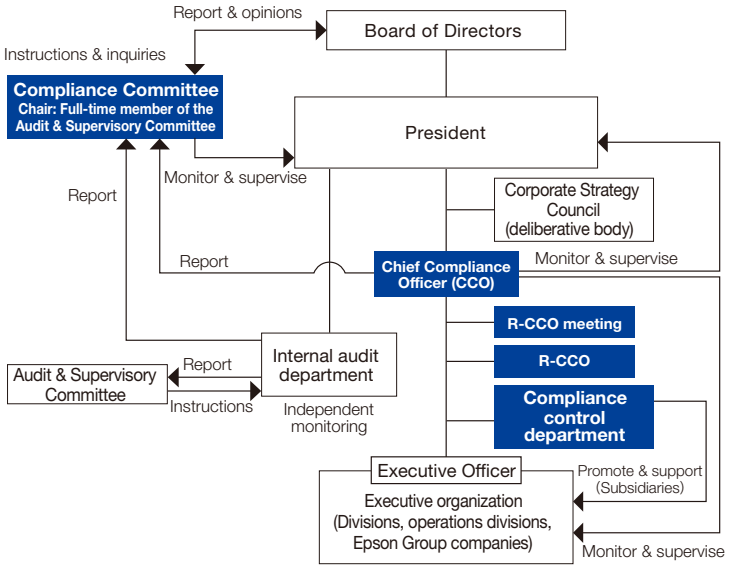
Compliance and Risk Management

Epson's goal is to continuously create value that exceeds customer expectations while building trust with all stakeholders based on the company's Management Philosophy. To maintain and strengthen this trust, Epson seeks to increase management transparency and fairness and effectively manage compliance and risks through faster decision-making. There were no compliance-related issues that were subject to timely disclosure in the FY2020.

Compliance Organization

As an advisory body to the Board of Directors, the Compliance Committee is made up of five outside directors and one director who is a full-time member of the Audit & Supervisory Committee. It is chaired by the full-time member of the Audit & Supervisory Committee, and supervises business affairs by discussing important compliance activities and making reports and suggestions to the Board of Directors. The Chief Compliance Officer (CCO) supervises and monitors the execution of all compliance operations, including that of the president, and periodically reports the state of compliance affairs to the Compliance Committee. The Regional Chief Compliance Officers (R-CCOs) assist the CCO as instructed by the CCO in order to promote effective compliance activities that take into account local laws, business practices and other societal demands. They promote and enforce compliance in their respective subsidiaries within the scope of their responsibilities. The CCO and R-CCOs periodically hold R-CCO meetings to discuss important matters relating to compliance activities at subsidiaries. In addition, a compliance control department monitors compliance in general, making corrections and adjustments as needed to enhance the completeness and effectiveness of compliance activities.

Compliance Organization Chart



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

Whistleblowing Systems and Reporting Channels

Epson provides Epson Helplines as reporting channels for directors and employees of Group companies in Japan. The helplines have been set up both internally and at a third-party provider outside the Group. To get specific instructions on using these helplines, employees can read the Epson Helplines User Manual on our intranet. Trainings and other opportunities also cover helpline use. We have in addition provided a supplier whistleblowing system for third-party business partners and others to quickly call our attention to potential compliance problems that might go undetected internally. We use our public websites to notify potential users about this system and discuss it at supplier briefings. In these reporting channels, the identity of whistleblowers is rigorously protected and reprisals of any type are strictly forbidden.

Our Epson Global Code of Conduct and Epson Group Whistleblowing Systems Regulation, moreover, require that every Group company in Japan and overseas establish a point of contact for taking reports from directors and employees, strictly manage information contained in reports, and forbid reprisals against whistleblowers. The content of these policies is clearly stated on our intranet. We also use tools like online learning during Compliance Month and job-class-specific training to actively raise employee awareness and inform them of these policies.

In FY2020, our reporting channels in Japan took 78 reports, an increase of 13 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 Helpline, we also set up advisory services for specific concerns. This helps us to maintain and operate an environment that makes it easier to seek advice.

Counseling and Support Services in Japan

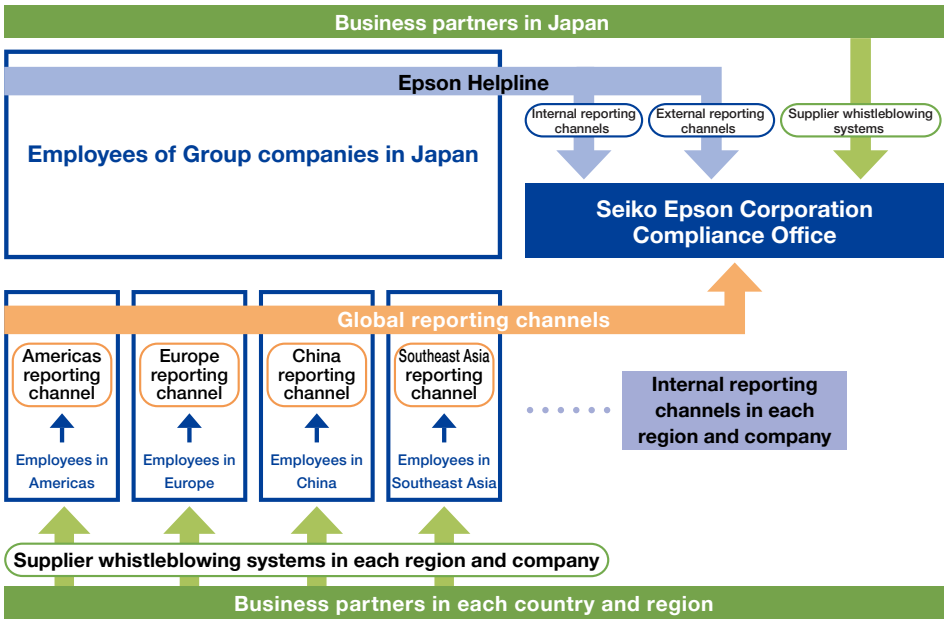
- Harassment counseling
- Management advisory service
- Counseling related to overwork and long working hours
- Career counseling
- Counseling for persons with disabilities
- Employee counseling
- Corruption (bribery) regulations advisory service
- Competition laws advisory service
- Insider trading advisory service

All overseas Group companies provide channels for taking reports from employees, including a channel for each region and a channel for each company. Employees can access these channels in their local language (English, Chinese, Indonesian, etc.). In addition, many Group companies overseas have supplier whistleblowing systems and make sure that their business partners (mainly suppliers) are aware of them.

We have also introduced the Epson Executive Compliance Hotline, a global reporting channel that directly takes reports on possible compliance problems among executives in Group companies outside Japan. Employees at overseas Group companies are informed about this hotline, which helps us to enhance the completeness and effectiveness of the Epson Group whistleblowing system.

Epson periodically investigates the operating effectiveness of Group company reporting channels. The effectiveness of such channels throughout the Group, including those in Japan, is periodically reported to the Board of Directors, Compliance Committee, and other corporate management meeting bodies. Investigation results are also sent to Group companies as feedback and used to build on the effectiveness of the whistleblowing system.

Epson Group Whistleblowing System

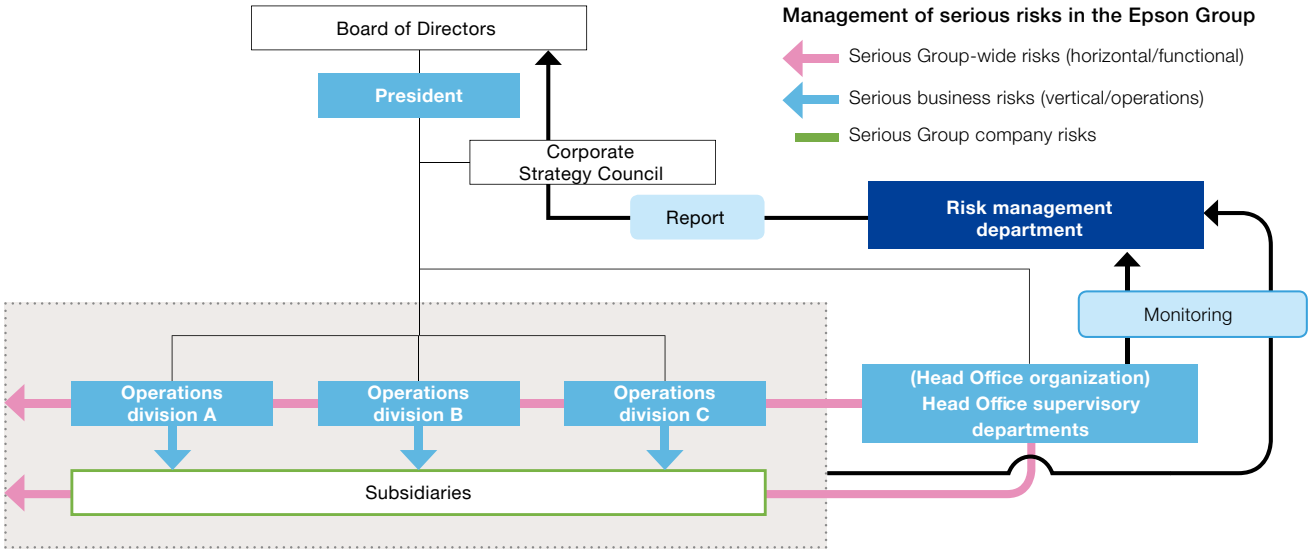


Risk Management Organization

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.

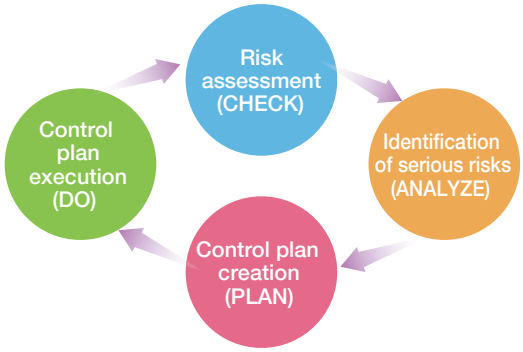
Risk Management Organization Chart



Epson identifies serious risks that could have significant consequences on the company as below.

- 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 monitors the progress. The company also strives to ensure control plan effectiveness by quarterly evaluating serious Group-wide risks and half-yearly evaluating serious business risks and serious Group company risks, and by revising the plans as needed. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly.

Crisis Management

Epson has a standing Crisis Management Committee. The committee is chaired by the president. The general administrative manager in charge of risk management serves as vice-chair. The rest of the committee is made up of the general administrative managers of supervisory departments at the Head Office. An organization and a predetermined crisis management program are in place to enable us to rapidly mount an initial response in a crisis.

Epson responded to COVID-19 by invoking the Crisis Management Committee in accordance with the provisions of the crisis management program and, under the direction of top management, ascertained the situation at our global sites, issued specific instructions, and took actions according to the severity of local outbreaks. Measures were deployed to prevent infection and ensure the safety of Group personnel and their families, prevent the spread of infections, and the continuity of business.

The Crisis Management Committee regularly reports the situation to executive management, including outside directors, as well as to the Corporate Strategy Council and the Board of Directors.

Internal Audits

The internal audit department conducts audits that 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 judging the relative importance of and 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 2020 fiscal year, the internal audit department performed audits on 14 Epson units and provided them with advice on making specific improvements for 46 non-conformities found by audit. In the 2021 fiscal year, units were grouped into 71 organizations. The internal audit department conducted risk assessments on the groups, selected the units to be audited, and is performing the audits.

Internal Controls over Financial Reporting

Every year, we audit internal controls to ensure the reliability of financial reporting (J-SOX). The Epson Group uses an autonomous distributed implementation system in which operations divisions and subsidiaries subject to external audits conduct a self-assessment on the design and operation of their internal controls, while the J-SOX Compliance Department ensures the validity of the assessment results. Operations divisions, subsidiaries, and affiliates not subject to external audits are required to independently assess their internal controls and make such improvements as are necessary.

Initiatives of Internal Control

Anti-Bribery/Anti-Corruption

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 and Antimonopoly Act Compliance 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-Bribery Activities

Epson cites violations of anti-corruption regulations as a priority risk for the Epson Group. We formulate and execute control plans for anti-corruption activities, monitor activity progress, and evaluate their effectiveness.

Anti-corruption activities at Epson are overseen by a compliance control department per the Epson Group Anti-Bribery Regulation, and the various supervisory departments work together to manage a wide range of activities, including but not limited to entertainment and gift-giving, donations, recruitment, internships, disciplinary action, instructor requests, agencies, sponsorships, and procurement. We use an online course during Compliance Month to ensure that employees are thoroughly informed about bribery prevention.

Compliance Promotion Activities

To instill internal compliance awareness, Epson provides online courses, training, and more on a regular basis to both executive officers and employees, in keeping with the Epson Global Code of Conduct. We invite outside experts to give instruction in compliance training courses for executive management. We also provide online compliance courses and compliance training by internal instructors for all personnel. At our affiliates outside Japan, our efforts include providing compliance training that reflects local conditions.

October is Compliance Month at Epson, a period during which we raise employee compliance awareness throughout the global Epson Group based on our Management Philosophy and Principles of Corporate Behavior. This helps employees recall the importance of compliance to the realization of the Management Philosophy. A variety of actions are taken during the month. For example, Epson's Chief Compliance Officer and the heads of Epson divisions and subsidiary companies issue compliance messages. A special article on compliance is published in the company newsletter. Action is taken to communicate and promote understanding of the Epson Global Code of Conduct, and personnel receive compliance training.

After Compliance Month ends, we conduct a survey to ascertain the extent to which employees recognize the importance of compliance and to pinpoint ways to improve activities for the next year. The survey enables us to find out about the kind of actions taken by the various Group companies and organizations and allows us to gather opinions and suggestions about activities. Survey responses are totaled, analyzed, and used for future activities.

Global Compliance Activities

Epson has built and is operating an R-CCO (Regional CCO) organizational system centered on the CCO in order to expand compliance activities globally. Since different regions of the world have their own languages and cultural norms, the sales company that supervises a region leads the compliance activities in that region, and Group companies cooperate to carry out the activities. We have established a vision of compliance management to which Epson aspires and are implementing a Global Compliance Program to realize this vision. Under this program, Epson sets targets for each year and follows a cycle of evaluation, assessment, and improvement of systems and operations at Group organizations and subsidiaries. By so doing, we aim to achieve our targets by sharing compliance policies, issues, and measures throughout the Group.

International Trade Initiatives

Epson is a multinational corporation with production centers, sales centers, customers, and business partners around the world. Smooth international trade operations are essential for delivering Epson products and services to customers in a timely manner.

Meanwhile, we must observe numerous conventions and frameworks governing international trade that have been put in place to maintain international peace and security.

To maintain compliance with these and to ensure smooth trade, Epson has established comprehensive systems and processes that have enabled Group companies to earn certification from the relevant authorities for compliance with international trade programs. (See the table below.)

Certifications

Company	Program (certifying agency)	Program overview
Seiko Epson Corporation	Special general bulk export license (Ministry of Economy, Trade and Industry)	The program grants a blanket license to export certain items (or provide certain information) to certain destinations without an individual application if an export control system is found to be in place.
Seiko Epson Corporation	Authorized exporter (Ministry of Finance, Tokyo Customs)	The program enables certified parties to get export permission even if goods are not brought into a bonded facility, etc., if an export security control and compliance system is found to be in place.
Seiko Epson Corporation	Authorized importer (Ministry of Finance, Tokyo Customs)	The program enables certified parties to separate import declarations from tax declarations and accept goods before filing a tax declaration if an import security control and compliance system is found to be in place.
Epson America Inc. Epson Portland Inc.	Customs-Trade Partnership Against Terrorism (C-TPAT) (US Customs)	The program is designed to strengthen security of goods imported to the US and security of import channels to the US.

Certificate of AEO Exporter

Certificate of AEO Importer

Business Continuity Management

Epson has a solid business continuity management program in place. For many years we have taken action to prevent and manage disasters, but the program really got started in 2006, when we formulated a business continuity plan (BCP) for what was then our liquid crystal displays business.

If a disaster or some other event impacts business at an Epson Group production site, our first priority is to ensure the safety of our employees. Next, we take steps to ensure continuity of the product supply so as not to inconvenience our customers. In order to provide a steady supply of products, particularly consumables and core components such as quartz and semiconductor devices, print heads, and small liquid crystal panels, we have preparations in place that allow us to limit damage, secure repair parts, switch to alternative producers, and restore operations in line with established procedures. We conduct exercises to check our procedures and ensure their effectiveness. Mission-critical IT systems and critical data that are essential for business continuity are consolidated in a robust data center, and backups are at the ready in the event of a disaster. We have secured multiple distribution routes to enable us to immediately switch to alternative routes in response to any disruption in international shipping and transport. In addition, our finance, accounting, public relations, and other key corporate functions have established BCPs so that business can continue in emergencies.

Meanwhile, we ask the companies that make up our supply chain to strengthen their BCPs, and we check to see how established those BCPs are. We analyze the items we purchase, and we develop multiple sources for those that are most important. When we cannot secure multiple sources, we keep an inventory of goods on hand or try other means to ensure continuous production in the event that something should happen to a supplier.

Every business and site in the Epson Group will continue to refine its BCP to ensure that it has the resilience to withstand threats to business continuity going forward.

Tabletop exercise for earthquake

Checking the restoration procedure of the production line in a clean room

Tax Compliance Policy

Epson seeks to fulfill its corporate social responsibility by paying appropriate taxes in compliance with the spirit as well as the letter of the tax laws and regulations in the countries and regions where it operates. In accordance with this basic policy on taxes, we are taking the actions below to maintain and improve tax compliance.

