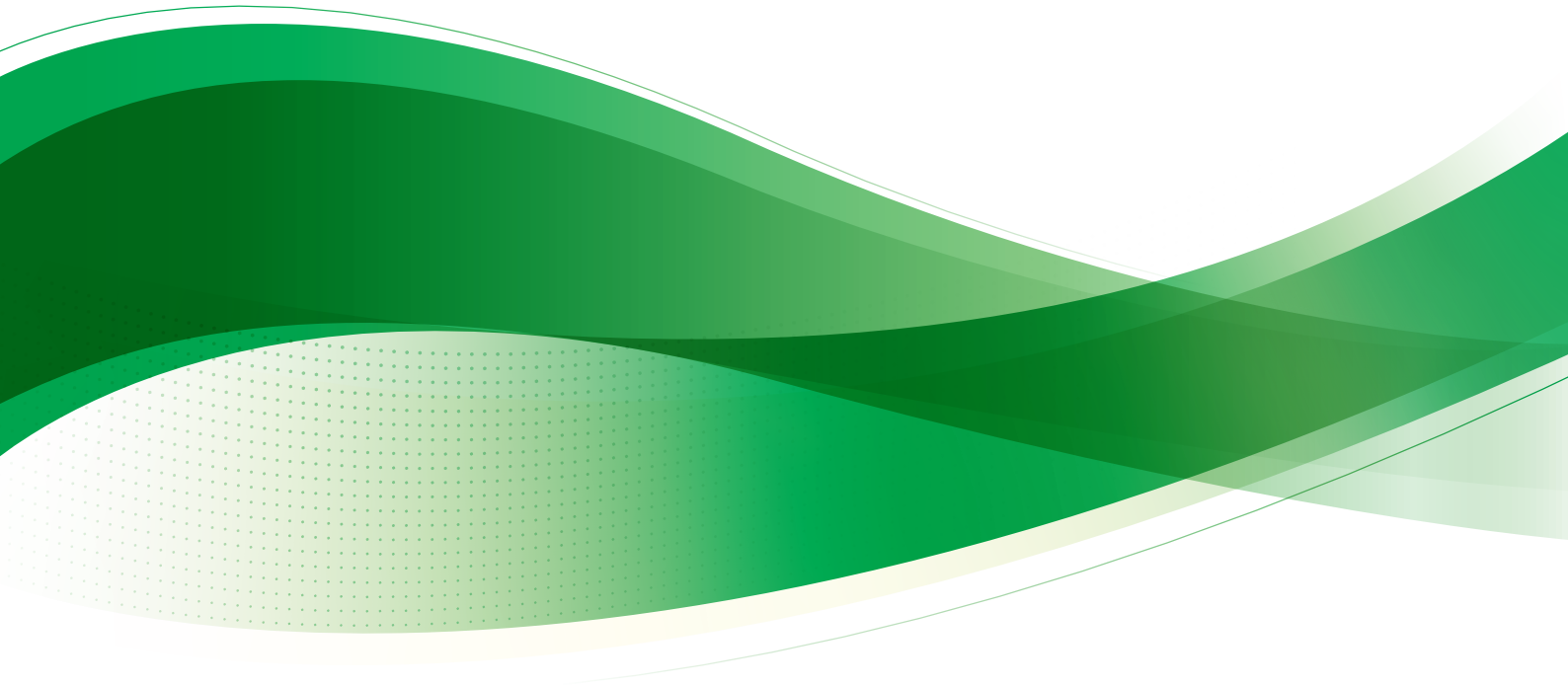
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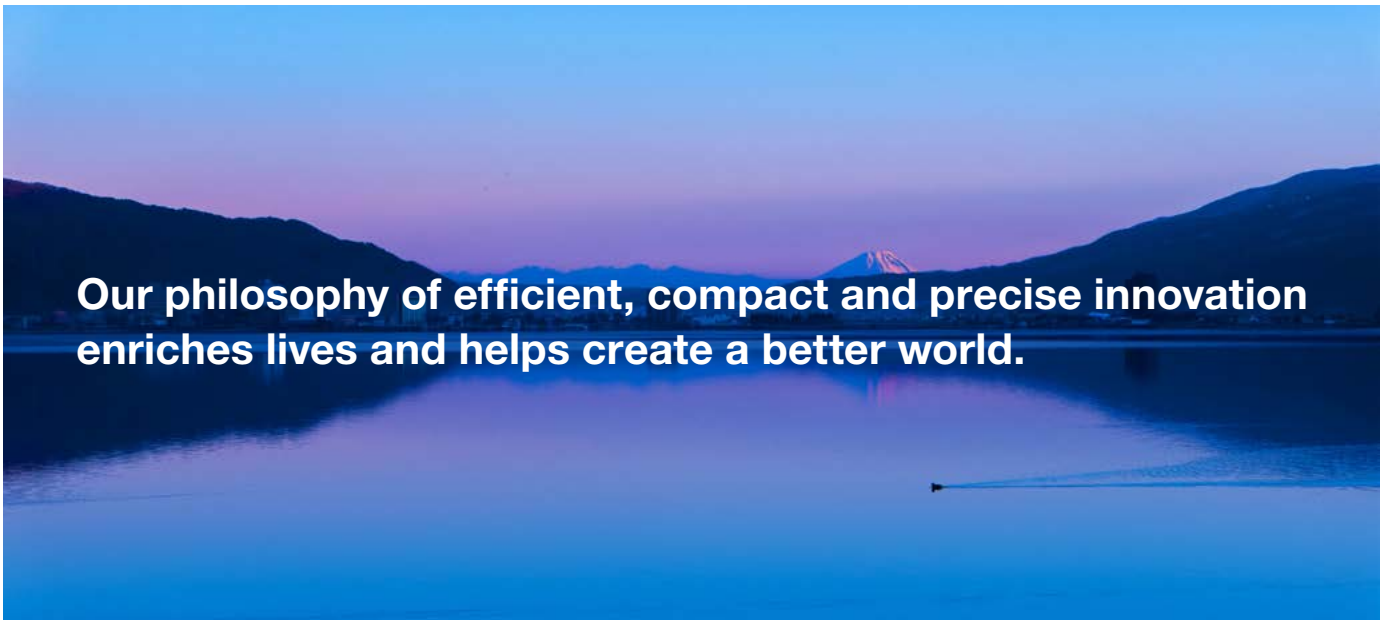
Epson Group

Sustainability Report 2024



Purpose

Our Purpose



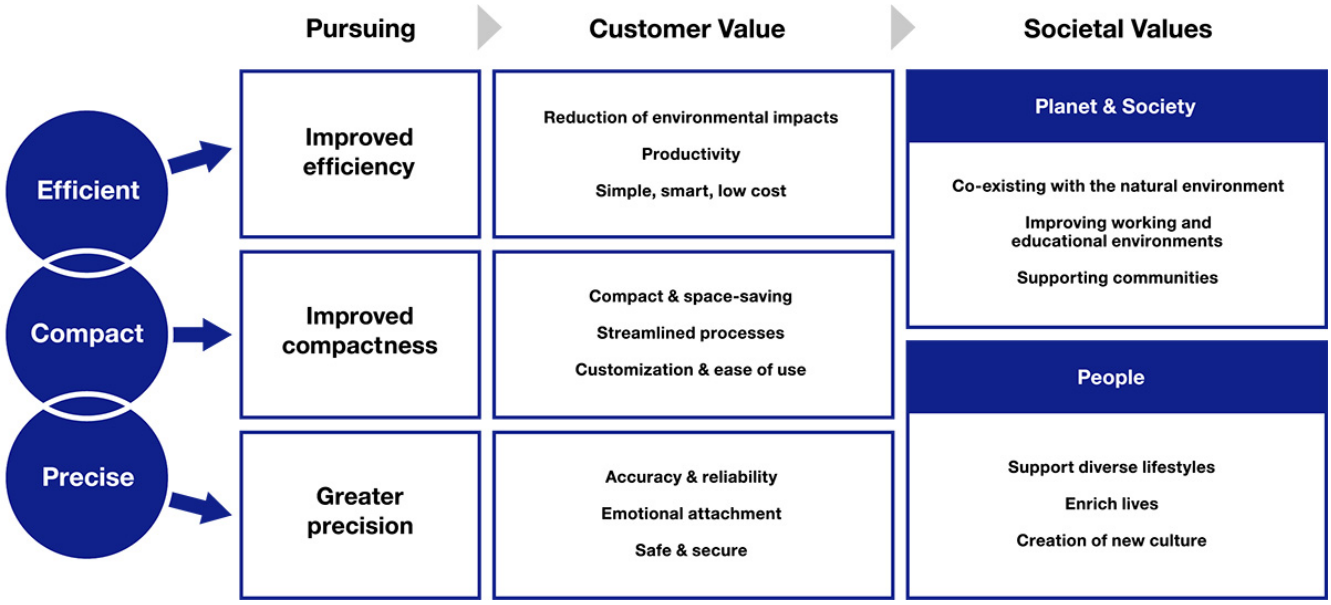
Epson was founded in Japan, a nation blessed with outstanding natural beauty and a rich cultural heritage. Our commitment to protecting such abundant gifts for future generations has never wavered. We constantly pay close attention to social issues and dedicate ourselves to addressing them, as our timely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

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

We will continue to strive towards realizing this purpose.

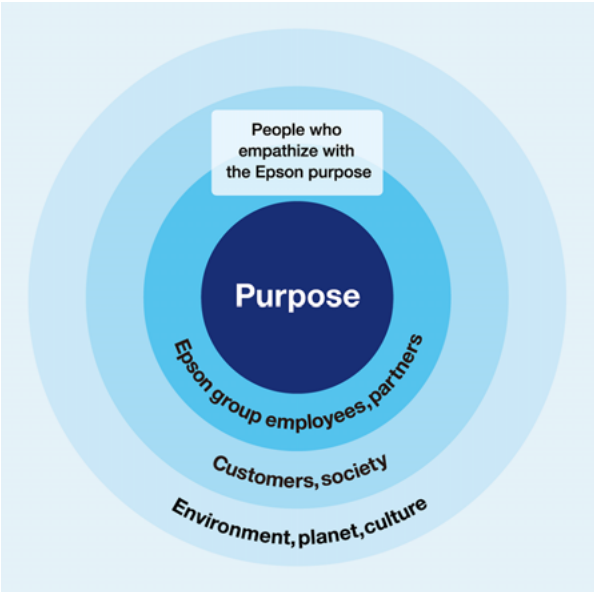
Value Proliferation from "Efficiency, Compactness, and Precision"

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



Our Relationship with Society

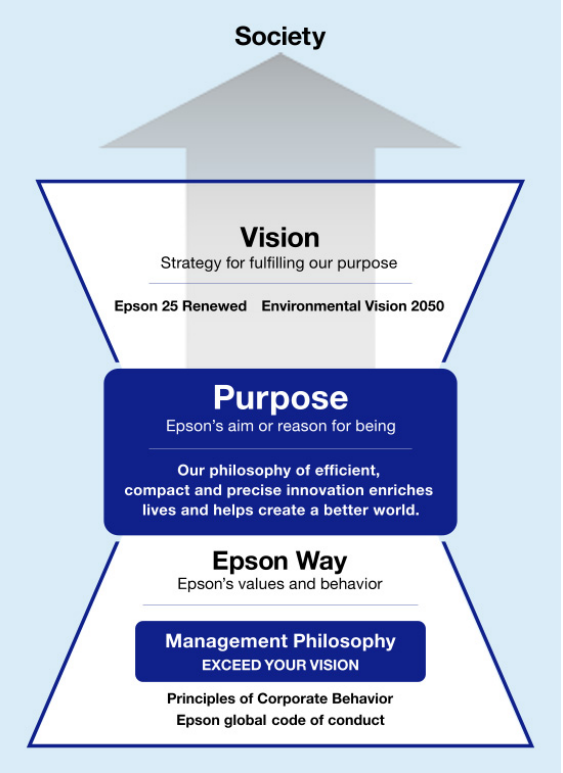
Fulfilling our purpose cannot be achieved by Epson Group employees alone. By gaining the empathy of our customers, partners, and society, we can conserve the global environment and make cultural advances to create an affluent society for the benefit of all.



Epson Way

About Epson Way

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



Management Philosophy

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

EXCEED YOUR VISION

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

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

INDEX

* Click the title to move to that article.

001 Purpose
003 Epson Way
004 Management Philosophy
006 Editorial Policy
007 Group Outline
008 Epson Group Companies in Japan
009 Global Network

013 CEO Message

015 CSuO Message

016 Sustainability Management
017 Sustainability Management
018 Practice of Sustainability Management
020 Materiality and Progress
031 Contributing to the SDGs
035 Responding to TCFD Recommendations
043 Participation in External Initiatives
047 Evaluation by External Parties

054 Environment
055 Top Message
056 Vision
065 Solving Social Issues Through Inkjet Technology
070 Green Bonds
072 Management
074 Decarbonization
083 Closed resource loop
095 Products and Services that Reduce Environmental Impacts
134 Environmental Technology Development
139 Pollution Prevention & Chemical Management
145 Biodiversity Conservation
150 Eco Community
154 Environmental Message

155 Our People
156 Top Message
157 Human Resource Strategy
162 Human Resource Development
169 Diversity, Equity and Inclusion
181 Respecting Human Rights
191 Fostering a Better Workplace
199 Health and Productivity Management
210 Occupational Health and Safety

217 Supply Chain
218 Top Message
219 Vision
224 Supplier Guidelines
226 Supply Chain Initiatives
241 Communication & Training
245 Responsible Mineral Sourcing
251 Supply Chain Human Rights Due Diligence
256 Green Purchasing
257 Paper Products Procurement

258 Customer Commitment
259 Approach
260 Customer Satisfaction
262 Quality Improvement
265 Product Safety
268 Universal Design

271 Stakeholder Engagement
272 Stakeholder Engagement
275 Shareholders & Investors
277 Local Communities
278 Business Partners & Consortia

280 Corporate Citizenship
281 Corporate Citizenship
282 Environmental Value
283 Social Value
290 Economic Value

292 Governance
293 Corporate Governance
308 Internal Control System
316 Initiatives of Internal Control
321 Security

325 ESG Data/Appendices
326 ESG Data (Environment)
335 ESG Data (Social)
346 ESG Data (Governance)
350 Appendices

Reporting Period

April 2023 to March 2024

Note: Contains some information on activities conducted after April 2024.

Scope

This report describes the sustainability efforts of Seiko Epson Corporation and 81 Group companies. The scope of environmental reporting, however, covers Seiko Epson Corporation, and 64 Group companies (representing 99% of revenue).

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

Guidelines

This report has been prepared with reference to the GRI[1] Standards 2021. At the same time, ISO 26000: 2010/ JIS Z 26000: 2012 (Guidance on social responsibility) was used as a reference.

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

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

Previous Reports

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

Date of Report Publication

November 29, 2024

Inquiries about Sustainability Report

Seiko Epson Corporation
Corporate Communications Department
Hirooka Office

80 Harashinden, Hirooka, Shiojiri-shi, Nagano-ken, Japan 399-0785
Tel: +81-263-52-2552 (main)



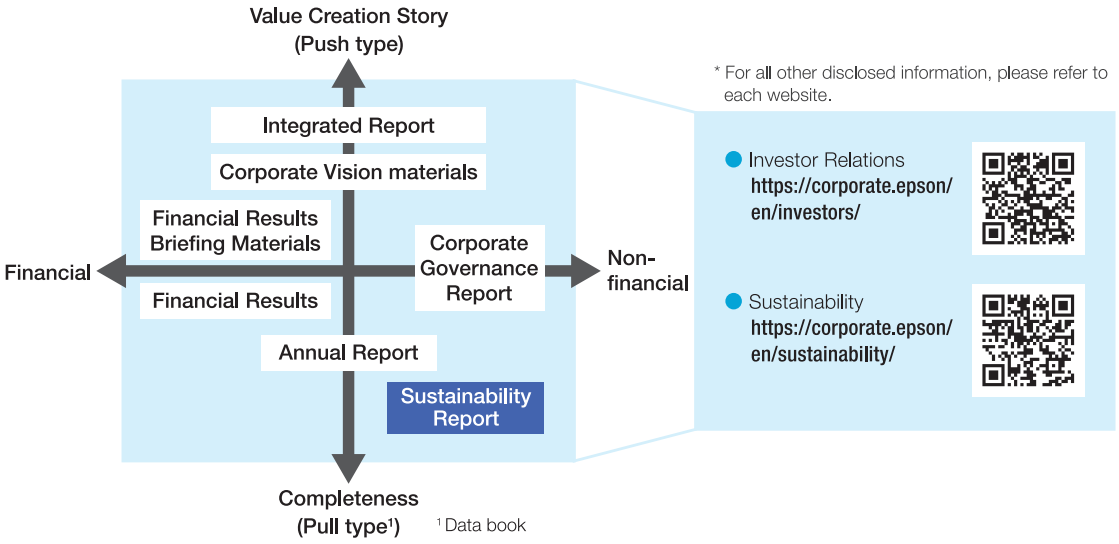
Disclaimer

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

Editorial Policy

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

In addition to this report, Epson has been working to improve communication with its stakeholders through the publication of an Integrated Report, its websites, and other media.



Group Outline

Corporate Outline

Company Name	Seiko Epson Corporation
Founded	May 18, 1942
Head Office	3-3-5 Owa, Suwa-shi, Nagano, Japan
Paid-in Capital	53,204 million yen
Number of employees	Epson Group (Consolidated): 74,464, Parent Company: 13,083
Group companies	82 (includes parent company) Japan: 20, Overseas: 62

* As of March 31, 2024

Financial Performance and Business Size (April 1, 2023 to March 31, 2024)

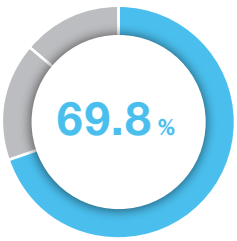
Consolidated Revenue ¥**1,313.9** billion Business profit[1] ¥**64.7** billion Profit for the year attributable to owners of the parent company ¥**52.6** billion

Revenue by Segment[2]

Printing Solutions Segment

Revenue ¥**918.6** billion

Segment Revenue as a Percentage of Total Revenue



Main Operations

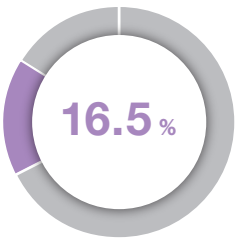
Office & Home Printing Business
Office & home inkjet printers, serial impact dot matrix (SIDM) printers, page printers, color image scanners, dry process office papermaking systems, and related consumables

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

Visual Communications Segment

Revenue ¥**217.4** billion

Segment Revenue as a Percentage of Total Revenue



Main Operations

Visual Communications Business
Liquid crystal projector and smart glasses

Manufacturing-Related & Wearables Segment

Revenue ¥**179.9** billion

Segment Revenue as a Percentage of Total Revenue



Main Operations

Manufacturing Solutions Business
Industrial robots, compact injection molding machines

Wearable Products Business
Wristwatches, watch movements

Mircodevice Business, Others
Crystal devices (crystal units, oscillators, sensors), semiconductors (CMOS, LSI), metal powder, surface finishing

PC Business
PCs and others

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

Epson Group Companies in Japan

Company name	
Epson Sales Japan Corporation	Sales and marketing of imaging products in Japan
Epson Direct Corporation	Planning, development, manufacture and direct sales of PCs and peripherals
Miyazaki Epson Corporation	Manufacture of quartz devices
Tohoku Epson Corporation	Manufacture of semiconductors and printer components
Akita Epson Corporation	Printer component and watch movements manufacturing facilities
Epson Atmix Corporation	Development, manufacture and sales of metal powders, injection-molded metal parts and synthetic quartz crystals
Epson Avasys Corporation	Development of software
Epson TcFORM Corporation	Development, manufacture and sales of injection molding machines, molds and related parts
Epson Service Corporation	Service and repair of printers, PCs, and peripherals; development and sales of new services
Epson Repair Corporation	Service and repair of printers, PCs, and peripherals
Epson Mizube Corporation	Special subsidiary to support the employment of disabled individuals within the Epson Group
Epson Swan Corporation	Special subsidiary to support the employment of disabled individuals within the Epson Group
Epson X Investment Corporation	Venture investment & new business development funds

Global Network

(As of April 1, 2024)

Regional Headquarters

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

Sales/Service Subsidiaries and Affiliates

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

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

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

Branches

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

Manufacturing Subsidiaries and Affiliates

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

R&D Subsidiaries and Affiliates

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

CEO Message - To Our Stakeholders -

Contributing to Achieving Sustainability and Enriching Communities



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

The environment in which we operate is constantly changing, and we are presently confronted with serious issues, from climate change and global inflation to regional conflicts. In times like these, people seek more than just material wealth. They want their lives to be enriched in other ways as well, including both spiritually and culturally. In the past, we tended to run our businesses with the idea of contributing to the world through our technology.

Now, under Epson 25 Renewed, the revised corporate vision that we introduced in March 2021, we are taking a different approach, one in which we first identify societal issues and consider how we can use our technology to resolve them. We named four material issues in terms of impact that we wish to address in order to resolve societal issues: (1) achieving sustainability in a circular economy, (2) advancing the frontiers of industry, (3) improving the quality of life, and (4) fulfilling our social responsibility.

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

At the same time, we announced our intent, in Environmental Vision 2050, to become carbon negative and underground resource free by 2050. We made strides in our efforts to combat global warming by completing the switch to 100% renewable electricity at all major Epson sites in Japan in the year before last and achieving the same at all Epson Group sites around the world in December 2023.

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

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

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

Epson will address these four material issues by driving innovation in office and home printing, commercial and industrial printing, manufacturing, visual products, and lifestyle. These innovations will enable us to provide products and services that exceed customer expectations and to help resolve societal issues.

Abnormal weather patterns are growing more obvious by the year, and it is still not clear when we will see relief from disruptive events such as climate change and regional conflicts. In the meantime, however, we will work toward our goal of achieving sustainability and enriching communities not only materially and economically but also in less tangible ways, including spiritually and culturally.



April 2024
Yasunori Ogawa
President and Representative Director, CEO
Seiko Epson Corporation

CSuO Message - To Our Stakeholders -

We Contribute to the Realization of a Sustainable Society by Balancing Corporate Growth with Solutions to Societal Issues



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

Epson has identified four material topics that it can address to help solve these societal issues. They are (1) achieving sustainability in a circular economy, (2) advancing the frontiers of industry, (3) improving the quality of life, and (4) fulfilling our social responsibility. We are now working in line with Epson`s value creation story to solve issues and provide value.

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

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

In April 2022, we revised our Human Rights Policy. We continue to fulfill our duty to uphold human rights in cooperation with local communities and suppliers while working to strengthen the foundation of all corporate activities around the world. We are evolving our activities to manage our sustainability. The corporate purpose that we established in September 2022 defines the role that the Epson Group serves in society. Our reason for being is `to create sustainable value by using our efficient, compact and precision technologies to enrich people and our planet.`

In December 2023, we completed the switch to 100% renewable electricity at all Epson Group sites around the world in line with Environmental Vision 2050. This is the first* such initiative in the Japanese manufacturing industry and it represents progress in our efforts to decarbonize.

By steadily advancing Epson`s sustainability management initiatives, we will solve societal issues while driving corporate growth, thereby achieving sustainability and enriching communities.

* The first Japanese manufacturer in the RE100. Current as of January 9, 2024, per Epson research.

April 2024
Masaharu Mizukami
Executive Officer and CFO
General Administrative Manager, Business Management Division, and
General Administrative Manager, Sustainability Promotion Officer (CSuO)
Seiko Epson Corporation

Sustainability Management

017 Sustainability Management
018 Practice of Sustainability Management
020 Materiality and Progress
031 Contributing to the SDGs
035 Responding to TCFD Recommendations
043 Participation in External Initiatives
047 Evaluation by External Parties

Sustainability Management

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

Epson's Sustainability Management

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

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

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

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



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

Practice of Sustainability Management

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

Approach

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

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

Management Philosophy (Please refer to page 004)

Principles of Corporate Behavior (Please refer to page 350 of "Appendices")

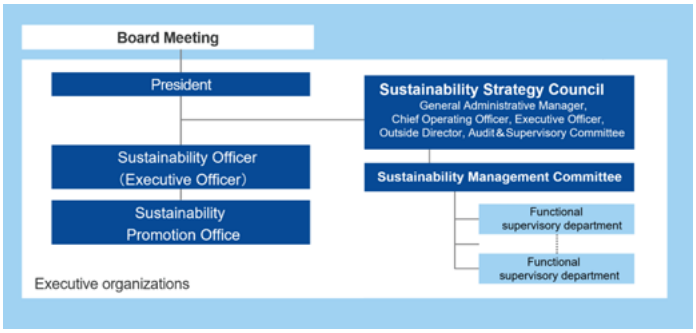
Sustainability-Related Norms That Epson Honors

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

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

Promotion Organization

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



Exective organizations chart

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

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

Action Items

Main Topics Discussed by the Sustainability Strategy Council

Fiscal Year (Meetings hold)	Main Topic of Discussion
2023(7)	• Review of the effect of Task Force on Climate-related Financial Disclosures (TCFD) • Discussion of FY22 results and FY23 targets for key sustainability topic KPIs • Annual review of sustainability communication activities • Discussion of FY23 plans • Review of CSV activity implementation • Review of RBA activity implementation • Review of CSR procurement implementation, etc.

Materiality and Progress

Materiality

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

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



- Achieve sustainability in a circular economy
  This entails initiatives aimed at driving sustainable economic activities by achieving closed-resource-loop systems through effective use of resources such as electricity, energy and water as well as reduction in usage of underground resources to control climate change.

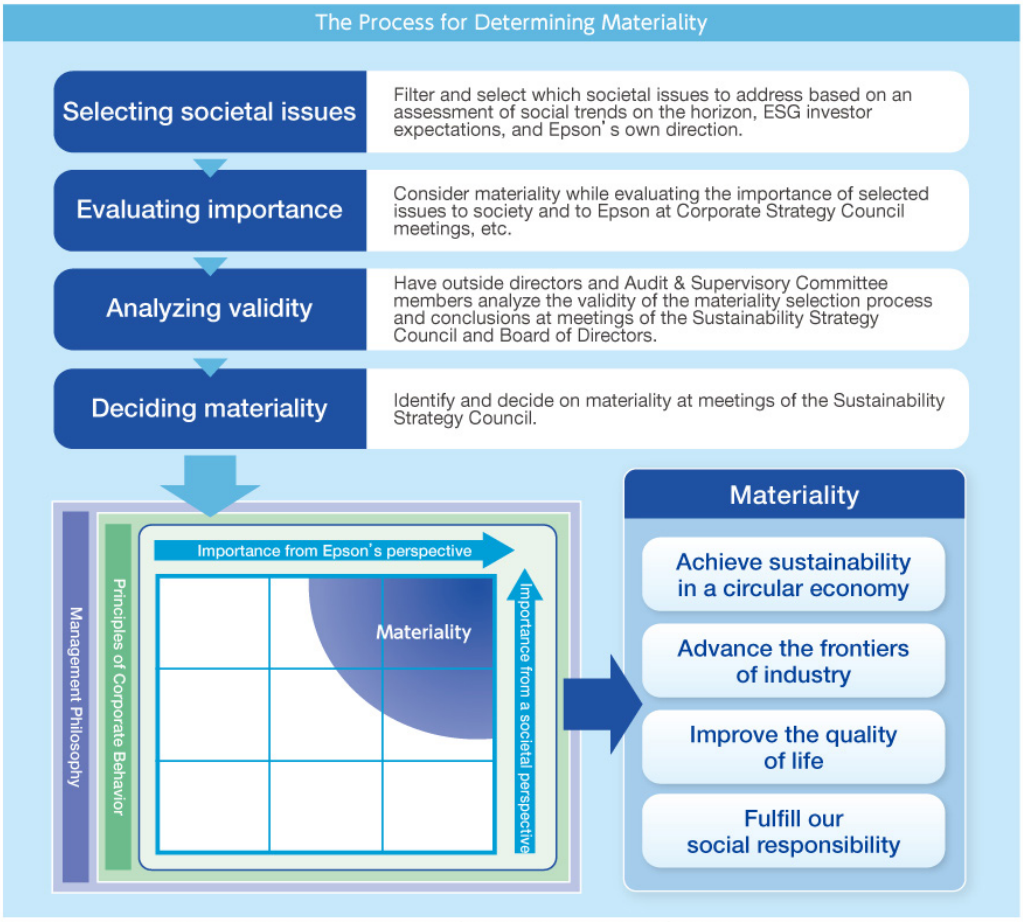
- Advance the frontiers of industry
  This entails initiatives aimed at transforming conventional processes to contribute to the resolution of social issues. It is intended to help to make improvements to environmental pollution, labor and other issues by converting manufacturing processes from analog techniques to digital, for example.

- Improve the quality of life
  This entails making contributions on the health front to help people lead a healthy life, and making educational contributions relating to people`s growth and maturity. We will enable people to select diverse lifestyles through products and services offered by Epson, and promote initiatives that contribute to an abundant and colorful life.

- Fulfill our social responsibility
  This means that Epson is committed to fulfilling its corporate responsibility required to achieve sustainability and enrich communities. It entails initiatives that help to realize the ideal state expected of a company by society, such as dialogue with diverse stakeholders, environmental and social responsibility related to materials procured and suppliers, respect for human rights and promotion of diversity, and capabilities to ensure business continuity.

Deciding Materiality

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



* 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, KPI, and FY2023 Results

Key Sustainability Topics

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

Materiality	Key Sustainability Topics	Examples of Medium-Term Actions
Achieve sustainability in a circular economy	Decarbonization initiatives	Using renewable energy and energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics
	Closed resource loop initiatives	Utilizing resources efficiently by miniaturizing products, reduce their weight, and using recycled materials, and establishing a circular production system that minimizes production losses
	Customer environmental impact mitigation	Maximizing reduction contributions through products and services that contribute to reducing environmental impact
	Environmental technology development	Applying Dry Fiber Technology, using naturally derived (plastic-free) materials, recycling raw materials (metals, paper)
Advance the frontiers of industry	Improving productivity through digitalization and automation	Transitioning to distributed production, local production, and low-volume high-mix production; driving printing innovations; supporting diverse customer needs; innovating production processes and printing processes through the application of inkjet technology
	Improving working environment and educational environment	Creating clean, space-efficient workspaces, relieving labor shortages through automation, providing a fair, natural and comfortable communication environment, and mitigating learning disparities due to geographical differences and social situation
Improve the quality of life	Enriching diverse lifestyles	Providing personalized health support and lifestyle monitoring services
	Realizing an abundant and colorful life	Providing products such as high-quality watches with appealing designs
Fulfill our social responsibility	Increasing stakeholder engagement	Responding to needs and social demands by strengthening dialogue with customers, shareholders, investors, suppliers, NGOs/NPOs, international organizations, employees, and potential stakeholders
	Realizing responsible supply chains	Carrying out socially responsible activities that promote human rights and good environmental practices throughout the supply chain, and stably providing customers with products and services by strengthening business continuity management
	Respecting human rights and promoting diversity	Preventing harassment and respecting human rights, utilizing human resources in a way that respects diversity, recruiting and developing human resources, and creating a free and open organizational culture
	Strengthening governance	Accelerating and ensuring the transparency of management decision-making, improving the risk management system, ensuring 100% compliance, and strengthening information security

Key Sustainability Topics, KPI, and FY2023 Results

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

1. Materiality: Achieve Sustainability in a Circular Economy

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Decarbonization initiatives	●	Using energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050	Scopes 1 and 2 GHG emissions reduction ratio	Reduce by 65% compared to FY2017 (SBT: FY2025 Target 34%)	Reduced by 80% compared to FY2017	Reduced by 80% compared to FY2017 (SBT: FY2025 Target 34%)
	●		Scope 3 GHG emissions (per unit of business profit) reduction ratio	Reduced by 45% compared to FY2017 (SBT: FY2025 Target 44%)	Reduced by 17% compared to FY2017	Reduced by 35% compared to FY2017 (SBT: FY25 Target 44%)
		Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Achieve 100% globally	Achieved adoption ratio of 100% globally	Maintain adoption ratio of 100% globally
Closed resource-loop initiatives		Becoming underground resource2 free by 2050: • Using resources efficiently by reducing size and weight, using recycled materials, etc. • Establishing closed-loop production systems that minimize production losses	Ratio of sustainable resources[3]	27%	32%	35%
			Final landfilled rate[4]	≤1%	0.6%	≤1%
Customer environmental impact mitigation		Maximizing avoided emissions with products and services that have a lower environmental impact[5]	Emissions avoided through products & services	Commence the calculation based on a new calculation logic and determine target values	- Started calculating the reduction contribution of A3 color inkjet printers using the new calculation logic. - FY23 Results: 15.1 thousand t-CO_2e[6]	Exceeding the previous year

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Environmental technology development		Eliminating virgin plastics and closing resource loops by using Dry Fiber Technology to produce recycled materials and natural materials. natural materials. • Packaging materials • Housing materials	Progress of development process	Expand the scope of practical application	- Packaging: Development aimed at expanded use (cotton scraps) - Housings: Development of composite plastic materials (improved performance of materials)	Expand the scope of practical application
		Establishing high-added-value recycling technology for used metal	Progress of development process	Technology for high-value-added metal powders (molding material) for practical application	Completed the development of elemental technology as a molding material, with PoC[7] in progress	Technology for high-value-added metal powders (molding material) for practical application

[1] Compensation (Restricted Stock) evaluation indicator
[2] Non-renewable resources such as oil and metals
[3] Ratio of sustainable resources (renewable resources + closed loop resources + less-depletable resources) to raw materials
[4] Ratio of landfilled amount of production resources against the volume of resources injected
[5] Quantified the contribution of products and services toward GHG emissions reductions
[6] Based on the calculation method confirmed by Mizuho Research & Technologies Co., Ltd., the value obtained by multiplying the difference between the weighted average of the publicly disclosed lifetime CO_2 emissions of major laser printers in the global market and the lifetime CO_2 emissions of our A3 color inkjet printers by the number of Epson A3 color inkjet printer units sold in the relevant fiscal year.
[7] PoC (Proof of Concept): A process to verify the feasibility and actual effect, etc. of a new technology, etc.

2. Materiality: Advance the Frontiers of Industry

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Increasing productivity through digitization and automation		Leading the digitization of commercial and industrial printing with inkjet technology and diverse solutions, to create clean, space-efficient workplaces, reduce environmental impact, and improve productivity	Sales growth rate of commercial and industrial inkjet printers compared to the previous year	10%	1%	3%
Improving working environment and educational environment		Reducing environmental impact and improving productivity with inkjet technology and open solutions, to lead the evolution of home study and distributed office printing	Sales growth rate of high-capacity inkjet printers for SOHO and home users compared to the previous year	5%	(9%)	5%
		Eliminating labor shortages through automation using robots	Number of labor shortages eliminated[8]	28,000 persons	25,000 persons	29,000 persons
		Providing a fair, natural, and comfortable communication environment without boundaries, combining the real and remote, with both a sense of presence and information content	Number of co-creation and collaboration projects, or number of partners (FY2023) Number of adopting companies, or number of partners (FY2024 after)	Number of partners: 2	Number of partners: 2	Continuing + new: ≥2 companies
		Creating equal learning opportunities through smart, portable displays that enable large-screen communication in a compact form, to mitigate learning disparities stemming from differences in regional and social conditions	Number of local demonstration programs through co-creation and collaboration	20 programs	29 programs	40 programs (Total)
			Number of countries with PoC verifying mitigation of learning disparities in general education and awareness of societal issues.	-	Selected countries with PoC programs	Countries with PoC programs:2

[1] Compensation (Restricted Stock) evaluation indicator
[8] Calculated based on the effectiveness of Epson`s internal projects

3. Materiality: Improve the Quality of Life

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Proposing diverse lifestyles		Enriching the diverse lifestyles of people through lifestyle-related disease prevention and helping people improve their sports performance by providing personalized value in an easy-to-understand visual manner using proprietary sensing technology and algorithms	Percentage of revenue that the data business in sensing business sales[9]	20%	22%	28%
Realizing an abundant and colorful life		Providing attractive and high-quality products with our efficient, compact, and precision technologies and our artisanal skills, to enrich the diverse lifestyles of our customers	Sales growth rate of attractive, high-quality products compared to the previous year	4%	4%	12%

[1] Compensation (Restricted Stock) evaluation indicator
[9] Business model that provides value by converting data based on algorithmse

4. Materiality: Fulfil our Social Responsibility

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Increasing stakeholder engagement		Responding to needs and social demands by strengthening dialogue with stakeholders	Social support activities, monetary value of support	≥0.1% of sales	≥0.1% of sales	≥0.1% of sales
			Number of dialogs with shareholders and investors and reflecting opinions on management	≥200 meetings with shareholders & investors	240 times	≥200 times
			Evaluation indices of external evaluation agencies	Acquired high recognition[10]	Acquired high recognition	Acquire high recognition
Realizing responsible supply chains		Reinforcing supply chain BCM	Impact on customers due to disruption and stagnation in supply chain (Aiming to have no impact on sales in FY2024)	Achieve no impact on sales due to disruption in supply chain to the extent possible	Impact of supply chain disruption: None	Zero sales impact
	●	Realizing responsible supply chains	CSR risk levels of suppliers	(Direct materials) - 0% high risk, ≤4% middle risk (Indirect materials) - 0% high risk	(Direct materials) - High risk: 0% - Middle risk: 4.2% (Indirect materials) - High risk: 0%	(Direct materials) - High risk: 0% - Middle risk: ≤ 2% (Indirect materials) - High risk: 0% - Middle risk: ≤ 20%
		Realizing responsible sourcing of minerals	Conflict-free (CF) ratio of products	Release CF information for CF strategic products	Preparation for the disclosure of the result of CF information	New products that are conflict-mineral free
			Survey response ratio[11]	100%	100%	100%

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
Respecting human rights and promoting diversity		Creating a free and open organizational culture	Organizational climate assessment score for `strength to work in teams`	- Motivation cloud engagement rating: BB - Number of workplaces with D rating: 31	- Motivation cloud engagement rating: BB - Number of workplaces with D rating: 45	- Motivation cloud engagement rating: BBB - Number of workplaces with D rating: 15
			Number of high risk workplaces with `general health risk` in the mental health check[12]	Reduce the number of high risk workplaces from the previous year, heading toward zero	The number of high-risk workplaces increased compared to FY2022	Reduce from the FY2023
			Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	- Revise training content based on social trends, incidents and common issues - Hold training for those at consultation contact points on a periodic basisf	Made progress as planned for planned training, including the renewal of content	- Continued harassment prevention training at different echelons - Regular training for advisory service staff
				- Identify company-wide trends - Confirm common operations and verify whether contact points with high operational burden should be outsourced partially	Completed the selection of consultation contact points to be outsourced and prepared for the operation	- Start outsourcing advisory services and conduct a review - Consider introducing external advisory services at domestic affiliates

Key Sustainability Topics	RS Index[1]	Initiative Topics	Key Performance Indicators (KPI)	FY2023 Targets	FY2023 Results	FY2024 Targets
		Respect for human rights through dissemination of the new `Human Rights Policy` within the Group	Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) and relief mechanism	Embed and improve PDCA cycle for respecting human rights - In Japan: Build a system for coordinating with various consultation contact points - Overseas: Develop a system for consolidating information and grasping the situation by clarifying reporting rules from contact points at respective local subsidiaries	(PDCA cycle) - Continued activities for respecting human rights using RBA's scheme - Re-assessed the risk of violating human rights and conducted human rights DD (Remediation mechanisms) - In Japan: Built cooperative structures for internal consultation points, and began using JaCER[13] as a consultation point for those outside the Company. - Overseas: Started to pull together information on this project	Establishing and improving the PDCA cycle for respecting human rights. - Regular review of human rights policy - Continuing and improving human rights due diligence through RBA schemes, etc. - Understanding and establishing the system and situation of advisory services overseas.
	●	Utilizing human resources in a way that respects diversity	- Female manager ratio (the Company)	- Female manager ratio: 5% - Female supervisory position ratio: 8%	- Female manager ratio: 4.7% - Female supervisory position ratio: 7.7%	- Female manager ratio: 6% - Female supervisory position ratio: 9%
			1 or more female executive officers by FY2025 (in Japan)	-	-	-

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

[1] Compensation (Restricted Stock) evaluation indicator
[10] Sustainalytics: Low; FTSE: 4 or higher; Top 50 or higher in `Toyo Keizai CSR ranking`
[11] Ratio of suppliers who submitted answers to supplier survey requests
[12] Target-value control is performed for workplaces with 10 or more respondents.
[13] JaCER: Japan Center for Engagement and Remedy on Business and Human Rights
[14] Violation that correspond to timely disclosure matters

Contributing to the SDGs

Top Commitment

Commitment to the SDGs

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

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

Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Epson's Initiatives and Their Relationship to Our SDGs

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



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

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

Key Sustainability Topics and Their Relationship to the 17 SDGs

There are 169 targets under the SDGs. The figures in the table below indicate the targets that Epson is addressing (as of August 2024).

Materiality	Key Sustainability Topics	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 15.2 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	17.7 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 2024)

Registration as an SDG Partner in Nagano Prefecture

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

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

A company must meet two requirements for registration:

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

We met the first requirement by declaring management policies and actions to achieve the SDGs. We met the second requirement by submitting information about specific actions being taken in each of 42 items mapped to the 17 SDGs and 169 targets. Seiko Epson was registered as a Nagano Prefecture SDG partner (the fifth term) in July 2020, and renewed its registration in FY2023 for another three years.

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

Registration to the Kitakyushu SDGs Registration System

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



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



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

SDGs Grand Prize at the 2021 Kitakyushu SDGs Future City Awards

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

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



Building Awareness In-house

Contributing to the SDGs at Employee Cafeterias

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

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



Venison burger with avocado sauce

Responding to TCFD Recommendations

Climate change is greatly impacting society and Epson sees it as a significant societal problem. The goal of the Paris Agreement is to achieve decarbonization and limit the global average temperature to well below 2℃ 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 indicating its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019, Epson has disclosed information (on governance, strategy, risk management, and metrics and targets) based on the TCFD framework so as to enable good communication with shareholders, investors, and a broad spectrum of other stakeholders. Epson has decided to disclose the level of financial impact in 2021 in a quantitative manner for the first time. Furthermore, in 2022, Epson enhanced its disclosure of specific initiatives and achievements aimed at reducing GHG emissions in response to the update to the TCFD recommendations. Since 2023, Epson has enriched qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities.

[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.

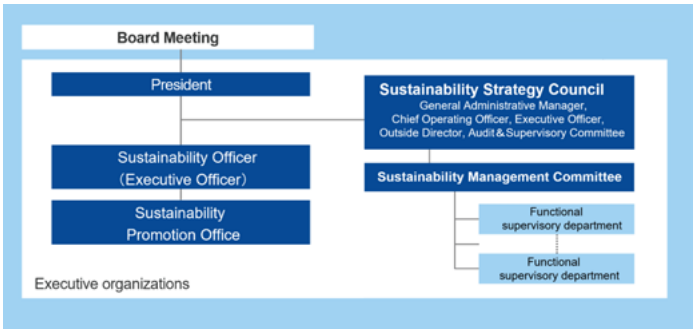
Epson will spend approximately 100.0 billion yen (approximately 25.0 billion yen from 2021 to 2025 and approximately 75.0 billion yen from 2026 to 2030) over a period of 10 years ending in 2030 to accelerate decarbonization, close the resource loop, and develop environmental technology. The solution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

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

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

Governance

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



Executive organization chart

In addition, Seiko Epson`s president and representative director, who has ultimate responsibility and authority for climate-related issues, delegates responsibility for climate-related issues to the sustainability director, an Executive Officer. The sustainability director heads the Sustainability Promotion Office and oversees the execution of climate change initiatives, including TCFD.

Strategy

Epson has determined that achieving sustainability in a circular economy and advancing the frontiers of industry are material matters. To achieve these, we are reducing greenhouse gas (GHG) emissions by leveraging our efficient, compact, and precision technologies to drive innovation. We have been implementing activities at regular meetings of the Environmental Strategy Council and its subcommittees to realize our Environmental Vision 2050. In FY2023, we reviewed the status of implementation of activities and submitted deliberations and reports to various management meetings, focusing on the following initiatives.

Main Climate Change Initiatives

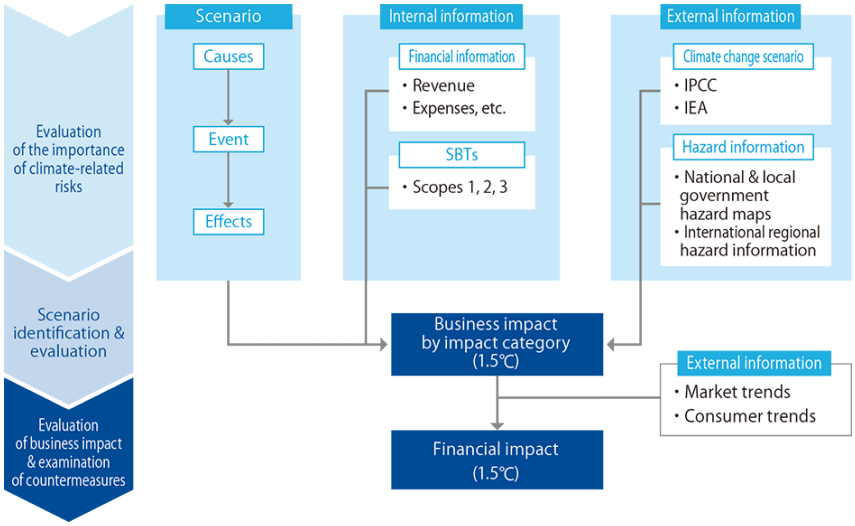
FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
• Declared support for the TCFD recommendations • Studied risks of natural disasters caused by climate change (2℃ scenario and 4℃ scenario)	• Qualitatively disclosed the financial impact based on the disclosure recommendations of the TCFD framework (2℃ scenario) • Studied risks of natural disasters caused by climate change (1.5℃ scenario)	• 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)	• Enhanced disclosures on the results of specific initiatives in line with the revised TCFD recommendations • Studied risks of natural disasters caused by climate change, taking into account the changes in the IPCC Sixth Assessment Report	• Created a new Global Environmental Strategy Promotion Office and environmental subcommittees for each topic • Enhanced qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities	• Updated qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities

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

Increasing resilience	FY2023 initiatives & results	
Environmental Strategy Council	Decarbonization	- Finalized the roadmap for reductions over the medium term toward Scope 1 zero emissions (upgrades of facilities and equipment for electronification and switching of fuels). - Implemented sustainable and stable procurement of renewable energy and formulated a plan for in-house power generation. - Supplier engagement (surveys of suppliers` reduction plans and switching to renewable energy, etc.)
	Closed resource loop	- Started operating resource-loop indicators and targets to become underground-resource-free. - Formulated business-specific/company-wide medium-term plans for utilizing compact, lightweight and recycled materials and switching to sustainable resources.
	Customer environmental impact mitigation	- Started calculation of objective and fair avoided emission for product genre that contributes to reducing the environmental impact of society.
	Environmental technology development	- Materialized the topic of dry fiber technology application (developed packaging materials and cellulose composite bioplastics). - Developed an elemental technology for practical application of a high-value-added technology for metal powders.

Scenario Analysis of Climate-Related Risks and Opportunities

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



Climate-Related Risks and Opportunities in a 1.5℃ 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 the shift to paperless advances further due to changes brought about by COVID-19 (such as the contraction of office printing because of decentralization), we expect only a limited financial impact from the strengthening of products and services based on inkjet technology and paper recycling technology (reduction of printing costs, reduction of environmental impacts, increase of ease of printing, appeal using usefulness of paper information).	Small
		(Initiatives in Environmental Vision 2050) - Decarbonization - Closed resource loop - Environmental technology development	Short-term	**Impact** • Decarbonization of products, services, and supply chains as well as advanced initiatives in resource recycling are needed to respond to the shared global societal issues of climate change and resource depletion. • Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts. **Response to risks** • Decarbonization - Renewable energy use - Energy-saving facilities & equipment - Greenhouse gas removal - Supplier engagement - Carbon-free logistics • Closed resource loop - Use resources effectively - 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	Long-term (End of 21st century)	**Impact** • Based on the results of risk assessment for 36 sites (17 sites in Japan and 19 sites overseas), the changes in future operational risks due to flooding (rivers overflowing), high tides and water shortage are limited. • Short-term climate change risks to the supply chain will be addressed in line with our business continuity plans.	Small
	Chronic	Damage to business sites due to rising sea levels			
		Impact on operations due to drought			

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Opportunities	Products and services	(Initiatives in "Environment Vision 2050") - Customer environmental impact mitigation	Short-term	**Assumed scenarios** • The need for environmentally considerate products and services will increase due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, sustainable production volume, and reduced resource use. **Business opportunities** • In the growth areas defined in Epson 25 Renewed, we expect to grow revenue at a CAGR (compound annual growth rate) of 15% by providing 1) inkjet office printing, commercial & industrial inkjet printing and printheads that reduce environmental impacts, increase work productivity, and reduce printing costs; and 2) production systems with expanded use of new production devices to reduce environmental impacts.	Large CAGR of 15% is expected in growth areas by FY2025
		Environmental business	Short-term	**Assumed scenarios** • Market growth is expected in the areas of global warming prevention, waste treatment, and effective utilization of resources. • The shift to a circular economy is expected to drive market growth for recycled plastics, high-performance biomaterials, bioplastics and metal recycling. **Business opportunities** • Generate revenue by value transformation (enhancing functionality), eliminating plastics (packing and molding materials), creating new high-value-added materials and carrying out other measures through the establishment of technologies, such as applications of dry fiber technology, including paper recycling, development of naturally derived materials (elimination of plastics) and recycling of raw materials (metal and paper recycling) as effective solutions for combatting global warming and shifting to a circular economy.	Medium

Actualization Short term: < 10 years Medium term: 10-50 years Long term: > 50 years
Financial Impact Small: < 1 billion yen Medium: 1-10 billion yen Large: >10 billion yen

FY2023 Actions

Epson implemented the following initiatives in FY2023 to promote decarbonization, close the resource loop, develop environmental technology, and mitigate environmental impacts on the customer`s end.

Category		Evaluated risks & opportunities	Initiatives implemented in FY2022	FY2022 quantitative results
Transition risks	Market changes Policy & laws and regulations	Paper demand	- In Office & Home Printing, sales of ink have been stable with a decrease in sales of ink cartridges offset by increases in sales of high-capacity ink bottles and ink for office shared printers in conjunction with the increased number of machines in the field. The financial impact of fluctuations in demand for paper in the market targeted by Epson was limited.	Small[1]
		Decarbonization	- Completed switching 100% to renewable energy at all sites of the Epson Group globally[2]. - Developed a roadmap for long-term stable procurement of renewable energy and a plan to construct a biomass power plant, our first such in-house plant (operation to begin in 2026).	¥4.79 billion (breakdown) - Investment: ¥1.54 billion - Expenses: ¥1.73 billion - Personnel expenses: ¥1.52 billion Cumulative input costs and investments for Environmental Vision 2050: ¥12.64 billion in total
		Closed resource loop	- Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse. - Started construction of a new plant to recycle metal waste as materials for metal powder products (operation to begin in June 2025) (Epson Atmix).	
		Environmental technology development	- Coordinated with external parties for the development of new technologies for fiber recycling by applying dry fiber technology. Strengthened a system for the development of cellulose composite bioplastics and promoted the development. - Promoted the development of a technology for separating and collecting CO_2 using a separation membrane and a CO_2 absorption technology utilizing algae.	

Category		Evaluated risks & opportunities	Initiatives implemented in FY2022	FY2022 quantitative results
Physical risks	Acute	Damage to business sites due to floods	- Assessed risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 in overseas)[3]. - Confirmed that the volatility in Epson`s future operation risk caused by floods (river flooding), high tide and drought is limited. Implemented BCP measures against the risk of inundation of facilities on lower floors of Toyoshina Plant[4].	Small[1]
	Chronic	Damage to business sites due to rising sea levels		
		Impact on operations due to drought		
Opportunities	Products and services	Customer environmental impact mitigation	- Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under "Epson 25 Renewed."	FY2020 →FY2023 Revenue CAGR +14.7%[5]
		Environmental business	- Started verification of a business model for fiber recycling with an eye to business development with dry fiber technology as the core technology	-

[1] Small financial impact: less than ¥1 billion.
[2] Excluding some rental properties housing sales sites.
[3] Assessed using IPCC climate change scenarios RCP 2.6 (2℃), RCP 8.5 (4℃).
[4] A major domestic site with a long-term flooding risk (end of 21st century).
[5] Comparison of actual results for FY2022 to FY2023 forecasts at the time of announcement of Epson 25 Renewed.

Risk Management

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

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

Climate-Related Risk Identification, Assessment and Management Process

1. Study	2. Identify & assess	3. Manage
• Considering the changes in the IPCC Sixth Assessment Report, conduct surveys on natural disaster risks caused by climate change at major sites in Japan and overseas. • Research social trends.	• 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

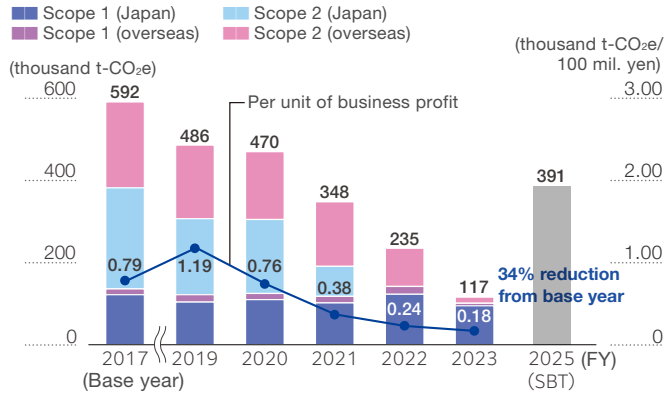
Epson aims to achieve the medium- and long-term greenhouse gas (GHG) emission reduction targets to realize Environmental Vision 2050. For this reason, we are working to reduce environmental impacts throughout the value chain by improving the environmental performance of our products, utilizing renewable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

GHG Reduction Targets (General Indication of Aggressive Total Emissions Reduction Targets in Line with the 1.5℃ Scenario[1])

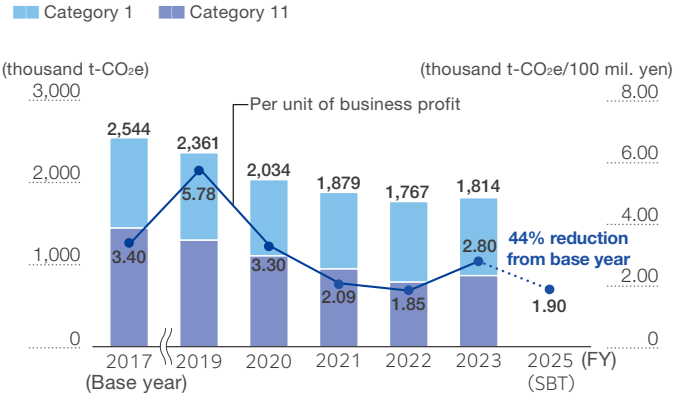
Scopes 1, 2, 3	Reduce GHG emissions by 55% compared to FY2017 by FY2030.

[1] Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)
Scope 1: Direct emissions from the use of fuel, etc., by the reporting company
Scope 2: Indirect emissions from purchased energy
Scope 3: Emissions from the reporting company's value chain

Greenhouse Gas Emissions (Scopes 1 & 2)



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



* Coverage of science-based target,
Category 1: Purchased goods and services, Category 11: Use of sold products
* Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.3 is used for calculations from FY2022.

* CO_2 conversion factor of greenhouse gas emissions
- Electric power: Disclose emissions at Market-base. In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry. Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity. The emission factor is set to zero for the amount of renewable electricity certificates and J-Credits utilized.
- GHGs other than CO_2: Equivalents were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

Participation in External Initiatives

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

United Nations Global Compact

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

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

Epson's corporate activities

Management Philosophy

Principles of Corporate Behavior

United Nations Global Compact

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

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

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

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

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

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

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

Responsible Business Alliance (RBA)

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

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

Responsible Minerals Initiative (RMI)

Epson joined the Responsible Minerals Initiative (RMI) in April 2019.
Epson is promoting responsible sourcing minerals and fostering cooperation to address the issue of conflict minerals and to enhance conflict minerals surveys in global supply chains.

Task Force on Climate-Related Financial Disclosures

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

Taskforce on Nature-related Financial Disclosures

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



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

CDP

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

Science Based Targets initiative

The SBTi is an international partnership that persuades companies to set science-based GHG emissions reduction targets in order to keep the increase in average global temperature to 1.5℃ compared to pre-industrial levels.

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

RE100

In April 2021, Epson joined the RE100, a global initiative that brings together the world`s most influential businesses driving the transition to 100% renewable electricity. Epson had previously announced that its worldwide Group sites[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.



FTSE Blossom Japan Sector Relative Index

Evaluation by External Parties

Inclusion in SRI Indices and Ratings

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

FTSE4Good Index Series

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

MSCI ESG Indexes

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

The S&P/JPX Carbon Efficient Index

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

Morningstar Japan Ex-REIT Gender Diversity Tilt Index

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

The Sompo Sustainability Index

Seiko Epson was selected by Sompo Asset Management Co., Ltd. (Japan), as a constituent of one of the Sompo Sustainability Index for the 12th consecutive year.

The index is used in SRI (socially responsible investment) fund for pension funds or institutional investors to invest widely in companies with the high ESG (environment, society, governance) evaluation ratings. (July 2024)

ISS ESG Corporate Rating

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

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

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

Received EcoVadis Platinum Rating for Overall Sustainability

Seiko Epson Corporation has been awarded a Platinum rating for overall sustainability by independent platform EcoVadis (France). Epson is in the top one percent of companies assessed by EcoVadis. (September 2024)

Recognition

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

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

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

Epson Sites that Currently Hold Platinum and Gold Status

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

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

Seiko Epson Corporation was recognized for the third consecutive year as an outstanding enterprise under the Health and Productivity Stock Selection Program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). The program was created to encourage enterprises to step up their efforts to manage employee health and productivity. Seiko Epson received high scores in all four areas of health and productivity management: management philosophy and policy, organization, program and action implementation, and evaluation and improvement. (March 2024)

SBTi Approved Epson's GHG Reduction Targets

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

Earned the Highest (Grade 3) Eruboshi

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

Earned Platinum Kurumin Certification

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

Award

Epson Wins Silver at ESG Finance Awards Japan

Epson won the Silver Award in the Environmentally Sustainable Company category of the fifth ESG Finance Awards Japan organized by the Ministry of the Environment. The ESG Finance Awards recognize progressive, exemplary initiatives driven by investors, financial institutions, financial services providers, and companies that have made an impact by actively engaging in ESG financing or environmental and social enterprises with the goal of encouraging the spread and expansion of ESG financing. (February 2024)

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

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

Recognized for Excellence in Energy Efficiency and Conservation

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

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

Recognized for for Sustainable Procurement

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

第24回 グリーン購入大賞
大賞・経済産業大臣賞受賞
GPN Green Purchasing Network

Epson Wins Two 2023 Nippon Packaging Contest Awards

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

Epson Wins Bronze at New Energy Award 2022

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

令和4年度
新エネ大賞
(地域共生部門)
主催：一般財団法人新エネルギー財団

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

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



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



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

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

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

Winner of the METI Minister's Prize



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

The Fantas Aquarium won the Global Corporate Sustainability Best Practice Award



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

Recognized for Excellence in Energy Efficiency and Conservation

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



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

Received the first EcoPro Award (METI Minister Award)

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



Received PEZA Outstanding Environmental Performance Award

Epson Precision (Philippines), Inc. received its 3rd PEZA[2] Outstanding Environmental Performance award. This award recognizes the efforts of companies for sustained compliance and innovative systems for the period of 3 years (2016-2018) as they strive for continuous improvement in environmental management. (May 2019)

[2] Philippine Economic Zone Authority (PEZA)

Received the PROPER Rating

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

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

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

Environment

055 Top Message
056 Vision
065 Solving Social Issues Through Inkjet Technology
070 Green Bonds
072 Management
074 Decarbonization
083 Closed resource loop
095 Products and Services that Reduce Environmental Impacts
134 Environmental Technology Development
139 Pollution Prevention & Chemical Management
145 Biodiversity Conservation
150 Eco Community
154 Environmental Message

Top Message

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

Accelerating the Circular Economy

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



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

Vision

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.



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

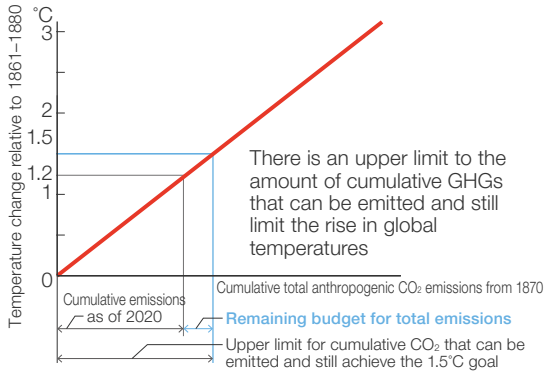
Carbon Budget

The IPCC[5] Fifth Assessment Report reaffirms that there is a near-linear relationship between cumulative anthropogenic greenhouse gas (GHG) emissions and the global warming they cause. This relationship indicates that there is an upper limit to the cumulative GHGs emissions (the sum of past and future emissions) that can be released into the atmosphere if we are to keep the rise in temperature to a certain level. This upper limit is the carbon budget.

According to the latest IPCC Report (AR6 SYR, released in March 2023), the carbon budget remains 500 $GtCO_2$ for a 50% likelihood of limiting global warming to 1.5℃. At the current pace of global emissions, the carbon budget will run out in 10 years. The UN's Decade of Action is of the utmost importance for containing global warming and meeting the SDGs.

[5] Intergovernmental Panel on Climate Change

The carbon budget



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

Natural Capital

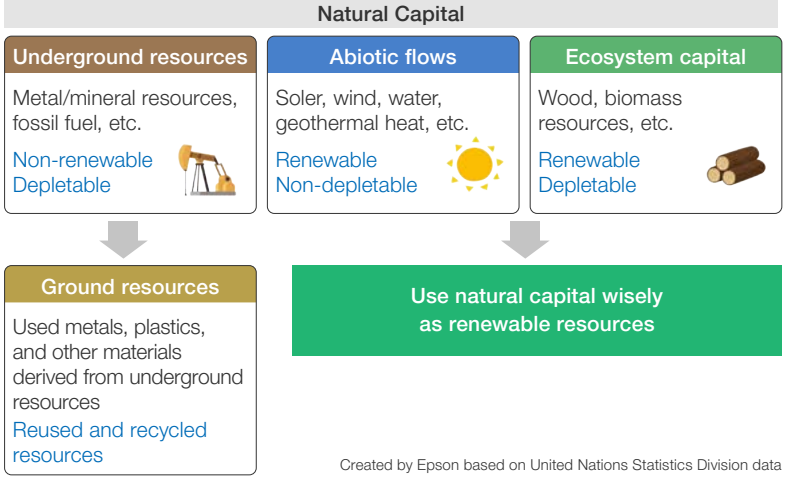
Business Activities Based on Natural Capital

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.

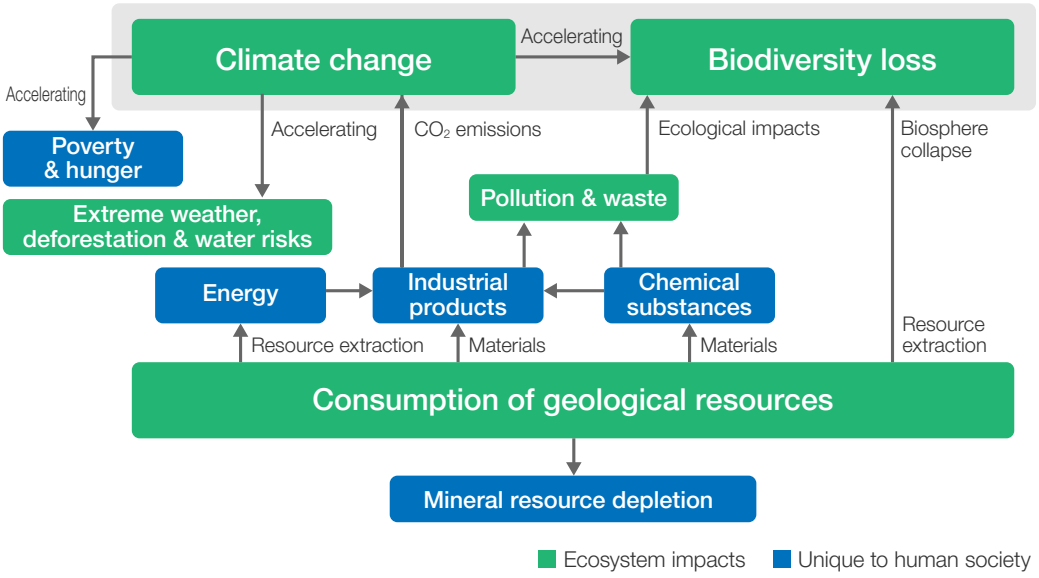
Epson will dramatically change the way natural capital is used. We will reduce the consumption of new underground resources by utilizing previous mined minerals as above-ground resources and will use abiotic flows as energy sources. Ecosystem capital is renewable and non-depletable if used wisely.