1. Tax governance

- The Board of Directors is responsible for overseeing tax risk, and Epson's Chief Financial Officer is the responsible official of Group tax affairs. The group that is in charge of tax affairs reports and manages taxes is under the supervision of the Chief Financial Officer.
- Epson considers tax risk to be an important risk, and regularly reports such risks to the board of directors and the Corporate Strategy Council, which is composed of directors of the company.
- Employees are trained in the tax-related regulations and business process standards that Epson has established to ensure that it properly fulfills its tax obligations. We conduct periodic internal tax audits and report the findings to top management and to the Audit & Supervisory Committee.

2. Monitoring tax affairs

- We appropriately respond in a timely manner to changes in local tax systems and taxation trends through regular reporting among the group that is in charge of tax affairs and Epson's local subsidiaries.
- We enlist the support of tax accounting firms and other external experts for advice on taxes and for tax support in each country and region.

3. Tax planning and Tax avoidance

- Around the globe, we strive to effectively use preferential taxation systems where possible in our normal business activities to ensure a suitable tax burden.
- We do not transfer value created to low tax jurisdictions, and do not use tax structures intended for tax avoidance without the spirit of the law.

4. Dealing with uncertainty

- Tax risk uncertainty is expected to increase as countries and regions around the globe strengthen their tax reporting obligations, tax audits, and tax enforcement. Epson controls tax risks by identifying situations that could potentially pose serious tax risks.

5. Transfer pricing taxation

- Epson complies with local tax laws and OECD guidelines to control transfer pricing tax risks. We have established transfer pricing guidelines for the Epson Group to help ensure appropriate transfer pricing transactions. In line with these transfer pricing guidelines, we control the profitability range of our global subsidiaries to ensure that transactions are made at arm's length.
- We use an advance pricing arrangement (APA) for transactions with subsidiaries in high-risk countries.

6. Anti-tax haven rules (also known as Japanese Controlled Foreign Company rules, or "CFC")

- Epson sets up foreign subsidiaries to carry out its ordinary business activities, but does not do so in "tax haven" jurisdictions to avoid taxes. When anti-tax haven rules apply, Epson properly files and pays taxes.

7. Relationships with tax authorities

- Epson strives to work in good faith with tax authorities and to maintain and improve good tax corporate governance.

Organizational Governance

Security

Epson, in a code of conduct called "Principles of Corporate Behavior," states "We protect the security of people and company assets, and we exercise strict care in the management of all information." The company has put in place a system for ensuring the security of employees and visitors. Employees recognize the importance of security and follow good security practices. The company's assets (financial, tangible, intellectual, brand, information, and other assets) are properly managed, and the assets of other parties are respected. We strictly control personal data and confidential information to prevent leaks.

Information Security

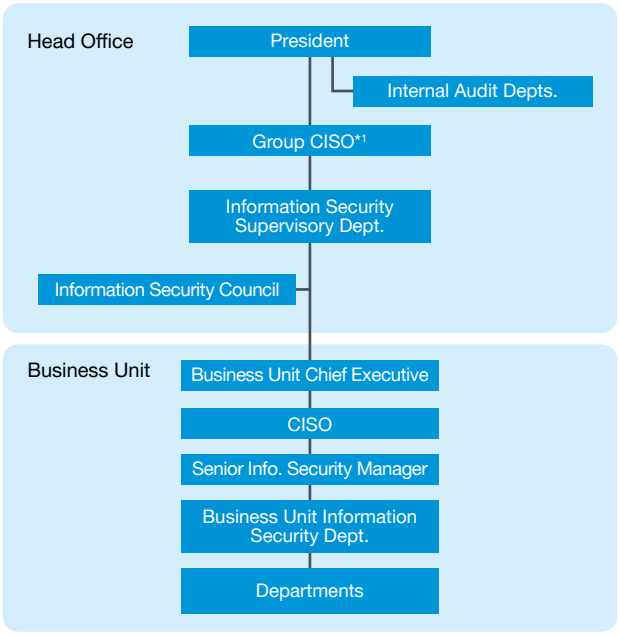
Epson has set forth essential information security principles and rules in a Basic Information Security Policy. The company is building an information security governance framework and fostering a corporate culture that reflect the importance and principles of good information security practices.

Basic Information Security Policy (Please refer to page 288 of "Appendices")

Information Security Framework

Epson's various business units build and maintain their own information security systems based on Group-wide rules. The senior executive of the company serves as the Group Chief Information Security Officer and promotes the information security governance. Under this organization, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively. A maturity indicator has also been established for information security actions to gauge the maturity level of each business unit.

Information Security Organization



*1 Chief Information Security Officer

Program

Epson conducts the following programs in line with the Epson Group Basic Information Security Policy:

- Programs to maintain compliance by revising internal systems and understanding the trends in laws, regulations, and guidelines of nations and regions
- Programs to raise awareness and educate employees
- Risk assessments

Cyber Security

We have established a grand design that specifies policies concerning cyber security measures to enable us to contend with cyber security threats and respond to attacks, which are becoming increasingly sophisticated and insidious. As references, we used the Cybersecurity Management Guidelines issued by the Ministry of Economy, Trade and Industry and the Cyber Security Framework set up by the US National Institute of Standards and Technology.

As part of this effort, we have begun running a Security Operation Center that covers Asia, Europe, and the Americas. This center responds swiftly to attacks by malware, including ransomware. It also uses case studies of past incidents as training material and revises procedures on how to respond.

We have also installed a new type of anti-malware software on PCs that detects malicious behavior and shuts down attacks of all types before PCs can be exposed to danger. We will continue improving and reinforcing our readiness to the ever-changing threats.

Training

The following training programs are implemented to increase employees' information security awareness and ability to respond to various external threats:

- An information security course that all officers and employees are required to complete
- A training on responding to targeted e-mail attacks
- Risk assessment education for managers
- Inspection programs that check whether the company's information security is improving

Personal Data Protection

We at Epson are acting to protect the personal data of our customers, business partners, and employees to reward their trust and fulfill our social responsibility. Countries and regions around the world are establishing and amending laws and regulations governing personal data protection and privacy protection. The E.U.'s General Data Protection Regulation (GDPR) is a prominent example.

Epson is part of the Japan Electronics and Information Technology Industries Association and reviews its internal rules to identify necessary revisions regarding the protection of personal data.

Basic Approach to Personal Data Protection

Internal regulations at Epson require us to establish controls based on the 11 principles outlined in ISO/IEC 29100. Group companies furthermore establish their own Privacy Statements and Privacy Policies based on laws and regulations in their own countries and publish them on their national websites.

Personal Data Management Framework

At Epson, personal data is part of our information security and we work to protect it with our information security organization and systems.

Training

Epson trains its employees on data handling rules and the importance of personal data protection in accordance with the type and level of personal data.

List of certifications
Information Security Management System (ISMS) Certification

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 - Operation management of subscription 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

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

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.

Anti-Counterfeiting Measures around the World

To protect the trusted Epson brand, we actively seek to seize counterfeit goods and other fraudulent articles that infringe the Epson trademark or our other intellectual property rights before they reach consumers.

We have set up anti-counterfeiting centers around the world that are staffed by people who monitor the goods produced and sold by manufacturers and retailers, and especially e-commerce retailers. We fight counterfeiting in a number of ways. For example, we share information with the police and other enforcement authorities to increase raids on counterfeiters. We educate customs officials to better enable them to recognize counterfeits and block their import and export. We also work with e-commerce site operators to halt the sale of imitation goods that violate our rights. The actions we take stop the distribution of counterfeit goods and help reassure consumers that the goods they buy are genuine Epson brand products.

Participating in an IP protection conference organized by customs officials in China


Educating customs officials and police about real and counterfeit goods in the UAE


Educating customs officials about real and counterfeit goods in Japan

Supply Chain CSR Vision

Supply Chain CSR Vision

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

Epson, 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.

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

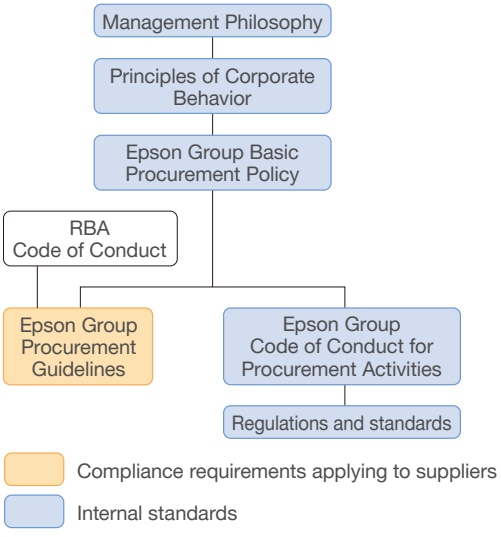
Responsible Business Alliance
Advancing Sustainability Globally

Sustainable Procurement Policy

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

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

CSR Procurement Policies



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

Supply Chain CSR Strategy

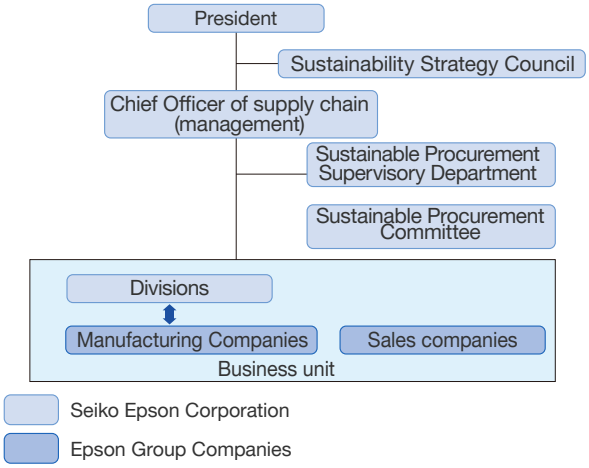
Epson has strategically established priority items for medium- and long-term objectives for supply chain CSR to realize the Epson Group Management Philosophy and Principles of Corporate Behavior. We have set two major actions: actions to ensure worker's rights and safety and actions to realize a sustainable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

Organization

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

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

Organization of Supply Chain CSR



Mid-term Target (KGI) and KPI

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

Mid-term objectives (achieve by FY2025)

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

* Use 3TG only from RMAP smelters recognized by the RMI

FY2020 Major Action Items, Plans, and Results

	Description	Result
1	Ask major suppliers to complete a CSR self-assessment questionnaire (SAQ) to check compliance 1) Major suppliers provided with feedback on CSR SAQ results KPI: 100% 2) High-risk suppliers that completed their corrective action plans KPI: 100% (No high-risk suppliers)	1)100% 2)100% (Direct materials suppliers)
2	Customers that responded to CSR survey requests (including conflict free mineral survey requests) KPI: 100%	100%
3	Smelters certified by the RMI's Responsible Mineral Assurance Process per the conflict mineral survey KPI: 100%	71%

FY2021 Major Action Items

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

Supplier Guideline

Supplier Guideline/Epson Supplier Code of Conduct

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

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

The Epson Group Supplier Guidelines reflect international requirements. They are intended to help ensure that our suppliers work with us as partners to meet quality, cost, and delivery (QCD) obligations and maintain compliance with requirements in areas such as human rights, labor, health and safety, environment, ethics, and trade control and security, as well as information security. Rev. 6.0, released in January 2020, is the latest version of the Epson Group Procurement Guidelines. The content was revised to maintain consistency with the latest RBA Code of Conduct. The Epson Supplier Code of Conduct is now a major part of the Procurement Guidelines and will be available in multiple languages.

Over the 15-year history of the Guidelines, we have asked all suppliers to comply with the requirements and have asked our major direct suppliers of production materials to sign a formal agreement.

Requirements Under the Supplier Code of Conduct

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

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

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

Supply Chain Initiatives

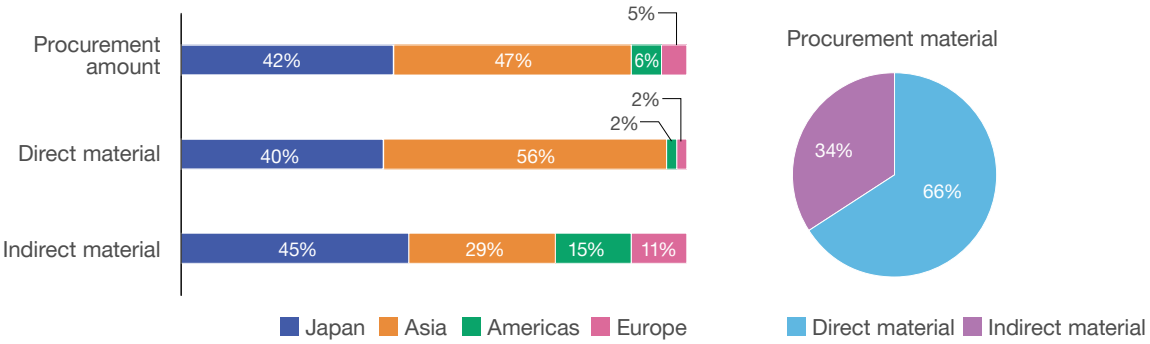
Supply Chain Overview

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

Epson procures goods and services from all over the world. Domestic Japanese procurement accounts for about 42% of our total procurement spend. Asia accounts for the large majority of the remaining 58%.

Our procurement spend for direct materials (production materials and outsourced manufacturing) accounts for about 66% and indirect materials (including factory consumables, machinery, public relations, logistics, and staffing) for about 34%. Epson has business with 1,700 direct material suppliers mainly in Asia where our main manufacturing sites are located, and about half of our indirect materials spend is in Japan.

Procurement Over View



Supplier Evaluation Program

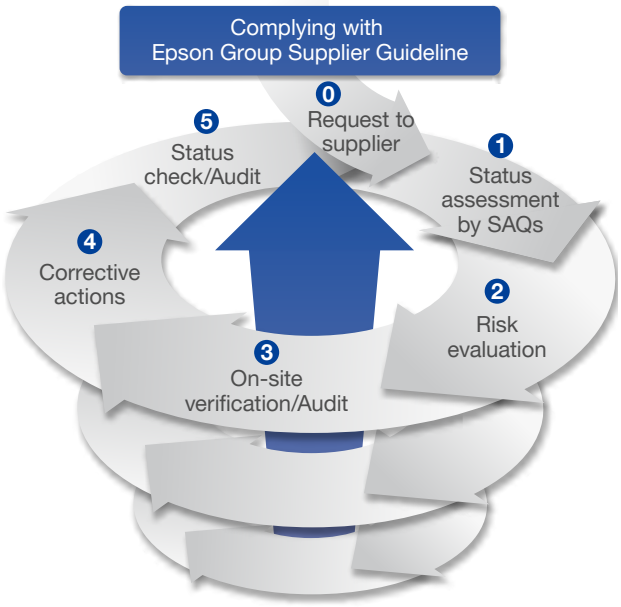
Epson evaluates all suppliers, both direct materials suppliers and indirect materials suppliers. Suppliers are evaluated from multiple angles on the basis of a supplier evaluation program. The program consists primarily of an indirect evaluation and a direct evaluation (periodic evaluation). The indirect evaluation is based on information from a credit investigation service. The direct evaluation is a self-check that suppliers do to evaluate their own QCD and other performance metrics.

Epson Group Supplier Evaluation Program
Indirect evaluation Evaluation based on information from a third-party credit investigation Evaluation items: Credit score, business history, capital composition, business size, profit/loss, financing status, management, etc.
Direct evaluation (Annual evaluation) Self-assessment of QCDEM Evaluation items: Quality management (Q), cost management (C), delivery management (D), environmental management (E) and business management (M)
Detailed CSR evaluation (CSR-SAQ) Self-assessment of compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) Evaluation items: Labor, safety and health, environmental, ethics, management systems
Evaluation of emergency response capabilities Self-assessment of ability to respond in the event of a natural disaster, fire, or other emergency. Evaluation items: Management attitudes, risk countermeasures, ability to respond to emergencies, recover from disasters, continue supplying goods, maintain procurement, and manage inventory, etc.
Safety management evaluation Self-assessment of response to fires and other emergency risks Evaluation items: Management of electrical hazards, hazardous materials, fire prevention, etc.

Socially Responsible Procurement Program

Epson's socially responsible procurement program is an annual cyclical activity. It consists of steps in which we ask suppliers to comply with Epson's Supplier guideline and complete self-assessment questionnaires (SAQ). Epson then analyzes and evaluates risks, verifies the facts on site or audits certain high-risk suppliers, and supports and works with suppliers on corrective actions.

Socially Responsible Procurement Program



Direct Evaluation (Annual Evaluation)

All suppliers are required to complete an annual self-assessment. They are asked questions in the categories of quality, cost, delivery, environment, and management systems. Management system questions include the management of hazardous substances in products, the handling of personal data, and compliance with legal requirements concerning things such as international trade control and bribery. Suppliers that receive a score of 60 points or less in the evaluation are considered to be high risk. Epson will be forced to discontinue business with suppliers that do not demonstrate improvement.

Section	Number of questions
Q. Quality	12
C. Cost	5
D. Delivery	5
E. Environment	5
M. Management system	15
Total	42

Prospective new suppliers are also required to complete the self-assessment. Transactions with those that receive a score of 70 points or less are permitted on the condition that corrective action is taken to resolve noncompliance.

Direct Evaluation Results

	FY2018	FY2019	FY2020
Number of suppliers	994	942	902
Number of accounts	1,481	1,525	1,440
% of completed the self-assessment	100%	100%	100%

Detailed CSR Evaluation (SAQ)

Epson evaluates supplier compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) based on a detailed self-assessment questionnaire (SAQ). We work with suppliers to make improvements as appropriate depending on their score and the gravity of noncompliance incidents.

Each supplier chooses and answers an SAQ from either RBA online or an SAQ prepared by Epson that is based on the site audit standards of the Responsible Business Alliance (RBA). The Epson SAQ is designed to thoroughly check labor conditions (respect for human rights) and has many questions in the labor section.

As a regular member of the RBA, Epson asks major suppliers (direct material suppliers, on-site service vendors, and HR agents) to complete an SAQ every year.

High-risk direct material suppliers are audited in accordance with RBA standards and asked to take corrective action as needed.

Self-assessment Questionnaire (SAQ) Contents (2020)

Section	Scope & Number of questions	
	Direct supplier	On-site service vendor HR agent/Contractor
A. Labor (human rights)	40	30
B. Health and safety	29	9
C. Environment	12	-
D. Ethics	13	8
E. Management system	15	13
Total	109	60

Risk Rank by SAQ

Risk rank	Score	Remarks
Low risk	86-100 pts.	> Suppliers who comply the requirements of RBA Code of Conduct.
Medium risk	66-85 pts.	> Suppliers who do not meet some of the requirements of RBA Code of Conduct but are expected to take corrective action themselves if needed.
High risk	65 pts. or less	> Suppliers who do not meet many of the requirements of RBA Code of Conduct, and need to be monitored based on an improvement plan for corrective action. > To be asked to receive RBA (VAP) audit.

In FY2020, we conducted a detailed CSR evaluation of major direct materials suppliers, on-site service vendors and HR agents at major manufacturing sites.

Scope of SAQ (2020-2021)
1) Major direct suppliers
- 80% of the Group-wide spend
- Selected by a business unit, including single source suppliers

2) On-site service vendors
- Vendors on Seiko Epson and production sites. Regardless of the value of transactions and number of workers.

3) HR agencies
- Recruitment agency and HR contractor used by Seiko Epson and production sites. Regardless of the value of transactions and number of workers.

Results of Detailed CSR Evaluation

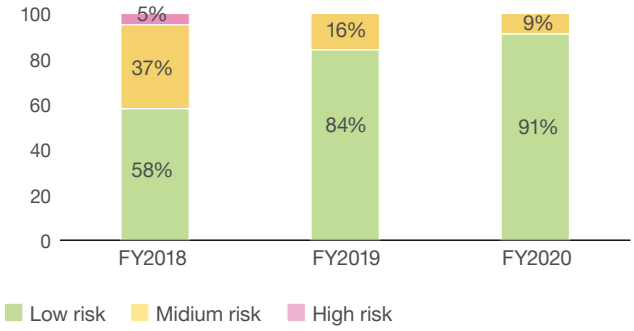
SAQ Evaluation Results (Direct material suppliers)

In 2020, we asked 297 critical Tier 1 direct material suppliers to complete the SAQ. We received completed questionnaires from 293 of them (497 facilities). We also asked Tier 2 suppliers to complete the SAQ when the Tier 1 supplier was a trading company.

Epson provides suppliers and vendors with their SAQ score as well as with feedback, including advice on corrective actions. We monitor the progress of critical corrective action items.

	FY2018	FY2019	FY2020	
Number of evaluated suppliers	312 Suppliers (358 sites)	222 Suppliers (391 sites)	293 Suppliers	
			Epson SAQ (427 sites)	RBA SAQ (70 sites)
Mid-term target (by FY2020)	% of high-risk suppliers: 0%			
Low-risk (> 85 pts.)	58%	84%	91% (443 sites)	
Medium-risk (66-85 pts.)	37%	16%	9% (53 sites)	0% (1 sites)
High-risk (=< 65 pts.)	5%	0%	0% (0 sites)	0% (0 sites)

SAQ Evaluation Result (FY2018-2020)



Example of SAQ answer (FY2020)

- Priority: Using child labor (0%, 0 site)
- Priority: Using slavery labor or forced labor (0%, 0 site)
- Worked for 7 consecutive days or more (9%, 40 sites)
- Working hours exceed 60 hours a week (21%, 91 sites)
- Delayed payment of wages (0%, 0 site)
- Evacuation drills were not conducted once a year (1%, 3 sites)
- Suitable PPE was not provided free of charge (0%, 1 site)
- Safety measures for pregnant and nursing mothers were insufficient (10%, 44 sites)
- Clean accommodation for nursing mothers was not provided (14%, 61 sites)

* We ask suppliers who have problems and/or issues to take corrective actions.

SAQ Evaluation Result of HR Agency and On-site Service Vendor

We asked on-site service vendors and HR agencies at Seiko Epson facilities and key production sites to complete an SAQ. We received completed SAQs from 233 of them (100%) in FY2020. Service vendors are essential business partners for running our production operations, so Epson requires them to understand and follow the RBA code requirements.

Type		FY2019		FY2020	
		Number of vendors	SAQ average score	Number of vendors	SAQ average score
On site service vendor	Security	7	85	15	84
	Canteen	12	71	18	78
	Cleaning	10	78	16	77
	Facility maintenance	6	84	15	83
	Others	44	78	80	82
	Total	79	78	144	81
HR agencies		45	82	89	88

Audit and corrective action support

Epson supports the corrective action efforts of high-risk and medium-risk suppliers.

Third-party audits

As a regular member of the RBA, Epson is required to have suppliers that are found to be high risk based on the SAQ undergo a third-party audit (compliant with the RBA's VAP audit). In 2020, no third-party audits were performed, since, in addition to the effects of Covid-19, no suppliers were found to be high risk.

Second party audits, on-site verification, and support for corrective action

For suppliers that are not asked to undergo a third-party audit, Epson manufacturing company staff members visit their sites to verify conditions on-site and help them improve. Through these activities, we not only help them address CSR issues but also support them when they struggle in other areas, such as in introducing fire prevention measures or establishing business continuity plans.

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

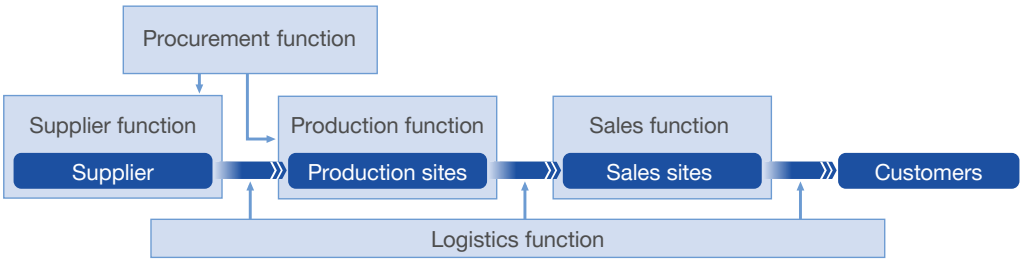
Audit/Verification		FY2018	FY2019	FY2020	
		Japan Other area	Japan Other area	Japan	Other area
3rd party audit	Initial audit	1	1	0	0
	Follow up audit	-	1	0	0
2nd party audit, on-site verification		248	323	0	102

Evaluation of Emergency Response Capabilities

Epson is working to improve its ability to effectively respond to threats and to ensure business continuity. When a natural disaster or other unforeseen event strikes an Epson production site, the first thing we do after securing the safety of personnel is to act to restore the supply of products to our customers. It is essential for the entire supply chain to be able to effectively respond to emergencies so that we can fulfill our responsibility to customers by restoring the supply of goods within the target period if the supply should be interrupted by a disaster, accident, or epidemic. Epson therefore evaluates the emergency response capabilities of suppliers every year and helps them remedy issues as needed.

Supply Chain Business Continuity Management

To help manage business continuity and improve resilience throughout the supply chain, Epson operates in line with supply chain BCM guidelines. These guidelines consist of five functions: supplier, production, sales, logistics, and procurement.



Epson is working with suppliers to ensure that they establish their own BCM systems so that the supply of parts to Epson is not disrupted. We ask Tier 1 suppliers to evaluate their own BCM capabilities every year, provide feedback, and help them resolve issues as needed.

	FY2018	FY2019	FY2020
Target number of suppliers	250	1,336	2,170
Result	228 91%	945 71%*1	1,919 88%

*1 In FY2019, self- assessment was conducted by direct material suppliers, but, some of them have not answered due to the novel coronavirus pandemic.

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.

Safety Management Evaluation Result

	FY2018	FY2019	FY2020
Target number of suppliers	481	1,384	2,134
Result	449 93%	1,025 74%*2	1,865 87%

*2 In FY2019, self- assessment was conducted by direct material suppliers, but, some of them have not answered due to the novel coronavirus pandemic.

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 sites[*1] around the world by 2023. In the future, we will switch to a more ambitious reduction target that is in line with the 1.5°C scenario and will endeavor to reduce emissions throughout the supply chain.

[*1] Excludes some sales sites and other leased properties

Response to Climate Risk

There is a shared global awareness that climate change poses serious and urgent business risks that must be addressed. Epson has suppliers across Asia, including in Thailand, where severe floods are a regular occurrence, and in China, where there is high potential water risk. Epson recognizes that interrupted or delayed deliveries from suppliers due to floods and droughts, two typical climate risks, could seriously impact the manufacture and sale of Epson products and need to be addressed to avoid inconveniencing customers.

Supplier Support Initiative

Under its supplier engagement program, Epson asks suppliers to complete a self-assessment questionnaire (SAQ). Suppliers are sorted by risk level based on their SAQ score and given feedback on the results. Epson helps high-risk suppliers improve through on-site verification and audits. Moreover, to encourage the pursuit of environmental sustainability, Epson selects the suppliers who account for 80% of the value of Epson's procurement spending and, in conjunction with a detailed CSR evaluation, asks them to report the amount of water and the amount of electricity, gas, and other sources of CO_2 emissions actually consumed for parts they sell to Epson. Epson shares this data with its suppliers and engages them to help drive production line improvements that reduce the amount of electricity and water used and improvements that will reduce the environmental impact of transport.

Partnerships with External Organizations

In addition to our own initiatives, Epson supports and actively participates in alliance activities in order to resolve CSR issues, including human rights issues in the supply chain. We have joined the RBA and JEITA to work on solving social issues around the world and improving supply chain CSR through industry collaboration.

【Global initiative】

- Responsible Business Alliance (RBA) regular member

Responsible Business Alliance
Advancing Sustainability Globally

【Domestic Japanese industry initiative】

- The Japan Electronics and Information Technology Industries Association (JEITA), CSR Committee

Example activities:
Issuing and promoting the Responsible Business Conduct Guideline
Study of human rights due diligence and grievance mechanisms
Study of the global regulatory situation

Communication and Training

Communications with Suppliers

Annual Supplier Conference

In addition to its commitment to delivering quality products, Epson believes that maintaining human rights, labor standards, and environmental conservation throughout its entire supply chain is an important part of its corporate responsibility. Epson therefore considers all suppliers to be important business partners.

At an annual supplier conference, we explain our procurement policies. The conference is held in Japan where Epson's HQ and main development functions are located. And many of suppliers attend every time.

In 2021, the conference was held online due to Covid-19. Seiko Epson President Yasunori Ogawa introduced Epson's new corporate vision, "Epson 25 Renewed." The chief officers of the business divisions provided a general explanation of the business situation and strategies, and expressed their appreciation for the efforts of suppliers to maintain delivery schedules and reduce costs despite the challenging circumstances brought about by Covid and social changes. The executive officer in charge of environmental affairs and quality assurance presented Epson's updated environmental vision. He was followed by the executive officer in charge of procurement, who asked for the understanding and cooperation of suppliers in Epson's CSR business continuity plan initiatives.

Supplier Conference for CSR

At an annual socially responsible procurement supplier conference (held since 2016), we talk about CSR trends and our socially responsible procurement activities. We also ask our suppliers to engage with us in our efforts. Suppliers attend the conferences held at Epson manufacturing sites in Japan, China, and Indonesia.

At the conference, we ask suppliers to comply with our Sustainable Procurement Policy and the Epson Supplier Guidelines. We provide guidance for completing self-assessment questionnaires (SAQ) used to evaluate suppliers' CSR efforts and emergency response capabilities. We also ask suppliers to cooperation in conflict mineral surveys. Furthermore, due to the impact of natural disasters and infectious diseases on procurement and logistics in recent years, we remind suppliers of the importance of business continuity management.

	Area				Total number of attended companies
	Japan	China	Indonesia	Others	
FY2018	447	222	168	295	1,132
FY2019	510	58	193	63	824
FY2020	764	77	17	40	898

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 compliance hotlines are being used to further promote ethical corporate conduct.

Suppliers can use the hotlines to report:

- real or suspected misconduct or legal, regulatory, or ethical violations relating to Epson's operations or involving Epson officers or employees;
- ideas or complaints relating to health and safety; and
- concerns relating to conflict minerals

How to report:

- For suppliers in Japan
- For suppliers of Epson group companies outside Japan: Use the comments/opinions box located in the facility or refer to the facility's supplier guidelines to learn about other reporting channels.

Internal Training

The Epson Group's Management Philosophy champions respect for the individual and teamwork. Principles of Corporate Behavior, meanwhile, outlines conduct for creating a corporate culture by fostering employee independence and confidence through professional development. We believe it is particularly important to understand legal and other requirements to ensure compliance and sustainability in procurement. Epson thus provides general procurement training for all employees, as well as courses tailored to the needs of procurement staff.

Procurement Compliance Seminar (Japan domestic)

Procurement Compliance Seminar

Course	Description	For		FY2018	FY2019	FY2020
Procurement compliance seminar			Achieved rate by persons	92%	71%	75%
Procurement compliance seminar	1. CSR/SDGs and procurement 2. Code of conduct for procurement 3. Laws and regulations 4. Operation process 5. Case studies	New procurement staff	Target			
			Persons	885	830	600
			Result			
			Persons	919	719	533
Procurement compliance seminar (updated)	1. CSR/SDGs and procurement 2. Law and regulations 3. Case studies	Procurement staff, every 5 years	Target			
			Persons	850	2,700	3,149
			Result			
			Persons	674	1,783	2,272

Basic online course

Description	For		FY2018	FY2019	FY2020
1. Code of conduct 2. Laws and regulation, case studies	All Epson personnel, staffing agency employees, and other partners	Achieved rate by persons			
		Target	85%	90%	92%
		Result	91%	96%	95%

RBA (Supply Chain CSR) Professional Training (Worldwide)

Epson provides professional training for procurement staff to manage supplier CSR. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standards, including A. Labor, B. Health and Safety, C. Environment, D. Ethics, and E. Management Systems. Some programs are conducted by outside consultants.

Course	Description
RBA seminar (101)	General training course regarding the RBA Code of Conduct and RBA system
RBA seminar (Advanced)	Professional training course regarding the RBA Code of Conduct and detailed requirements concerning labor, health and safety, environment, ethics and management system
Workshop for RBA (VAP) audit	Workshop training for implementing RBA requirements and preparing for an RBA (VAP) audit
CSR auditor training for supplier audit	Internal auditor training for supplier onsite audit
Worker interview training for supplier audit	Internal auditor training for supplier onsite audit
RBA Fundamentals (online course)	General training in the RBA Code of Conduct and RBA system (for all Epson group employees including procurement staff)

Responsible Sourcing of Minerals

Responsible Minerals Sourcing

Policy for High Risk Minerals

Where minerals such as tin, tantalum, tungsten, gold (3TG) and cobalt are mined in conflict-affected or high-risk areas such as the Democratic Republic of Congo (DRC) and adjoining countries, the revenue from the mining and trading of these minerals is a source of funding for armed groups and anti-government forces carrying out atrocities and human rights abuses. Minerals sourced from such conflict-affected or high-risk areas have the potential to promote conflict, human rights violations and environmental degradation.

Epson considers mining to be an intensive process involving social and environmental risks, and believes the mining of metals and minerals, including conflict minerals (3TG) and cobalt mined in the DRC, as well as other minerals mined in other regions, must be managed.

Epson's policy is that we want no part in any human rights violations or environmental destruction. While sourcing minerals that originate in conflict-affected or high-risk areas, we will not, by any means, tolerate, knowingly profit from, contribute to, assist with or facilitate the commission by any party of any form of human rights violations or abuses, or support operations that result in the degradation of socioeconomic and environmental stability.

Management recognizes that responsible mineral procurement is a social issue that needs to be addressed. Epson has thus declared its commitment to responsible mineral sourcing in the Principles of Corporate Behavior, Epson's corporate code of conduct. Moreover, as a member of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), we require our suppliers to adhere to this policy and expect them to support and promote compliance within the supply chain. We also ask them to understand and comply with the Epson Group Supplier Guidelines and the Epson Supplier Code of Conduct (RBA Code of Conduct). In 2020, Epson had direct material suppliers submit an agreement letter stating that they would comply with responsible mineral sourcing requirements and cooperate in a conflict minerals survey.

Responsible Minerals Survey Program

Epson established the Epson Group Responsible Minerals Procedures Standard to use as a guide for conducting surveys throughout Epson's supply chain to check that Epson products contain responsibly sourced minerals. This standard is based on the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD).

Using the Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT) provided by the Responsible Minerals Initiative (RMI), we identify upstream smelters and refiners of conflict minerals (tin, tantalum, tungsten, gold, and cobalt) with the cooperation of direct material suppliers. We seek to source minerals only from conflict-free smelters (CFS) certified by RMI's Responsible Minerals Assurance Program (RMAP). If it is unclear whether a smelter is a CFS, Epson tries to mitigate risk by asking tier 1 suppliers to source minerals from a different supplier.

Epson also uses socially responsible procurement supplier briefings and various other opportunities at our production facility sites around the world to promote understanding of Epson policies, asks suppliers to improve survey accuracy, and shares information about trends involving prioritised minerals. Epson will continue working with suppliers to make sure that minerals used in our products fulfill the standards set in our responsible minerals sourcing policy.

To responsibly source minerals used in Epson products, our program follows a five-step framework according to the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by OECD.

STEP 1: Establish strong company management systems.
Epson has established a Group-wide policy, a supply chain due diligence program, concludes written agreements with suppliers, and has established a grievance mechanism.