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℃ 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℃, which shows that there are clear benefits to keeping warming to 1.5℃ rather than 2℃ 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℃ 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℃ vs 2℃ 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℃ 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

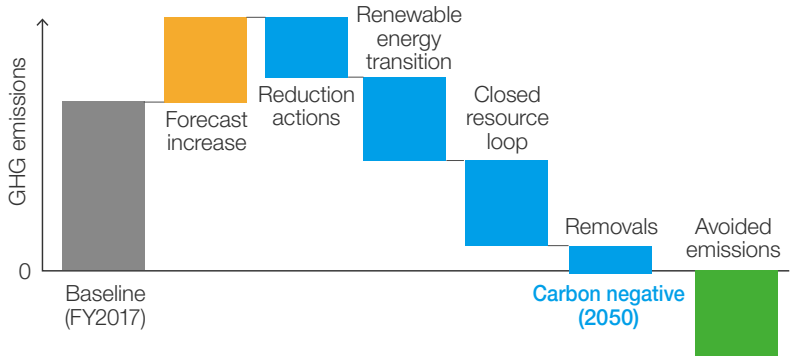
Decarbonization Goal: Carbon Negative

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 the Carbon Negative



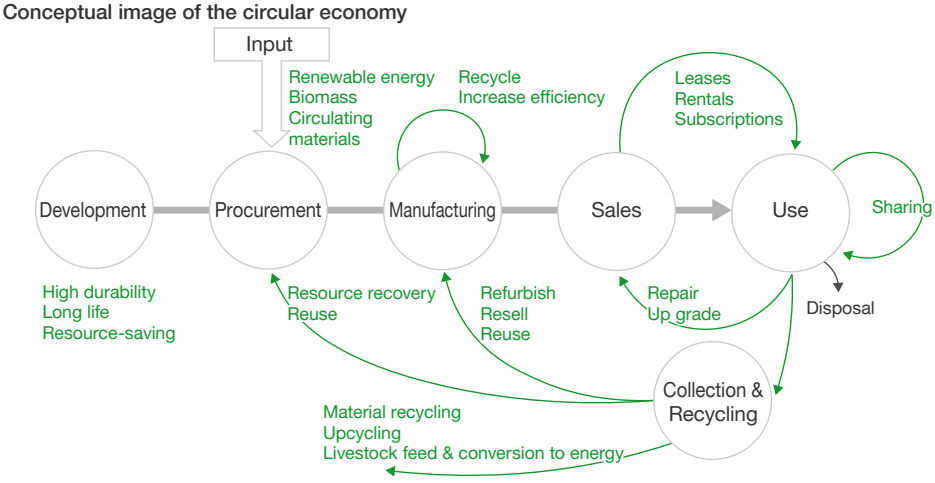
Closed Resource Loop Initiatives

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

According to an 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



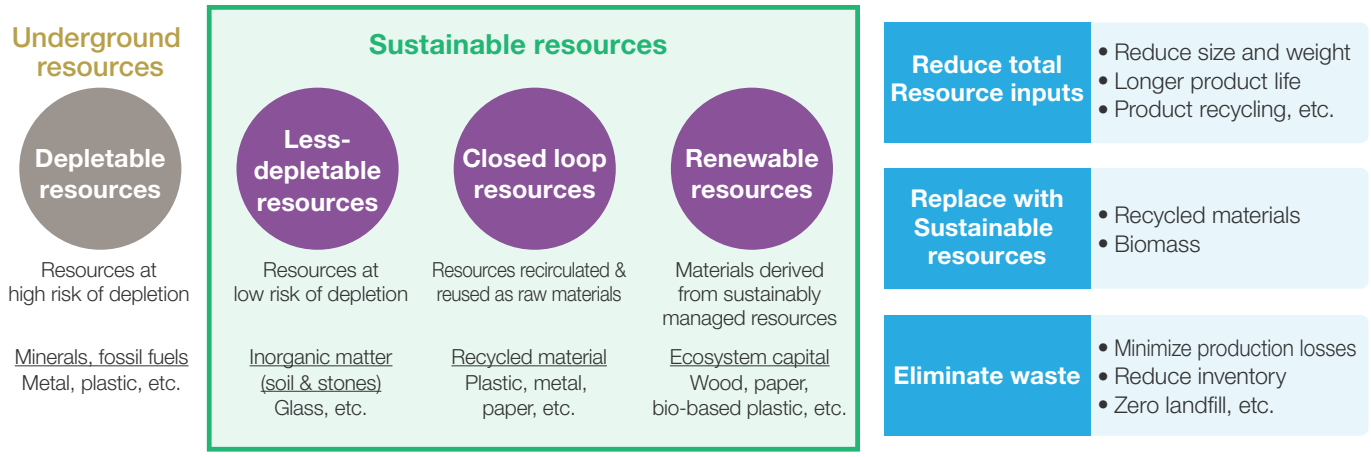
The Closed Resource Loop Goal: Becoming Underground Resource Free

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.

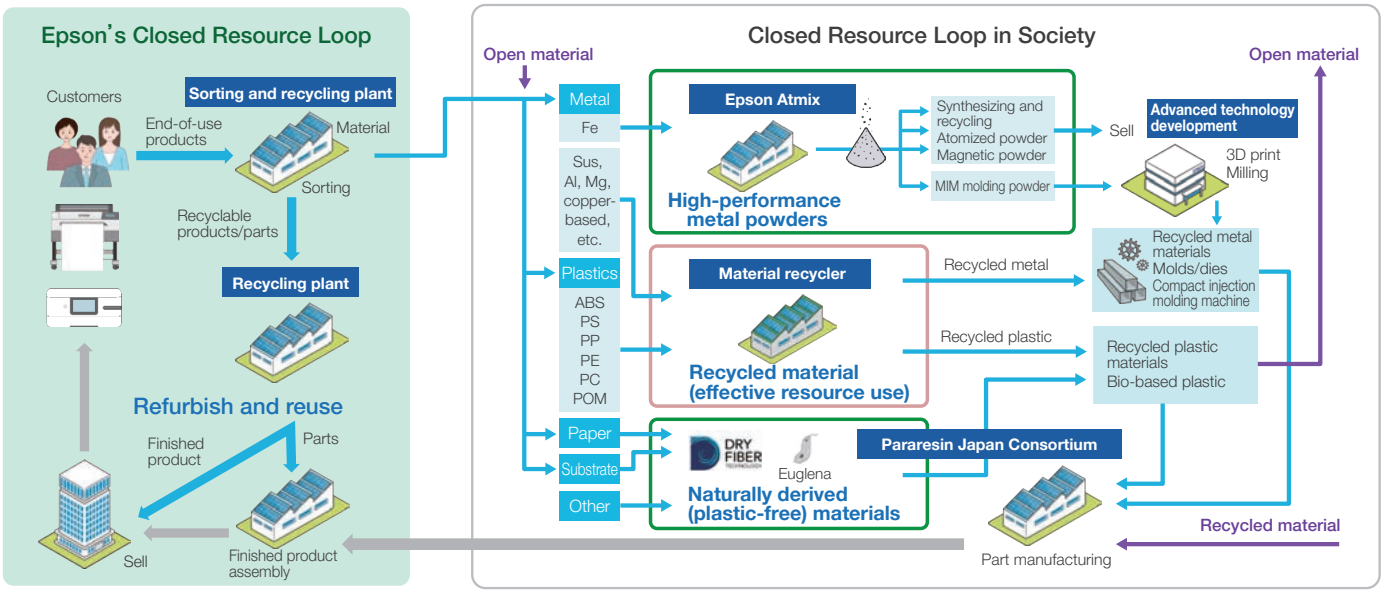
We will endeavor to reduce total resource inputs, eliminate waste/disposal, and reach a 100% sustainable resource rate[1] to achieve the goal of becoming underground resource free.

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

Resource Utilization Image Toward Underground Resource Free



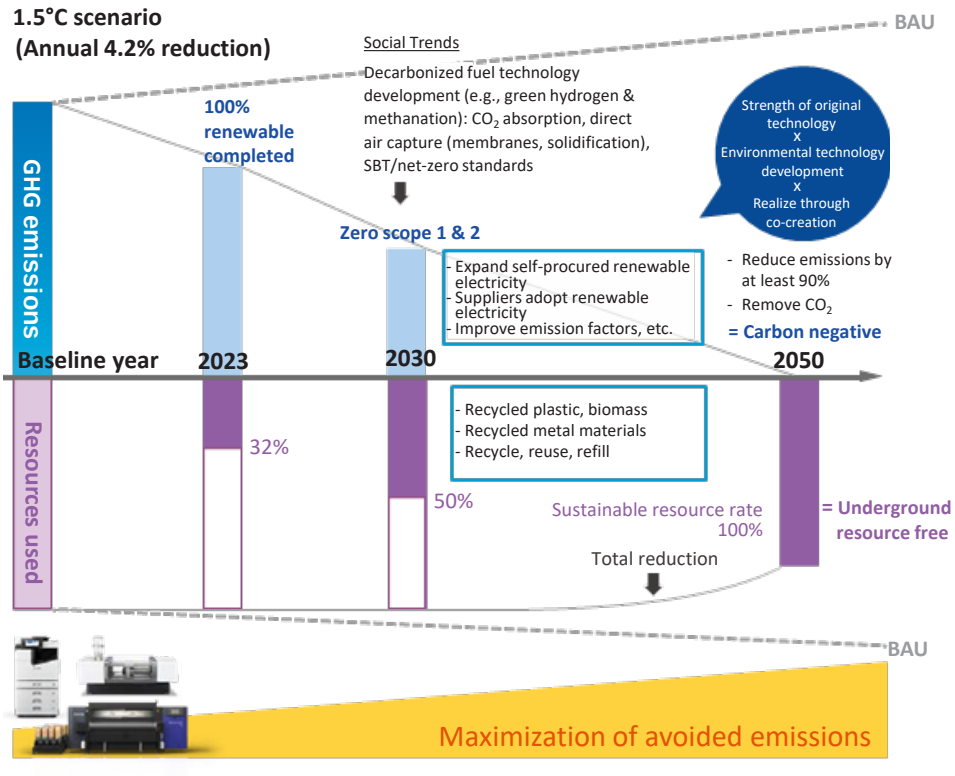
Conceptual Image of Closed Resource Loop in Epson and in the Entire Society (Above-Ground Resources)



Roadmap

Efforts are being made to achieve not only carbon neutrality by 2050, but also carbon negativity, while aiming for underground resources free. By backcasting[1] from these long-term goals, specific scenarios outlining how progress will be made in the mid-term have been developed, which are presented in the `Mid-Range Environmental Action Plan.` As business growth continues, GHG emissions and resource consumption throughout the supply chain are expected to increase. To address this, an `Environmental Value Creation Scenario` has been formulated that integrates both environmental and business strategies across all operations, laying out a roadmap to achieve the 2050 targets.

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



Targets and Main Strategic Actions by Category in the Mid-Range Environmental Action Plan

Decarbonization	**2030 Targets** • Zero Scope 1 & 2 emissions • 55% reduction in total Scope 1, 2, and 3 emissions (compared to FY2017 levels) • Main strategic actions • Scope 1 (fuels): Electrification & conversion to decarbonized fuels • Scope 2 (Electricity): Switch to renewable electricity & expand local and in-house power generation
Closed Resource Loop	**2030 Target** 50% sustainable resource rate **Main strategic action** Use sustainable resources for main materials (plastic & metal)
Multifaceted Actions	**Main strategic actions** • Reduce product size, weight & replacement parts • Reduce product energy use • Resell returned products, refurbish used products, refill • Establish long service life business model • Engage suppliers on renewable electricity & recycled materials • Minimize production losses, reduce GHGs
Customer Environmental Impact Mitigation	**Main strategic action** Expand products & services that have a lower environmental impact

Environmental Vision 2050 and Corporate Vision

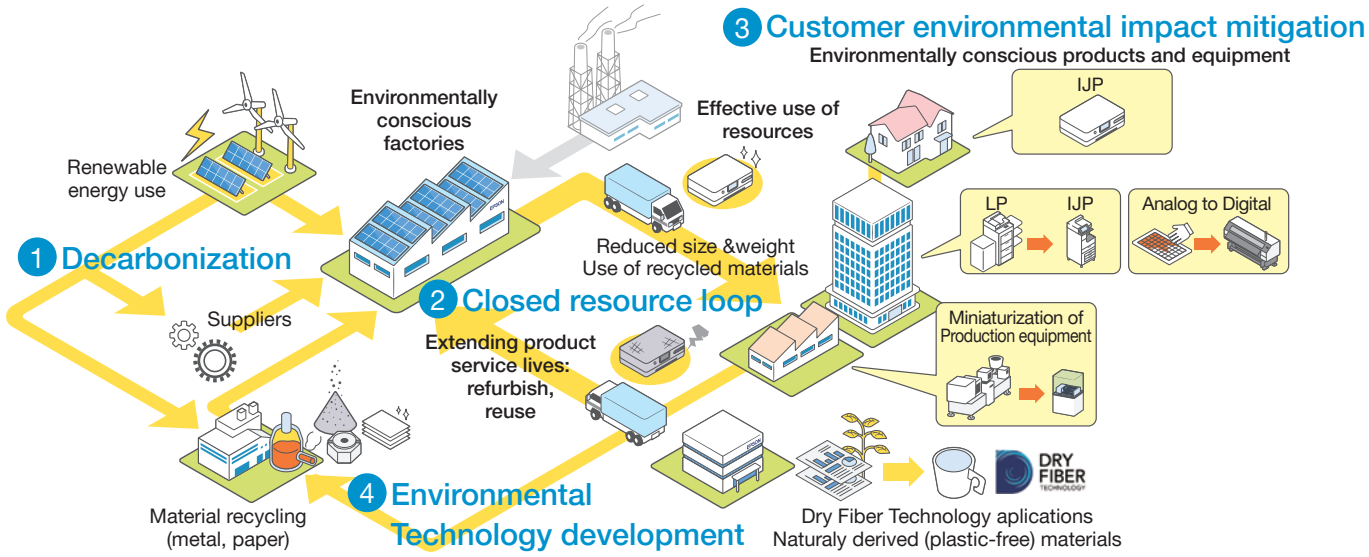
Global action is needed to achieve social sustainability, as the contribution that any one company can make by reducing the environmental impacts of its business activities is limited. Environmental Vision 2050 articulates actions for creating synergies with business partners based on our technologies,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

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.

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

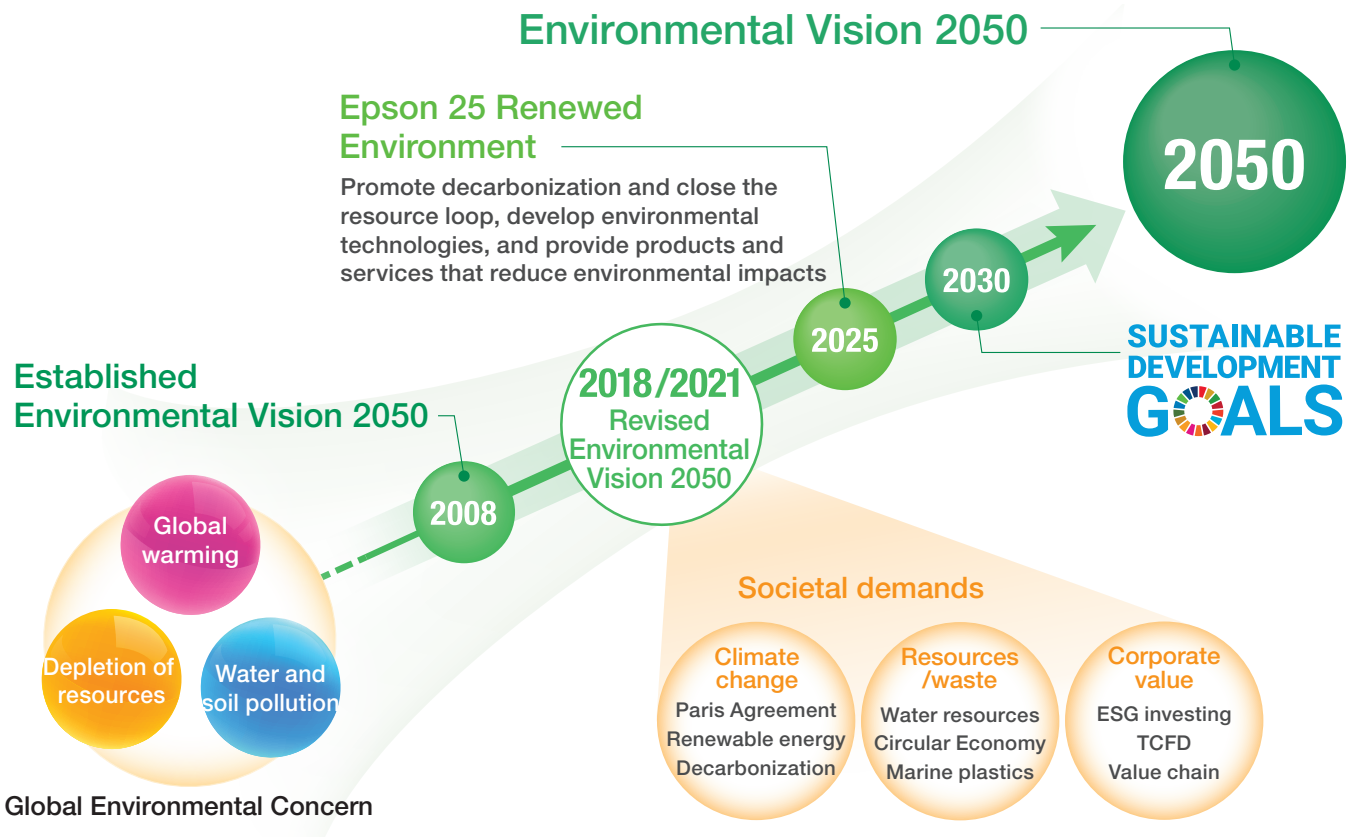
- Spend 100 billion yen over the 10 years to 2030 (items 1, 2, 4)
  - ○ Reduce GHG emissions[1] in the supply chain by more than 2 million tonnes
  - ○ Use renewable energy to meet 100% of the electricity needs of the entire Epson Group by 2023[2]
- Concentrate management resources on the development 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

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.



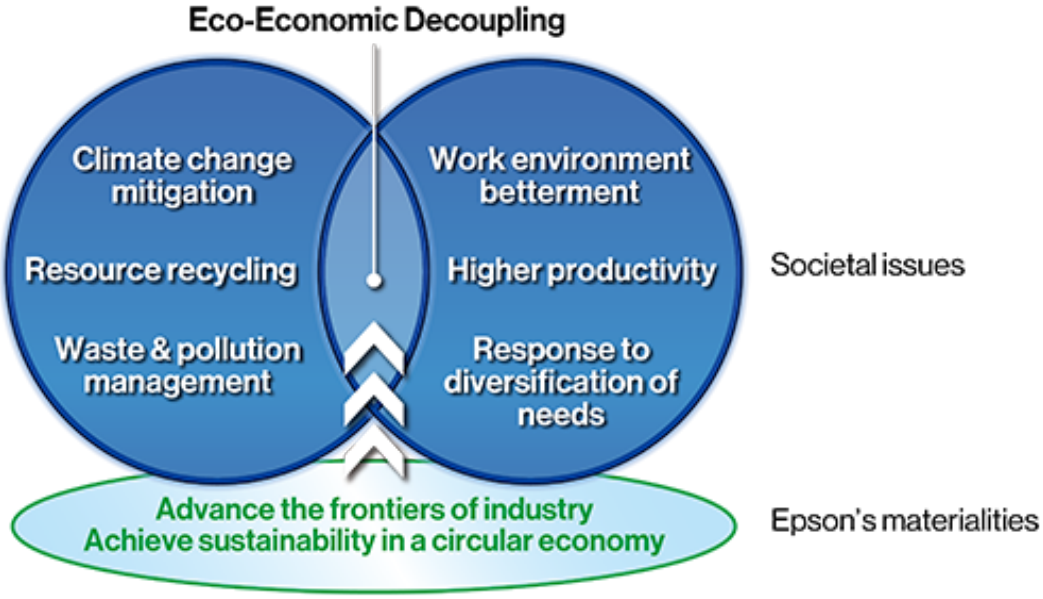
Feature Article

Solving Social Issues Through Inkjet Technology



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

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



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

Feature Article

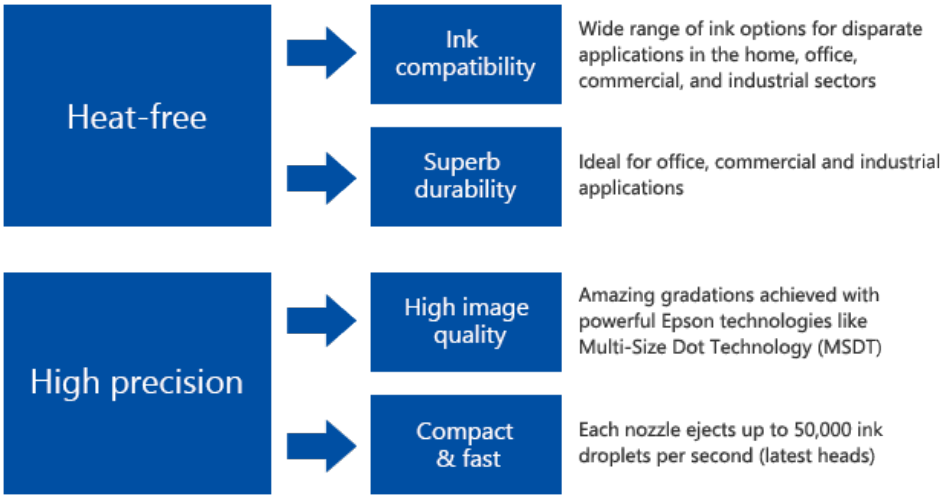
Advantages of Inkjet Technology

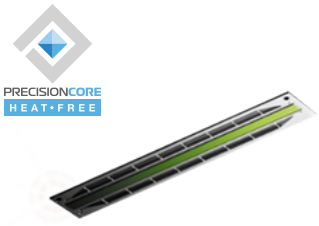
Epson's inkjet systems mechanically eject droplets of ink without heating it.

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



Characteristics of Epson inkjet systems





PrecisionCore Micro TFP print chip

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

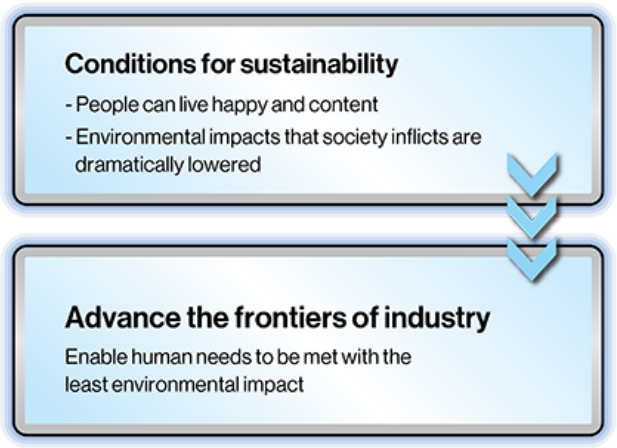


Feature Article

Future Outlook (Expansion in Production & Creative Areas)

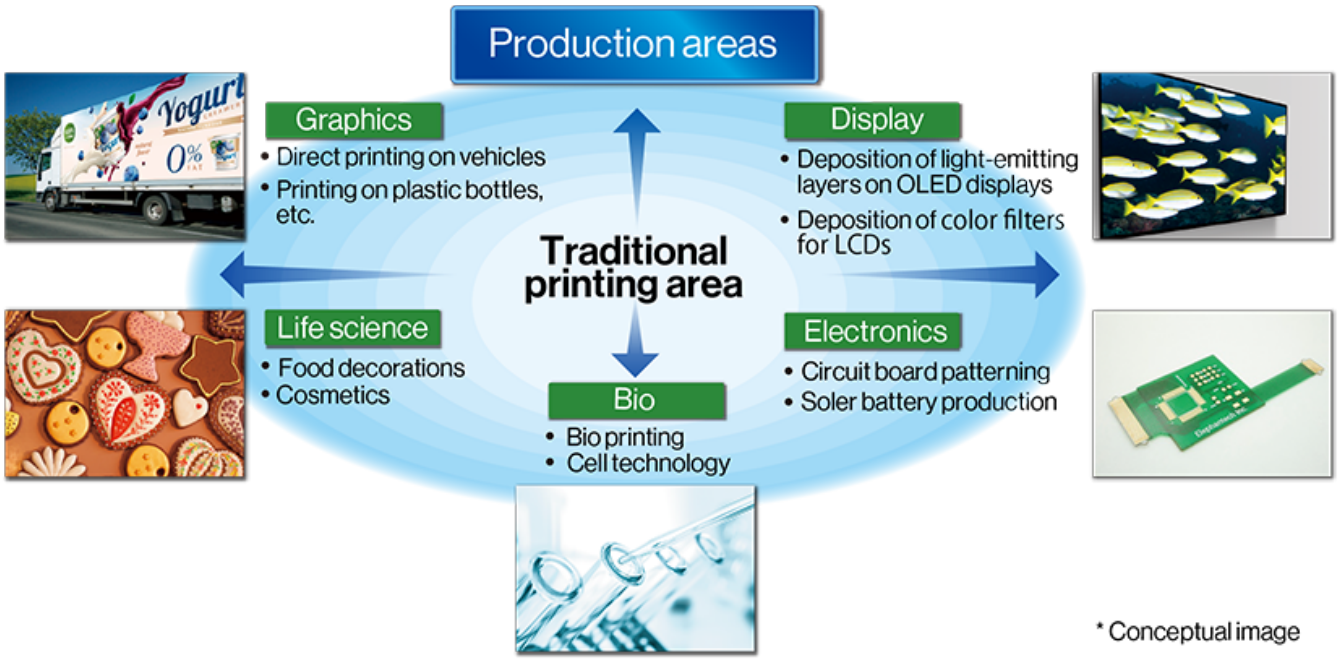
Inkjet-based manufacturing innovations
Advancing the frontiers of industry through open innovation

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

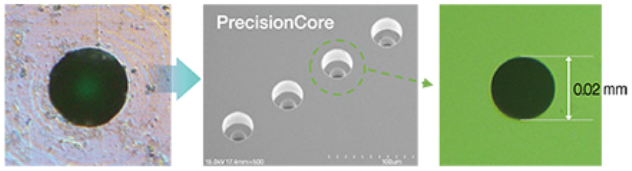
State-of-the-Art Printheads

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

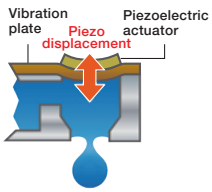
That is about 1/5th the diameter of a typical human hair.



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.

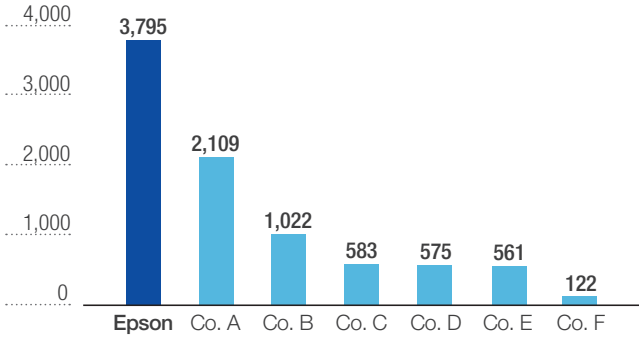


Epson's piezoelectric printheads

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



* As of July 11, 2024. Per Epson research.
* Patents registered in Japan, the US, China, and Europe with an application date of July 11, 2004 or later

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 -

WEB https://corporate.epson/en/news/2020/200228.html

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 (Redeemed)	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

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

Management

Environmental Management

As stated in its Management Philosophy, Epson is committed to respecting the global environment and anchors its business activities on this principle. Additionally, addressing the growing social and customer interest in low environmental impact, Epson aims to deliver customer value with its unique and innovative technologies that surprise and delight. Furthermore, to carry out environmental programs under uniform standards and goals in every country and region of the world, the basic environmental stance is set forth in Epson Principles of Corporate Behavior and in the Environmental Vision 2050.

Environmental Management System

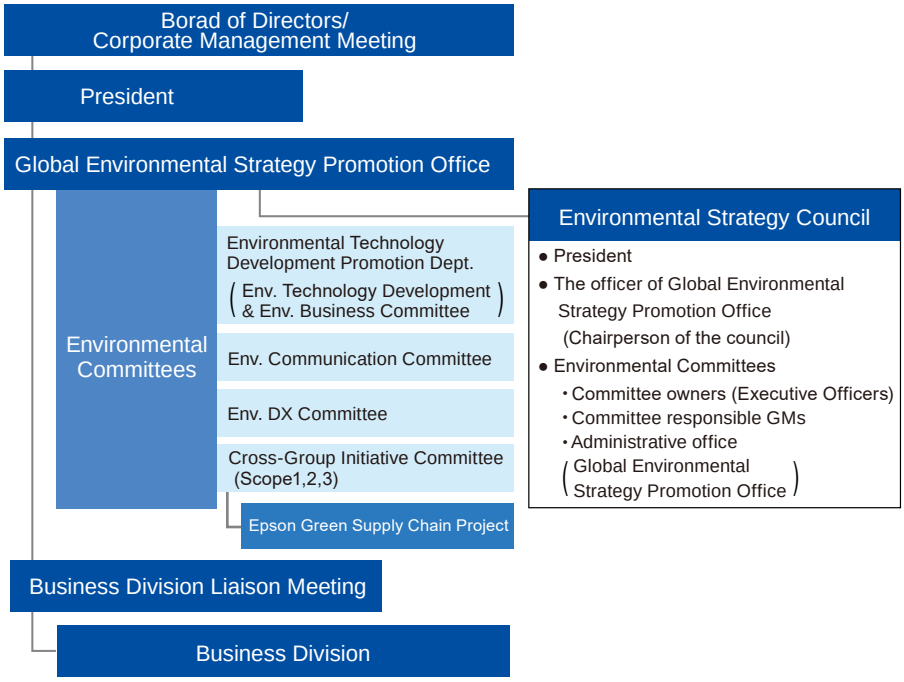
Business units within the Epson Group establish their own environmental action plans based on the Epson 25 Renewed Corporate Vision, and carry out the activities using an Environmental Management System (EMS). We conduct internal audits to check performance against the plans and take corrective action 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 FY2023, environmental data was gathered from 64 of those companies (representing 99% of revenue).

Organizations for Implementing Environmental Strategies

To make achieving the environmental vision more feasible and enhance the resilience of our climate strategies, we created a Global Environmental Strategy Promotion Office to draft and carry out environmental strategy and subcommittees to address the various environmental issues.