STEP 2: Identify and assess risks in the supply chain.
Epson identifies and assesses risks in our supply chain by conducting surveys.

STEP 3: Design and implement a strategy to respond to identified risks.
Epson reports the results of risk assessments to the Chief Procurement Officer, discusses risk mitigation plans with tier 1 suppliers, and monitors their performance.

STEP 4: Carry out independent third-party audit of smelter/refiner's due diligence practices.
Epson uses the results of the RMI's Responsible Minerals Assurance Program (RMAP) is assessments.

STEP 5: Report annually on supply chain due diligence.
Epson discloses its due diligence status on the company's official Web site, in an annual integrated report, and in other media formats.

Target and Results

In 2020, Epson conducted a survey of 3TG and cobalt[*1]. If a smelter cannot be identified by analyzing answers received from a supplier, if there is a smelter that is not RMI-certified, or if there is a shortage of the parts subject to survey, we ask suppliers to conduct an additional, change suppliers, or take other action to mitigate risk.

Epson is not required to report to the US authorities as we are not listed in the United States, but we disclose identified smelter and refiner information and country of origin.

3TG Survey Results

	FY2018	FY2019	FY2020				
			Total	Gold	Tantalum	Tin	Tungsten
Number of identified smelters[*2]	314	344	340	166	41	79	54
Number of CFS[*3]	256	268	242	107	38	55	42
Response rate from suppliers	92%	91%	97%	-	-	-	-

[*1] Cobalt surveys are conducted for semiconductor and crystal devices as well as projectors.
[*2] For information regarding the details of the smelters, see List of the RMI-recognized smelters and refiners identified in Seiko Epson's supply chain.
[*3] 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.

Result of Cobalt survey 2020： 9 CF smelters out of 35 identified smelters.

Result of Third-Party Audit

Epson receives RBA VAP audit at manufacturing site in the world.

VAP (RBA Validated Assessment Program) Audit result in 2020, all sites comply with the standards required by the RBA on section D7, Responsible Sourcing of Minerals

Manufacturing Site	Country	Main Products Manufactured
PT. Indonesia Epson Industry	Indonesia	Printers
Epson Engineering (Shenzhen) Ltd.	China	Printers Projectors Robots
Epson Precision (Thailand) Ltd.	Thailand	Device products
Epson Precision Suzhou Co., Ltd.	China	Device products

Partnerships with External Organizations

Epson believes that, in addition to our individual efforts, it makes sense to support and participate in alliances and/or initiatives to address the issue of conflict minerals.

To promote responsible sourcing of minerals and to foster cooperation to promote activities and conflict mineral surveys in the supply chain, Epson has joined the following initiatives:

1. Global initiative
The Responsible Minerals Initiative (RMI)

2. Domestic Japanese industry initiative
The Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA).
Examples of activities: Participation in RMI, researching and sharing the regulatory situation in other countries, training and educating suppliers, encouraging RMI uncertified smelters to undergo audits, etc.

Grievance Mechanism

Epson complies with the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD) and accepts notification from suppliers concerning mineral sourcing risks.

Green Purchasing

Green Purchasing

The Epson Group (“Epson”) is asking suppliers who deliver parts and raw materials to Epson to cooperate in Epson’s green purchasing activities for production materials.

Introduction

Epson is committed to a policy of creating and providing earth-friendly products. The elimination of harmful substances and resource conservation are a point of emphasis for us, and we have thus made the procurement of supplies that have a lower environmental impact a priority.

Epson will continue to promote efforts throughout the supply chain to strengthen product substance assurance by tracking and controlling the use of substances in products at every stage from product planning and design to shipping and sales.

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.

Approach to Corporate Citizenship

Epson is committed to harmonious coexistence with society through programs rooted in local communities throughout the world based on its commitment to being “an indispensable company, trusted throughout the world,” as stated in its Management Philosophy.

Recognizing that companies are expected to be even more socially involved, each and every employee will continue to contribute to Epson’s standing as a good corporate citizen and facilitate mutually beneficial relationships. Epson’s contributions go beyond financial support. Epson emphasizes contributions involving the technologies and knowledge that underpin its business as a way to give something back to society. Going forward, Epson will continue to engage in corporate citizenship activities, including contributions involving manpower.

Total Corporate Citizenship Expenditures (millions of yen)

Contribution Type	FY2017	FY2018	FY2019	FY2020
Cash contributions	352	462	438	280
Employee volunteer activities during work hours (including self-directed program activities)	38	127	124	57
Provision of products and services	100	79	62	52
Others*1	121	154	271	187
Total	611	822	895	576

*1 Includes salaries and wages of personnel engaged full-time in corporate citizenship work as well as wages of personnel who engaged in volunteer activities outside work hours

* Our social contribution activities were sharply limited by COVID-19 in the 2020 fiscal year.

Maintaining Healthy Relationships with Government Agencies

Epson is a multinational corporation with operations around the world. Epson aims to contribute to the soundness of society by building healthy, transparent relationships with political, governmental and supervisory authorities in every region where it operates and by avoiding improper relationships and other unfair activities.

Political contributions are made in line with company regulations. Epson made no political contributions in the FY2020.

Education for Young People

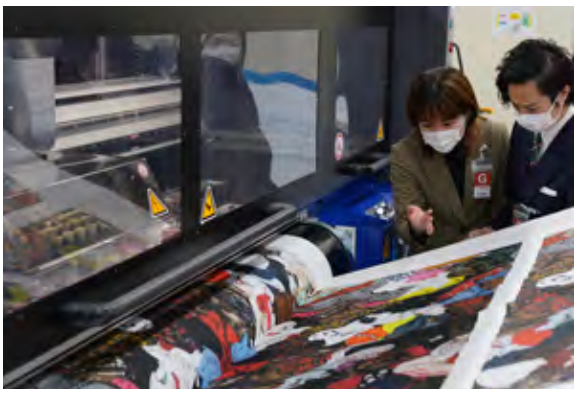
"New Horizons" Training Program for 10,000 Young People (Europe)

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 Sust ainability 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.

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.



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

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 firsthand. 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.

Watch Assembly Class (Japan)

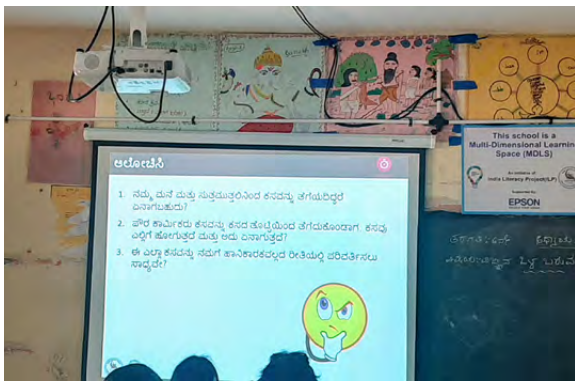
Seiko Epson traces its roots to Daiwa Kogyo, a watch factory. Over the decades, we have developed world-class watch manufacturing technology and have master watchmakers (human capital).

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.

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.

In the 2020 fiscal year, EPIL personnel were unable to physically visit schools due to the COVID-19 pandemic. Instead, they delivered the writing materials necessary for learning to 277 public and private schools (17,223 students).



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. A total of 273 students have benefited from assistance since the Foundation was created in 1997. In 2020, face-to-face exchange events were restricted due to the pandemic, but in February 2021, an online alumni association entrance ceremony was held.
In addition to this, the Foundation also provides subsidies to cover things such as fees for participation in international exchange and research programs for young engineering researchers.

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 2,830 graduates as of March 2021.

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 2021 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 Courses[*1]. A special class has also been set up to enable the top students to join Epson on school recommendation after graduation.

[*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.

Culture and the Arts

Supporting "Climate Museum: Life and Death of Our Home," a Special Exhibition at the Seoul Museum of Art (South Korea)

Epson Korea Co., Ltd. (EKL), using an Epson laser projector, contributed to the projection of works of art in a special exhibit held at the Seoul Museum of Art from June to August 2020. The exhibit featured works with a strong environmental message urging action on environmental destruction and climate change, and was run in an environmentally friendly way to minimize waste and carbon emissions. The works were presented as powerful images on the theme of plastic-polluted seas and creatures that have lost their habitat. The thought-provoking exhibit prompted visitors to think about the environmental crisis.

Crow vs Plastic, by Khaled Ramadan

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 are special events geared toward children, including musicales and an opera. To date, invitations have been extended to 13,000 sixth-graders and seventh-graders 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.

Community Events

Participating in the Establishment of the Cikarang Japanese School (Indonesia)

PT. Indonesia Epson Industry (IEI) helped to establish a Japanese school in the Cikarang region in the eastern part of the Jakarta metropolitan area.

Many Japanese companies operate in the industrial parks around the Cikarang region, but the only Japanese school in Jakarta was the Jakarta Japanese School (JJS). Employees and their accompanying family members lived in central Jakarta out of necessity because the area is close to the Japanese school. It is, however, far from the Epson Indonesia plant. Therefore, in 2017, a community of Japanese industrial leaders established the Japanese School Establishment Committee, chaired by IEI President Eiichi Abe.

The Cikarang Japanese School (CJS) was opened in short order, in April 2019, and a ceremony was held in November. Masafumi Ishii, the Japanese Ambassador to Indonesia, joined the people involved in the school's founding, the faculty, and the students and their guardians to celebrate the opening of a school that Japanese children in the Cikarang area can attend. IEI President Abe served as the Vice Chairman of the JJS Maintenance Association, which is responsible for the CJS, until March 2020, and since April has been a member of the CJS steering committee.

Japanese School, Cikarang

Ambassador Ishii (3rd from left) and IEI President Abe (1st from right) who attended the memorial ceremony

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, 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.

Movie Screenings (Taiwan)

Epson Taiwan Technology & Trading Ltd. (ETT) has held movie screenings at elementary schools throughout Taiwan since 2009 to entertain children in the community. ETT provides the projectors and movies used at the venues. In FY2020, ETT showed movies 235 times at 77 schools. They were able to deliver the fun of movies to children in both urban and rural communities.

Response to the Novel Coronavirus ("COVID-19") (Global)

COVID-19 is continuing its spread across the world and the situation remains precarious. Epson mostly focuses its efforts towards the safety of the medical community, and also tries to contribute to your safety and security wherever possible.

Main Supporting Activities

(The activities are in alphabetical order)

Month/ Year	Region	Recipient	Details of assistance rendered	Organization
Apr. 2020	Indonesia	Batam's hospitals, medical institutes, and healthcare offices that are involved in the fight against the coronavirus pandemic	1,240 medical masks, 800 aprons, 2,000 gloves, 400 shoe covers, 27 sets of protective clothing, 8,000 ml of disinfectant	PT. Epson Batam
May 2020	Indonesia	Jakarta's Yasni (orphanage), Daarul Rahman (orphanage)	Provided breakfast, food, daily necessities, nutritional supplements, and various sanitary items for 150 people living in orphanages	PT. Epson Indonesia
May 2020	Indonesia	Makassar Mardiyah (orphanage)	Provided breakfast, daily necessities, nutritional supplements, and various sanitary items for 55 people living in an orphanage together with financial support for operating the orphanage	
May 2020	Indonesia	Bandung Panti Asuhan Mardiah (nursing home)	Provided nutritional supplements, daily necessities, and various sanitary items for 38 people living in a nursing home together with financial support for operating the nursing home	
May 2020	Indonesia	Surabaya Ar-Rochim (orphanage)	Provided breakfast, daily necessities, nutritional supplements, and various sanitary items for 50 people living in an orphanage together with financial support for operating the orphanage	
May 2020	Indonesia	Business partners	Provided various sanitary items such as masks and disinfectant for 109 people	
May 2020	Indonesia	Members of the media	Provided honey, nutritional supplements, and various sanitary items such as masks, face shields, and disinfectant for 50 people	

Month/ Year	Region	Recipient	Details of assistance rendered	Organization
Mar.- Jun. 2020	Indonesia	Bekasi regency's Annisa Hospital and West Java, Karawang's Labour Office	Provided 34,000 medical masks, 50,000 ml of disinfectant, 50,000 ml of hand soap, and 42 sets of protective clothing	PT. Indonesia Epson Industry
Jul. 2020	India	PM CARES Fund (The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund)	Provided financial assistance	Epson India Pvt. Ltd.
Apr. 2020	Japan	Yamagata prefecture, Sakata area's medical association	Provided 1,500 medical masks	Tohoku Epson Corporation
Apr. 2020	Japan	Osaka city's hospital	Provided temporary loan of projectors that were used inside the hospital to support the increase in meetings on the topic of COVID-19	Epson Sales Japan Corporation
Apr. 2020	Japan	Facilities involved in fighting the coronavirus in Fukuoka prefecture	Provided consumables and a temporary loan of computers and inkjet printers. These were used in communication between infected people and doctors at task forces and hotels that opened their doors to people with a mild infection.	
May 2020	Japan	Independent Administrative Institution: Japan Organization of Occupational Health and Safety	Provided 10 sets of protective clothing, 30 shoe covers, 30 protective masks and 30 protective glasses	Seiko Epson Corporation
Jun. 2020	Japan	The educational field through Nagano's Prefectural Board of Education	Provided 5,000 face shields 	
Jun. 2020	Japan	Akita prefecture's Ogachi Central Clinic	Provided 200 foldable medical masks	Akita Epson Corporation
Jun. 2020	Japan	Akita University Hospital	Provided 1,000 foldable medical masks	
Jul. 2020	Japan	Vocational school students	Offered tuition fee exemption under a support system provided by Epson's vocational school for students who have been financially affected by the pandemic	Epson Information Science Vocational School

Month/ Year	Region	Recipient	Details of assistance rendered	Organization
Started Apr. 2020	Japan	Facilities involved in fighting the coronavirus in Chiba prefecture	Provided a temporary loan of inkjet printers. These were used for communication between infected people and doctors at hotels that opened their doors to people with a mild infection.	Epson Sales Japan Corporation
Started Apr. 2020	Japan	Facilities involved in fighting the coronavirus in Kanagawa prefecture	Provided consumables and a temporary loan of inkjet printers. These were used for communication between infected people and doctors at hotels that opened their doors to people with a mild infection.	
May-Jun. 2020	Japan	Medical facilities in Nagano prefecture involved in treating people infected with the coronavirus	Provided 5,660 face shields and 102,000 medical masks	Seiko Epson Corporation
May-Jun. 2020	Japan	Local food service industry and farmers	Supported local restaurants by offering take-out lunches for employees and supported local fruit farmers (of cherries, blueberries and peaches, etc.) by selling their products at Epson sites in Japan 	
Mar. 2020	The Philippines	Batangas's health care workers	Provided 1,000 medical masks, 142 protective glasses, 56 protective caps, 66 protective jackets, 75 protective pants, 800 washable gloves, 53 sets of protective clothing	Epson Precision (Philippines), Inc.
Apr. 2020	The Philippines	Laguna's health care workers	Provided 1,000 medical masks, 40 protective glasses, 2,000 nitrile powdered gloves	
Apr. 2020	The Philippines	Amang Rodriguez Memorial Medical Center and Quirino Memorial Medical Center	Provided both hospitals with two inkjet printers	Epson Philippines Corporation

Month/ Year	Region	Recipient	Details of assistance rendered	Organization
Apr. 2020	Singapore	Singapore Economic Development Board	Provided financial assistance to support the medical organizations of Batam, Indonesia	Singapore Epson Industrial Pte. Ltd.
May-Jun. 2020	U.K.	Telford's hospice and welfare facilities	Provided 255 internally manufactured face shields 	Epson Telford Ltd.
Mar. 2020	U.S.	Oregon Food Bank	Provided financial assistance	Epson Portland Inc.
Mar. 2020	U.S.	Oregon Wheels People (food bank)	Provided financial assistance	
Mar. 2020	U.S.	Tuality Healthcare Foundation	Provided medical gloves and protective clothing	
Jun. 2020	U.S.	Hillsboro Community Foundation	Provided financial assistance	

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.

An undersea world is created within gymnasiums and large conference rooms.

Fantas Cars (mobile carts equipped with a projector) are used to bring the Fantas Aquarium to hospital rooms and ward hallways.

Blood Donations (Worldwide)

Epson employees donate blood every year.

Japan

Indonesia

U.S.

China

Increasing Stakeholder Engagement

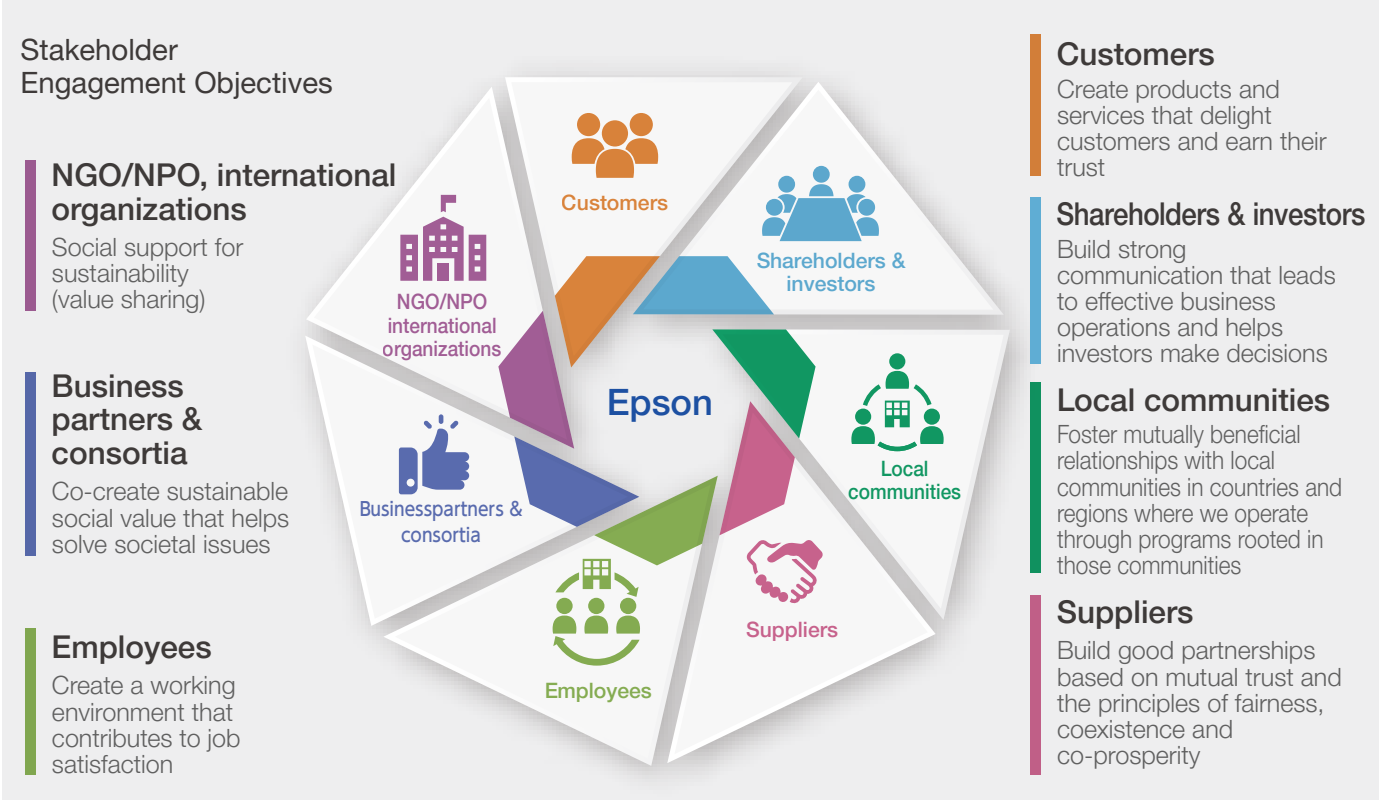
To guide its businesses toward solving societal issues, Epson believes it is important to understand and reflect the expectations of stakeholders in its strategies while also striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

Stakeholder engagement[*1] 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 delight customers and earn their trust and, moreover, to try 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

Shareholders & Investors

Discussions with Shareholders and Investors

- Encouraging sound investment decisions and improving the quality of management -

IR Policies and Guidelines

Epson, led by the PR & IR Department and the Sustainability Promotion Office, continuously and proactively engages institutional investors and individual shareholders throughout the year to build good communication that leads to sound investment decisions. Feedback gained from communicating with shareholders and investors is shared with management and used to improve management quality.

Although the number of shareholders and investors we can meet in person is limited, we are actively using tools such as bulletins and websites to convey our ideas to as many people as possible. We are focusing particularly on creating a website that can deliver information to a large audience simultaneously and are constantly updating sustainability and IR information.

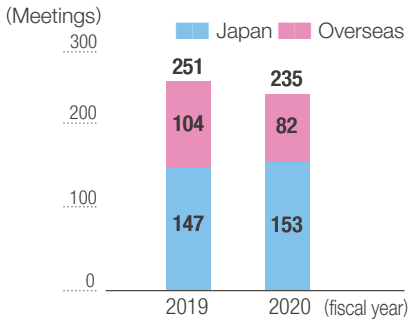
Analyst and investor meetings[*1]

FY2020 meetings

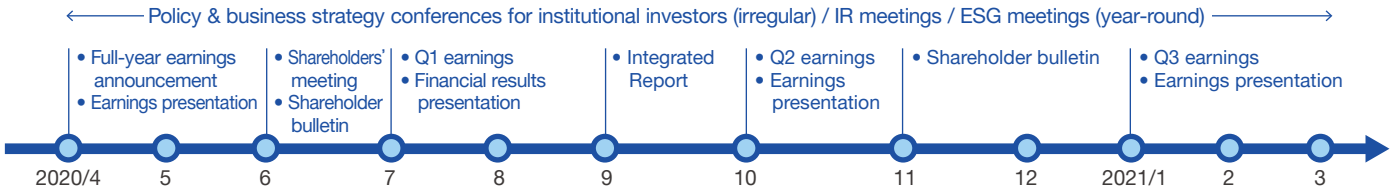
Total meetings 235

Japan 153 **Overseas 82**

[*1] In addition to face-to-face interviews and meetings, this includes telephone and online interviews and conferences.



Annual IR Cycle



Other IR-related activities

- Examine improvements to IR & sustainability tools and information
- Early release and enhancement of materials related to the shareholders' meeting
- Providing English language information to overseas investors
- Updating and enhancing the content of the sustainability site
- Ensuring compliance with the Corporate Governance Code and disclosure of actions taken
- Web-based IR activities, such as remote interviews during the pandemic

FY2020 Engagement Activities

ESG Meetings in Response to a Rising Tide of ESG Investment

Opportunities for discussing corporate ESG activities have increased with the rise of ESG investing. Epson met with institutional investors again in FY2020 to explain its activities and ideas related to the environment, society, and governance. A wide range of topics were discussed, including materiality and the Epson value creation story, setting quantitative targets for TCFD disclosure, and strengthening the governance system. The insights gained positively impact the company's operations, as they help to formulate future policy and strategy and improve board effectiveness.

Our ESG programs are increasing corporate value and making the company stronger. For a company like Epson, whose businesses are based on solving societal issues, ESG programs are simply a routine part of operations, and we will further advance ESG and sustainability management through dialogue with institutional investors.

Information Disclosure and IR Events during the Pandemic

Our IR activities significantly changed in 2020, as new solutions had to be found to meet with and deliver information to investors. Since COVID-19 caused upheaval in the market environment and heavily impacted Epson's business performance and strategies, carefully and coherently explaining these changes was a major topic of study. The pandemic also drew attention to the social side of business, such as employee health, relationships with business partners, and crisis management. Seiko Epson endeavored to proactively disclose information through the Integrated Report, web sites, and various other avenues.

In addition, nearly all earnings announcements and IR meetings were taken online. While online events are more convenient for the participants, greater care must be taken to ensure that the parties understand one another. Epson will continue to deepen dialogue with shareholders and investors.

Customers

Creating Value with Customers

- Creating products and services that delight customers and earn their trust -

Hankyu Hanshin Department Store/Revitalization of Sales Floors and Events with Textile Printing and Projection

Creating New, Digitally Enabled Customer Value

An Epson digital textile printer and projectors were used at Kimono Creation, an event held in collaboration with Hankyu Hanshin Department Store and Digina, a textile printer, kimono production, and sales company. Unique Yukata designed by creatives were selected and printed on-demand. The yukata were displayed virtually, allowing the store to limit the number of physical samples and save sales floor resources.

Epson's digital technology led to sales by enabling designers to physically reproduce their designs and shoppers to choose from a variety of designs.

Getting Shoppers to Stop

International Fashion Sales Manager,
Gofuku Sales Department
HANKYU HANSHIN DEPARTMENT STORES, INC.
Hidenobu Yamamoto

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.

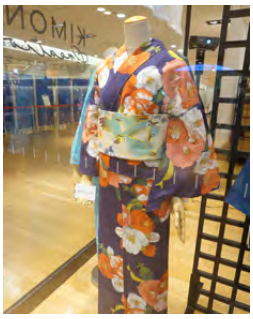
Expanding Horizons

Digina Corp.

Hisakatsu Iuchi

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, world about creative events like this will spread far more widely than before. I also realized that they have even greater potential, so I want to try to gradually expand the scope of activities. Digital collaboration will enable us to protect our precious craftspersons and leave traditional techniques on a digital platform for future generations.

Dialogue and Creative Activities



Digital printing and projection applications for the office have rapidly expanded, and in unexpected directions.
We at Epson will put even greater emphasis on dialogue with customers and business partners in order to discover these endless possibilities. This event with Hankyu Hanshin Department Store and Digina was the embodiment of collaboration and good communication.
In a digital world, it is not uncommon for new value to be created with a sudden idea or for a new business model or market to be created in a blink of an eye. The speed with which the world is changing makes it especially important to listen to our customers and partners, improve our products, and create new cultures.

NGO/NPO, International Organizations

NGO/NPO

– 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

Business Partners & Consortia

Collaboration with International Consortia

– Co-creation of sustainable social value that helps solve societal issues –

CSR Europe/Participation in Sustainability Activities in Europe

Leading Sustainability Events in Europe

CSR Europe is an organization that makes recommendations on guidelines and principles for the European Commission. As a leading European business network, it supports the CSR efforts of business, industry, government, and NGOs. Epson Europe B.V. joined CSR Europe in 2017. As a member of the executive board since 2019, Epson Europe has been a leader in the building of a global network and the creation of sustainability policies for a sustainable future and sustainable business growth.

Henning Ohlsson

Director Sustainability, Epson Europe B.V./
Managing Director, Epson Deutschland GmbH/
Member of the board of directors, CSR Europe
Top 100 CSR Influence Leaders

My aim is to reinforce the sustainability benefits of our products, technologies, and solutions and ensure their regulatory compliance. I also lead local and regional initiatives that promote our company's commitment to sustainability values.

I am constantly working to make our ambitious sustainability targets and initiatives tangible for our customers and for all our stakeholders.

Evaluation by External Parties

Inclusion in SRI Indices and Rating

Selected as a Constituent of the FTSE4Good Index Series for the 18th Consecutive Year

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 18th consecutive year. (June 2021)

FTSE4Good Index Series
https://www.ftserussell.com/products/indices/FTSE4Good

Selected as a Constituent of the FTSE Blossom Japan Index for the Fifth Consecutive Year

Seiko Epson was selected for inclusion in the FTSE Blossom Japan index for the fifth consecutive year. This index is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2021)

FTSE Blossom Japan Index (Japanese)
https://www.ftserussell.com/ja/index/spotlight/ftse-blossom-japan-index

Selected as a Constituent of the Empowering Women Index (WIN) for the Fifth Consecutive Year

Seiko Epson was selected for inclusion in the MSCI Japan Empowering Women Index (WIN) for the fifth consecutive year. WIN is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2021)

Selected as a Constituent of the S&P/JPX Carbon Efficient Index for the Fourth Consecutive Year

Seiko Epson Corporation has been selected to be part of the S&P/JPX Carbon Efficient Index every year since the index was first calculated (as of July 2021). 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.

Placed on Two Prestigious CDP A Lists for the First Time

Seiko Epson has been placed for the first time on the prestigious corporate sustainability A list by the globally influential environmental non-profit CDP for leadership in tackling climate change and water stewardship.

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

Seiko Epson has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard by the globally influential environmental non-profit CDP for the second consecutive year. (February 2021)

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 in the computer and peripheral equipment manufacturing industry. (October 2020)

Selected as a Constituent of the Sompo Sustainability Index for the 10th Consecutive Year

Seiko Epson was selected by Sompo Asset Management Co., Ltd. (Japan), as a constituent of one of the Sompo Sustainability Index for the 10th 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 2021)

Selected for Inclusion in the S&P Global Sustainability Yearbook 2021

Seiko Epson earned distinction for corporate sustainability excellence by qualifying for inclusion in the S&P Global Sustainability Yearbook 2021 by achieving a score on the S&P Global Corporate Sustainability Assessment that put us in the top 15% in our industry (Computers & Peripherals and Office Electronics). Of the 64 companies assessed in the same industry, only nine (four of them Japanese) earned membership in the Sustainability Yearbook. (February 2021)

Recognition

Multiple Epson Sites Earn Platinum in RBA Audits

Epson has been following the code of conduct and using the methodologies of the Responsible Business Alliance (RBA), an international coalition that promotes CSR in global supply chains, since 2019. In 2020, Epson's main factories underwent RBA audits in response to societal expectations, and two sites earned a platinum rating, the highest level of recognition. Only factories that earn a minimum score of 200 in the audit receive platinum-level recognition. Socially responsible procurement is a growing global trend. Achieving platinum status in internationally recognized RBA audits demonstrates that these Epson sites operate to high CSR standards. Our platinum factories allow us to provide our customers with more Epson products manufactured at sites that have satisfied the requirements of the RBA Validated Assessment Program (VAP). (October/December 2020)

Responsible Business Alliance
Advancing Sustainability Globally

Factories Recognized as Platinum

Site	Main products	Certificate issue date	Expiration date
Epson Precision Malaysia Sdn. Bhd.	Crystal device	February 2, 2020	January 18, 2021
PT. Indonesia Epson Industry	High-capacity ink tank printers, SOHO & home inkjet printers, shared office inkjet printers, SIDM printers, large-format printers, scanners	October 31, 2020	March 16, 2022
Epson Precision (Thailand) Ltd.	Crystal device	December 5, 2020	February 11, 2022

Recognized for Health Management Excellence for Fifth Consecutive Year

Seiko Epson was recognized for the fifth consecutive year under the Certified Health and Productivity Management Organization Recognition Program (White 500), in the large enterprise category. The program, which is jointly administered by the Japanese Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi, honors enterprises who work with insurers to promote good health and productivity. (March 2021)

2021
健康経営優良法人
Health and productivity
ホワイト500

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)

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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)

Certification as an Employer of Persons with Disabilities

Epson Mizube Corporation, a special subsidiary of Seiko Epson, received certification as an "Employer of Persons with Disabilities" in recognition of its initiatives to expand employment opportunities for persons with mental disorders and intellectual disabilities and to promote the active participation in society and independence of persons with physical disabilities. (January 2020)

Award

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)

Sustainability Report Recognized with the Prize for Excellence at Environmental Communication Awards 2021

Epson's Sustainability Report 2020 received the Prize for Excellence in the environmental reporting category of Environmental Communication Awards 2021, a program jointly sponsored by the Ministry of the Environment and the Global Environmental Forum.

This award is meant to encourage enterprises in their environmental communications efforts and to promote qualitative improvement therein by recognizing the best environmental and environmental action reports. Epson's report, which covered Environmental Vision 2050 and TCFD compliance and presented extensive product and service examples and data, was recognized for the comprehensiveness of the information, and particularly the environmental information. (February 2021)

Epson Subsidiary in Thailand Awarded Gold for its Zero Accident Record

Epson Precision (Thailand) Ltd. (EPTH) was awarded the Gold Level Award under the Zero Accident Campaign certified by the Thai Ministry of Labor.

This award recognizes companies that have operated without an occupational accident for 10,000,000 consecutive hours or more. EPTH recorded 13,150,385 hours of accident-free operations between March 19, 2017 and December 31, 2019. In the 2019 fiscal year, 75 companies were recognized with the Gold Level Award, 16 of which were Japanese companies. (August 2020) Winners include subsidiaries of blue-chip Japanese companies such as Toyota Motors, Oki Electric Industry, Panasonic, and Mitsubishi Motors.

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)

ESG Data (Environment)

Global Environmental Data

Energy

Use of energy

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Gas/oil	MWh	318,002	330,257	332,795	331,509	350,307
	Electricity/steam	MWh	448,513	467,629	357,552	360,543	361,612
Overseas	Gas/oil	MWh	16,044	19,592	14,450	15,804	16,869
	Electricity/steam	MWh	331,305	341,322	341,566	343,183	309,855
Total		MWh	1,113,864	1,158,800	1,046,364	1,051,039	1,038,644
Per unit of business profit (include renewable energy)		GWh/100 million yen	1.7	1.6	1.7	2.9	1.9

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

Use of renewable electricity

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan		MWh	168	257	118,504	119,302	118,974
	Purchased electricity	MWh	0	0	118,248	119,070	118,879
	Generated onsite	MWh	168	257	256	232	95
Overseas		MWh	5,777	9,215	18,901	18,695	37,466
	Purchased electricity	MWh	5,727	7,063	15,190	13,757	32,117
	Generated onsite	MWh	50	2,152	3,711	4,938	5,349
Total		MWh	5,945	9,473	137,405	137,997	156,440

* Purchased electricity includes Renewable Energy Certificate.