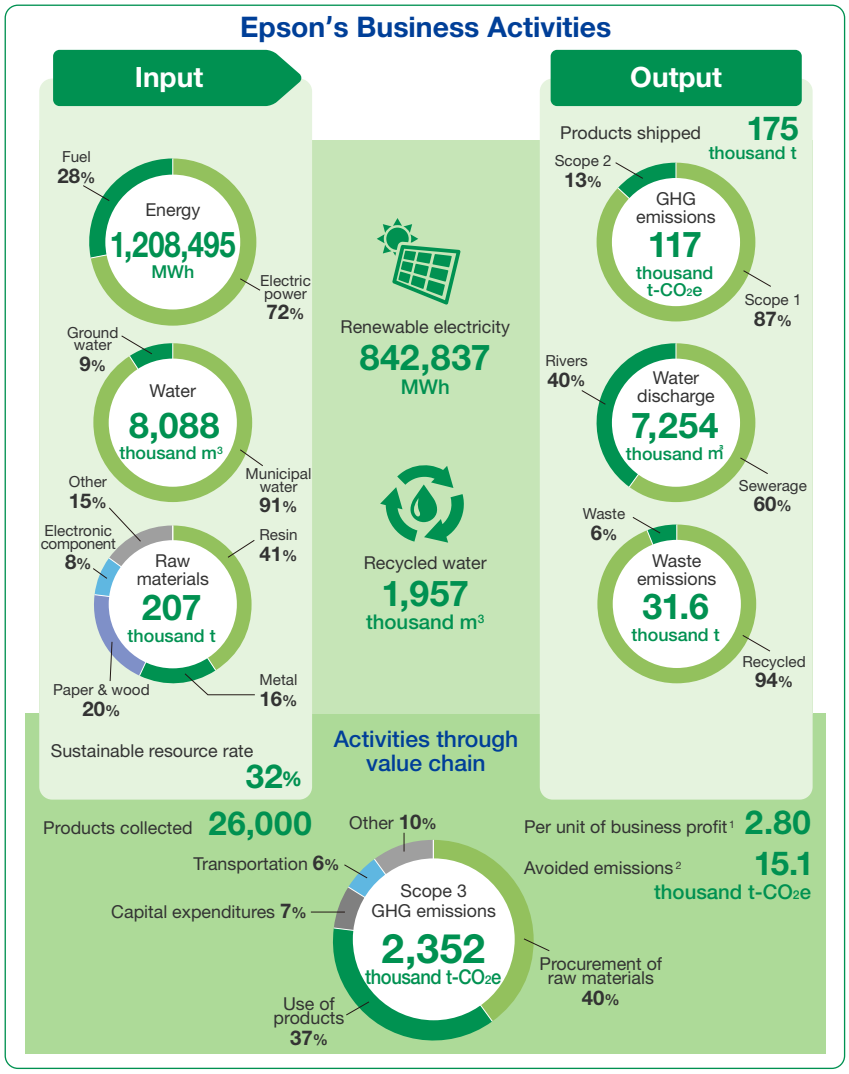


Environmental Performance

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 (FY2023)



Achievements

Scopes 1 & 2 GHG emissions

-80% — Target: -34% by FY2025

117 thousand t-CO_2e — Target value: 391 thousand t-CO_2e

Scope 3 GHG emissions (Per unit of business profit)

-17% — Target: -44% by FY2025

2.80 — Target value: 1.90

Water use efficiency (water intake by revenue)

15% improved — Target: Improve water use efficiency (water intake by revenue) by 1% from the reference value

6.2 thousand m³ per billion yen — Target value: 7.3 thousand m³ per billion yen

Waste emissions

-5.6% — Target: previous year or less

31.6 thousand t — Target value: 33.2 thousand t

[1] Calculated as the ratio of scope 3 (Categories 1 and 11) GHG emissions to business profit (Unit: thousand t-CO_2e/100 million yen)

[2] Based on the calculation method confirmed by Mizuho Research & Technologies, Ltd., the value is obtained by multiplying the difference between the weighted average of the publicly available lifetime CO_2 emissions of major laser printers in the global market and the lifetime CO_2 emissions of Epson's A3 color inkjet printer by the number of Epson A3 color inkjet printers sold in a given fiscal year.

Decarbonization

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



Goal

Reducing Greenhouse Gas (GHG) Emissions

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

GHG Reduction Targets

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

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

Epson`s Science-Based Targets (SBTs)

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

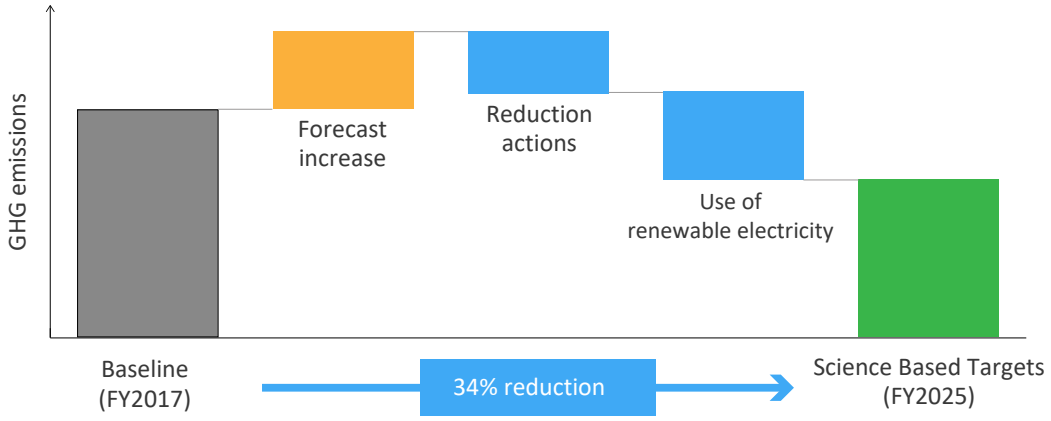
Initiatives to Reduce Scopes 1 and 2 Emissions

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

Main actions for reducing emissions

- Production innovations
- Investment in updated facilities and equipment such as plant infrastructure, scrubbers, and solar power systems
- Use of renewable electricity: Procurement of renewable electricity that uses local natural resources, etc.
- Other reductions to be achieved by power utilities reducing their GHG emissions factors

Conceptual image of FY2025 scopes 1 & 2 emissions reductions



Renewable Electricity Use

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

In 2021, Epson joined the international initiative RE100, which aims to drive a transition on the part of corporation to the use of 100% renewable electricity for their business activities by 2050. With the acceleration of our efforts in introducing renewable electricity, the global transition to 100% renewable electricity was completed at all Epson group sites[1] on schedule in December 2023. We will continue to utilize renewable electricity moving forward.

[1] Excludes some sales sites and other leased properties where the amount of electricity cannot be determined

Carbon Pricing

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

Reducing Scope 3 Emissions Intensity

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

Avoided Emissions

Epson`s inkjet technology saves resources. Our printers, which do not use heat to print, draw comparatively little electricity while consumables and limited lifetime parts require only infrequent replacement. Using Epson inkjets instead of laser printers can cut users` electricity consumption and reduce the environmental impacts of society as a whole. Based on the guidance published by the World Business Council for Sustainable Development (WBCSD) and confirmed by a third-party organization, Epson calculated that the emissions avoided through the replacement of laser printers with Epson`s inkjet printers in fiscal year 2023 amount to 15.1 thousand t-$CO_2$e[1]. Moving forward, we will apply the calculation logic developed for A3 color inkjet printers to other product categories, further visualizing the contribution to reducing our customers` environmental impact.

[1] Based on the calculation method confirmed by Mizuho Research & Technologies, Ltd., the value is obtained by multiplying the difference between the weighted average of the publicly available lifetime CO_2 emissions of major laser printers in the global market and the lifetime CO_2 emissions of Epson`s A3 color inkjet printer by the number of Epson A3 color inkjet printers sold in a given fiscal year.

Risks & Opportunities (Responding to TCFD)

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

Climate Change (Performance)

Production (Climate Change)

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

2023 Overview

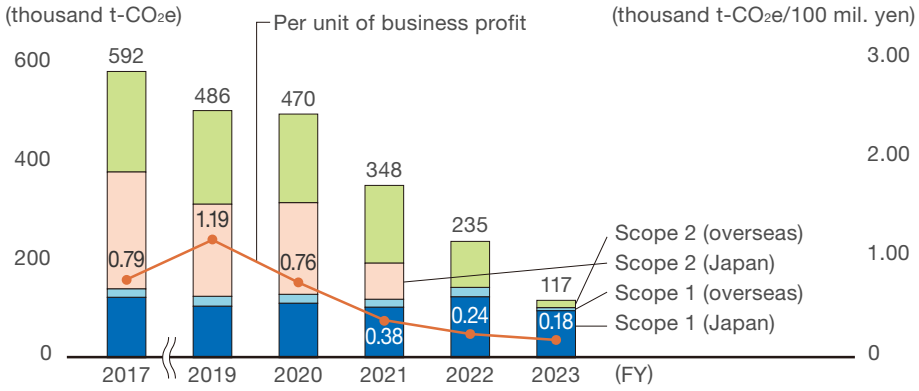
In the 2023 fiscal year, Epson accelerated the use of renewable energy in addition to driving site-based energy-saving initiatives, enabling us to progress toward our SBT Initiative-validated 2025 target of reducing scope 1 and scope 2 greenhouse gas (GHG) emissions by 34% compared to FY2017. This boosted the percentage of renewable energy from less than 1% in the past to about 69% (and 96% in the case of electricity).

Although an increase in energy consumption is expected in order to achieve the goals of the mid-term business plan, Epson will continue to pursue its target, focusing on reduction measures such as production innovation, alongside the utilization of renewable electricity.

80% Reduction

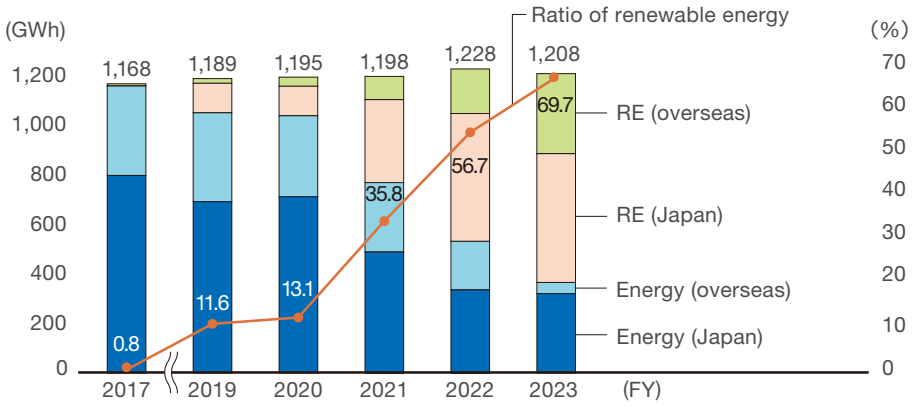
Scope 1, 2 emissions
(compared to FY2017)

Greenhouse Gas Emissions (Scopes 1 & 2)



* CO_2 conversion factor of greenhouse gas emissions
- Electric power: Disclose emissions at Market-base. In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.The emission factor is set to zero for the amount of renewable electricity certificates and J-Credits utilized.
- 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

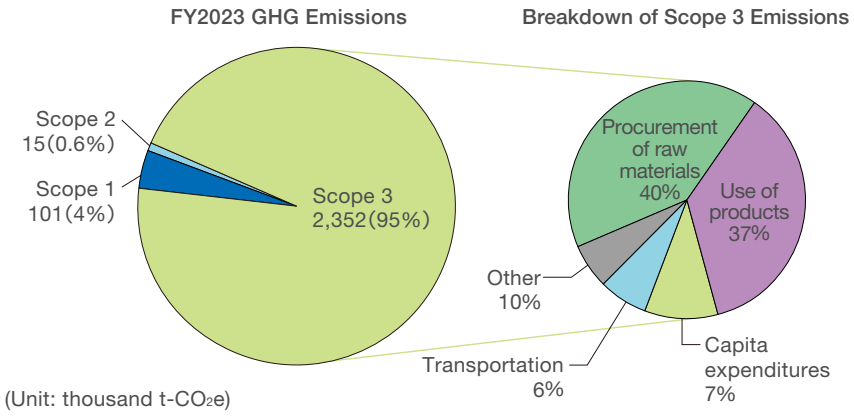


* RE: Renewable Electricity
* Percentage of energy from renewable source

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℃ scenario.

Greenhouse Gas Emissions from Value Chain

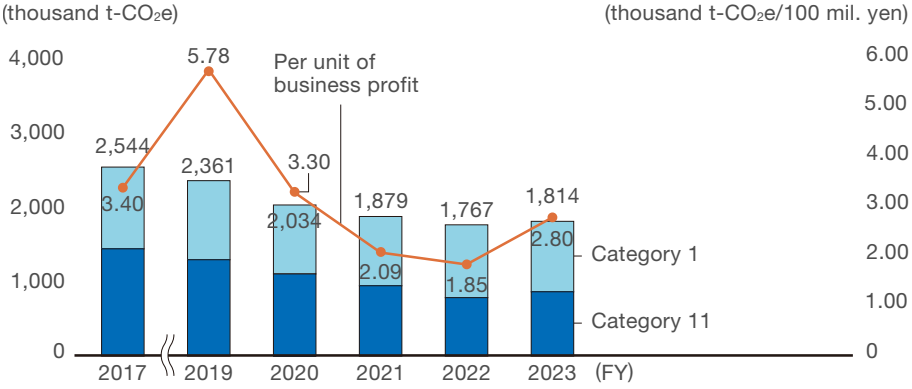


(Unit: thousand t-CO_2e)

17% Reduction

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

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

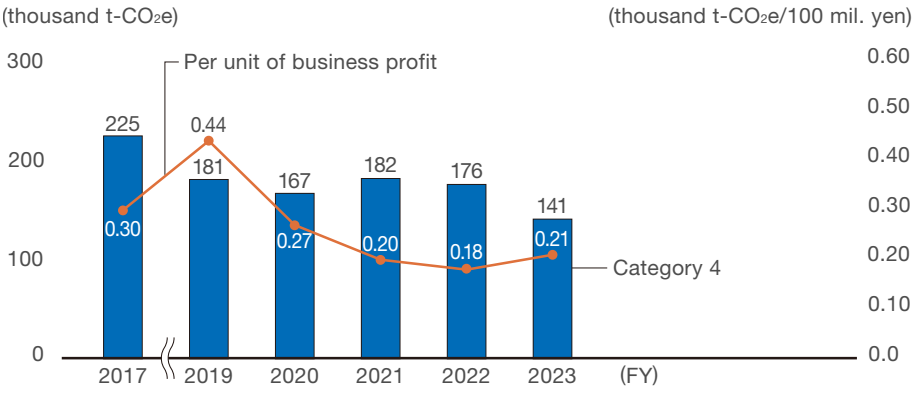


* Coverage of science-based target, Category 1: Purchased goods and services, Category 11: Use of sold products
* Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.3 is used for calculations from FY2022.

Logistics Initiatives

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

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



* Category 4: Upstream transportation and distribution

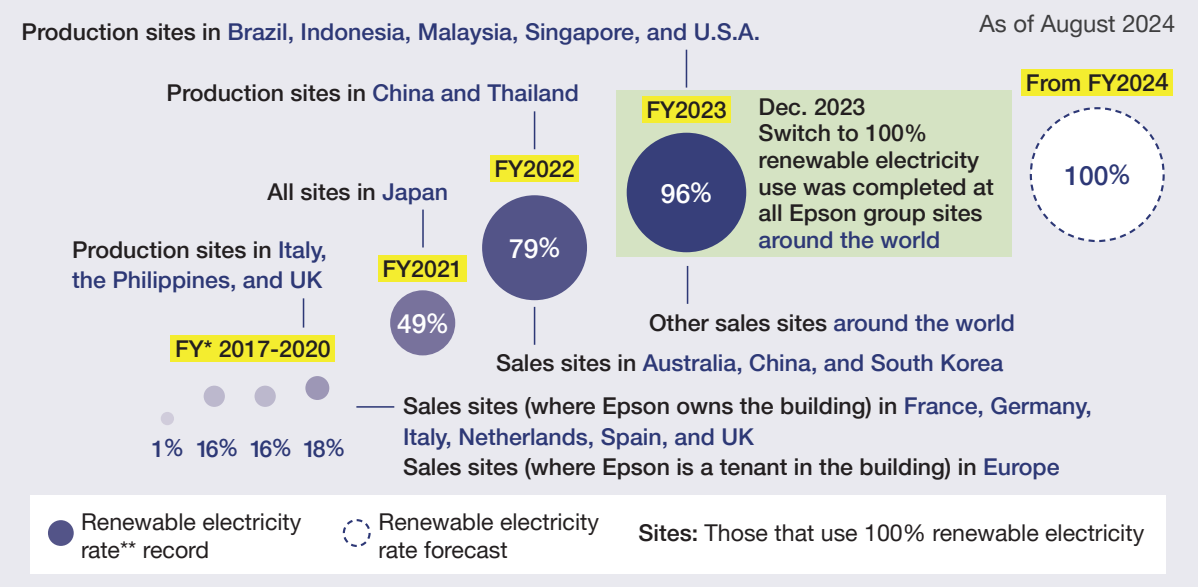
Cooperation with Suppliers

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

Use of Renewable Electricity

The use of renewable electricity is a key means by which Epson seeks to reach its goal of achieving decarbonization. In line with this, Epson declared, in March 2021, that it would switch to 100% renewable electricity to meet the electricity needs at all Epson Group sites[1] around the world by 2023. In November 2021, the switch was completed in Japan. The global switch to renewable electricity was completed on schedule in December 2023. The Epson Group consumes approximately 872 GWh[2] of electricity per year. By sourcing renewables to cover this demand, Epson expects to reduce its annual CO_2 emissions by approximately 400,000 tonnes.

Steps taken to switch to 100% renewable electricity use at all Epson group sites[1]



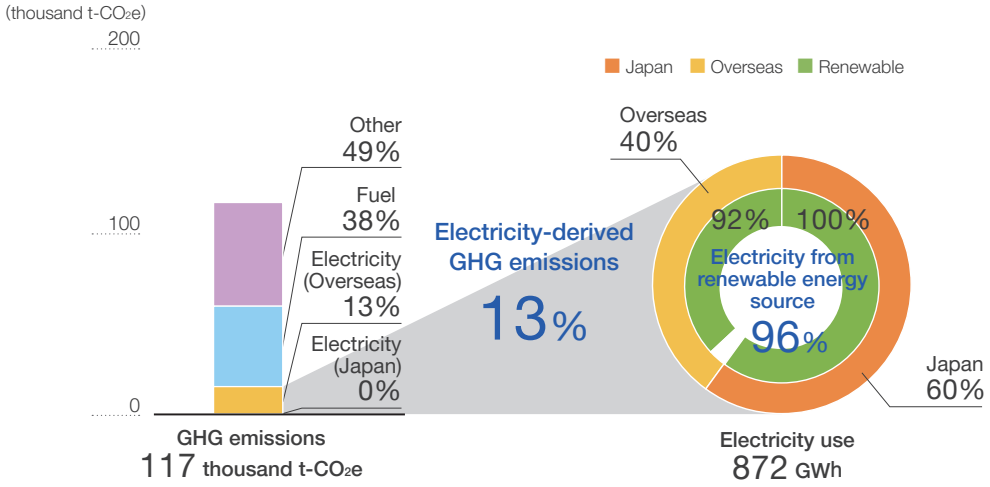
* Fiscal year. The fiscal year for Seiko Epson corporation runs from April to March
** Renewable electricity rate = Amount of renewable electricity used by sites around the world in the current fiscal year / total amount of electricity used x 100%

[1] Excludes some sales sites and leased properties where the amount of electricity consumed cannot be determined.
[2] For the fiscal year 2023, the results include cogeneration systems (CGS) electricity and self-generated electricity. Since it is difficult to procure renewable energy fuels or green gas certificates that meets the RE100 technical criteria, we have achieved 100% renewable electricity by voluntarily applying renewable energy certificates equivalent to the amount of electricity used.

Scope1 & 2 emissions and electricity consumption in FY2023

More than 70% of Epson`s GHG emissions came from the consumption of electricity in fiscal 2017. As a result of our prior efforts to achieve decarbonization by switching to renewable electricity we use, the ratio of GHG emissions from electricity declined to about 10% in fiscal 2023. At home and abroad, we have increased the percentage of renewable energy to 96% of electricity usage by selecting the optimal renewable electricity in each region, such as hydropower and wind power, and by proactively investing in on-site electricity generation.

Breakdown of sources (renewable and non-renewable) of Scope 1 & 2 emissions in FY2023

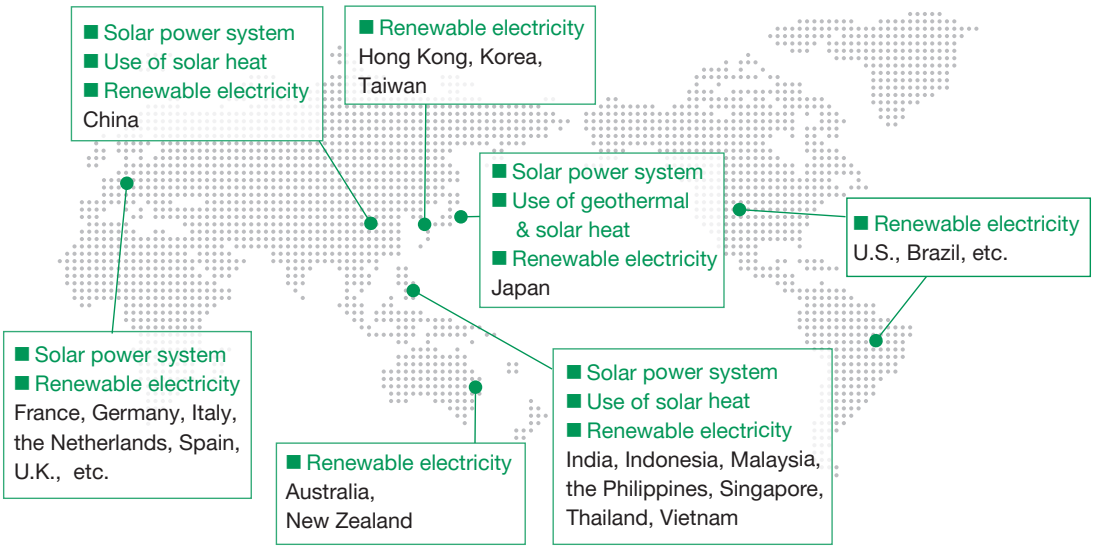


Transitioning to Renewable Energy at Epson`s Global Sites

In Japan, Epson purchases Shinshu Green Electricity, CO_2-free value-added electric power produced locally with abundant water sources in Nagano Prefecture using Nagano Prefectural hydroelectric power. This is both reducing Epson`s GHG emissions and increasing local consumption of locally produced energy. In the Tohoku area, where Epson has a semiconductor fabrication plant and which accounts for about half of Epson`s domestic electricity consumption, Epson uses another CO_2-free value-added electric power to reduce GHG emission from electricity usage. In November 2021, Epson completed the transition to 100% renewable electricity for all its domestic sites in Japan.

Our overseas production and sales sites have also completed the transition to using 100% renewable electricity in December 2023. In addition to generating electricity with a rooftop mega-solar power plant, our production site in the Philippines switched to a mix of geothermal and hydroelectric power in January 2021. In addition, our production site in Bekasi, Indonesia, began using biomass power generation in July 2022. The procurement of geothermal power, which is being actively developed by taking advantage of the resources of volcanic islands, and sustainable biomass power using Palm Kernel Shells (PKS; a byproduct of the palm oil production process) and wood chips as fuel, are examples of energy use that aligns with regional characteristics.

Use of Renewable Electricity at Epson Sites Worldwide (Country/Region)



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

Case of Onsite Solar Power Generation



Philippines (Epson Precision (Philippines), Inc.)



Thailand (Epson Precision (Thailand) Ltd.)



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



Japan (Fujimi Plant): PPA*

* Power Purchase Agreement: Onsite Solar Power Generation Service

Support for Recommendations to Expand the Use of Renewable Energy

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

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

Month/Year	Recommendations	Secretariats
Jul. 2024	Call for an ambitious 2035 target that is consistent with the 1.5℃ goal	Japan Climate Initiative (JCI)
Jun. 2023	Issues and Recommendations on Renewable Electricity Procurement	Renewable Energy Institute
Apr. 2023	Call for accelerating the deployment of renewable energy and introducing effective carbon pricing	Japan Climate Initiative (JCI)
Jun. 2022	Call for accelerating renewable energy deployment	Japan Climate Initiative (JCI)
Apr. 2021	Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal	Japan Climate Initiative (JCI)
Jan. 2021	Calling on the Japanese government to raise its 2030 renewable energy target to 40-50%	Japan Climate Initiative (JCI)
Aug. 2020	Making Japan a Nation where Renewable Electricity is Easily Accessed: Three Strategies and Nine Policies Sought by Corporations Engaged in Climate Action	Renewable Energy Institute CDP Worldwide-Japan WWF Japan

Closed Resource Loop

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



Life Cycle Thinking

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



Think
Design products thinking of the entire life cycle

Design for Environment
(Please refer to page 089.)

Choose
Use environmentally conscious materials

Management of Chemical Substances in Products
(Please refer to page 139.)
Paper Products
(Please refer to page 257.)

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

Decarbonization
(Please refer to page 074.)
Closed Resource Loop
(Please refer to page 083.)

Deliver
Transport products efficiently

Value Chain Initiatives
(Please refer to page 077.)

Use
Eco-performance as customer value

Products and Services that Reduce Environmental Impacts
(Please refer to page 095.)

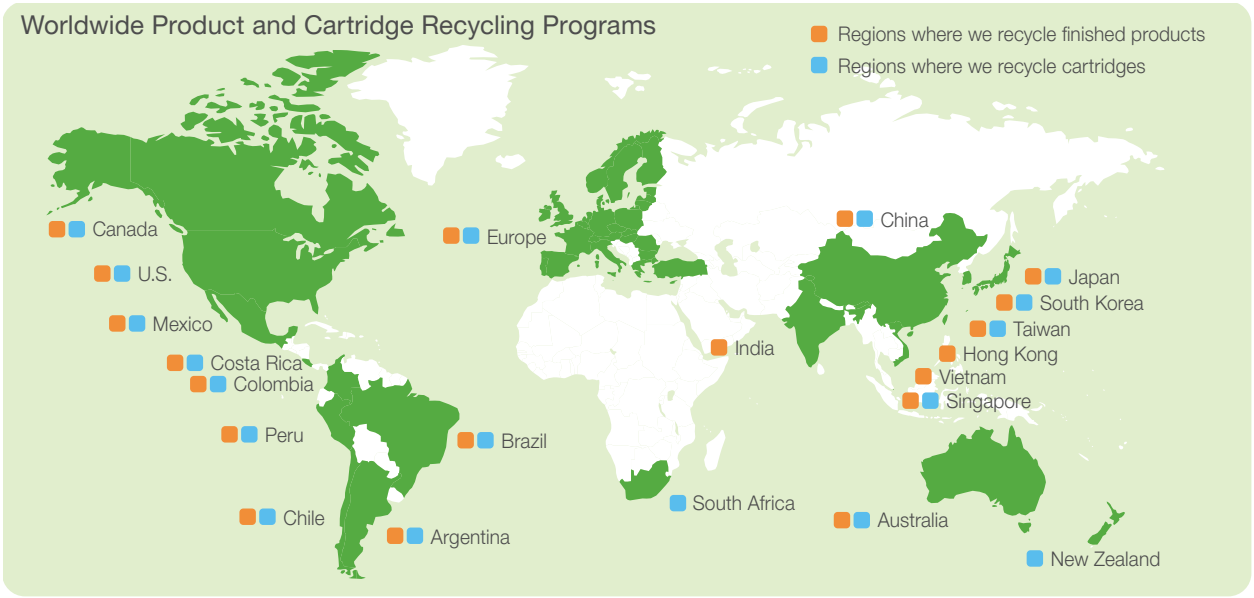
Recycle & Reuse
Reuse resorces

Product Recycling
(Please refer to page 091.)

Product Recycling

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

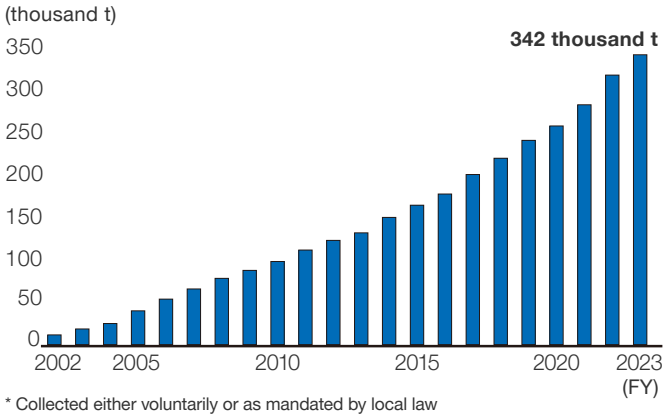
Epson`s Global Collection and Recycling Systems



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

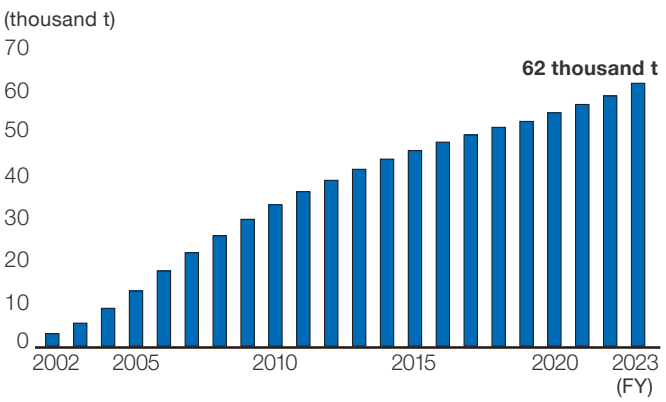
Collection Trends for Products and Cartridges

Finished Products Collected (cumulative through fiscal year)



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

Cartridges Collected (cumulative through fiscal year)



Resources (Performance)

Reduction of Waste

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

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

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

2023 Overview

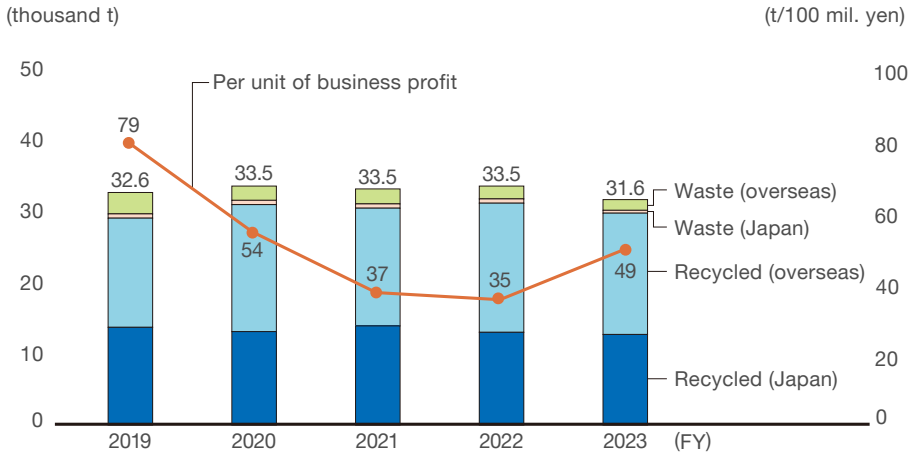
Goal : No more than the 33.5 thousand t of the previous year

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

Result: 31.6 thousand t (a reduction of 5.6% compared to the previous year)

5.6% Reduction
Wastes emissions
(compared to FY2022)

Waste Emissions



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

Preservation of Water Resources

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

2023 Overview

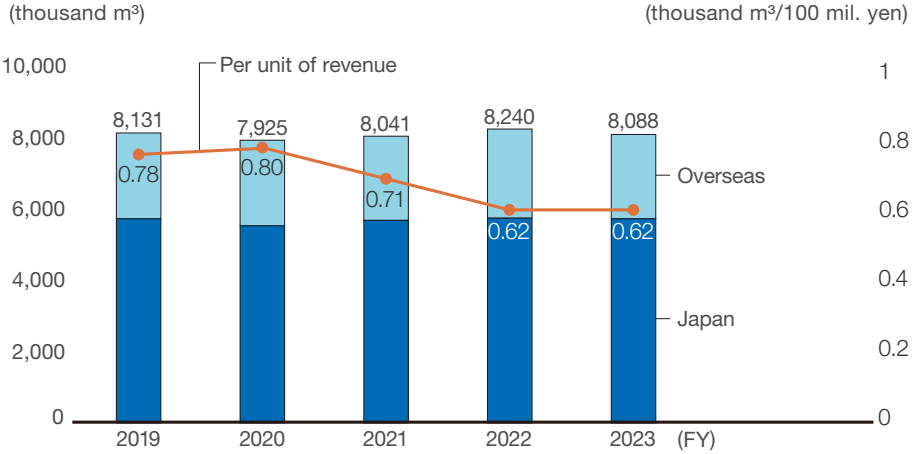
Goal ：7.3 thousand m³ per billion yen

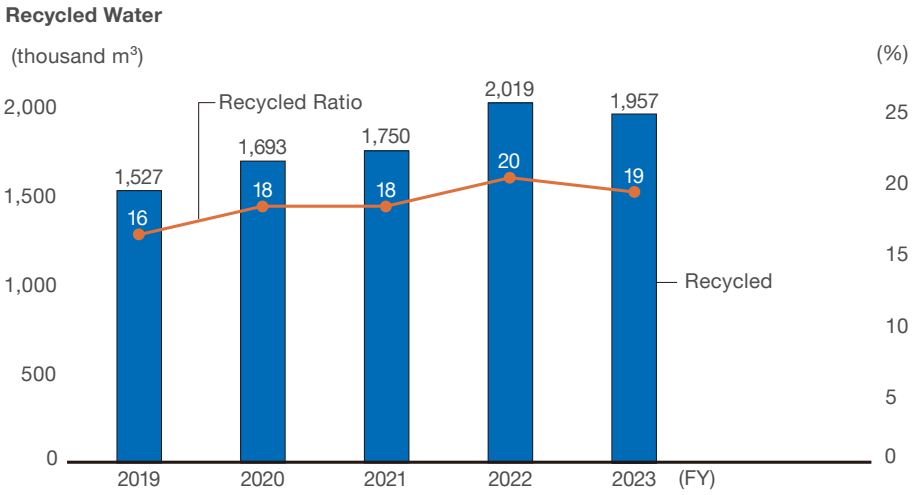
* Improve water use efficiency (water intake by revenue) by 1% from the reference value.