Status of electricity sources

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Renewable electricity	MWh	5,945	9,473	137,405	137,997	156,440
Non-renewable electricity	MWh	777,118	806,129	696,595	701,535	669,088
Ratio of renewable electricity	%	0.8	1.2	16	16	19

Greenhouse gas (GHG)

Greenhouse gas emission (Scopes 1, 2, and 3)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1	thousand t-CO_2e	133	137	128	122	125
Scope 2	thousand t-CO_2e	439	455	374	363	345
Scope 3	thousand t-CO_2e	-	3,261	3,263	3,024	2,516
Total	thousand t-CO_2e	-	3,853	3,765	3,510	2,987

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

Greenhouse gas emission (scopes 1, 2)

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Scope 1		t-CO_2e	132,885	136,734	127,737	122,263	124,929
	Japan	t-CO_2e	115,972	122,479	108,210	104,470	109,613
	Overseas	t-CO_2e	16,913	14,255	19,527	17,793	15,316
Scope 2		t-CO_2e	438,555	455,110	374,347	363,490	345,151
	Japan	t-CO_2e	235,726	246,022	185,520	184,748	179,890
	Overseas	t-CO_2e	202,829	209,088	188,827	178,743	165,261
Total		t-CO_2e	571,440	591,844	502,084	485,753	470,079
Per unit of business profit		thousand t/100 million yen	0.87	0.79	0.71	1.19	0.76
FY2025 target (science-based): reduce 19% total emissions from FY2017							-21%

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.)
* CO_2 conversion factor of greenhouse gas emissions
- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.
  Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
- GHGs other than CO_2: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

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

Greenhouse gas emission (scope 3)

			Unit	FY2018	FY2019	FY2020	Calculation method
Scope 3			thousand t-CO_2e	3,263	3,024	2,516	
	Category 1	Purchased goods and services[*1]	thousand t-CO_2e	1,141	1,064	928	Multiplied the mass of materials that comprise sold products by their emission factors
	Category 2	Capital goods	thousand t-CO_2e	248	217	125	Multiplied the capital expenditure in each investment account by emission factors

		Unit	FY2018	FY2019	FY2020	Calculation method
Category 3	Fuel- and energy-related activities not included in scope 1 or scope 2	thousand t-CO_2e	36	36	36	Multiplied the amount of each type of energy used at each site by their emission factors
Category 4	Upstream transportation and distribution	thousand t-CO_2e	201	181	167	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	Waste generated in operations	thousand t-CO_2e	5	4	3	Multiplied the amount of each type of waste generated at each site by their emission factors
Category 6	Business travel	thousand t-CO_2e	19	32	6	Multiplied the transportation expenses for each transportation mode and lodging expenses by their emission factors
Category 7	Employee commuting	thousand t-CO_2e	35	45	45	Multiplied the transportation expenses for each transportation mode by their emission factors
Category 8	Upstream leased assets	thousand t-CO_2e	5	5	3	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	Downstream transportation and distribution	thousand t-CO_2e	7	7	6	Multiplied the sold product not shipped by Epson and the average distances of transported volumes by their emission factors per unit
Category 10	Processing of sold products	thousand t-CO_2e	68	61	29	Multiplied the electricity consumed in the processing of intermediate products into finished products by emission factors
Category 11	Use of sold products[*1]	thousand t-CO_2e	1,413	1,297	1,106	Multiplied the estimated electricity consumption over the lifetime of sold products by an emission factor
Category 12	End-of-life treatment of sold products	thousand t-CO_2e	85	75	61	Multiplied the mass of each type of waste treated by the emission factor for each type of waste treatment
Category 13	Downstream leased assets	thousand t-CO_2e	N/A	N/A	N/A	Not applicable
Category 14	Franchises	thousand t-CO_2e	N/A	N/A	N/A	Not applicable

			Unit	FY2018	FY2019	FY2020	Calculation method
	Category 15	Investments	thousand t-CO_2e	N/A	N/A	N/A	Not applicable
FY2025 target (science-based): reduce 44% per unit of business profit from FY2017 (categories 1 and 11)				Increased	Increased*2	-3%	

Scope 3: Indirect GHG emissions of the entire value chain
*1 Data verified by a third party
*2 Due to a significant decrease in business profit

Third-party verification of greenhouse gas (GHG) emissions

We have a third party verify our calculations to ensure reliability. Our FY2020 GHG emissions (scopes 1, 2 and 3) and energy use data were verified as having been measured and calculated accurately, and a independent verification report was obtained.

Third-party verification report
https://global.epson.com/SR/esg_data/pdf/verification_report.pdf

Chemical substance

PRTR*1 substance emissions

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	t	1.5	1.7	1.7	1.9	1.8
Overseas	t	7.3	4.1	1.6	0.5	0.1
Total	t	8.8	5.7	3.3	2.3	1.8
Per unit of business profit	kg/100 million yen	13.4	7.7	4.6	5.7	2.9
Target: amount of emissions previous year or less						-22%

* Totals do not add up in some cases due to rounding off of fractions.
*1 Pollutant Release and Transfer Register.

VOC*1 emissions

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	t	80	86	85	81	76
Overseas	t	117	99	83	62	65
Total	t	197	185	168	143	141
Per unit of business profit	t/100 million yen	0.30	0.25	0.24	0.35	0.22
Target: amount of emissions previous year or less						-1%

* Totals do not add up in some cases due to rounding off of fractions.
* Amounts for FY2017 and FY2019 differ from those in Sustainability Report 2020.
*1 Volatile Organic Compounds

Industrial waste

Industrial waste emissions

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Waste generated	thousand t	13.8	14.3	14.7	14.3	13.7
	Recycled	thousand t	13.4	13.9	14.1	13.7	13.1
	Waste (disposed of)	thousand t	0.4	0.4	0.6	0.6	0.6
	Landfilled	thousand t	0.4	0.4	0.6	0.6	0.6
Overseas	Waste generated	thousand t	17.0	20.2	18.6	18.3	19.8
	Recycled	thousand t	14.2	17.3	15.6	15.3	17.8
	Waste (disposed of)	thousand t	2.7	2.9	3.0	3.0	2.0
	Landfilled	thousand t	2.4	2.5	2.3	2.1	1.5
Total waste generated		thousand t	30.7	34.4	33.3	32.6	33.5
Per unit of business profit		t/100 million yen	47	46	47	79	54
Target: amount of emissions (waste generated) previous year or less							+2.8%

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

Water

Water withdrawal by source

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Municipal water	thousand m^3	4,814	5,016	4,990	5,031	4,992
	Ground water	thousand m^3	685	742	773	692	638
	(Returned water to the source)	thousand m^3	(315)	(419)	(465)	(415)	(373)
	Subtotal	thousand m^3	5,499	5,758	5,763	5,724	5,629
Overseas	Municipal water	thousand m^3	2,408	2,566	2,588	2,407	2,296
	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	2,408	2,566	2,588	2,407	2,296
Total		thousand m^3	7,906	8,324	8,351	8,131	7,925
Per unit of business profit		thousand m^3/100 million yen	12.0	11.1	11.9	19.9	12.8
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	FY2016	FY2017	FY2018	FY2019	FY2020
Recycled water	thousand m^3	1,504	1,526	1,548	1,527	1,693
Recycled ratio	%	16	15	16	16	18

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

Water discharge by destination

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Sewerage	thousand m^3	2,111	2,348	2,082	2,021	2,003
	Rivers	thousand m^3	3,013	2,899	3,012	2,779	2,863
	Subtotal	thousand m^3	5,125	5,247	5,095	4,800	4,867
Overseas	Sewerage	thousand m^3	2,096	2,285	2,361	2,178	2,068
	Rivers	thousand m^3	0	0	0	0	0
	Subtotal	thousand m^3	2,096	2,285	2,361	2,178	2,068
Total		thousand m^3	7,221	7,532	7,455	6,977	6,935

* 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 FY2020 data.

Coverage of environmental reporting

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Company number	company	56	57	54	54	50
Percentage of coverage (Revenue)	%	98	97	96	95	95

* Company number includes Seiko Epson Corporation.

ISO 14001 Certification List

Japan: Development divisions/Operations divisions/Group companies

Region	Certified sites
Japan	Seiko Epson Corporation Production Planning Division Technology Development Division Human resources Division Visual Products Operations Division Microdevices Operations Division Manufacturing Solutions Operations Division MSM Business Project VSM Project Tohoku Epson Corporation Akita Epson Corporation Miyazaki Epson Corporation Epson Direct Corporation Epson Logistics Corporation Epson Swan Corporation
	Seiko Epson Corporation Printing Solutions Operations Division
	Epson Atmix Corporation

Overseas: Regional headquarters/Sales/Service subsidiaries and affiliates

Region	Certified sites
Asia/Oceania	Epson (China) Co., Ltd.
	Seiko Epson Corporation, Hong Kong Office
	Epson Taiwan Technology & Trading Ltd.
	Epson Australia Pty. Ltd.
Europe	Epson Europe B.V.
	Epson Deutschland GmbH
	Epson Europe Electronics GmbH
	Epson France S.A.S.
	Epson Italia S.p.A.
	Epson Iberica S.A.U.
	Epson Iberica S.A.U., Portugal Office
	Epson (U.K.) Ltd.
Americas	Epson America, Inc.

Overseas: Manufacturing industry

Region	Certified sites
Asia/Oceania	Tianjin Epson Co., Ltd.
	Epson Precision Suzhou Co., Ltd.
	Epson Engineering (Shenzhen) Ltd.
	Epson Precision (Philippines) Inc.
	Epson Precision (Johor) Sdn. Bhd.
	Singapore Epson Industrial Pte. Ltd.
	PT. Epson Batam
	PT. Indonesia Epson Industry
	Epson Precision Malaysia Sdn. Bhd.
	Epson Precision (Thailand) Ltd.
	Epson Wuxi Co., Ltd.
	Epson Precision (Shenzhen) Ltd.
Europe	Epson Telford Ltd.
Americas	Epson Portland Inc.
	Epson Portland Inc., Longview Office
	Epson Paulista Ltda.

Product Recycling

Collection

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Finished products[*1]	thousand t	13.2	23.0	19.2	20.9	17.5
Cartridges	thousand t	2.0	1.7	1.8	1.8	1.5

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

Education

Environmental education (Japan)

Training		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Basic environmental training II[*1]	Participants	Persons	16,552	16,991	17,379	17,008	18,626
ISO 14001 environmental auditor training[*2]	Participants	Persons	26	444	182	175	114
	Certification recipients	Persons	1,944	697	869	1,012	1,131

* 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	FY2016	FY2017	FY2018	FY2019	FY2020
Fundamentals of security export control	Persons	14,487	14,092	16,072	16,204	*1
Import/Export control	Persons	14,342	13,968	15,986	16,149	
Fundamentals of Export Control	Persons	-	-	-	-	17,332
Epson's compliance(code of conduct etc.)	Persons	18,125	18,821	18,331	19,347	20,891
Basic information security	Persons	18,519	18,658	19,924	19,550	21,982
Basic environmental training II	Persons	16,552	16,991	17,379	17,008	18,626
Introduction to procurement (Subcontract Act.)	Persons	16,302	-	16,801	-	17,801
Introduction to procurement(Ethics and code of conduct)	Persons	-	15,302	-	15,974	-
J-SOX	Persons	17,371	17,770	18,497	18,642	-

* The number of person completing the course by March 31 of that year
*1 Unified it in the Fundamentals of Export control.

Training by employee level

Training	Who	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
New employee orientation	New hires	Persons	293	293	298	311	344
		%	100	100	100	100	100
C-level employee training	New C-level staff	Persons	191	236	182	285	350
		%	95.0	93.4	96.3	95.0	98.3
Senior staff training	New senior staff	Persons	293	266	247	206	231
		%	95.8	93.3	91.1	95.8	97.4
Section manager training	New section manager	Persons	174	138	130	90	130
		%	95.6	97.2	93.5	91.8	98.5
General manager training	New general manager	Persons	28	33	31	30	53
		%	96.6	92.7	86.9	85.7	93.0

Training by regular employee

	Unit	FY2017	FY2018	FY2019	FY2020
Training by regular employee	Hours	9.5	11.0	11.1	7.4

* Seiko Epson HR Department training for regular employees and time spent on online courses. Does not include education and training courses of functional supervisory departments and operations divisions.

Quality control training (Japan)

Course		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
QC introduction	People trained	Persons	314	414	457	413	366
	% trained	%	90	90	91	88	90
QC-ABC	People trained	Persons	257	266	194	168	389
	% trained	%	79	80	76	75	77

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

Licensed quality control training trainers

Region		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Southeast Asia	Number of production sites with licensed trainers	Companies	7	7	7	7	7
	Licensed trainers	Persons	119	89	97	80	77
China	Number of production sites with licensed trainers	Companies	8	8	7	6	6
	Licensed trainers	Persons	79	71	79	61	52

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

Promotion of Diversity

Employees with disabilities (Japan)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Number of employees	Persons	272	284	295	308	317
Employment ratio	%	2.43	2.48	2.55	2.62	2.66
Target: Employment ratio of disable employees by FY2020 (%)						2.5

* Figures for fiscal year as of Jun 1 of that year

Workforce composition

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Female/Male ratio	Female	%	17.0	16.0	16.3	16.3	16.6
	Male	%	83.0	84.0	83.7	83.7	83.4
Management diversity*1	Female	%	2.0	3.0	2.4	2.7	3.2
	Male	%	98.0	97.0	97.6	97.3	96.8
Target: Female management position ratio by FY2022 (%)							5
Junior management diversity*2	Female	%	6.0	6.0	6.0	6.2	6.5
	Male	%	94.0	94.0	94.0	93.8	93.5
Target: Female junior management position ratio by FY2022 (%)							7

* Data for Seiko Epson Corporation employees as of March 31 of that year
*1 Section managers and higher
*2 Team leader

Employees by age group

Age	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Less than 20	Persons	-	41	49	42	45
20-29	Persons	-	1,319	1,533	1,671	1,804
30-39	Persons	-	2,357	2,208	2,080	1,983
40-49	Persons	-	3,804	3,714	3,650	3,487
50-59	Persons	-	3,637	3,724	3,777	3,900
60-69	Persons	-	1	0	0	1
70 and over	Persons	-	0	0	0	0

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

Employees by age and by gender (Global)

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Less than 20	Female	%	-	2.0	2.4	1.2	0.6
	Male	%	-	1.3	1.0	0.7	0.3
	S. Total	%	-	3.3	3.4	1.9	0.9
20-29	Female	%	-	20.9	20.4	21.0	19.6
	Male	%	-	18.5	18.2	17.6	16.9
	S. Total	%	-	39.4	38.6	38.6	36.5
30-39	Female	%	-	12.1	12.0	12.0	12.1
	Male	%	-	13.2	13.5	13.4	14.5
	S. Total	%	-	25.3	25.5	25.4	26.6
40-49	Female	%	-	7.2	7.7	8.2	8.5
	Male	%	-	12.9	12.7	12.9	13.1
	S. Total	%	-	20.1	20.4	21.1	21.6
50-59	Female	%	-	2.6	2.6	2.9	3.4
	Male	%	-	8.7	8.9	9.4	10.2
	S. Total	%	-	11.3	11.5	12.2	13.5
60 and over	Female	%	-	0.2	0.2	0.3	0.3
	Male	%	-	0.4	0.4	0.4	0.6
	S. Total	%	-	0.6	0.6	0.7	0.9
Total	Female	%	-	45.0	45.3	45.5	44.5
	Male	%	-	55.0	54.7	54.5	55.5
	G. Total	%	-	100	100	100	100

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

Length of employment

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Total	Years	19.4	19.5	19.4	19.2	19.1
Female	Years	22.2	22.1	21.5	20.9	20.4
Male	Years	18.9	19.0	18.9	18.9	18.9

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

Average age

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Total	Years old	43.7	43.8	43.6	43.6	43.6
Female	Years old	44.3	44.4	43.9	43.6	43.5
Male	Years old	43.6	43.7	43.6	43.6	43.6

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

Turnover rate

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Total turnover rate	%	3.6	3.6	4.5	4.1	4.5
Voluntary turnover rate	%	1.6	1.5	1.8	1.5	1.4

* Data for Seiko Epson Corporation as of March 20 of that year (Including retired worker)

Fostering a Better Workplace

Workforce composition by employment type and by gender (Global)

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Full-time employment	Female	%	-	34.6	36.1	35.5	32.7
	Male	%	-	41.7	43.0	43.0	41.1
	S. Total	%	-	76.3	79.1	78.5	73.8
Part-time employment/ Contract	Female	%	-	11.6	10.8	12.0	15.8
	Male	%	-	4.9	5.2	6.4	7.8
	S. Total	%	-	16.5	16.0	18.4	23.6
Temporary	Female	%	-	2.7	2.1	1.4	1.3
	Male	%	-	4.6	2.8	1.6	1.3
	S. Total	%	-	7.3	4.9	3.0	2.6
Total	Female	%	-	48.8	49.0	48.9	49.8
	Male	%	-	51.2	51.0	51.1	50.2
	G. Total	%	-	100	100	100	100

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

Composition of all managerial positions by gender (Global)

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Junior management positions	Female	%	-	18.6	18.8	18.8	19.4
	Male	%	-	81.4	81.2	81.2	80.6
	S. Total	%	-	100	100	100	100
Top management positions	Female	%	-	14.9	13.4	14.7	13.0
	Male	%	-	85.1	86.6	85.3	87.0
	S. Total	%	-	100	100	100	100
Total	Female	%	-	16.3	16.2	16.7	17.1
	Male	%	-	83.7	83.8	83.3	82.9
	G. Total	%	-	100	100	100	100

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

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

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Management positions in revenue-generating functions	Female	%	-	14.8	14.7	14.6	15.2
	Male	%	-	85.2	85.3	85.4	84.8
	S. Total	%	-	100	100	100	100
Management positions in non-revenue generating functions	Female	%	-	23.7	24.5	25.6	25.8
	Male	%	-	76.3	75.5	74.4	74.2
	S. Total	%	-	100	100	100	100
Total	Female	%	-	16.3	16.2	16.7	17.1
	Male	%	-	83.7	83.8	83.3	82.9
	G. Total	%	-	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	FY2016	FY2017	FY2018	FY2019	FY2020
Total working hours	Hours	2,001	1,971	1,943	1,879	1,848
	Target:	-	-	-	1,900	1,865

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

Paid leave

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Number of paid leave used	Days	12.6	14.0	13.9	15.6	15.9
	Target:	-	-	15.0	18.0	18.0
	%	63.0	70.0	69.5	78.0	79.5
	Target:	-	-	75.0	90.0	90.0

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

Childcare leave trends

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Childcare leave	Total	Persons	60	64	75	102	109
	Female	Persons	42	44	35	41	37
	Ratio of female granted leave*1	%	100	98	100	100	100
	Male	Persons	18	20	40	61	72
Employees using parental reduced hours		Persons	-	170	160	147	137

* Data for Seiko Epson Corporation employees as of March 20 of that year
*1 Number of individuals childcare leave/eligible individuals

Caregiver leave trends

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Care giver Leave	Persons	2	2	2	6	2
Employee using caregiver reduced hours	Persons	-	2	5	4	4

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

Result of employee survey

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Participation ratio	%	-	95.1	96.7	97.4	92.5
% of engaged employees	%	89.9	92.1	92.2	91.2	92.0

* Data for Seiko Epson Corporation regular employees and employees after retirement age.

Labor Union membership

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Ratio of Union membership	%	-	85.5	85.8	85.9	86.5

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

Collective bargaining agreements

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Employees covered by collective bargaining agreements	%	-	-	55.4	56.2	57.7

* Data for Epson overseas subsidiaries employees as of March 31 of that year

Employee coverage of the individual performance appraisals by MBO (Manegement by Objectives)

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Performance appraisals by MBO	Female	%	-	-	47.8	59.3	64.6
	Male	%	-	-	31.0	46.9	51.9
	Total	%	-	-	44.9	53.8	58.9

* Data for Epson overseas subsidiaries employees as of March 31 of that year
* In Japan, MBO is in principle implemented for 100% of employees

Minimum Wage

Ratios of standard entry level wage by gender compared to local minimum wage

	Unit	Amount	Local min. wage	% to local min. wage
Epson Precision (Philippines), Inc. Philippine Peso (as of March 2021 by the day)	Femail	373	373	100%
	Male	373	373	100%
	Average	373	373	100%
Epson Engineering (Shenzhen) Ltd. Chinese Yuan (as of March 2021 by the month)	Femail	3,300	2,200	150%
	Male	3,300	2,200	150%
	Average	3,300	2,200	150%
PT. Indonesia Epson Industry Indonesian Rupiah (as of January 2021 by the month)	Femail	6,496,756	5,362,656	121%
	Male	6,496,756	5,362,656	121%
	Average	6,496,756	5,362,656	121%

Occupational Safety and Health

Occupational injury accident frequency (Global)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Occupational accident rate	-	0.09	0.12	0.07	0.10	0.13

* The number of injury accidents per million work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Occupational injury accident seriousness (Global)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Injuries severity rate	-	0.002	0.003	0.005	0.002	0.004

* The number of injury accidents per 1000 work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Supply Chain Management

Supplier conference for CSR

Area		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Japan	Number of companies	Companies	489	237	447	510	764
China	Number of companies	Companies	135	113	222	58	77
Indonesia	Number of companies	Companies	-	103	168	193	17
Others	Number of companies	Companies	-	-	295	63	40
Total	Number of companies	Companies	624	453	1,132	824	898

CSR evaluation

Evaluation		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Direct evaluation (Annual evaluation)	Number of accounts	Accounts	1,422	1,413	1,481	1,525	1,440
	Ratio of evaluation suppliers	%	100	100	100	100	100
Detailed evaluation*1 Direct suppliers (Production material)	Number of companies	Companies	274	-	312	222	293
	Ratio of high risk rank	%	8	-	5	0	0
Detailed evaluation*1 Indirect suppliers (Non-production material)	Number of companies	Companies	-	66	-	124	233
	Ratio of high risk rank	%	-	9	-	16	8
Evaluation of emergency response capabilities (BCP self assessment questionnaire)	Number of companies	Companies	436	319*2	250	1,336	2,170
	Target achievement rate	%	95	154	91	71	88
Safety management evaluation (BCP self assessment questionnaire)	Number of companies	Companies	357	1,353*2	481	1,384	2,134
	Target achievement rate	%	92	141	93	74	87

* Including 2nd tier supplier
*1 Each attribute evaluation is executed at the every other year.
*2 In FY2017, as a special action, self-assessment was conducted by Tier 1 and non-Tier 1 suppliers.

Conflict Minerals

Conflict minerals survey

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Survey sheet recovery rate	%	95	94	92	91	97
Number of identified smelters*1	-	314	312	314	344	340
Number of CFS*2-certified smelters	-	243	249	256	268	242

*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	FY2016	FY2017	FY2018	FY2019	FY2020
Gold	Number of identified smelters	-	138	146	150	159	166
	Number of CFS-certified smelters	-	94	100	102	107	107
Tantalum	Number of identified smelters	-	48	41	40	45	41
	Number of CFS-certified smelters	-	43	39	40	40	38
Tin	Number of identified smelters	-	93	79	81	93	79
	Number of CFS-certified smelters	-	67	70	74	78	55
Tungusten	Number of identified smelters	-	52	46	43	47	54
	Number of CFS-certified smelters	-	39	40	40	43	42

Corporate Citizenship

Corporate citizenship

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Corporate citizenship expenditures	Billion yen	0.61	0.61	0.82	0.90	0.58

* The monetary equivalent of donations and grants, as well as human, material, and other assistances

ESG Data (Governance)

Corporate Governance

Board of directors

		Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Independent outside directors	Female	Persons	2	2	2	2	2	2
	Male	Persons	3	3	3	3	3	3
	S. Total	Persons	5	5	5	5	5	5
Inside directors	Female	Persons	0	0	0	0	0	0
	Male	Persons	7	6	7	7	7	6
	S. Total	Persons	7	6	7	7	7	6
Total	Female	Persons	2	2	2	2	2	2
	Male	Persons	10	9	10	10	10	9
	G. Total	Persons	12	11	12	12	12	11

Number of Meetings of the Board of Directors and Other Committees (FY2020)

	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Meetings Held	13	17	2	6	6

Number of Meetings Directors Attended (FY2020)

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Minoru Usui	Chairman of the Board	Chair of the Board of Directors	13 (100%)	-	-	-	-
Yasunori Ogawa	President and Representative Director	Chair of the Director Nomination Committee Chair of the Director Compensation Committee	13 (100%)	-	-	6 (100%)	6 (100%)
Koichi Kubota	Representative Director		13 (100%)	-	-	-	-
Tatsuaki Seki	Director		13 (100%)	-	-	-	-
Masayuki Kawana	Director		13 (100%)	-	-	6 (100%)	6 (100%)
Toshiya Takahata	Director		13 (100%)	-	-	-	-
Hideaki Omiya	Outside Director		13 (100%)	-	2 (100%)	6 (100%)	6 (100%)
Mari Matsunaga	Outside Director		13 (100%)	-	2 (100%)	6 (100%)	6 (100%)

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Taro Shigemoto	Director, Full-Time Audit & Supervisory Committee Member	Chair of the Audit & Supervisory Committee Chair of the Compliance Committee	13 (100%)	17 (100%)	2 (100%)	6 (as an observer)	6 (as an observer)
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member		13 (100%)	17 (100%)	2 (100%)	6 (100%)	6 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member		10*1 (100%)	12*2 (100%)	2 (100%)	6 (100%)	6 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member		10*1 (100%)	12*2 (100%)	2 (100%)	6 (100%)	6 (100%)

( ): Attendance rate
*1 Mr. Murakoshi and Ms. Ohtsuka were eligible to attend the 10 Board of Directors meetings that were held after they were appointed as outside directors at the Annual General Shareholders' Meeting on June 25, 2020.
*2 Mr. Murakoshi and Ms. Ohtsuka were eligible to attend the 12 Audit & Supervisory Committee meetings that were held after they were appointed as outside directors at the Annual General Shareholders' Meeting on June 25, 2020.

Directors Comprising Corporate Management Meeting Bodies (as of June 30, 2021)

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	Member	-	-	-	-
Yasunori Ogawa	President and Representative Director		Member	-	-	Member	Member
Koichi Kubota	Representative Director		Member	-	-	-	-
Tatsuaki Seki	Director		Member	-	-	-	-
Taro Shigemoto	Director		Member	-	-	Member	Member
Hideaki Omiya	Outside Director	Chair of the Director Nomination Committee Chair of the Director Compensation Committee	Member	-	Member	Member	Member
Mari Matsunaga	Outside Director		Member	-	Member	Member	Member

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Chair of the Audit & Supervisory Committee Chair of the Compliance Committee	Member	Member	Member	(Observer)	(Observer)
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member		Member	Member	Member	Member	Member
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member		Member	Member	Member	Member	Member
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member		Member	Member	Member	Member	Member

Composition of Corporate Management Meeting Bodies (as of June 30, 2021)

Composition		Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Members		11	4	6	7	7
Breakdown 1	Inside director	6	1	1	2	2
	Outside director	5	3	5	5	5
	Other (outside)	-	-	-	-	-
Breakdown 2	Women	2	1	2	2	2
	Men	9	3	4	5	5

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.

EPSON
EXCEED YOUR VISION

Principles of Corporate Behavior

Issued September 2005
Revised April 2012
Revised October 2017
Revised April 2021

Epson will fulfil its social responsibility by aspiring to live up to the principles below and by effecting continuous improvements based on "trust-based management," a concept that underlies Epson's Management Philosophy. We seek to create value that surprises and delights our customers and helps to make the world a better place. At the same time, we aim to be an indispensable company, a company that maintains the trust of all stakeholders (including customers, shareholders, investors, communities, business partners, NGOs, NPOs, and employees) and that exists for the world's benefit.

This signals our commitment as a company to observing these principles. It also serves as a declaration that all Epson personnel, including senior executives, managers, and employees, should comply with and conduct themselves in line with these principles.

- Principle 1: Pursuing customer satisfaction

We think of our customers' perspective at all times and continue to create trusted products and services that please our customers around the world.

a) We will ensure that all products and services meet the required safety and environmental standards.
b) We will listen to our customers, take all their expectations seriously, and give sincere consideration to their feedback.
c) We will strive to deliver high value, quality products and services that meet or exceed the expectations of our customers.
d) We will adhere to universal design standards that maximize product usability and give our customers something they will value and enjoy.
e) We will consistently provide our customers with high customer value, socially beneficial, innovative, and affordable products and services through R&D and programs conducted from a customer perspective, such as improving manufacturing capabilities across the Epson Group.

- Principle 2: Preserving the natural environment

We integrate environmental considerations into our corporate activities and actively strive to meet high conservation standards when fulfilling our responsibilities as a good corporate citizen.

a) Harmony with the environment is one of the highest priorities of the Epson Group's management. When conducting business activities, we will keep future generations in mind, and consider how they might best be sustained.
b) We will strive to minimize environmental impacts in an integrated manner across the entire life cycle of our products and services, from manufacturing to transport, use, and disposal.
c) We will participate in environmental preservation and restoration projects as a member of society.
d) We will promote environmental awareness and provide information to our employees to enhance their understanding of environmental issues.

- Principle 3: Fostering diverse values and teamwork

We strengthen teamwork by recognizing the value of a diverse workforce and creating synergies between individuals and our organization.

a) We will instill in our employees, and practice, the ideals of our Management Philosophy.
b) We will put Epson in the best position by hiring a diverse workforce and utilizing their unique skills effectively.
c) We will respect the individuality of employees and maintain relationships between the company and employees based on trust.
d) We will develop our employees by creating systems that allow individuals to utilize their skills effectively.

e) We will create a culture in which employees take pride in their work, work with confidence and actively promote teamwork.

- Principle 4: Creating a safe, healthy, and fair work environment in which human rights are respected

We respect basic human rights and create a cheerful, safe, healthy, and fair work environment that is free of discrimination.

a) We will not tolerate any violation of human rights.
b) We will not engage child labor or forced labor.
c) We will promptly take corrective action against undesirable behavior including any harassment, violence, devaluation of the individual or any behavior resulting in loss of trust.
d) We will eliminate any forms of discrimination against gender, nationality, religion, race and disability.
e) We will support employees by facilitating a proper work-life balance.
f) We will adhere to and maintain the proper health and safety standards at all sites around the world.
g) We will support the efforts of employees to monitor and improve their mental and physical wellbeing.
h) We will establish practices that create a fair and open work environment and build a corporate culture that values individuals' rights and that facilitates equal opportunities for all.

- Principle 5: Ensuring effective governance and compliance

We institute effective corporate governance and internal controls, and we observe laws, regulations, and other rules and maintain the highest ethics in all activities.

a) We will establish and maintain an effective system which governs our corporate entities and internal controls to ensure that management is transparent, fair, agile, and decisive.
b) We will implement systems of compliance to ensure that we observe and respect all applicable laws and regulations, internal rules, and business ethics, and will respond to the needs of society.
c) We will establish whistleblower systems that can be used anonymously to report concerns of violations of laws and regulations, internal rules or of business ethics. We will not tolerate any retaliation against whistleblowers who report for justifiable reasons.
d) We will not tolerate any form of bribery, corruption, dishonest marketing, cartels, insider trading, or conflict of interest. We will conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.
e) We will maintain a good, mutually cooperative relationship with governments and their administrative bodies.
f) We will not involve ourselves in or have contact with any anti-social movement or group that promotes activities that are illegal or threatening to public order and safety.
g) We will establish a system to investigate the source of minerals used in our products and supply chain and will take actions to responsibly source minerals to avoid using any minerals that could be involved in human rights abuses, conflicts or environmental degradation.
h) We will employ best practices in risk management to prevent risks from materializing and minimize impact in cases where they do materialize.

- Principle 6: Ensuring the security of people, assets, and Information

We protect the safety and security of people and company assets, and we exercise strict care in the management of all information.

a) We will establish and maintain systems to ensure the safety and security of Epson personnel, as well as visitors or contractors on our premises.
b) We will carefully handle all group tangible and intangible assets (financial, intellectual, and those regarding infrastructure, brand, and proprietary information) and respect the assets of others.
c) We will take reasonable and necessary precautions to protect the confidentiality of proprietary business information including the privacy of customers, employees and other stakeholders.
d) We will only use our company assets (all forms stated above) for appropriate business purposes. Unauthorized use will not be tolerated.

- Principle 7: Working with business partners for mutual benefit

We seek to maintain mutually beneficial relationships with our suppliers, sales channels, collaborators, and other business partners, whom we ask to live up to the highest standards of ethical conduct while respecting their autonomy and independence.

a) Acts of bribery and collusion with business partners are strictly forbidden. We will engage in sound business practices and demand that our business partners adhere to a zero-tolerance policy regarding illegal and unethical business practices.
b) We will hold our business partners to the same strict standards that Epson upholds, with regard to compliance with laws and maintenance of human rights, suitable labor conditions, the environment, ethics, quality, and information security. Epson will support improvements to any of these areas as needed.
c) We will develop and maintain open relationships with our business partners and work with them to increase the competitiveness of the entire supply chain, based on mutual trust and for our mutual benefit.

- Principle 8: Prospering with the Community

We actively contribute to the communities in which we operate, as well as the international community, facilitating mutually beneficial relationships.

a) We will respect the cultures and traditions of the countries and regions in which we operate.
b) We will engage in open dialogue with the local and international community. We will also actively engage in activities that promote our standing as a good corporate citizen.
c) We will nurture a culture in which our employees are encouraged to participate in volunteer programs and other activities that facilitate good corporate citizenship. We will establish the systems needed to support such efforts.

- Principle 9: Initiating honest dialogue with our stakeholders

We maintain open lines of communication with our stakeholders, thoughtfully considering their views and suggestions.

a) We will respect other cultures and traditions while striving to engage in principled, ethical communication.
b) We will communicate openly and honestly with our stakeholders, and will establish appropriate systems for the disclosure of information.
c) We will utilize appropriate and useful tools to communicate information to our stakeholders.
d) We will provide opportunities and establish appropriate systems to engage in dialogue with stakeholders.
e) We will utilize the opinions and suggestions of our stakeholders as a vital resource for corporate management.

Quality Policy

1. We will solve problems by directly observing all of our operations and processes.

2. We will quickly complete the Plan, Do, Check & Act (PDCA) cycle in all situations.

3. We will thoroughly analyze any failures, and establish procedures based on that analysis, so that mistakes are never repeated.

4. We will proactively consider our customers' satisfaction so they will genuinely prefer purchasing Epson products and feel confident using them.

5. We will seize the opportunity presented by customer comments and complaints to inform our decisions when designing new products.

6. We will readily report even negative information.

7. We will foster a climate in which attention is paid to even the most commonplace events.

Basic Policy on Product Safety

Seiko Epson Corporation and the Epson Group recognize that securing customer trust in the safety of the products we manufacture and sell is an important management task. We have established the Basic Policy on Product Safety below based on the Epson Group's management philosophy, which articulates our commitment to customer satisfaction, and actively work to ensure product safety.

1. Compliance with laws and regulations

- We comply with product safety laws and regulations and this Basic Policy, and we conduct all product safety activities ethically.

2. Development of voluntary action plans

- We develop and execute voluntary action plans on product safety pursuant to this Basic Policy and make continuous improvements to establish and maintain a corporate culture where the priority is on the customer and product safety.

3. Quality management to ensure product safety

- We maintain and comply with our own safety standards and rules as well as safety requirements defined by laws and regulations and public safety standards, and we continuously strive to improve them by implementing proper quality management in order to ensure product safety.
- We place cautionary information or markings to help prevent accidents due to misuse or carelessness on products themselves or in instruction manuals to help ensure that our customers use our products safely.
- We educate employees and other parties to help ensure product safety.

4. Responding to product accidents

- We promptly and actively collect information on accidents involving our products and keep our customers and stakeholders properly informed; and, when deemed necessary, we recall products and take other measure to prevent and contain further harm.
- If serious product accidents occur with our products, we promptly report to the relevant authority in accordance with laws and regulations.

Environmental Policy

1. Creating and providing earth-friendly products

2. Transforming all processes to reduce the burden on the environment

3. Recovering and recycling used products

4. Sharing of environmental information and contributing to regional and international preservation efforts

5. Continually improving the environmental management system

Human Resources Development Policy

Our basic approach is to support employees who have aspirations for self-actualization, to connect all the companies in the Seiko Epson Group with people, and to nurture employees so that both corporate and individual objectives are met.
The following is our policy for human resources development.

1. The Company positions human resources as an indispensable resource and aims to integrate employee aspirations for high-level achievements with the highest interests of the Company.

2. HR development is a very important instrument for materializing the Management Philosophy and business plans. It is the key to forming a good management cycle.