Result: 6.2 thousand m³ per billion yen (15% improvement form the reference value)
Reference value: 7.4 thousand m³ per billion yen (average for FY2017 to FY2022)

1.5% Improvement
Water usage per unit of sales
(compared to based value)

Water Usage



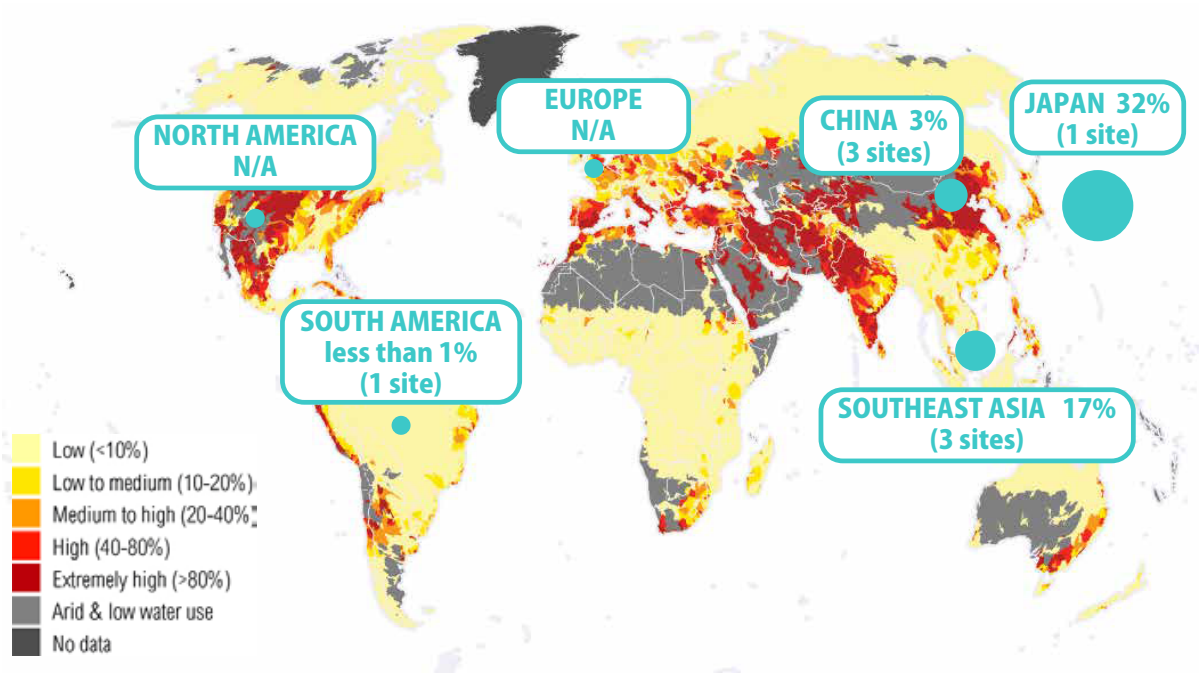


Addressing Water Related Risk

The water-related risks of Epson`s production sites were assessed using two global standard tools for water risk assessments: Aqueduct, developed by the World Resources Institute (WRI), and Water Risk Filter, developed by the World Wide Fund for Nature (WWF). These tools assess water primarily from a perspective of physical quantity of water resources and water pollution risks. The results of the assessments showed that no Epson site qualifies for the highest risk level per the overall risk indicators. However, it was found that some of Epson`s production sites in Japan, China, Southeast Asia, and South America are located in areas with water stress.

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

Water Intake Ratio in Areas with Water Stress (by Region) and Baseline Water Stress Map (FY2023)



* The percentage of Epson`s total water usage in each region with water stress is shown on a baseline water stress map from Aqueduct Global Maps 2.1 (WRI). The size of the circles visually indicates the percentage of water usage in each region.
* This map is a derivative of the World Resources Institute`s Aqueduct Global Maps 2.1, created by Seiko Epson Corp. under the Creative Commons license provided by www.wri.org

Therefore, a reduction in water intake is not a major issue even at sites identified as being located in areas with water stress using screening tools. Nevertheless, water is an important resource. We recognize we must use water approximately. With this awareness in mind, considering insights gained from communication with the World Wide Fund for Nature Japan (WWF Japan), which has expertise in water resources, we have set the medium-term target below emphasizing water use efficiency. Moving forward, we will continue to engage in activities to reduce water usage within our company to realize this medium-term target. Together with this, we will continue to consider measures for sustainable water use in each basin in collaboration with environmental conservation groups. In addition, to understand and assess water risks across the entire supply chain, Epson began analyzing water risks in the watersheds where some of its suppliers are located in fiscal year 2023.

【Medium-term Target】

Target: Improve water use efficiency (water intake by revenue) by 1% from the reference value
Period: From FY2023 to FY2025
Target value: 7.3 thousand m^3 per billion yen
Reference value: 7.4 thousand m^3 per billion yen (average for FY2017 to FY2022)

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

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

Closed Resource Loop

Design for Environment

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



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.

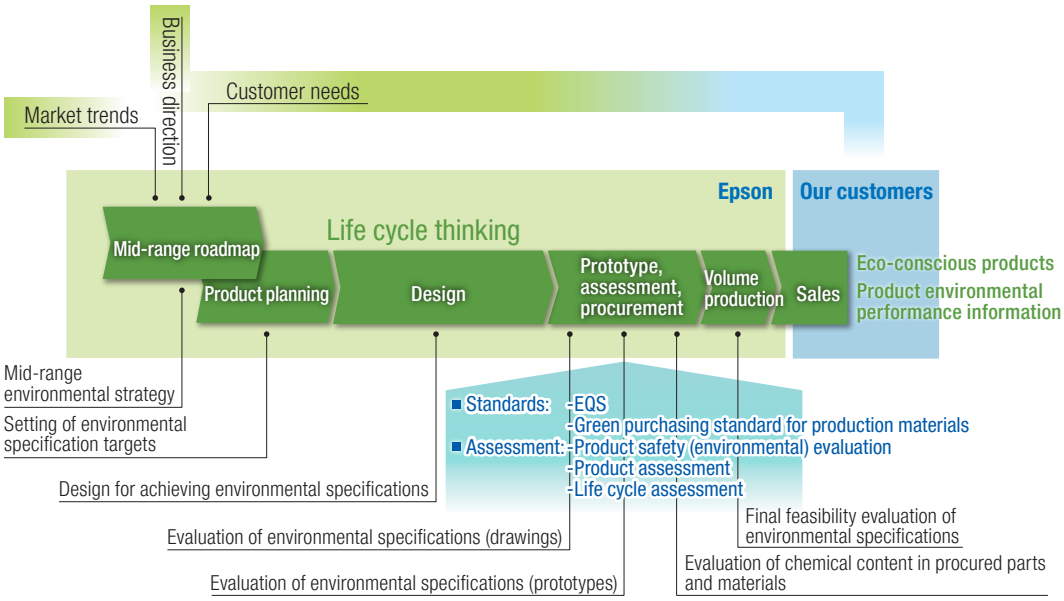
Substance Safety

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

Closed Resource Loop

Product Recycling

Summary of Activities in Each Region

Europe

Finished Products

The European WEEE (waste electrical and electronic equipment) directive has been effective since 2005, and has been reflected in national legislation. To comply with the European WEEE directive, Epson is building recycling systems in each country. Moreover, Epson implements environmentally-conscious design in response to the WEEE directive 2012, that requires manufacturers to increase recyclability of products. Epson also acts quickly to comply with similar legislation that is expected to be adopted in 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 part of the E-Cycle Governance and comply with laws related to resource conservation and recycling promotion, as well as the Resource Circulation Act for Electrical and Electronic Products, which came into effect in January 2008.

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. Ltd. (EAL) partners with ANZRP (Australia & New Zealand Recycling Program), a not-for-profit organization that operates the TechCollect program. This program offers a free service for the general public and small businesses to drop off their e-waste for responsible recycling, as part of the National TV and Computer Recycling Scheme, regulated under the Recycling and Waste Reduction Act.

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. The results of our activities in fiscal 2023 were approximately 33,710 points.



• Ink Cartridge Satogaeri (Homecoming) Project

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



Collection box

• Joint Environmental Program

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

Customer Environmental Impact Mitigation

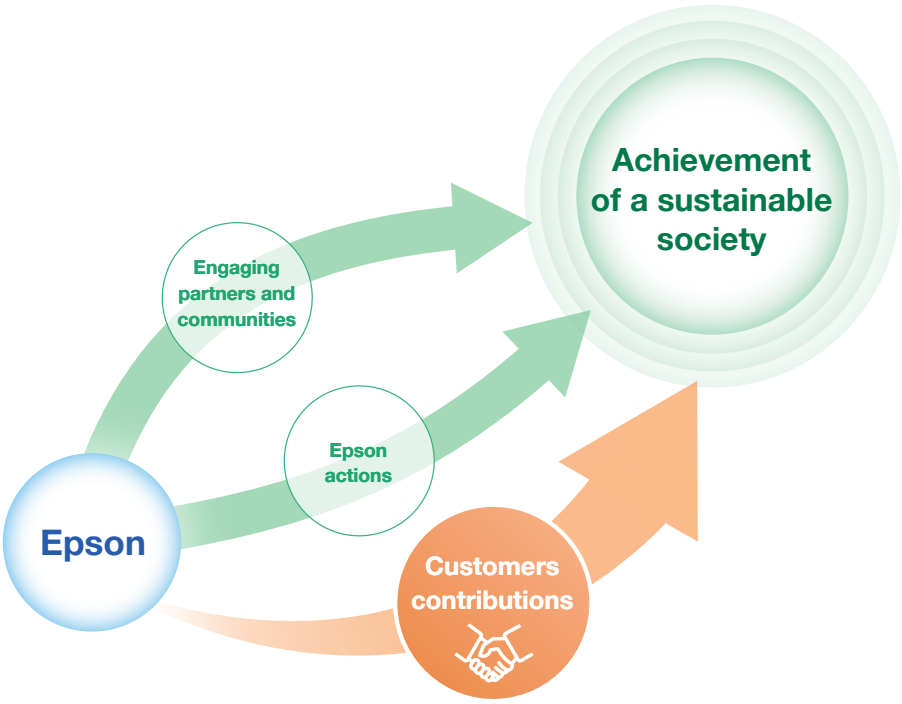
Products and Services that Reduce Environmental Impacts

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

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

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

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





Customer Environmental Impact Mitigation

Minimizing Customer Environmental Impacts

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

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

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

Epson`s business inkjet printers employ our original Heat-Free Technology to eject ink without heat. This technology achieves outstanding low power consumption performance. Our business inkjet printers with built-in PrecisionCore lineheads (WorkForce Enterprise WF-C series and AM-C series) are products with both a high-level printing performance of 40 to 100 pages per minute (ppm) and low power consumption. The WF-C21000 achieves a printing speed of 100 ppm[1]. This printing speed approximately doubles productivity in contrast to the printing speed of 50 ppm for general laser printers used in offices.

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



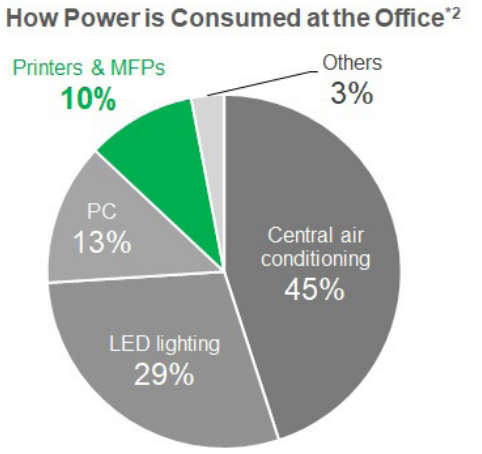


WorkForce Enterprise
WF-C/AM-C series

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.

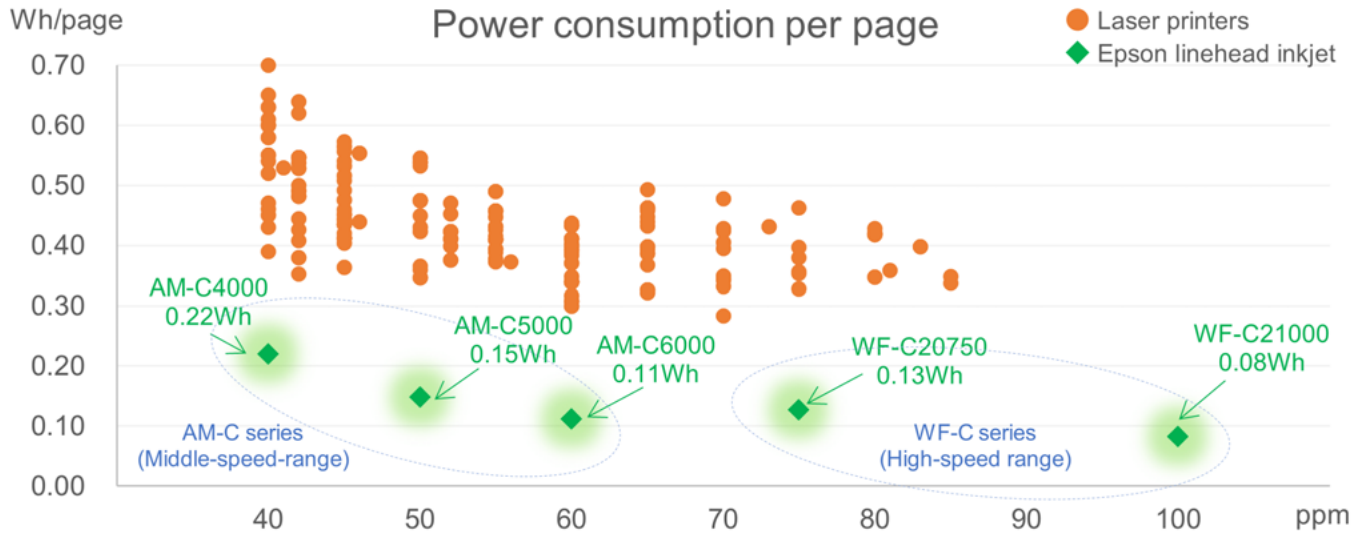
We see an opportunity to help them further cut their energy use and costs. Epson inkjet printers draw very little power when printing because ink droplets are ejected by the action of piezoelectric elements that contract under only a tiny applied voltage. In contrast, laser printers require heat–and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



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

Power Consumed per Page

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

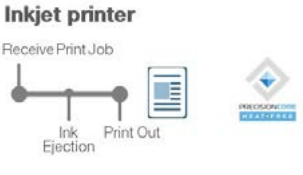


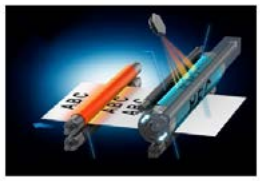
* Comparative simulation of power consumption per page. All A3 color MFPs with outputs of 40-100 ppm (excluding Digital Front End) which is posted on energystar.gov as of September 11, 2023. Our per page calculations are based on TEC measurement.

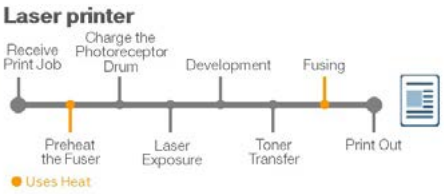
Reduces Annual Electricity Consumption

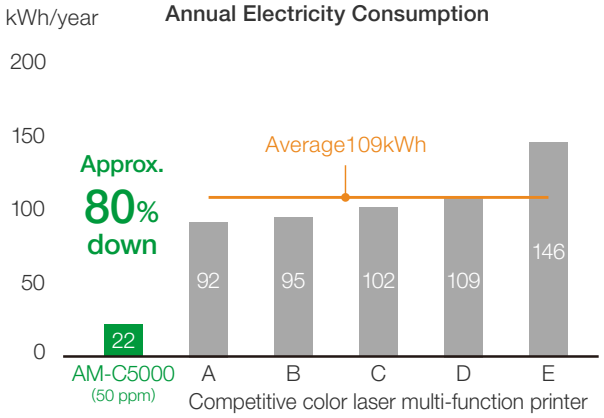
WorkForce Enterprise printers are equipped with PrecisionCore Heat-Free Technology and use no heat in the printing process. That means they consume far less power than laser printers, which in turn reduces their running costs. According to the results of an independent study, AM-C5000 may consume, on average, 80% less electricity per year than comparable competing color laser multifunction printers.











* Keypoint Intelligence-Buyers Lab was commissioned by Epson to evaluate the WorkForce Enterprise AM-C5000 (50ppm) for Europe. Test data is from May 2023. Epson selected four competitor`s models from worldwide top five best-selling vendor[3] in the 41-50 ppm color laser multi-function printer class. Devices were tested in default mode as per Keypoint Intelligence`s proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.

[3] Source: IDC`s Worldwide Quarterly Hardcopy Peripherals Tracker 2023Q1, Units Share by Company

Recognized for Excellence in Energy Efficiency and Conservation

Seiko Epson received the Agency for Natural Resources and Energy Commissioner`s Award (Product & Business Model Category) for their new MFPs* under the fiscal 2023 Grand Prize for Excellence in Energy Efficiency and Conservation awards program organized by the Energy Conservation Center, Japan. Among other things, the new MFPs were recognized for their higher energy efficiency compared with the previous models for the reason such as the introduction a new circuit unit reduces power consumption in sleep mode and during operation. (December 2023)

* WorkForce Enterprise LM-C6000/C5000/C4000 linehead inkjet multifunction printers.



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

Eco Features



WorkForce Enterprise
WF-C/AM-C series

- Inkjet multi-function printers with linehead enabled by Epson PrecisionCore and Heat-Free Technology take the combination of print performance and energy efficiency to the next level.
- Epson WorkForce Enterprise series demonstrates superior energy efficiency than a typical A3 color laser office MFPs.
- The maximum power consumption is below 320W[4], making it suitable for use with the common 100V, 15A outlets found in typical office settings.

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

Changing Office Printing with Inkjet Technology

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

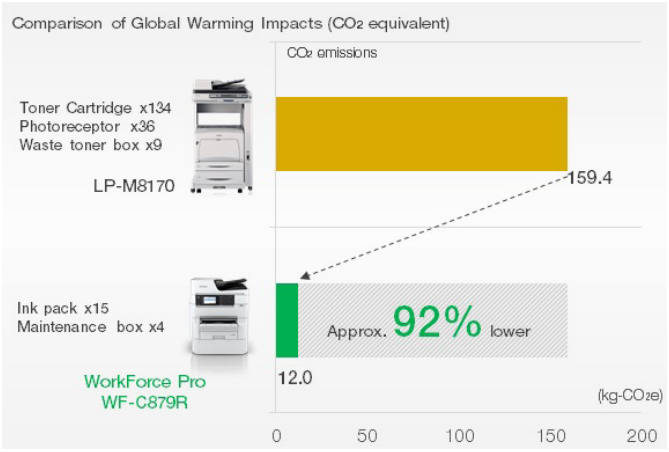




High-capacity Ink Pack Model WorkForce Pro WF-C879R

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

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



* Comparison of global warming impacts of consumables and their packaging. The 200,000 page[1 and 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

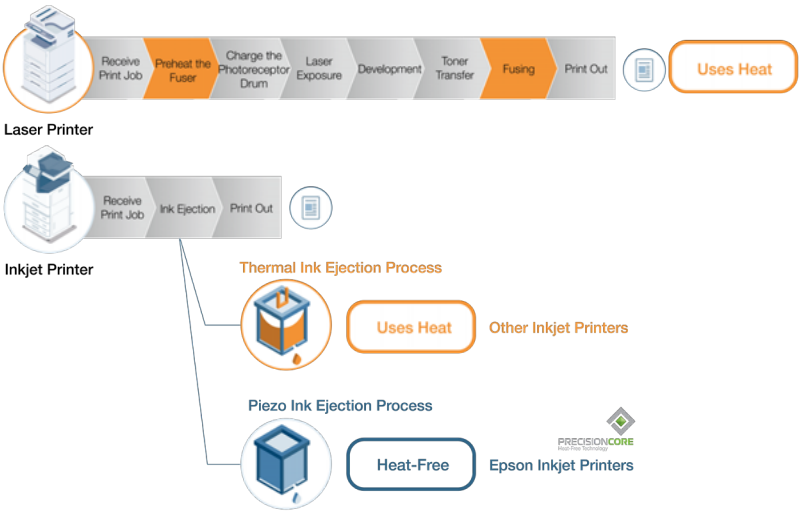
Because inkjet printers use no heat in the printing process, they consume far less power than laser printers, which in turn reduces the running cost.

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-8100, 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.



PaperLab A-8100
Dry-process office papermaking system



Preservation of Water Resources

The PaperLab A-8100 uses only about 1/100th[1] of the water it takes to make an equivalent mass of ordinary paper, thus helping to conserve the Earth`s precious water resources.

[1] 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-8100 spares our forests by producing new copy paper from used documents right in the office. Therefore, any paper produced by the A-8100 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-8100 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-8100 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 PaperLab extensively to recycle and reproduce paper used on its own sites. The recycled paper is primarily used for business purposes, including employee business cards. Additionally, Epson donates notebooks made from recycled paper used in-house to elementary and middle schools. Through this initiative, Epson not only raises awareness about paper recycling among children but also enhances its own brand recognition.

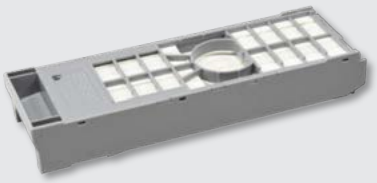


Notebooks made from recycled paper

The paper recycling work is carried out by employees of Epson Mizube Corporation, a special subsidiary, which provides opportunities for employees with disabilities to expand their roles and play an active part within the organization.

Application of Dry Fiber Technology

In addition to the dry-process office papermaking system PaperLab, Dry Fiber Technology is also used for waste ink pads and soundproofing materials from recycled paper. Furthermore, by applying this technology, Epson has developed a new upcycled packaging material using scraps generated during the sewing process of cotton garments. This packaging material is now used for some of Epson`s watch product packaging.



Waste ink pads for inkjet printers (maintenance box)



Watch packaging made from cotton scraps

Eco Features



PaperLab A-8100

PaperLab A-8100 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[2].
- `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.

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

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

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

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



Epson installed 16 PaperLabs at its nine main sites in Japan. Through the local recycling of paper for local consumption, Epson is looking to reduce the amount of new paper purchased by the Epson Group. Furthermore, the Eco-Conscious Office Center in EPSON SQUARE MARUNOUCHI serves as a model for a metro office. It demonstrates to visitors that a greener office can be achieved anywhere.

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

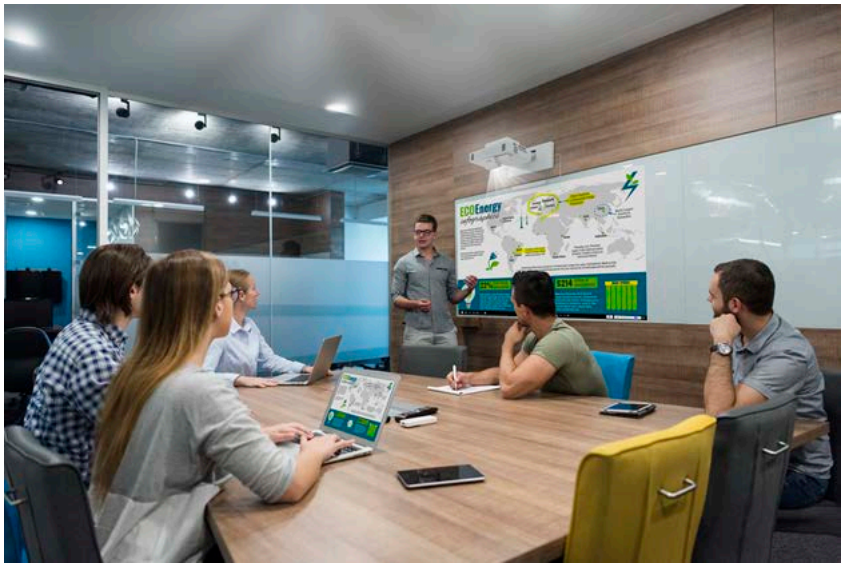






Raising Meeting Productivity with Interactive Communication

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





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

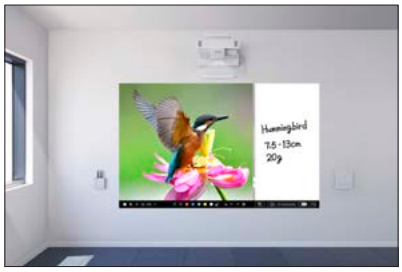
Reduce Your Environmental Footprint with Videoconferencing

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



Multi-location Interactive Function

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

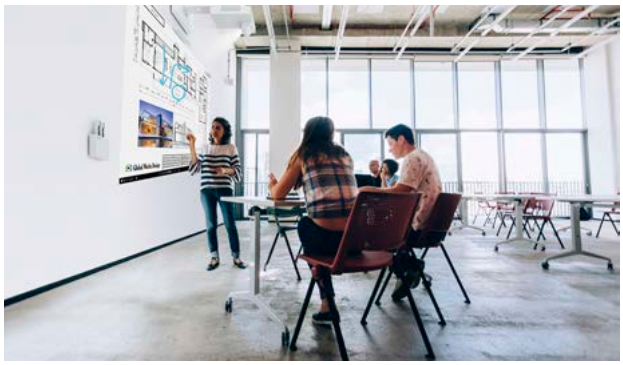


Split Screen Function

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

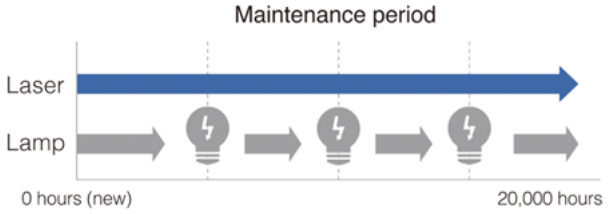
Use as a Copyboard

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.



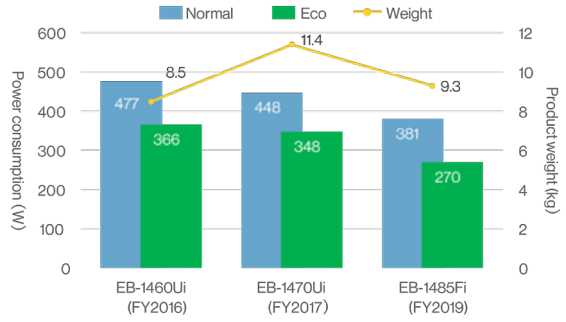
Maintenance-free Light Source

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

Driving Production Process Innovations with Digital Textile Printers

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





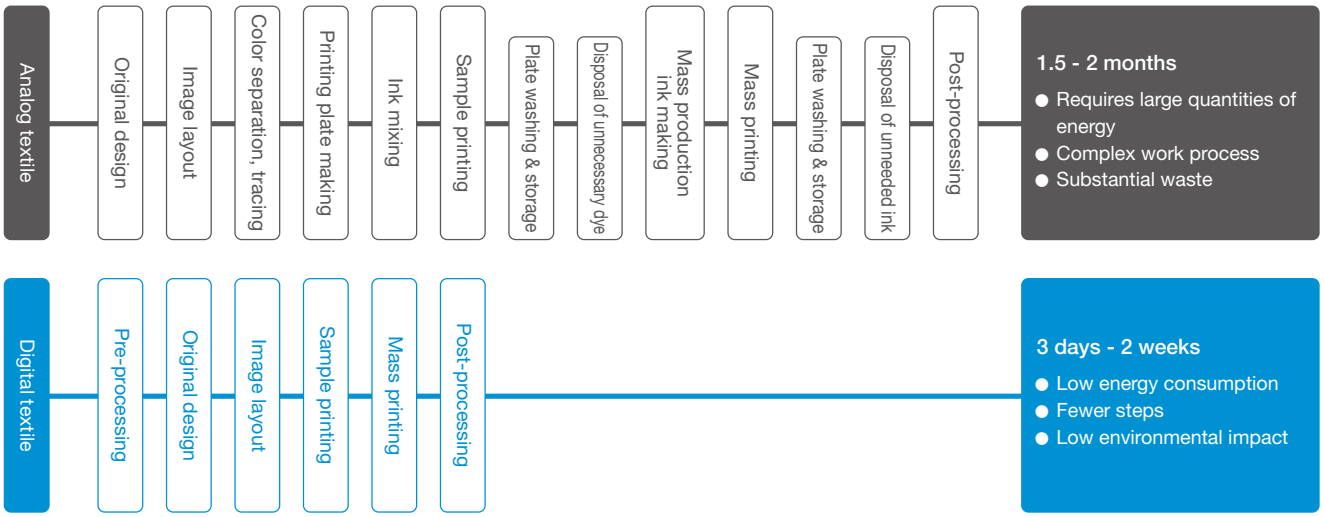
Digital Textile Printer
Monna Lisa

Streamlined Manufacturing Process

Epson`s inkjet digital textile printers expand your design possibilities while minimizing your use of energy, water, materials, and time compared to conventional processes. Digital textile printing involves the use of printing systems to print out digital data 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

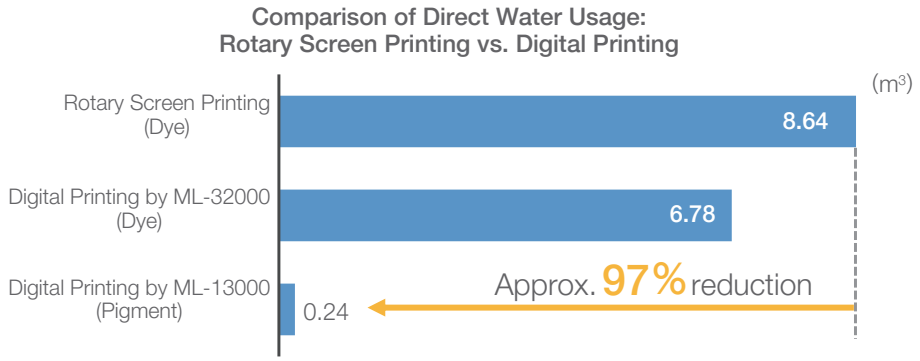
Comparison of Analog and Digital Textile Printing Processes



Reduction of Water Usage

A study[1] shows that around 20% of wastewater worldwide comes from fabric dyeing and treatment.

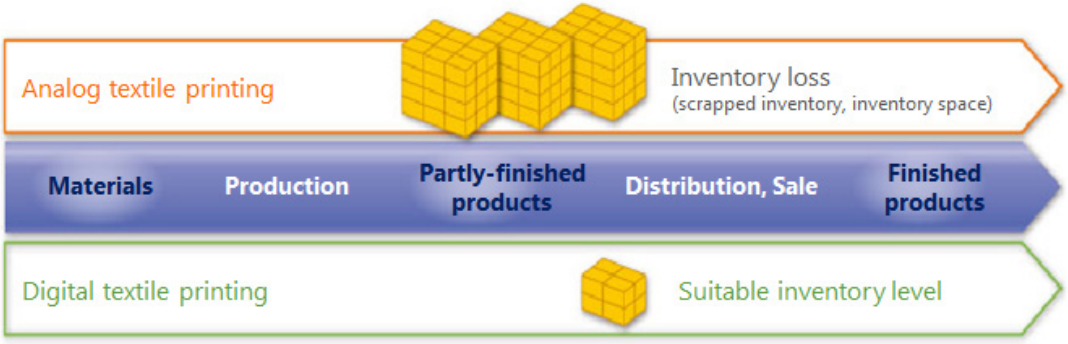
Digital textile printing, compared to analog methods (such as rotary screen printing), eliminates the need for plate washing. Furthermore, pigment-based digital printing requires no post-processing, allowing for a reduction of water usage by up to 97%[2], thereby contributing to the reduction of industrial wastewater.



[1] World Bank, 2019 How Much Do Our Wardrobes Cost to the Environment?
[2] Report on Direct Water Usage in Digital Textile Printing (January 2024), commissioned by Seiko Epson to Furuhashi Environmental Research Institute, a comparison is made between the processes of rotary screen dye-printing and inkjet dye/pigment-printing by Monna Lisa. This comparison examines the direct water usage for dyeing a fabric that is 1.5 meters wide and 300 meters long, noting that these figures may vary depending on the usage environment and measurement conditions.

Efficient Inventory Management

Digital inkjet printing has a short processing time ranging from 3 days to 2 weeks, encompassing all stages from pre-processing to post-processing, making it ideal for small-lot, diverse production. This approach minimizes inventory losses associated with materials, partly-finished products, and finished products, from production through distribution and sale.



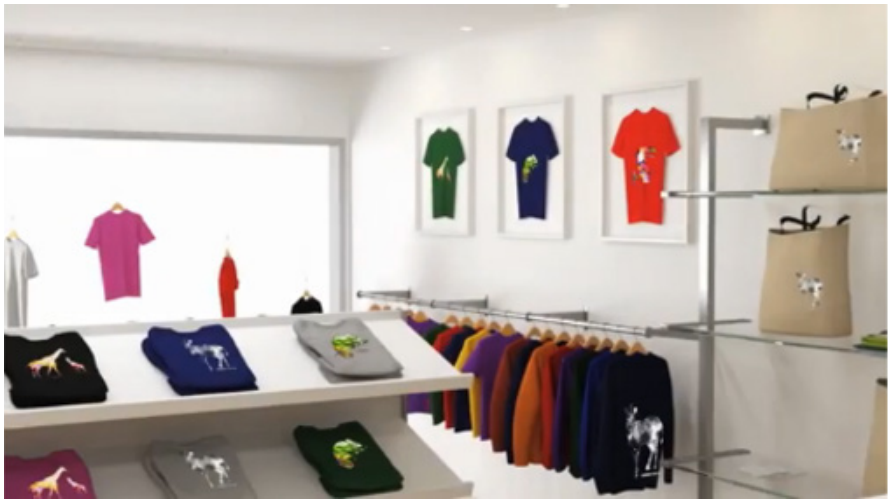
Eco Features


Digital Textile Printer
Monna Lisa

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

An Inkjet Workflow for Brightly Colored Garments with Fineness of Detail

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





SureColor SC-F2200 series

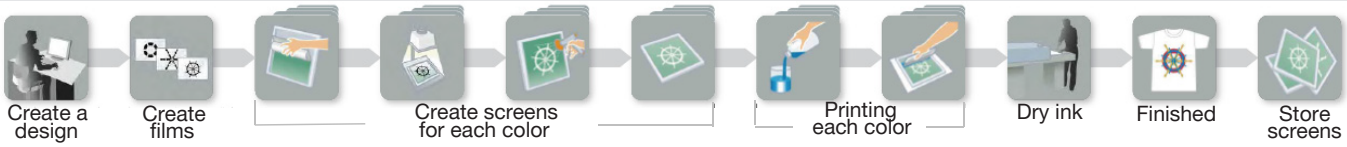
Transforming the Garment Printing Workflow

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

Digital prints produced with a SureColor SC-F2200 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-F2200 shortens the garment printing workflow.

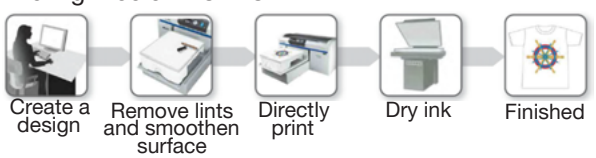
Moreover, the inkjet process saves resources and is more environmentally conscious than analog processes because there are no films, screens, or plates to produce, wash, or store.

Silk screen printing

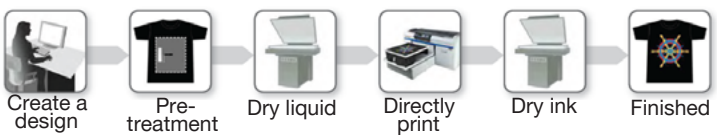


Direct-to-Garment printing

・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 and complies with ZDHC MRSL[2] level1, indicating that they meet international safety standard for textiles. Under this standard, even printed textiles that directly contact the skin of infants and toddlers are safe. Additionally, the inks are approved with GOTS[3].



[1] Eco Passport by Oeko-Tex® is a system by which textile chemical suppliers demonstrate that their products can be used in sustainable textile production.
[2] The evaluation is based on analytical testing in accordance with the Manufacturing Restricted Substances List (MRSL), which prohibits the intentional use of chemicals in the manufacturing process of textile products and others. It demonstrates compliance with the ZDHC MRSL Guidelines. ZDHC: Zero Discharge of Hazardous Chemicals.
[3] An international standard for products made from organic textiles.

Eco Features



SureColor SC-F2200 series

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

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.

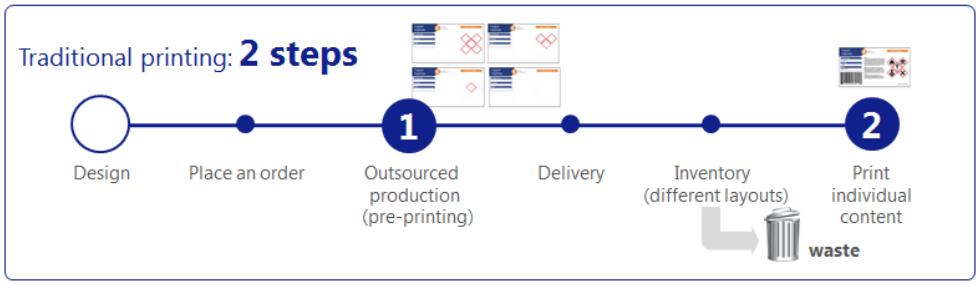




Epson ColorWorks Color Label Printers
(From the left: CW-C4000 series, CW-C6000 series, CW-C6500 series)

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.



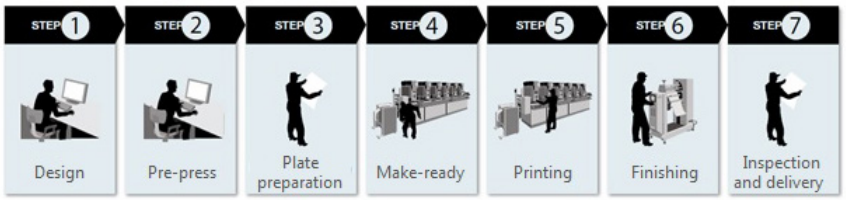


Digital Label Press
SurePress L-4533A/AW

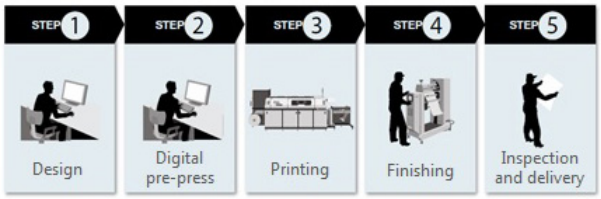
An Efficient Label Printing Process with a Low Environmental Impacts

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.

Time-consuming Analog Workflow



SurePress L-4533A/AW Digital Printing Workflow



SurePress AQ Ink T4 for a Better Printing Environment

Epson`s SurePress AQ ink T4 is a non-toxic, low odor, and noncombustible water-based pigment ink that offers print shops a better working environment. This ink also provides excellent adhesion on label substrates, without the need for pre-treatments or coatings.



Eco Features

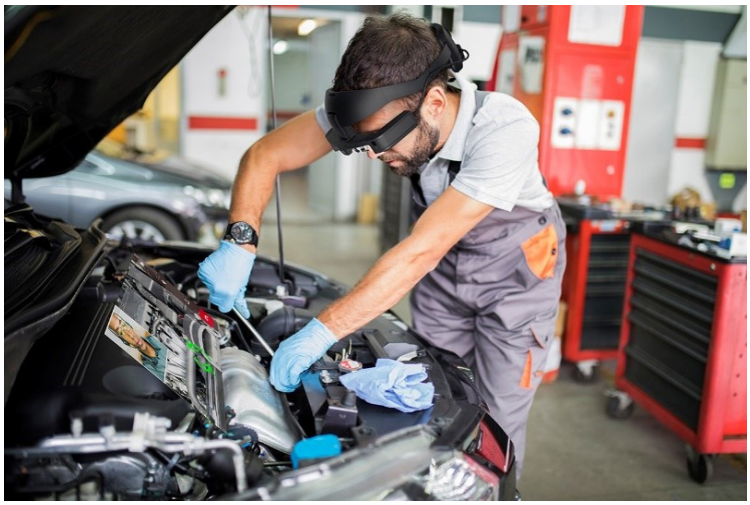


SurePress L-4533A/AW

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

Reducing Environmental Impacts by Providing Remote Work Assistance with Smart Headsets

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





MOVERIO BT-45CS[1]

[1] Helmet is not included as product

Remote Work Assistance

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

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





Advantages

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

Usage Scenes

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

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





- Used for work where wearing a helmet is mandatory

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





Eco Features



BT-45CS

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

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

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

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

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

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



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

Micro Injection Molding Machine
AE-M3 and AE-M10

* Only available in Japan

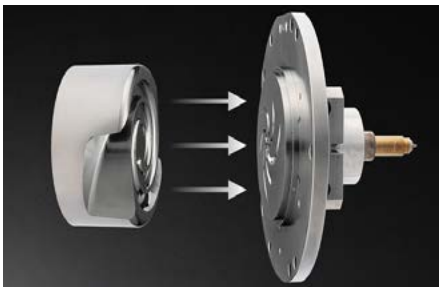


Fast, Precision Injection with Minimal Energy and Waste

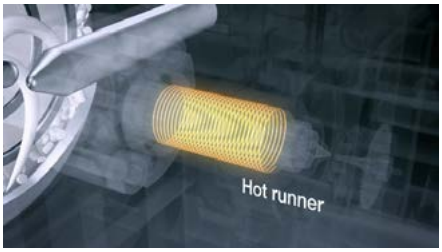
Injection molding machines melt a plastic material with a heater and precisely inject the molten material into a mold cavity, where the material cools and hardens before being ejected as a molded product.

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

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



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

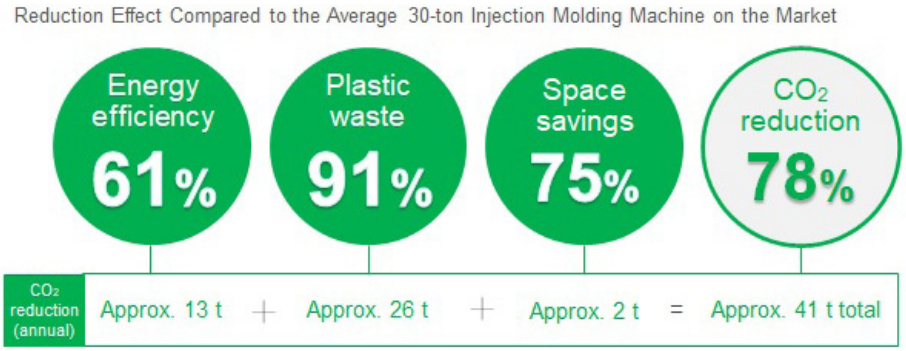


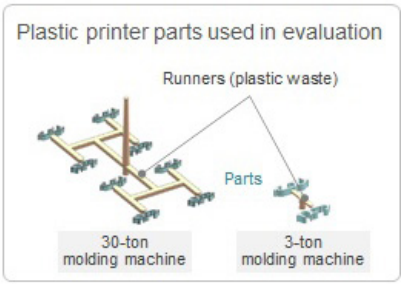
The hot runner system minimizes waste plastic and reduces cycle time

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

Reduces CO_2 by Conserving Energy, Saving Space, and Reducing Waste Plastic

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





* This evaluation compares the impacts of a 30-ton machine and a 3-ton machine when producing 500,000 Epson printer parts per month. Calculations were checked using a method of Mizuho Research & Technologies Institute. Epson`s AE-M3 (3-ton molding machine) produces two parts at a time and has a molding time of 694 hours, whereas the average 30-ton molding machine of other companies produces eight parts at a time and has an average molding time of 382 hours. The manufacturing, transportation, and disposal stages of products and accessories are not taken into account when calculating CO_2 emissions. These are the estimated results of a hypothetical model based on Epson`s actual results, and the calculation results may differ depending on the conditions of the customer`s equipment and materials.
Calculation conditions: Cubic volume of part was 0.5 cm^3, plastic material was POM, the 30-ton machine was a composite imagined using the mean value of three representative models from other manufacturers, and the installation area was the molding machine installation space + incidental equipment + work space.

2022 Good Design Award

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

< Reasons for Award >

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

Eco Features



AE-M3/M10

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

- A proprietary disk drive system dramatically reduces machine size and achieves exceptional energy efficiency. These machines are standard-equipped with a hot runner system that minimizes waste and efficiently uses input resources.
- The machines save energy and reduce plastic waste, thereby reducing CO_2 emissions by as much as 78%[1] compared to an average 30-ton machine from other manufacturers.

[1] A 78% reduction from the average CO_2 emissions of a standard 30-ton machine from other manufacturers. This figure is an estimate for when the same quantity of parts is produced using a model based on Epson`s actual results.

Intelligent Receipt Printers that Control Peripherals

TM-T70II-DT2 and TM-T88VI-DT2 are next-generation receipt printers with integrated printer and PC functions that support smart store operations when connected with tablet and POS peripherals.





TM-T70 II -DT2



TM-T88 VI -DT2

Greatly Simplified System Configuration

These receipt printers are loaded with interfaces for connectivity with a wide assortment of peripheral devices. They can be used with a web browser and are not dependent on any specific operating system or terminal type, simplifying POS system configuration.



TM-T88 VI-DT2

Easy maintenance

The latest applications are always available through the cloud (Web server), reducing the environmental impact of service staffs` business travel for onsite installation and updates.

POS configuration flexibility

The number of POS systems can be flexibly changed depending on the level of demand, contributing to the optimization of equipment utilization and reducing electricity consumption.

Every network terminal is available

Electricity-saving devices like smartphones can be used because the Intelligent receipt printer is not restricted by the type of terminal or operating system.

Resource-saving design

By using the paper saving modes for standard receipt lengths, it is possible to achieve up to a 49%[1] reduction in paper usage.

Eco Features



TM-T70 II -DT2



TM-T88 VI -DT2

- Because the number of POS systems can be flexibly changed depending on the level of demand, users can reduce the electricity consumption of their operation by removing unnecessary devices.
- The latest applications are always available through the cloud (Web server), reducing the environmental impact of service staffs` business travel for onsite installation and updates.
- Electricity-saving devices like smartphones can be used because the Intelligent receipt printer is not restricted by the type of terminal or operating system.
- By using the paper saving modes for standard receipt lengths, it is possible to achieve up to a 49%[1] reduction in paper usage.

[1] The combination of paper saving and backward paper feeding is measured using a test pattern defined by Epson, with the actual reduction amount varying depending on the printing pattern.

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 series
(with sorter option)



Inkjet Minilab SureLab
SL-D1000 series

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 series/ D1000 series 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 series/
D1000 series

- No chemicals means no liquid waste.
- No washing process means no water hookup is needed.

Customer Environmental Impact Mitigation

Environmentally Conscious Products

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

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

Printer Designed to Pursue a Shift Away from Underground Resources

In the design of Epson`s ET-4810 series[1] printers, the adoption of a high-capacity ink tank system, the use of packaging materials made from paper resources, and the incorporation of recycled materials into the plastic body help shift away from the use of underground resources in consumables, packaging, and the product itself.

[1] Models sold outside Japan (Representative Models: ET-4810/ET-2840/ET-2830/L5590/L3560/L3550)

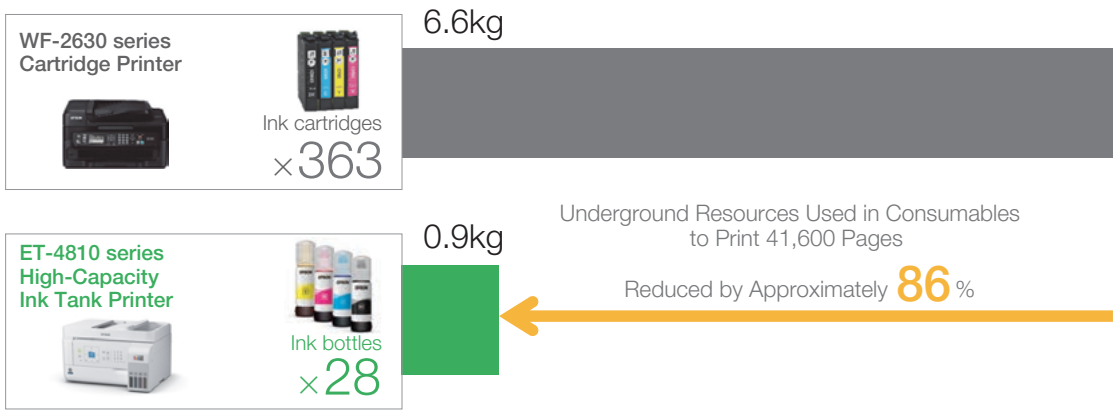


ET-4810 series

Reduction of Resource Usage Related to Consumables

The high-capacity ink tank system reduces the frequency of consumable replacements, cutting the use of plastic and metal in consumables by 86%[2] compared to traditional cartridge systems.

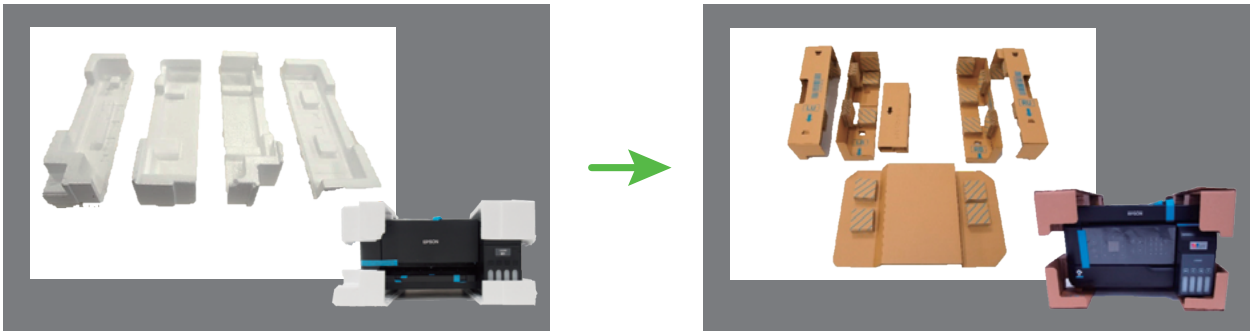
Comparison of the Use of Plastics and Metals in Consumables



[2] This is a comparison of the mass of petroleum-derived plastics and metals in consumables, including packaging materials, for printing 41,600 pages of A4 color documents over five years using the ET-4810 and WF-2630 series printers. This calculation is based on Epson`s evaluation criteria and may vary depending on different usage conditions.

Use of Paper Products in Packaging Materials

The ET-4810 series uses cardboard, a paper-based product, as cushioning material instead of traditional polystyrene cushioning materials. Furthermore, the cardboard contains over 80% recycled material. Additionally, the polypropylene tape used to protect the product during transport has been replaced with paper tape. By utilizing paper products, we are reducing the use of petroleum-derived plastics.



Polystyrene Cushioning Material
(ET-4800 series)

Cardboard Cushioning Material
(ET-4810 series)

Use of Recycled Plastic Material in Printer Body

The ET-4810 series incorporates recycled plastic in approximately 30%[3] of the plastic used in its body. By utilizing recycled materials, we reduce the amount of petroleum-derived plastics used and contribute to resource circulation.

[3] This ratio refers to the proportion of recycled material in the total mass of plastic used. The mass is calculated considering the ratio of recycled materials, and the content may vary depending on procurement conditions.



Approximately 30%
Recycled Plastic Used

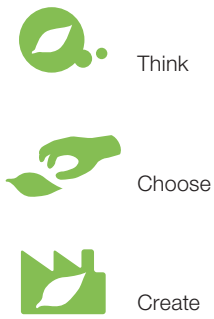
ET-4810 series

Eco Features

- The high-capacity ink tank system reduces concerns about running out of ink and minimizes the hassle of replacement, while also decreasing resource usage.
- Using cardboard cushioning materials made from paper resources.
- Incorporating recycled materials into the plastic used in the printer body.

Resource-Saving Business Printer with a Compact and Lightweight Design

Epson`s AM series[1] business inkjet printers have been made more compact compared to the previous WF series[2], resulting in a smaller installation footprint, making it possible to fit into limited spaces. The reduction in size and weight has also contributed to a decrease in resource usage, helping to reduce environmental impact.



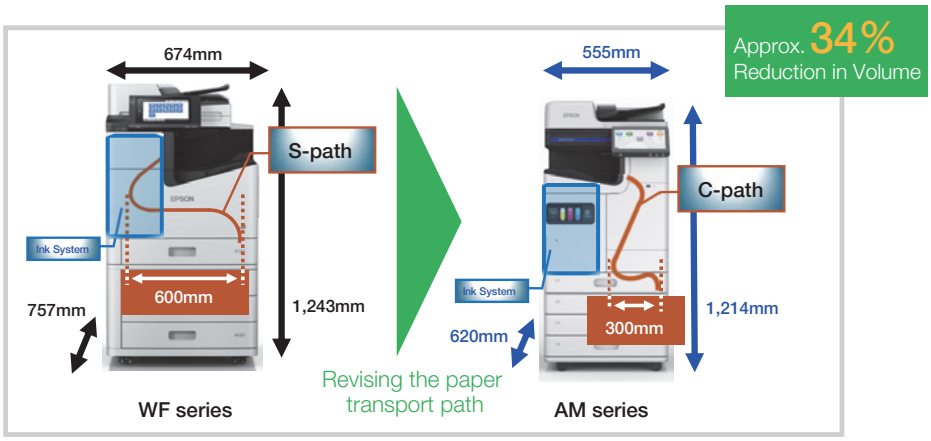


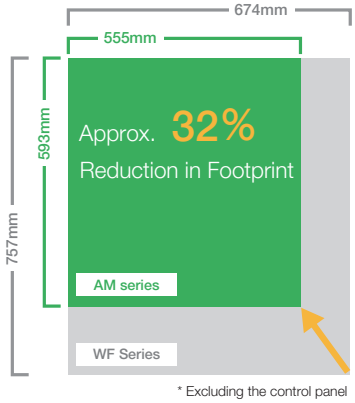
AM-C4000/5000/6000

[1] AM-C4000/5000/6000 series
[2] WF-C20600/20750/21000 series

Compact and Lightweight Design

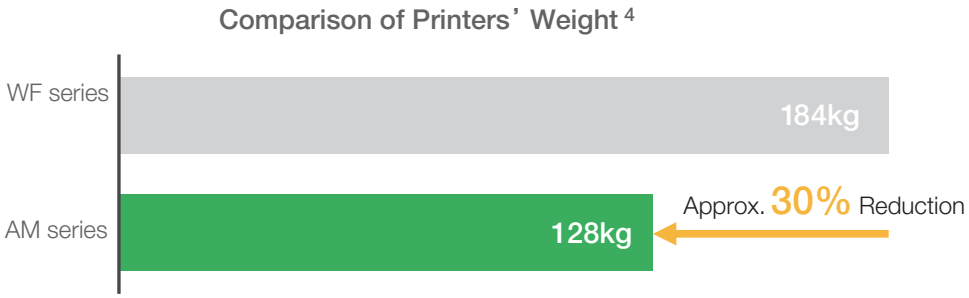
The AM series has become more compact and lightweight by changing the internal layout compared to the WF series. By revising the paper transport path from the traditional S-path to a C-path and placing the ink supply system in the available space, we have effectively utilized the internal space, reducing the volume of the AM series by approximately 34% and the footprint[3] by about 32%.





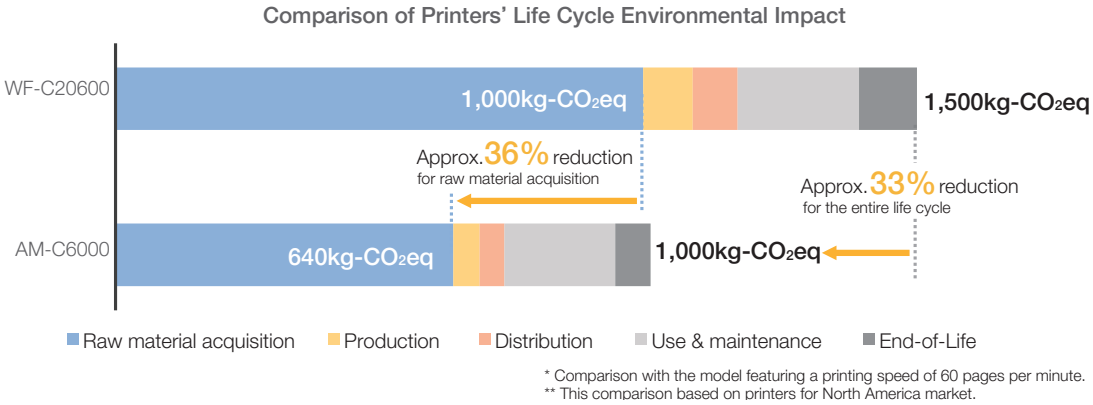
[3] The area a machine occupies.

In addition to its space-saving design, the AM series has achieved approximately 30% weight reduction compared to previous models by thinning the frame thickness. By changing the connection between the frames from screws to welding, we have realized the reduction in thickness while maintaining the same level of rigidity as previous models.



[4] Including consumables.

Due to its compact and lightweight design, the environmental impact (CO_2 emissions) during the raw material acquisition has been reduced by approximately 36% compared to previous models, achieving an overall reduction of about 33% across the entire lifecycle.



* Comparison with the model featuring a printing speed of 60 pages per minute.
** This comparison based on printers for North America market.

Eco Features

- Revising the transport path has resulted in a volume reduction of approximately 34% and a footprint reduction of about 32%.
- In addition to the compact design, the thinning of the frame has achieved a weight reduction of around 30%.
- As a result of the compact and lightweight design, the environmental impact (CO_2 emissions) of product`s raw material acquisition has been reduced by approximately 36%. (compared to the WF-C20600 and AM-C6000)

Compact and Lightweight Wireless Receipt Printer Enables Printing Anywhere

Further lightweight design of the wireless receipt printer reduces resource consumption and contributes to lowering environmental impact.

Choose

Create

Deliver



TM-P80 II series

Weight Reduced by Design Change

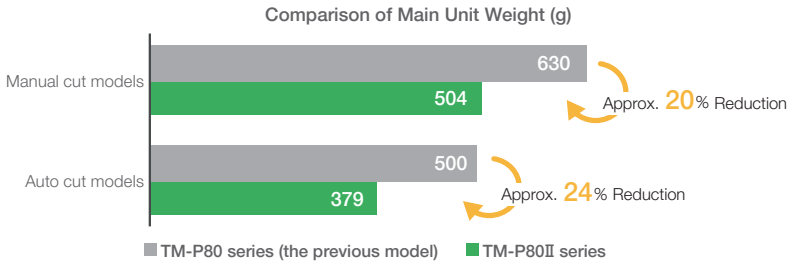
The TM-P80II series has undergone a redesign of its body, achieving a weight reduction of up to 24% compared to the previous model. This not only reduces environmental impact but also lessens the burden during transportation.

Design Change



TM-P80 TM-P80 II

* The images are of manual cut models.

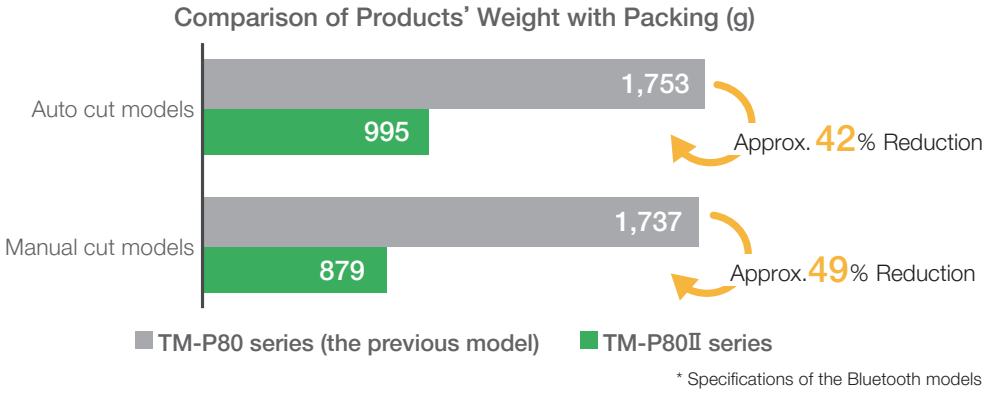




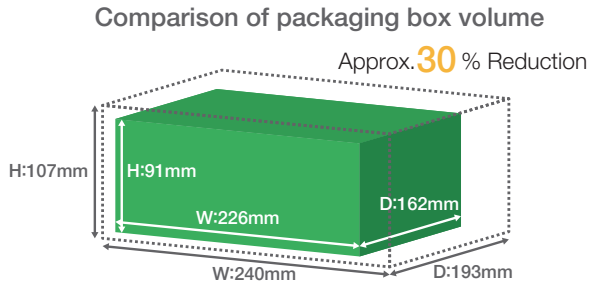
Usage scene image

Compact and Lightweight Packaging

The TM-P80II series comes standard with a USB interface. By enabling charging from commercially available USB charging devices (Type C) and computers, the need for a dedicated power adapter, which was previously included, has been eliminated, reducing the number of included items. Along with the reduction in weight of the main unit, the packaging is up to 49% lighter compared to the previous model. Additionally, with the reduction in included items, the size of the individual packaging boxes has been reduced by approximately 30%, improving loading efficiency during transportation.



* Specifications of the Bluetooth models



● Image of individual packaging box size for the TM-P80II series
● Image of individual packaging box size for the TM-P80 series (the previous model)

Eco Features

- The lightweight design reduces the resource consumption of the main unit.
- The reduction of included items has achieved a lighter packaging.
- The miniaturization of individual packaging boxes has improved loading efficiency during transportation.

A4 Document Scanner Partially Made from Recycled Plastic

Approximately 30%[1] of the plastic used in the main unit is made from recycled materials. Additionally, by providing the software via the internet instead of on CD-ROM, resource consumption and waste disposal could be reduced.

Choose

Create



DS-C480W

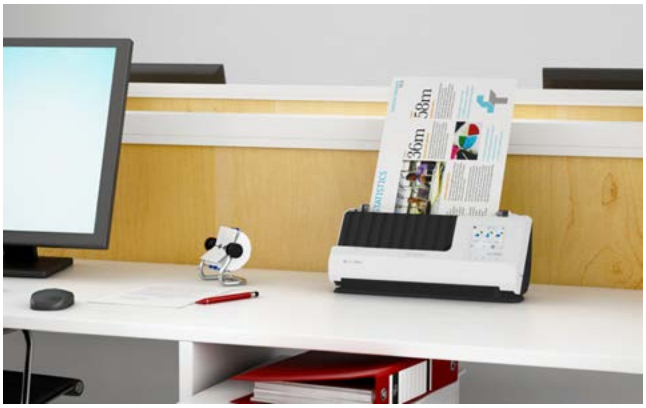


DS-C420W

[1] This ratio refers to the mass of plastic used overall. The mass is calculated considering the proportion of recycled materials. The content percentage may vary depending on procurement circumstances.