3. Each level of employee therefore assumes the following roles.
   (a) Executives, as drivers of HR development, must serve as role toward fulfillment of Company philosophies.
   (b) Management-level personnel must practice OJT systematically and continuously with a clear objective for the training. Nurturing of employees must be done principally on an individual basis in a comprehensive manner through the setting of detailed objectives, evaluation of results and acceptance of individual experiences of success. At the same time, management-level personnel must prepare their successors.
   (c) Employees should voluntarily pursue self-improvement.
   (d) Departments in charge of education must promote HR development through off-the-job training, as well as OJT.

Established in 1996
Revised on October 1, 2006

Basic NESP Policy

Epson believes that providing and maintaining a safe and healthy work environment and promoting physical and mental wellness are the foundation of a healthy company. Accordingly, we have established a basic NESP policy and shall take strategic actions to enable personnel at all Epson sites around the world to work with vibrancy as a team in the knowledge that they are safe and secure.

NESP: New Epson Safety & Health Program
(NESP is a progressive program that Epson has developed based on general occupational safety and health management system principles and organizations.)

1. Involving all personnel (employees, contractors, and other partners), implement the PDCA cycle for NESP activities and drive continuous improvements.

2. Investigate potential hazards (via risk assessments, etc.), and thoroughly analyze the causes of industrial incidents and occupational injury accidents. Develop measures based on these to prevent future incidents and accidents.

3. Foster a vital organizational culture where work and health are in harmonious balance by preventing work-related health problems and supporting employees' own health monitoring and improvement efforts.

4. Periodically review the preparations you have in place for fires, earthquakes, floods, infectious diseases, and other natural disasters and the actions you have 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 train employees, and raise the level of safety and health awareness and management.

6. Observe occupational safety and health legal and regulatory requirements in your country and region, as well as internal regulations, standards, and policies.

7. Allocate appropriate management resources for safety and health programs, and continuously make effective improvements.

Established on April 1, 2001
Revised on July 1, 2020

The Policies Regarding Human Rights and Labor Standards

A. Human Rights
(1) We will respect fundamental human rights. We will not tolerate any violation of human rights.
(2) We will take steps to prevent and eliminate any harassment such as sexual harassment, abuse of power in the workplace.
(3) We will respect individual privacy.

B. Discrimination
(1) We will take steps to prevent and eliminate any discrimination on the basis of race, nationality, ethnic origin, creed, sex, gender, age, religion, disability and any other basis protected by the applicable law of any country or region in which we operate.
(2) In respect of employment and occupation, we will not damage the equality of opportunity on the basis of any irrational reason that is not directly linked to legitimate business needs.
(3) In any country or region in which we operate, we will respect their culture, custom and history identifying how these may vary, and behave in consideration of the differences.

C. Employment and Labor Condition
(1) We will not engage child labor or forced labor. We will never take a child as a laborer who is under the legal employment age as defined in the local law of any country or region in which we operate.
(2) We will secure the soundness of employment and labor, and we will comply with the local law of any country or region in which we operate.
(3) We will not dismiss employees based on irrational reasons without a direct relationship to legitimate business needs.
(4) We will maintain fine industrial relations.
(5) We will observe the local laws, internal rules and policies regarding health and safety, and we will adhere to and maintain good working conditions and environment according to the proper health and safety standards.

Established on September 26, 2005

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

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.

Epson Slavery & Human Trafficking Statement for Financial Year 2020

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. We will respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

This statement is made pursuant to section 54(1) of the UK's Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the U.S. California Transparency in Supply Chain ACT 2010 (SB 657) and the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid).

The Epson Group companies that are required to report under these laws are as follows:
Epson (U.K.) Ltd.
Epson Telford Ltd.
Epson Australia Pty. Ltd.
Epson America, Inc.
Epson Europe B.V.

Our organisation

Seiko Epson Corporation and Epson Group companies are primarily engaged in the development, manufacturing, and sales of products and services in the areas of printing, visual communications, wearables and robotics.
We use the word Epson to describe all companies in the Epson Group.
Epson is organized into operational divisions that come under consolidated management. The majority of advanced R&D and product development is conducted in Japan, while manufacturing and sales activities are conducted around the world by 83 Epson Group manufacturing and sales companies, in 58 countries and regions, with 79,944 employees and 995.9 billion yen in net revenue for FY2020.
Epson is vertically integrated and develops and manufactures the majority of its components in-house and then sells through its global network of wholly owned sales subsidiaries.
Epson's printing solutions business provides home and office inkjet printers, serial impact dot matrix (SIDM) printers, page printers, colour image scanners, dry process office papermaking systems, inkjet printers for commercial and industrial applications, printers for use in POS systems, inkjet printhead, related consumables, and, in the Japanese market, PCs.
Epson's visual communications business provides 3LCD projectors mainly for business, education, the home, and event as well as smart glasses.
Its wearables & industrial products business provides wristwatches and watch movements, industrial robots, IC handlers*; crystal units, crystal oscillators, and quartz sensors for consumer, automotive, industrial equipment applications; CMOS LSIs and other chips mainly for consumer electronics and automotive application; high-performance metal powders, and high-value-added surface finishing.

* IC handler business was transferred to another company in April 2021.

Supply Chain

In manufacturing and selling the many Epson products mentioned above, currently, Epson procures goods and services from about 1,700 direct material suppliers around the world.
Epson considers suppliers to be important partners in its business activities. As such, its procurement activities are designed to develop mutually beneficial trusting relationships with its business partners based on fairness, transparency, and respect.
Epson procures goods from around the world. Domestic Japanese procurement accounts for 42% of the spend and overseas procurement for 58%.

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 66% of the spend. Meanwhile, indirect materials procurement, which includes spending on things such as factory supplies, machinery and equipment, advertising, logistics, outsourcing of business processes, and temporary staffing, accounts for 34%.

Epson believes its responsibility for products and services goes beyond just ensuring high-quality products for the market. It also believes it is responsible for ensuring that its entire supply chain upholds appropriate standards in respect to human rights, labour, and the environment. Therefore, Epson recognizes the importance of taking CSR initiatives hand in hand with its suppliers. For that reason, Epson practices fair and transparent trade with its suppliers and thereby building trusting relationships. Epson believes that it is only with such partnerships that it can enjoy "harmonious development" supported by rapport with international and local communities.

Epson standards

Epson is serious about keeping all forms of discrimination and unfair practices out of its global operations. We will work to fulfill our social responsibility and create shared value in order to achieve sustainability and enrich communities together with our customers and partners from a long-term perspective based on our management philosophy.

In 2005, Seiko Epson Corporation established the Principles of Corporate Behavior (Corporate Social Responsibility Guidelines) which are adhered to by all companies ultimately owned by Seiko Epson Corporation. In 2021, Epson updated the Principles of Corporate Behavior in response to the latest societal requirements. These guidelines were established to clarify the foundations for implementing trust-based management, which is aimed at building stakeholder trust and is the fundamental principle of Epson management, and which are shared across the Group. Epson's stance on Corporate Social Responsibility is reflected in its participation in the United Nations Global Compact since 2004. Epson also used ISO 26000 (Guidance on Social Responsibility) and OECD Guidelines for Multinational Enterprises as references. In 2005, Epson documented its policies regarding Human Rights and Labour Standards that outline its strong convictions in areas including respect for human rights, elimination of harassment, eradication of all forms of discrimination, respect for local culture and customs, prohibition of child and forced labour, and maintenance of positive labour relations. Furthermore, Epson will fulfill its corporate responsibilities pursuant to the United Nations Guiding Principles on Business and Human Rights, which came into effect in 2011. In April 2019, Epson joined the Responsible Business Alliance (RBA), a global coalition dedicated to CSR in global supply chains. Epson has committed to complying with the RBA Code of Conduct, progressively implementing the RBA approach and tools in the spirit of the industry's common goals. In 2020, we incorporated the requirements of the RBA Code of Conduct in Epson Group regulations concerning human rights and labor, health and safety, environment, ethics, and management systems, thus helping to ensure that we can maintain compliance with the RBA Code of Conduct within Epson's management.

As indicated by the phrase "commitment to sustainability" in the Epson Group Management Philosophy, Epson aspires to work with its business partners for mutual benefit, achieve sustainability, and enrich communities. We believe that we can build mutually beneficial relationships by asking all our business partners, including our suppliers, to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.

These supply chain ethics requirements are based on the RBA Code of Conduct. Epson, which has mapped each of its supply chain initiatives to one or more of the Sustainable Development Goals (SDGs) of the United Nations, will help to achieve the SDGs by taking action throughout the supply chain.

In particular, we are focusing on the following four priorities and are engaging suppliers to ensure worker human rights and safety and to realize a sustainable society:

- Decent work
- A safe work environment
- Responsible sourcing of minerals
- Environmental impact mitigation

To achieve the goals stated in its Management Philosophy, Epson believes that it is essential for suppliers to understand the management philosophy and support its procurement activities. We established the Epson Group Supplier Guidelines in 2005 to inform suppliers about Epson's procurement policies and to enlist their cooperation in promoting socially responsible practices. Then, in 2008, we created the Epson Supplier Code of Conduct, which is based on and conforms to the code of conduct created by the Electronic Industry Citizenship Coalition (EICC), now called the Responsible Business Alliance (RBA).
The Epson Group Supplier Guidelines stipulate the basic quality (Q), price (C), and delivery (D) requirements for transactions, trade control measures that satisfy the requirements of the international community, and measures to ensure security in the supply chain. They also stipulate CSR requirements (the RBA Code of Conduct) in the areas of labor, health and safety, environment, and ethics with the aim of maintaining socially responsible business practices along with our business partners. Over the 15-year history of the Guidelines, we have asked all our suppliers to comply with the requirements and have our major suppliers of both production materials and indirect materials (including suppliers of contract services and temporary staff) to submit a Supplier Agreement in which they consent to comply with Epson's requirements. In the 2020 fiscal year, we received Supplier Agreements from about 1,500 companies that supply our main manufacturing subsidiaries in Japan and abroad.
Going forward, Epson will further observe the RBA Code of Conduct and work with its suppliers to strengthen CSR supply chain initiatives.

Due diligence processes for slavery and human trafficking

Epson has identified potential or actual human rights risks both within its own operations and within those of its suppliers. These risks include things such as forced labor, child labor, harassment, and discrimination in the value chain for developing, manufacturing, and selling products. We are going through a process of human rights due diligence to investigate these risks, extract problems and issues, take corrective action, make improvements, and prevent future problems. The human rights due diligence process in Epson's business is as follows:

1. Policy enactment
2. Identification of human rights risks and evaluation of their effects
3. Improvement plans, and stopping, preventing, and mitigating adverse effects
4. Results/progress monitoring
5. Communication and reporting
6. Remedial measures

1. Policy enactment

In 2005, we established The Policies regarding Human Rights and Labor Standards of the Epson Group. The policies will be reviewed as needed in response to changes in social trends and social demands. In 2019, we joined the RBA as a regular member. We are deploying the RBA Code of Conduct within Epson and in the supply chain and are monitoring compliance. In conducting these activities, we refer to the United Nations Guiding Principles on Business and Human Rights as well as other international norms and standards.

2. Identification of human rights risks and evaluation of their effects

To understand where human rights risks exist in business and to manage those risks, we worked with stakeholders in the value chain to analyze where risks reside. We found that priority actions are needed for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees. Therefore, we conduct a CSR self-assessment questionnaire to understand issues in these areas.

3. Improvement plans, and stopping, preventing, and mitigating adverse effects

We instruct companies and business sites to take action to correct, improve, or mitigate risks identified by the CSR self-assessment questionnaire.

Regarding child labour, we have established the following measures:
Epson will never engage in child labour within its facilities, including workers from external partners and workers hired through agents. If found, each company is required to assist them and provide for the welfare of the child. Age verification must include visual verification of a government recognized photographic identification document, if available.
If child labour is discovered at the company, employment will be terminated immediately, and the company will notify Seiko Epson, the relevant government and labour inspection agency to consider measures to be taken in consultation with them.

4. Results/progress monitoring

We check whether instances of noncompliance with the code of conduct have been corrected by asking the companies and business sites to complete the CSR self-assessment questionnaire the following year. In addition, as a member of the RBA, Epson voluntarily undergoes RBA VAP audits at its large production sites for its main businesses to accurately assess compliance with the RBA Code of Conduct, extract issues, and address them.

5. Communication and reporting

The results and progress of improvement plans are reviewed annually. The findings are disclosed on the Web and reported in Epson's sustainability report. This statement also reports on the Epson Group's global initiatives.

6. Remedial measures

In addition to prioritizing remedies for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees, we provide whistleblowing systems that all stakeholders, including customers, investors, and members of local communities, can use to lodge grievances that are then appropriately addressed.

Assessing and managing risk

In the 2020 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 labor, health and safety, environmental issues, ethics, and management systems, is used to assess compliance with the RBA Code of Conduct.
The following are examples of human rights risks that have been identified, corrected, improved, or continuously addressed within the Epson Group:
- Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
- Holding of passports belonging to migrant workers
- Agreement process with workers regarding overtime work
- Long working hours

This CSR SAQ is conducted every year to identify where issues exist and encourage improvement.
In 2020, we asked key suppliers of direct materials, on-site contractors at major manufacturing sites, and temporary staffing and referral agencies to complete a CSR SAQ. We asked 297 key first-tier suppliers of direct materials to complete the CSR SAQ, and we received responses from 293 companies (497 sites).
When suppliers are found to be high-risk as a result of their score on the CSR SAQ or high-risk in terms of labor (human rights), we verify the situation on-site and support their efforts to improve to medium risk or better. The results of the 2020 CSR SAQ showed no evidence of child labor or the worst forms of human rights abuses.
We received completed questionnaires from 154 on-site contractors and 92 temporary staffing and referral agencies that have contracts with Seiko Epson plants and offices and with domestic and overseas manufacturing sites. As indispensable partners for Epson's factory operations, we ask them to understand the requirements of the RBA and to work to improve their operations in compliance with these requirements.

In addition to the scores on the CSR SAQ, we provide all suppliers with their score and with a feedback sheet that includes advice on how to correct issues.

Performance indicators

Epson sets and acts upon medium-range targets, major action items, and key performance indicators (KPIs) for achieving its supply chain CSR vision.
Mid-term targets (achieve by 2025)
- Sustainable procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
- Conflict minerals: Make products conflict-mineral-free and disclose product information.

FY2020 Major Action Items and KPIs	Results
1. Ask major suppliers to complete a CSR SAQ (self-assessment questionnaire): 1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100% 2) Percentage of high-risk suppliers who complete corrective action: 100% (Number of high-risk suppliers: 0)	Number of direct material suppliers asked to complete the SAQ: 297 Number of suppliers that completed the SAQ: 293 1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100% Direct material supplier risk rankings Low risk: 443 companies (91%) Medium risk: 54 companies (9%) High risk: 0 companies (0%) 2) Percentage of high-risk suppliers who completed corrective action: 100% (Number of high-risk suppliers: 0)
2. Percentage of CSR questionnaires (including conflict minerals surveys) from customers that are completed and returned: 100%	Percentage of surveys completed at customer request: 100%
3. Percentage of CF certified smelters in conflict minerals survey: 100%	Percentage of CF-certified smelters: 71%

FY2021 Major Action Items and KPIs
1. Strengthen the CSR SAQ (self-assessment questionnaire) for major suppliers: 1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100% 2) Implementation of risk mitigation activities for specified priority items: 100% completion rate
2. Strengthening of conflict mineral surveys 1) Exclusion of non-CF-certified smelters by performing due diligence 2) Completed surveys collection rate of 100%
3. Strengthening of CSR engagement with suppliers 1) 100% of manufacturing sites held supplier CSR meetings 2) 100% of major suppliers signed a Supplier Agreement committing to comply with the Epson Group Supplier Guidelines

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.

All employees in Japan are required to take the Introduction to Procurement (Subcontract Act) online training courses. Employees in Japan and abroad took an online course in the basics of the RBA to learn about the RBA Code of Conduct and its relationship to CSR issues in the supply chain.
Epson provided professional training for procurement staff to manage supplier CSR. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standards. Some are conducted by outside consultants. In 2020, with amendments having been made to the RBA Code of Conduct, we provided training in version 7 of the code to relevant employees in Epson Group companies in Japan and abroad.
Epson has established compliance hotlines for receiving reports and consultations from suppliers regarding violations or potential violations of legislative requirements and the Epson Group Procurement Guidelines. Suppliers are asked to report any real or suspected misconduct or legal, regulatory, or ethical violations relating to Epson's operations or involving Epson officers or employees.
In 2020, we improved and broadened the operation of whistleblowing systems by introducing channels at overseas manufacturing subsidiaries that business partners can use to report compliance issues.
Steps are taken to protect the identity of whistleblowers by strictly handling personal data and to protect them from retaliation.

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 30 July 2021 and signed by the President of Seiko Epson Corporation.

Yasunori Ogawa
President, Board of Directors
Seiko Epson Corporation

Date: 30 July 2021

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 (UK) Limited for the financial year ending 31 March 2021.

Epson (UK) 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 (UK) 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 has a term of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

As the supplier of its products, Seiko Epson Corporation and Epson Europe B.V. has assured Epson (UK) 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 (UK) Limited's board of directors meeting on 17 August 2021 and signed by the Managing Director.

Robert Clark
Managing Director
Epson (U.K.) Ltd.

Date: 17 August 2021

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 2021.

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 05 08 2021 and signed by the Managing Director.

Kevin Browne
Managing Director
Epson Telford Ltd.

Date: 05 08 2021

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 2021.

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 05 August 2021 and signed by the President.

Craig Heckenberg
Managing Director
Epson Australia Pty. Ltd.

Date: 05 August 2021

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 2021.

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 term of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

This Statement was confirmed by Epson Europe B.V.'s board of directors and signed by the President.

Yoshiro Nagafusa
President
Epson Europe B.V.

Date: 24 August 2021

EPSON
EXCEED YOUR VISION

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