Use of Recycled Materials in the Product

The DS-C480W and DS-C420W incorporate approximately 30%[1] recycled materials in the plastic used, which contributes to reducing reliance on petroleum-based plastics and promotes resource circulation.



Usage scene image

Eco Features

- Recycled materials are utilized in the plastic of the main unit.
- Resource consumption and waste disposal could be reduced by changing the software delivery from CD-ROM to the internet.

Fully-Integrated, Feature-Rich Compact Teller Device

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

Choose

Create

Deliver

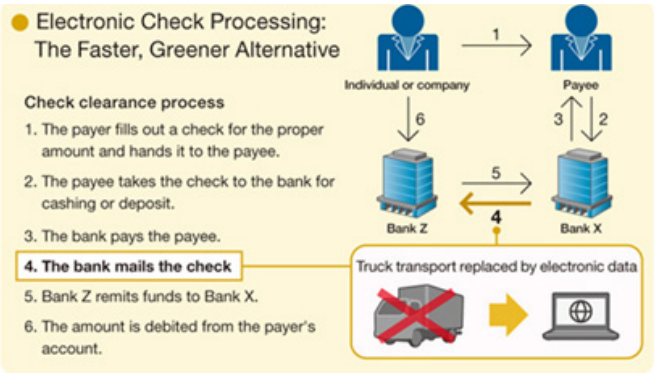
Use



TM-S9000 II

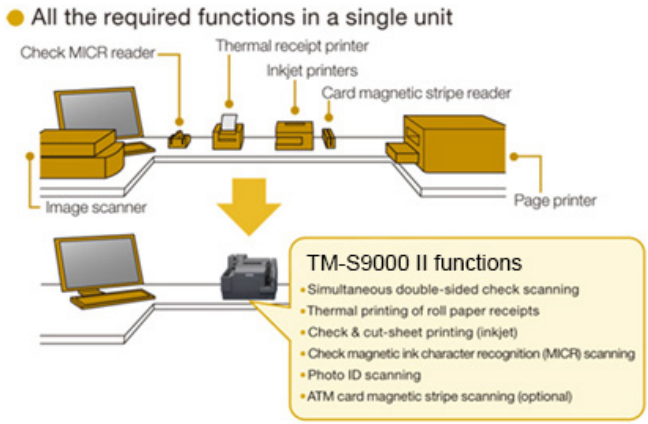
Electronic Check Processing: The Faster, Greener Alternative

Paper checks are an integral part of life in the U.S. and some other locales. In the past, banks would physically mail checks to one another for processing, but legal changes and technological advances have made electronic check processing standard. With the TM-S9000II, Epson supports electronic check processing, which not only lightens the work load on banks but also reduces the environmental impact by eliminating the need for physical transport.



ALL the Required Function in a Single Unit

The TM-S9000II combines check scanning, endorsement and receipt printing functions in a single device. In addition to having a small footprint that saves space at the teller counter, this all-in-one device is fast and easy to use. By maximizing work efficiency and eliminating the need for several separate devices, the TM-S9000II helps save energy and resources.



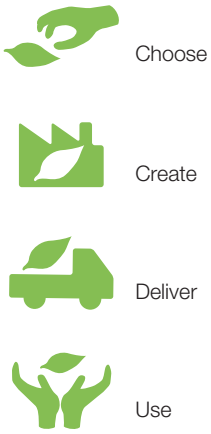
Eco Features

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

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 thirteen 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, 2011-2023.
(Source: Fuji Keizai `2012 - 2024Reality 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

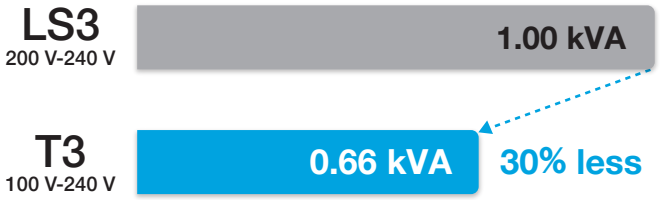
* Weights indicated in the above pictures do not include cables.

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



* Replaced four times with overhaul of six to seven years

T3 **Never (reduces downtime)**



Eco Features

- Compact all-in-one SCARA robots increase productivity and save space by automating simple tasks and replacing single-axis robots.
  - Equipped with a built-in controller to save space
  - Run on AC 100 V, using 30% less power than comparable Epson robot 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

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



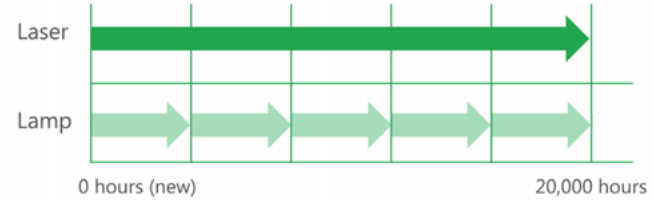
EB-L25000U

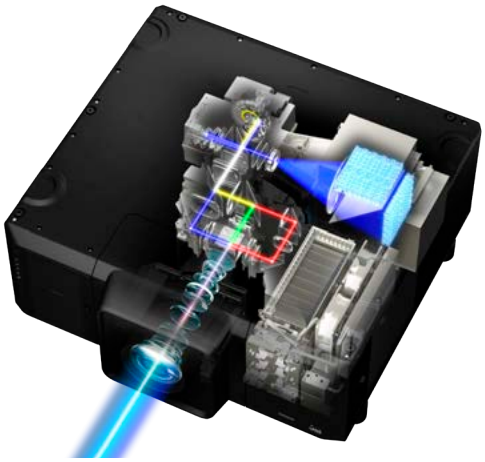
Laser Light Source

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.

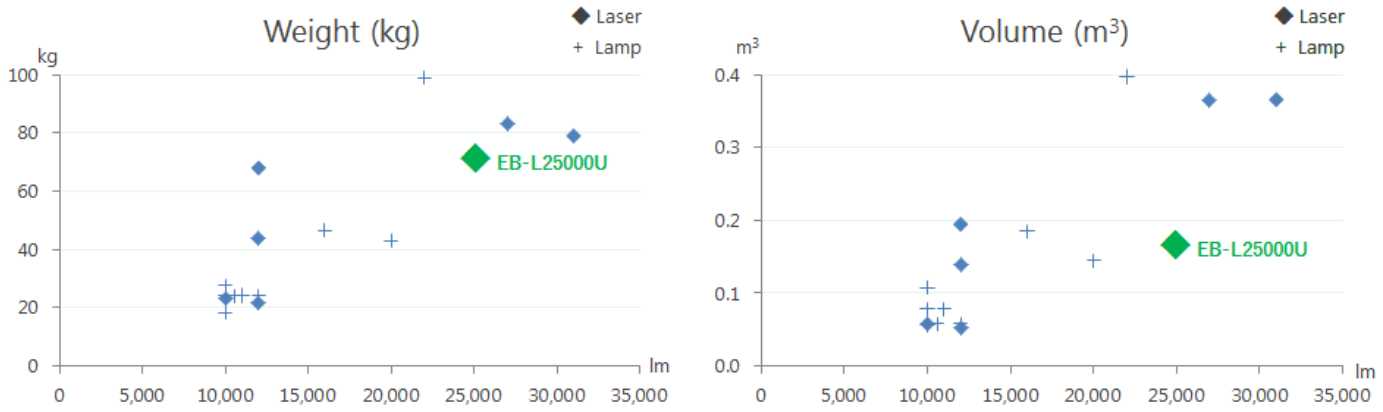
[1] Approximate time until brightness decreases 50% from first usage. Measured by acceleration test assuming use of 0.04 - 0.20 mg/m^3 of particulate matter. Time varies depending on usage conditions and environments.

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.

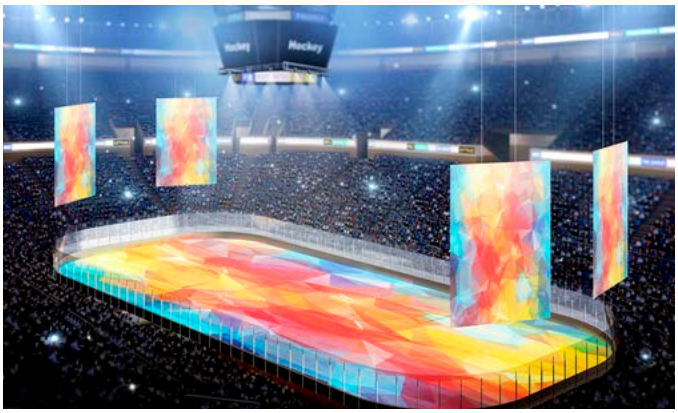


* Compared to the weight and volume of projectors with 10,000 lumens of brightness or more (per Epson research conducted in May 2017). Some projectors use a laser light source, others use a lamp.

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.





Usage scene image

Eco Features

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

Customer Environmental Impact Mitigation

Product Environmental Information

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

Compliance with Environmental Labels

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

Type Ⅰ

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

Type Ⅱ

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

Type Ⅲ

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

Eco Labels Acquired In different Product Categories

	Type Ⅰ												
Country/ Region	U.S.	Germany	Sweden	China	Taiwan	South Korea	Singapore	Thailand	Malaysia	Japan	North America	Worldwide	Worldwide
Eco Label	EPEAT®	Blue Angel	TCO	China Environmental Labelling	Green Mark	Eco-Label	Green Label	Thai Green Label	MyHIJAU	Eco Mark	Ecologo	GREEN GUARD	ECO PASSPORT, GOTS, BlueSign, ZDHC
Inkjet Printers (incl. MFPs)	●	●		●	●	●	●	●	●	●	●		
Page Printers (Laser & LED)		●			●	●				●			
SIDM Printers				●	●					●			
POS Printers													
Label Printers													
Label Works													
Scanners	●				●					●			
Ink/Toner Cartridges					●	● (Toner Cartridges)				●			

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

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

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

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

Epson Ecology Profiles

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

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

Safety Data Sheets for Printer Consumables

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

Environmental Technology Development

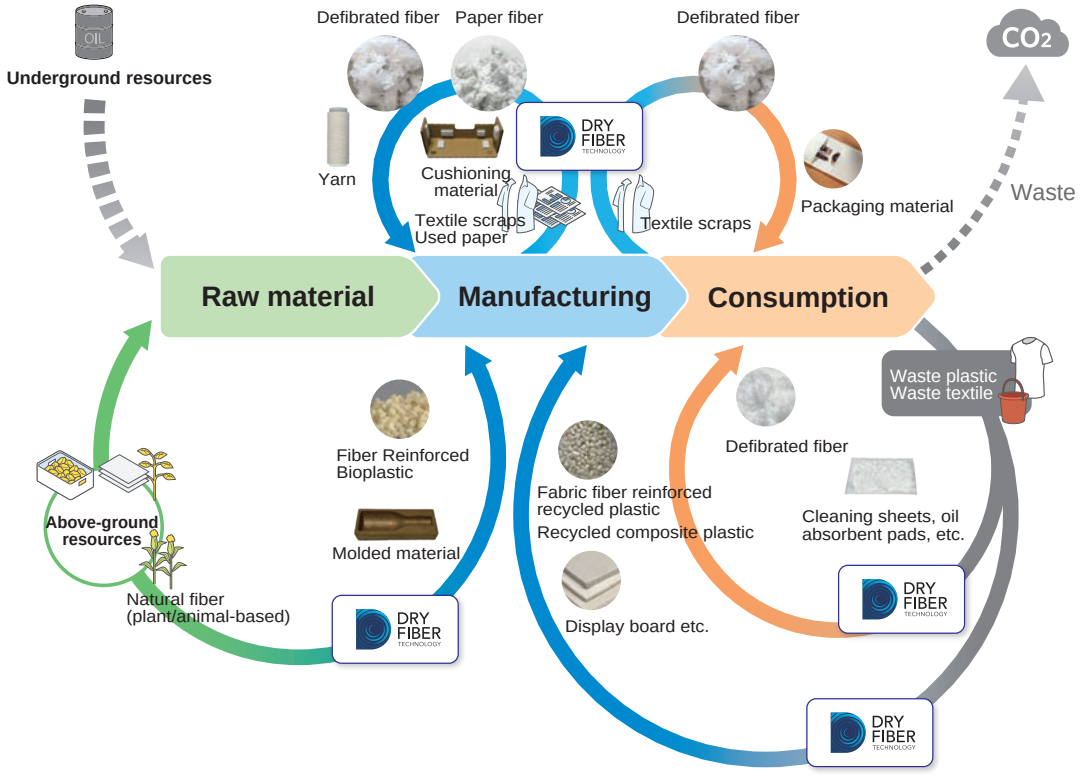
Goal

Developing Environmental Technology Based on Societal Issues to Foster the Circular Economy

We have identified four materialities in establishing the Epson 25 Renewed corporate vision. One of these is achieving sustainability in a circular economy. To realize this, we are focusing on developing technologies that contribute to closing the resource loop without relying on underground resources and aim for carbon negative. Additionally, we are actively promoting co-creation with partners to develop new solutions that contribute to reducing environmental impact, aiming to create new business opportunities.

For example, through material technologies such as Dry Fiber Technology (DFT) and Metal Powder Manufacturing Technology, we aim to replace underground resources with above-ground resources by utilizing waste materials and recycled materials. Additionally, to achieve carbon negative, we are developing CO_2 absorption technologies to address unavoidable residual greenhouse gas emissions.

Dry Fiber Technology (DFT)



Closing Resource Loop by Used Paper/Textile Fibers Recycling

The defibration technology, Dry Fiber Technology, utilized in the dry-process office papermaking system `PaperLab,` has evolved for internal use, enabling used paper to be recycled into sound-absorbing and cushioning materials. Meanwhile, the same technology is also utilized for recycling sewing scraps from cotton clothing.

We have also entered into a joint development agreement with the Hong Kong Research Institute of Textiles and Apparel limited (HKRITA) to establish a process for defibrating elastic blended fabrics and tightly woven fabrics. This will enable the extraction of new recycled fibers from functional clothing, sheets, and dress shirts, as well as from factory mill ends, unsold items of clothing, and unwanted apparel.



Cotton yarn (prototype production) made of 50% fibers defibrated using Dry Fiber Technology

Accelerating the Social Implementation of Composite Plastics for Circular Economy (Collaboration with Tohoku University)

Using bioplastics and recycled plastics instead of virgin plastics is crucial for a circular economy. However, compared to virgin plastics, they often have lower mechanical strength and durability, which limits their usage to certain applications.

Epson has been collaborating with Tohoku University under a comprehensive partnership agreement since 2006, engaging in systematic research and development as well as talent cultivation through industry-academia cooperation. Joint research on fiber-reinforced plastics, based on Dry Fiber Technology, is one of the efforts. In August 2023, the establishment of the `Sustainable Materials Co-Creation Research Institute` aims to accelerate research and development, as well as social implementation, of foundational technologies for cellulose fiber-reinforced bioplastics and recycled plastics, which serve as sustainable materials to drive the circular economy.



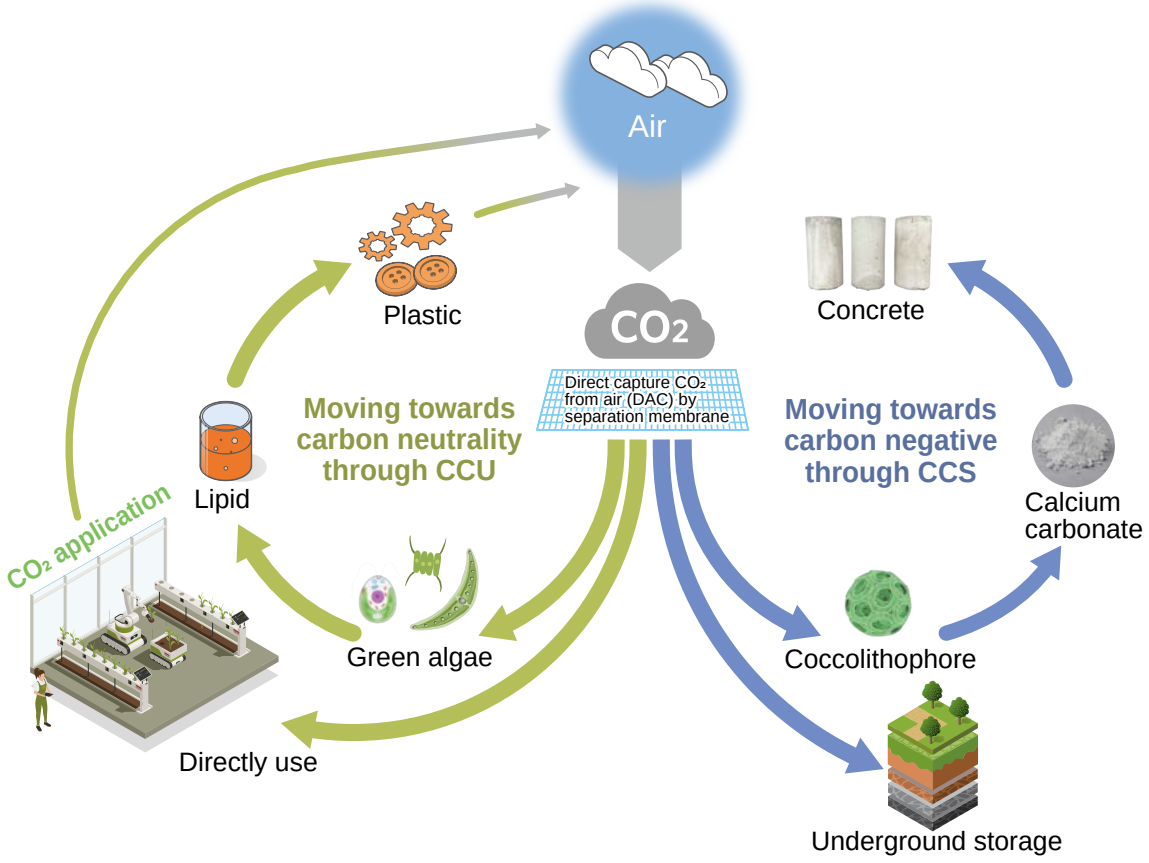
The development of composite plastics using defibrated cellulose or fabric has been adopted as a sub-project under the `Construction of a Circular Economy System,` which is part of the Cross-Ministerial Strategic Innovation Promotion Program (SIP)[1] Phase 3, led by the Cabinet Office. (July 2023)

[1] A national program led by the Council for Science, Technology, and Innovation (CSTI) aims to achieve scientific and technological innovation, transcending the boundaries of ministries and conventional fields.

SiP
Cross-ministerial Strategic Innovation Promotion Program

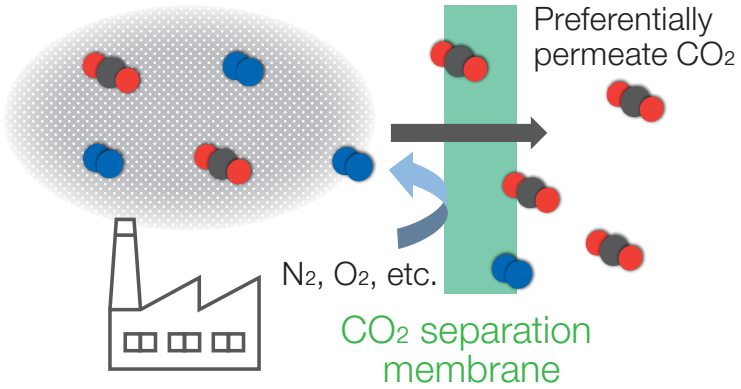
CO_2 Absorption Technology

Epson aims to establish CO_2 absorption technologies that can offset its own residual CO_2 emissions in pursuit of carbon negative, as outlined in its Environmental Vision 2050.



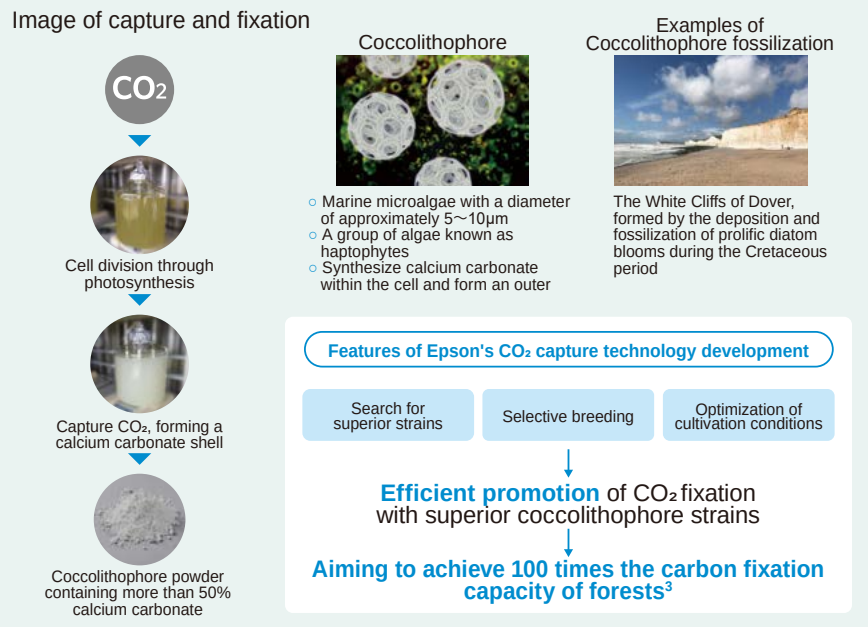
CO_2 Separation Membrane Based on Epson`s Proprietary Technologies

Epson is developing separation membrane that preferentially transmit CO_2 based on several proprietary technologies, such as thin film technology from inkjet heads. In the future, we aim to achieve high-efficiency CO_2 capture with compact, low-energy systems.



Biological Carbon Fixation

Epson is working on the development of CO_2 capture technology using microalgae. Currently, we are focusing on coccolithophore, which synthesize calcium carbonate, for CCS[2]. Through the optimization of cultivation conditions and the utilization of various breeding technologies, we have succeeded in increasing CO_2 fixation in our lab to 70 times that of forests[3]. Additionally, for CCU[4], we are developing technology using green algae. In the future, we aim to more efficiently fix CO_2 and even pursue its utilization.

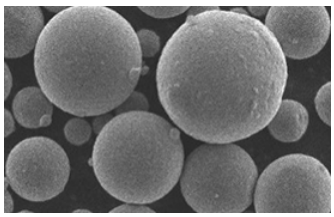


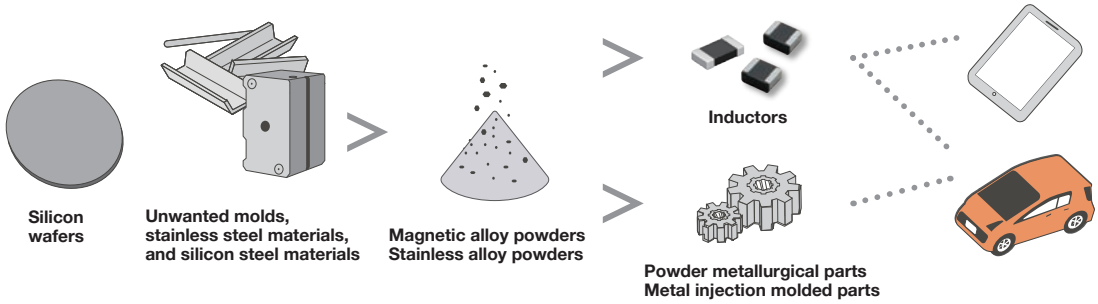
[2] CCS (Carbon dioxide Capture and Storage): Capturing CO_2 emitted from power plants, factories, etc., and storing it somewhere, such as underground
[3] Calculation is based on the data from the Forestry and Forest Products Research Institute (FFPRI), Japan
[4] CCU (Carbon dioxide Capture and Utilization): Capturing CO_2 emitted from power plants, factories, etc., and utilizing it such as direct use for the agricultural or for fuel production

Metal Powder Manufacturing Technology

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

Epson Atmix Corporation is using its metal melting and atomizing process technologies to produce metal powder products. In February 2020, the company began taking silicon wafers that were used in Epson`s semiconductor fabrication business and producing metal powder from them. This reuse of wafers reduces Epson`s waste, CO_2 emissions, and use of underground resources such as virgin silicon. By the end of the 2021 fiscal year, Epson Atmix had recycled 8.5 tonnes` worth of silicon wafers. The company will continue to search for other materials that could potentially be upcycled into high-performance metal powders.


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



Commencement of Construction of a Metal Refining Plant to Recycle Waste Metals

Epson Atmix is constructing a new plant to recycle waste metals from within the group and from the market into raw materials for metal powder products, in order to establish a manufacturing process that achieves metal resource circulation. The plant is scheduled to begin operations in June 2025.



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.

Chemical Management (Performance)

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

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

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

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

ESG data (Please refer to page 325 of "Appendices")

Environmental Risk Management

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

In FY2023, there was an instance where legal standard was exceeded, but the site promptly responded by reporting to the authorities and making improvements to the equipment. This incident had no significant impact on the environment. Additionally, there were no complaints, accidents, administrative penalties, or environmental-related fines.

Type	Description
Exceedance of legal standards	Exceedance of sewage discharge standards (oil, insoluble substances)

Environmental Due Diligence

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

Soil and Groundwater Remediation

Epson is actively assessing the current status of soil and groundwater contamination at its sites and is working on remediation and preventive measures. Additionally, to prevent contamination from chemical substances and reduce associated risks, Epson is enhancing the safety of environmental facilities, including leak prevention measures.

As of FY2023, 6 sites have been confirmed to have contamination resulting from past business activities. At sites such as the head office, where trichloroethylene in groundwater was found to exceed regulatory standards during voluntary inspections, we are continuously implementing barrier measures and water extraction remediation to prevent off-site contamination. These measures require a long-term approach, but both the extent and concentration of contamination have been showing a declining trend, and regular monitoring confirms that no contamination is escaping off-site.

Moreover, if new contamination is discovered during investigations conducted under the Soil Contamination Countermeasures Act, such as when changes to the land are made, we will report the findings to the authorities and implement remediation and countermeasures appropriate to the specific conditions of each site. We will also work with authorities to ensure transparency of information.

Moving forward, Epson will continue to advance remediation using appropriate methods in line with legal requirements and developments in remediation technology, while also prioritizing communication with authorities and neighboring communities.

Site	Target Substances	Remediation	Causes of contamination	Investigation types for confirming contamination
Head Office	Groundwater: Trichloroethylene	Barrier, pump and treat, monitoring	Used in past business activities	Voluntary inspections (before regulation)
Fujimi	Groundwater: Trichloroethylene	Barrier, pump and treat, monitoring	Used in past business activities	Voluntary inspections (before regulation)
Suwa-minami	Groundwater: Trichloroethylene	Barrier, pump and treat, monitoring	Used in past business activities	Voluntary inspections (before regulation)
Shiojiri	Groundwater: Trichloroethylene	Barrier, pump and treat, monitoring	Used in past business activities	Voluntary inspections (before regulation)
	Soil: Fluoride, lead	Containment (Capping) and monitoring	Unable to identify (no usage history from business activities)	Investigation in compliance with the Soil Contamination Countermeasures Act (construction plan)
Hirooka	Soil: Arsenic, fluoride, lead Groundwater: Arsenic	Containment (Capping) and monitoring	Unable to identify (no usage history from business activities)	Investigation in compliance with the Soil Contamination Countermeasures Act (employee dormitory demolition)
Ina	Soil: Fluoride, lead, trichloroethylene	Containment (Capping) and monitoring	Used in past business activities	Investigation in compliance with the Soil Contamination Countermeasures Act (factory building demolition)

Drainage Management

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

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

Waste Management

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

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

PCB Waste Storage

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

Asbestos

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

Biodiversity Conservation

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

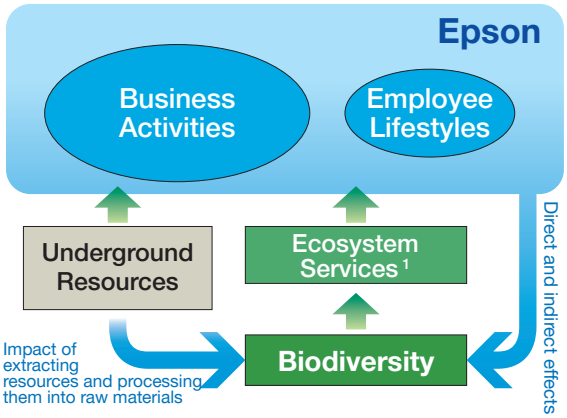


Approach

Epson`s business activities and employees` lives are supported by the benefits of biodiversity (ecosystem services) [dependencies]. Additionally, our activities have both direct and indirect impacts on nature [impacts]. The global loss of biodiversity poses a significant risk to our business operations and daily lives. To prevent further loss of biodiversity, we must reduce the negative impact on nature. At the same time, as the importance of biodiversity conservation increases, we believe that our technology can contribute to solving these challenges. This also presents a business opportunity for Epson.

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. Furthermore, Epson is advancing its analysis and response to the relationship (dependencies and impacts) between nature and its own business and supply chain, as well as the risks and opportunities related to biodiversity.

Epson and Biodiversity



[1] Benefits from ecosystems

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

Commits to TNFD-Aligned Disclosure

Epson has expressed its support for the public disclosure recommendations published by the Taskforce on Nature-related Financial Disclosures (TNFD) in September 2023 and registered as a `TNFD Adopter` (June 2024). Going forward, Epson will continue to develop plans in accordance with the TNFD framework and plans to disclose information from 2025 onwards, updating the content progressively.



Case Study

Forest Conservation Activities (Global)

Epson has launched a three-year international partnership with the World Wide Fund for Nature (WWF), a global conservation organisation, to support WWF`s forest conservation and nature restoration activities at the `Deforestation Fronts` worldwide. Epson shares WWF`s vision of `build a future in which people live in harmony with nature` and contributes to the preservation and restoration of forest biodiversity through its support of WWF`s conservation activities.



Forest conservation projects supported by Epson in partnership with WWF

In May 2024, Yasunori Ogawa, global president of Epson, visited a project in Sumatra, Indonesia, and observed WWF`s local activities, including the following:

- Forest and wildlife monitoring and patrols
- Promotion of sustainable agriculture and forest restoration (agroforestry) in cooperation with local communities
- Support for local communities (agriculture, education, healthcare, etc.)



Installation of equipment for wildlife research and observation, such as trail cameras



Inspection of nurseries for practicing natural restoration and agroforestry-based agriculture

Consideration for Paper

The raw material for paper, wood, is a resource obtained from forests. Epson is mindful of paper procurement and usage from the perspective of forest conservation.

■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.

■Internal Paper Reduction Activities
Seiko Epson corporation (Japan) is working on reducing paper usage in its internal operations. By reviewing business operations that use paper, we achieved the goal of halving the average daily paper usage per employee company-wide in the first half of fiscal 2021 compared to the same period of the previous year.

■Promoting Paper Recycling
The paper made by Epson`s dry-process office papermaking machine, PaperLab, is 100% composed of waste paper and does not use any new wood. Epson actively promotes the recycle of paper used within the company through PaperLab. Additionally, Epson manufactures printer ink absorbers, sound-absorbing materials for PaperLab using parts made from recycled paper with its proprietary Dry Fiber Technology.

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.





Greening and Beautification Activities (Global)

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

Employees of Epson Wuxi Co., Ltd. (China) and members of their families have been participating in local tree planting events that have taken place every March since 2010. In 2024, 30 participants planted trees at the event, contributing to the ecosystem conservation and restoration of the Taihu Lake basin.



Tree planting in the Taihu Lake basin

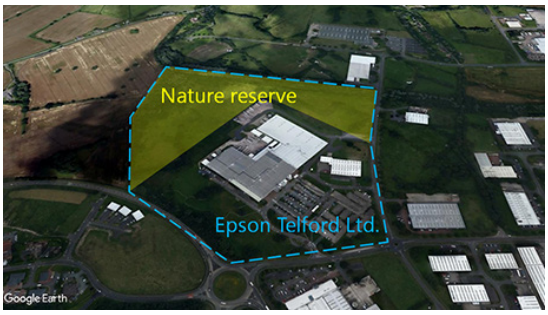
Started in 1992, employees of Epson Portland Inc. (U.S.) volunteer their time to pick up garbage several times a year along a section of U.S. Highway 26, which runs just north of the company.



Highway clean-up

Activities in Protected Area (U.K.)

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



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

- Setting aside about 1/3 of its land for the nature reserve,
  - Creating special areas to preserve the habitat of the crested newt and great 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

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.

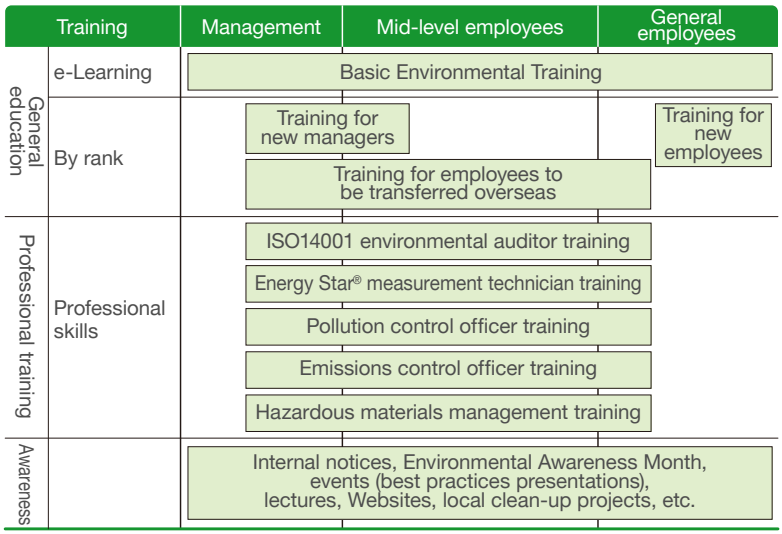
Epson also contributes to broader environmental preservation by sharing its knowledge and experience with outside organizations.

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)



FY2023 Environmental Education (Japan)

Training	Participants (Certification Recipients)[1]
Basic Environmental Training (2023 Edition)	19,042
ISO14001 environmental auditor training	126 (1,370)

[1] This is the number of persons who took Basic Environmental Training during the period it was offered (July 2023 to March 2024). ISO 14001 figures show the number of certified person as of the end of March 2024.

Development of Local and Social Environmental Human Resources

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

- Topic 1

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



Environmental Education for elementary school Students (China)

In October 2023, Tianjin Epson Co., Ltd. collaborated with the Tianjin Society for the Promotion of Ecological Ethics and Tianjin Nankai Ecology and Environment Bureau to educate approximately 200 elementary school students about everyday garbage separation and recycling.

Our employees shared the knowledge and expertise on waste sorting and resource utilization that Epson has accumulated through its business activities, aiming to raise the students` awareness of environmental protection.



Eco Communication

Introduction of communications on environmental topics.

Environmental Management Seminar (Japan)

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



Epson Wins Third Consecutive Award at ESG Finance Awards Japan



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

Epson was selected as an `Environmentally Sustainable Company` and was awarded Silver, making this the third consecutive year that Epson has been recognized in the Environmentally Sustainable Company category. (February 2024)

Excerpts of Reasons Given for Selection

The following points were acknowledged:

- The establishment of the Purpose `Our philosophy of efficient, compact, and precise innovation enriches lives and helps create a better world`.
- A review of materiality starting from social issues, based on the `Epson 25 Renewed Corporate Vision`.
- Completion of setting KPIs corresponding to each materiality.
- The development of mechanisms and structures related to sustainability management is steadily progressing.

Looking ahead, there is anticipation towards launching new environmental businesses and aligning them on track for further environmental contribution and enhancement of corporate value.

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.

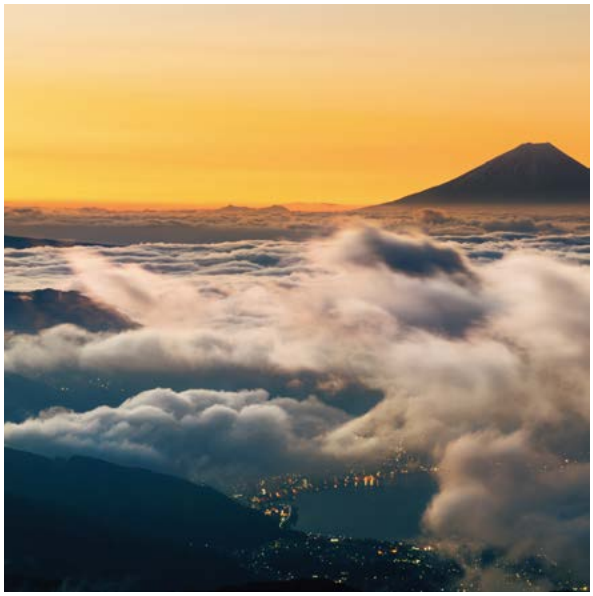
Epson patented the simple method for measuring PFCs but grants a free license, subject to certain conditions, to others. This method is now being used by numerous enterprises to reduce PFC gas.

[1] Formerly called the "Epson Method"

Environmental Message

Engineering Precision. Innovating Sustainability.

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



"Engineering Precision. Innovating Sustainability."

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

Our People

156 Top Message
157 Human Resource Strategy
162 Human Resource Development
169 Diversity, Equity and Inclusion
181 Respecting Human Rights
191 Fostering a Better Workplace
199 Health and Productivity Management
210 Occupational Health and Safety

Top Message

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

Creating an Environment Where Diverse Talent Can Take the Initiative to Create Value That Solves Societal Issues

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

Based on our medium-term human resource strategy, Epson is actively recruiting diverse human resources and promoting the career formation of internal human resources and human resource development. At the same time, we are assigning those human resources focused on growth areas and building the optimal formation from a global perspective. In addition, we are actively creating an organizational climate which utilizes diverse human resources, fostering a better workplace and promoting health management. We are aiming to increase employee engagement, revitalize our organization and maximize our collective strengths.
Epson wants to drive corporate and personal growth through these initiatives, and to realize `our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world` as we state in our purpose.



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

Human Resource Strategy

Basic Approach to Human Resource Strategy

Epson is a company born and raised in Shinshu. Today, while maintaining its core functions and bases of operations in Shinshu, Epson has established 107 R&D, production, and sales bases in countries and regions outside Japan, which account for 80% or more of the revenue and 70% or more of the employees, and continues to develop its business globally. Therefore, at Epson, the key to our human resource strategy is to build a human resource base that will enable us to survive severe global competition and achieve our management objectives and business growth by proactively acquiring external human resources and achieving diversity, while turning local job security and the relatively long-term employment that comes with it into our strength. For this reason, the following are key points for Epson`s human resource strategy.

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

Epson Human Resource Strategy

Epson`s corporate activities are supported by initiatives to strengthen its business infrastructure through human resource strategies. Epson is executing human resource strategies that pivot around human capital management and health management. These strategies seek to develop human resources who can think and act autonomously and create an environment where they can capitalize on their abilities to come up with ideas for services that will be sought as society changes and for providing solutions to societal issues.

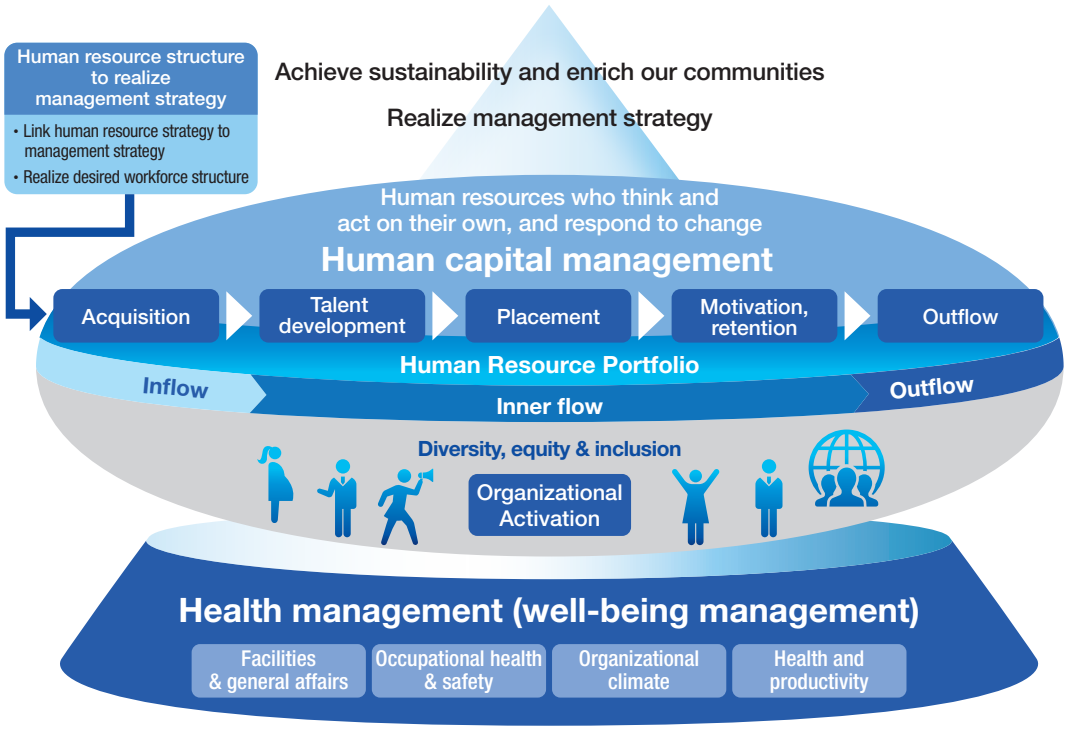


Image of Human Resources We Seek

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

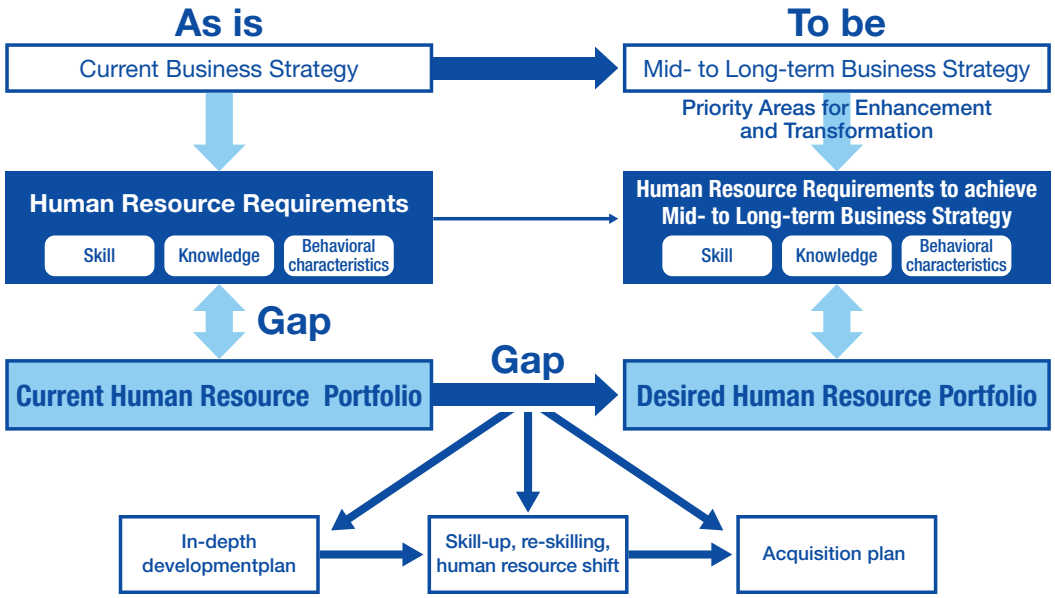
In anticipation of further declining birthrates, an aging society, and a shrinking workforce in Japan, we have been working to formulate a human resource portfolio on a global basis. In FY2023, in a specific operations division, we defined the human resource requirements needed to formulate and execute business strategies and establish new business models based on skills and behavioral characteristics, in an attempt to visualize the current resource portfolio. We will go a step further by expanding these efforts across the Company, as well as manifesting the desired state in the course of preparing the next long-term vision and identifying the gap between the current and desired states both quantitatively and qualitatively. By doing so, we will implement appropriate measures such as recruitment, reskilling, and optimal placement to build an optimal personnel structure company-wide, fulfilling our medium- to long-term strategies.

Human Resource Portfolio

We formulate a human resource portfolio that shows the current [As is] and desired [To be] states of our human resources. We use it to identify gaps in the quality and quantity of human resources required to formulate and execute business strategies and establish new business models, primarily from the perspective of skills and behavioral characteristics. We refer to personnel skill level maps to determine whether the necessary people can be secured by upskilling, reskilling, or reassigning existing personnel or whether we need to acquire external talent.

We also use the human resource portfolio as a communication tool between supervisors and subordinates to encourage their independent learning and growth.

Initiatives of Human Resource Portfolio



Human Resource Management

Allocate Human Resources to Priority Areas

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

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

In addition to recruiting the numbers we need, we are looking to increase diversity and are actively recruiting women, seniors, persons with disabilities, and foreign nationals. We have set a hiring goal of 25% women for new graduates. Employment of foreign nationals will be examined from multiple angles. Some foreign nationals will be hired in Japan. Others may be brought over from our overseas subsidiaries. Things will be looked at from a site strategy perspective, as well. We have already transferred some printer design functions to a Group company in Indonesia.

Number of Hires

	FY2020	FY2021	FY2022	FY2023	Targets
New graduates	344	200	250	344	Continue to hire over 350 people each fiscal year[1]
Mid-career	30	48	241	204	

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

Placement to Priority Areas

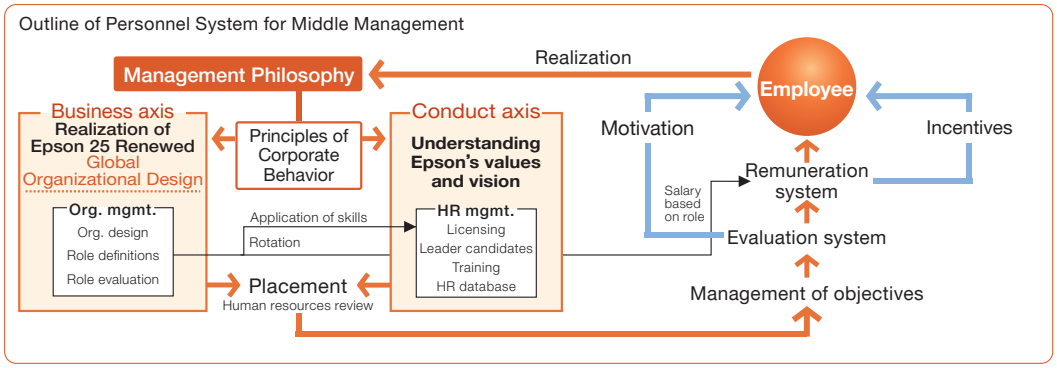
	Total FY2021-2023	Plan FY2024
All placement	1,881	503
Allocation to priority areas	1,313	374

* Placement by recruitment and internal transfer.

Human Resource Review and Succession Planning

The concept of `role` is the basis for the placement of human resources and their assignment to positions. The basic approach is to design a global organization to execute business strategies, define the roles of each position within the organization, and then allocate and appoint the most appropriate people to that role. To achieve this, the company conducts an annual human resources review at each echelon of the organization to get a bird's eye view of the staffing situation, list potential successors for each position, and review their skill development needs.

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



Human Resource Development

New Initiatives for Human Resource Development

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

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

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

Support for an environment where all employees from the young to the elderly can continue to think about how to live

(2) Support for Upskilling by Management

Improvement in skills for interaction by superiors with their subordinates and abilities to solve problems on-site

(3) Support for Reskilling

Education and training support for the mobility of diverse human resources

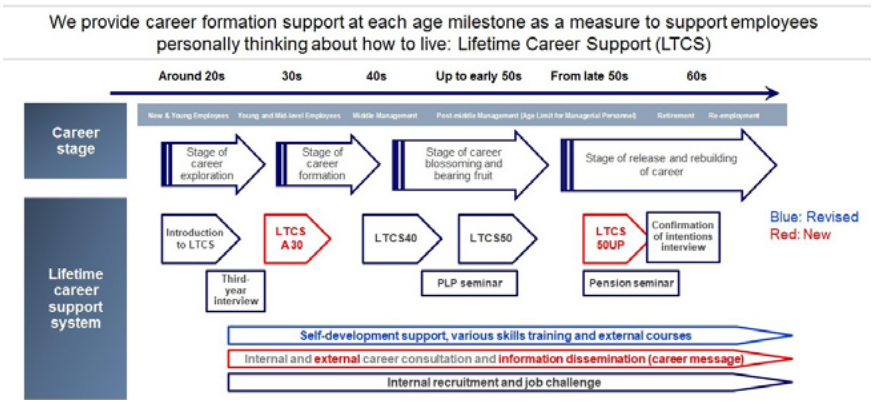
(1) Support for the Self-formation of a Lifelong Career

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

- Number of Participants in FY2023

  LTCS50 Training (for all employees age 50): 307 participants (total up to FY2023: 2,903 participants)
  LTCS40 Training (for all employees age 40): 186 participants (total up to FY2022: 1,881 participants)
  Introduction to LTCS Course (given in new employee training): 344 participants

In FY2023, we launched LTCS A30 for employees in their 30s and LTCS50up with a view to rehiring employees up to age 70. By providing employees with an opportunity to continue thinking about their careers at each age milestone, we help them to overcome various career challenges and to shape their own careers.



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. The goal is to enhance the engagement of individuals with their work and workplace by listening to their concerns regarding their job, work environment, and personal career development, and by providing support, including within the workplace.

(2) Support for Upskilling by Management

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

(3) Support for Reskilling

To support employees` desire to build their careers and continuously grow, as well as to improve their skills and ability to respond to changes, we have been creating a reskilling program that is designed with the following three main objectives: (i) raise the level of all employees by helping them obtain the minimum digital knowledge and use it in their own work, (ii) provide an opportunity for re-learning knowledge specific to a product or business and for education in specialized fields such as digital transformation to accelerate personnel assignment and rotation to priority areas and new areas, and (iii) establish an environment that provides opportunities for learning and improving skills to accommodate employees` desire to learn and encourage them to apply for jobs inside the company by using the internal recruitment system.

Initiative to Expand Rotation

Epson places importance on job rotations that expand the range of the abilities, experience and knowledge of individuals. One aim of rotation is for each employee to shape their career and continue to grow and improve their ability to respond to change. The other aim is to contribute to the effective and efficient operation of the value chain. However, people were not rotating to new jobs as much as expected in the past. So, to encourage people to seek new opportunities in-house, we eliminated the need for approval by a superior when using the internal recruitment or job challenge systems. We also incorporated rotation as a requirement for promotion, filled vacancies left by personnel who transferred to a new job, and added rotation to managers` performance appraisal. We are also reinforcing our reskilling program to support rotation. Going forward, we will promote rotation while giving consideration to workplaces and support for persons transferred.

Rotation Rate

	FY2019	FY2020	FY2021	FY2022	FY2023	Target
Rotation Rate	6.0%	7.3%	9.0%	10.0%	10.1%	15% or more each fiscal year

Revitalization of the Internal Recruitment System

We established an internal recruitment system in FY2007 to empower confident, motivated employees to reach higher and to increase the rate of personnel rotations. Initially, however, only about 20 or 30 people a year were transferred using the system. Therefore, we eliminated the need for supervisor approval to apply for another job in-house in FY2021. This significantly increased the number of applications, with about 200 employees transferring each year for three consecutive years. In addition to responding to employees` willingness to take on challenges, the system helps employees experience different operations and workplaces, broaden their horizons, and improve their skills, thereby making them more adaptable to change.

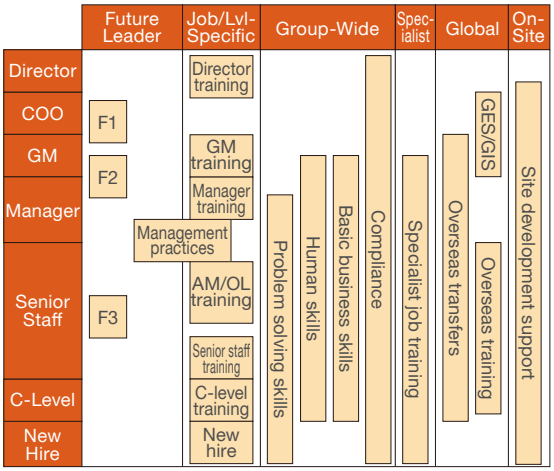
Number of Employees Using the Internal Recruitment System

	Before the Changes to the System		After the Changes to the System		
	FY2019	FY2020	FY2021	FY2022	FY2023
Number of applicants	142	148	378	293	325
Number of transferees using this system	27	12	217	201	176

Training Initiatives

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

Training System (Japan)



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

Echelon-based Training

Seiko Epson requires that employees complete a course in management practices before being appointed to a management position. This course prepares them to meet the requirements as a manager by ensuring that they understand their role in terms of both business and actions. On the business end, they learn the skills they need to understand strategic business objectives and respond rapidly and nimbly to internal and external changes in the business environment. On the action end, they learn the skills they need to support the growth and development of the people who report to them by putting organizations and individuals in a position to succeed.

In addition, we provide training for new employees, group training for each grade, and various open-type training to develop people who will fulfill roles as future middle managers step-by-step.

Leadership Training

In addition to a course in management practices for managers and employees who will be appointed to a management position, Epson provides training (F1, F2, and F3 course) to selected employees. In the F1 course, director candidates learn the skills needed to be a top executive. The F2 course is used to prepare middle managers to take the reins of a business or division. In the F3 course participants learn the basics of business through simulated exercises. Through these courses, Epson develops future leaders across the group.

Training for New Employees in Japan

Epson considers the first year of employment to be a training period during which new employees learn about the Epson approach to work. For the first three weeks, new employees in Epson Group companies in Japan gather for group training, where they learn the following:

- Conduct expected of them as Epson employees
- The mindset and attitude necessary for practicing `monozukuri` or the art and science of manufacturing, which is the foundation of Epson`s efficient, compact and precision technologies
- The importance of working cooperatively as a team



Training to think about customer satisfaction

Training ranges from lectures on the Epson Global Code of Conduct to hands-on training in manufacturing. New employees learn the importance and enjoyment of working in teams, through group activities that take place throughout the training period.

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

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

Overseas Dispatch of Young Employees

Epson has 107 R&D, production, and sales sites outside Japan. Overseas operations generate approximately 80% of consolidated revenue and account for 70% of employees. We actively dispatch young employees to our overseas affiliates to gain international experience and prepare them to thrive on the global stage. (Overseas trainee program)

The program was temporarily suspended due to COVID-19 but resumed in FY2022. We dispatched 27 employees in FY2023.

Number of Employees Assigned to Overseas Training Programs

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2022	FY2023
Number	8	20	34	38	29	28	22	13	1	27

Management by Objectives

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

Creating Value That Exceeds Customer Expectations and the Monozukuri Juku



Epson`s Monozukuri Juku, or Manufacturing School, aims to enhance the customer value we create. To this end, we teach our personnel basic technology and skills and have them experience monozukuri (the art and science of manufacturing) by performing specific manufacturing tasks step by step. This helps them tackle jobs from different angles. To give a specific example, employees learn the basics of component processing technology (molding and pressing). Once they learn these, employees have the skills to make the various parts that go into a product. Employees also learn by mastering essential skills for making production lines more efficient (e.g., automating lines or operating them with fewer staff).

In addition, we contribute to the community and society by giving practical training for new employees of local businesses, offering corporate experiences to junior and senior high school students, and providing instruction for technical skill trainings. We also send experts abroad to take part in official development assistance for building technical skill evaluation systems at the request of the Japanese Ministry of Health, Labour and Welfare.

Developing Human Resources to Support Company-wide Production Strategies



Training engineers at an overseas affiliate (Philippines)

Recently, we have faced labor shortages in manufacturing due to rapidly rising wages and workers` preference for non-manufacturing jobs. In addition, we had suffered from logistics being disrupted due to natural disasters and the spread of infectious diseases, causing delays in delivering products to customers. It has become difficult for Epson to manage these changes with conventional manufacturing, which assumes an abundant and low-cost labor force and centralized production. In our Epson 25 Renewed corporate vision we therefore proposed promoting smart factories using automation and digital technologies and strengthening distributed and local production.



Remote training

Monozukuri Juku provides opportunities for employees to learn. We hold more than 200 training courses a year to develop the technical abilities of engineers supporting production lines. The training includes mechanical drafting and calibration necessary for manufacturing equipment, as well as machining skills. In addition, we offer basic mechatronics training to help cultivate engineers who will promote automation by teaching them basic technologies such as pneumatic and electrical control. the basics of equipment assembly and adjustment, FA robot training, image processing training, and practical mechatronics training to allow them acquire more practical technologies and skills.

Monozukuri Juku does not only train Japanese engineers but also engineers from our manufacturing affiliates worldwide, where we seek to educate the employees about manufacturing and machine maintenance in order to develop future local leaders.

In addition to on-site training, we also make full use of a remote training system established during a time when overseas business trips were difficult, to deploy necessary training in a timely manner.

Through these efforts, we will promote optimal human resource development and improve the process control level of each of our worldwide affiliate companies so we can respond strategies such as distributed production.

Developing Young Technicians through National Skills Competition

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

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

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


Everyday training



The 61st National Skills Competition of Japan 2023

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

FY2023 Workforce Composition and Training Data

Main Online Courses (Japan)

Course	Trainees
Fundamentals of Export Control (2023)	18,466
Epson`s Compliance (2023)	20,532
Basic Information Security (2023)	21,074
Basic Environmental Training II (2023)	20,334
Introduction to Procurement (Ethics and code of conduct) (2023)	17,691
J-SOX (2023)	20,038
Basic Harassment Preventive Training (2023)	19,524
Occupational Safety Training (2023)	19,742
Healthy Balance Between Work and Life Training	11,551
Business & Human Rights (2022-)	18,473

* The number of persons completing the course by March 31, 2024

Training by Employee Level

Training	Who People Trained	Trained	Percent
New employee orientation	New hires	344	100%
C-level employee training	New C-level staff	285	97.9%
Senior staff training	New senior staff	301	98.0%
Section manager training	New section managers	143	93.5%
General manager training	New general managers	43	91.5%

* Data for Seiko Epson Corporation employees as of March 31, 2024
* Employees who have not received training are scheduled to do so in FY2024.

Training Hours

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Training by regular employee	Hrs.	11.0	11.1	7.4	20.9	21.5	34.2
Total training hours	Hrs.	-	-	-	228,696	235,910	375,219

Seiko Epson HR Department training for regular employees and time spent on online courses. Education and training courses of functional supervisory departments and operations divisions are also included after FY2021.

Diversity, Equity and Inclusion

CEO Message

Epson`s customers are the people who use our products and services around the world. I hope that we will enrich the lives of as many people as possible by understanding them in all their diversity and delivering new value that surprises and delights them. To achieve this, we must create an environment in which we recognize and accept each other`s differences and must value diversity. For us to be a company that can flexibly and sustainably grow for a decade and beyond, I will create a corporate culture that enables all employees to enjoy work and participate equally in discussions, regardless of their background. A free and open workplace is the foundation that will enable Epson to fulfill its social mission. To that end, I will respect and practice diversity, equity and inclusion (DE&I).

Commitment

DE&I is one of our material management issues. I will develop a corporate culture that enables diverse employees to demonstrate their abilities by encouraging a change in the management mind-set, eliminating any gender gaps and other inequity, and providing various work arrangement options. Through these activities, I aim for us to be a company where neither majorities nor minorities exist in the minds of all people in the Group. I will also transform the company into a place where employees embrace different values, thoughts, and unique new ideas.

Revised on August 1, 2024
Yasunori Ogawa
President and CEO

Promotion of DE&I

We aim to understand our diverse customers and continue creating new value that surprises and delights them in this time of rapid change. To achieve this, we will create a fair and bias-free environment in which individuals of all backgrounds gather from all over the world, respect each other, enjoy work, conduct themselves as responsible members of society, and continue driving innovation by taking on challenges and growing along with the company. We also believe that DE&I is important from the perspective of respect for human rights.

We recognize that gender equality is an urgent issue in Japan. To promptly achieve a state where the ratio of women in executive and managerial positions is equal to the ratio of women in our workforce, we are taking measures to increase the number of female candidates for managers by helping women develop their careers. We are also creating an environment in which employees can enjoy work and have job satisfaction while adapting to changes in their life.

Another priority issue is to promote the advancement of people with disabilities. We want to enable people with disabilities to contribute to the company`s performance by taking on challenges and continuing to grow.

From the Empowerment of Women to DE&I

In 2016, Seiko Epson created a Female Empowerment Project team in the Human Resources Department to transform the company into one that has an environment where women can keep working until retirement age. The project team was dissolved in October 2020, and a Diversity and Inclusion Project that reports directly to the president was launched to support employees who want to advance their careers, regardless of gender, and to advance general diversity initiatives. In April 2023, a DE&I Strategic Promotion Department was established in the Human Capital & Well-Being Management Division to expand the scope of DE&I activities to the entire Group.

Concrete Actions

Issues	Strategic Direction of Initiatives	Key Actions
Gender equality	Aim to enable employees to fully demonstrate their abilities regardless of their gender, etc. To eliminate the gender gap, change the mind-set especially among managers and make behavioral changes of all employees.	• Career training for female leaders • Career support for veteran female employees - Individual career training - Skill-up training - Seminars on essays and interviews for people who take promotion exams • Measures for young women using external mentoring services
Advancement of People with Disabilities	Aim to enable people to contribute to the company`s performance by taking on challenges and continuing to grow regardless of whether they have disabilities. Recruit workers so that 3.0% of our workforce will be comprised of people with disabilities in FY2030.	• Foster an inclusive climate. - Management visits special subsidiaries and issues messages - Hold discussions with people who are interested in the advancement of people with disabilities - Issue company newsletter articles • Provide more opportunities for people with disabilities at special subsidiaries and share the knowledge within the Group • Provide counseling for people with disabilities
A healthy balance between work and care or treatment	Create an environment in which employees can enjoy work and have job satisfaction while adapting to changes in their lives.	• Support to enable employees to balance work and care for elderly relatives - Training for the healthy balance between work and care for the elderly • Support to enable employees to balance work and childcare - Post an article about interviews with role model employees on the company intranet - Parents seminar • Paternity leave promotion activities • Introduction of leave systems for fertility treatment
Cultivate a corporate culture	Promote a change in employee mind-set as a foundation for various activities. Address DE&I issues throughout the Group.	• Senior executive messages • Diversity management training for managers • DE&I fair • Communication using a dedicated DE& I web site • Group-wide diversity personnel meetings and the Diversity Council among Group companies in Japan

Gender Equality

Action Policy

We will quickly achieve a state where women are evenly positioned at each level. To do so, we will eliminate existing gender gaps and prevent new gaps.

Revision of the Act on Promotion of Women's Participation and Advancement in the Workplace (a three-year plan for FY2023-25)

- Aim to have female employees account for 8% of management positions and 10% of leadership roles (equivalent to assistant manager) by March 2026.
- Recruit new graduates, with a goal of securing at least 25% women.
- Encourage employees to take at least 20 days of paid leave per year.
- Aim to achieve 100% childcare leave rate for both men and women.

We are implementing the measures below for women.

Career training for female leaders

A survey and other data show that there is a misconception that women cannot serve in a managerial position unless they conform to a standardized image of leadership that has traditionally been shaped by men. Since FY2023, we have been conducting training that helps women understand diverse leadership styles, recognize their own strengths, and encourage them to take on the challenge of becoming managers.

Career support for veteran female employees

There is a clear gender gap in promotions among mid-career employees and above. So, since FY2021, we have been providing support for women aged 40 and over to encourage them to take promotion exams. In a career training, participants look back over their own careers. Portable skill-up training enables women to improve their skills. In addition, to improve the writing skills and presentation skills required for the promotion exam, we offer an essays seminar and an interview seminar.

Measures for young women using external mentoring services

A survey showed that young women have a different vision about career advancement than young men. One of the reasons is that women have few female role models. This prevents them from envisioning their future careers and taking on challenges. To help young women, we provide them with opportunities to think about their careers through mentoring with external role models, career training, and discussions with internal managers. We also hold discussions among young women in the company to provide an opportunity to get to know each other.

A Healthy Balance between Work and Care or Treatment

Action Policy

We will draft and execute measures to create an environment in which employees can enjoy work and have job satisfaction while adapting to changes in their lives.

Specific actions are as below.

Support for balancing between work and childcare

Many employees say that they are struggling to balance family affairs and work, and that they do not have role models around them. Focusing on employees who balance childcare and elder care with work, we post on our intranet articles about interviews with role models to provide information for employees who are aiming to balance their careers with their private lives.

We also hold parent seminars for employees who are going to become parents or are raising children. We provide opportunities for the participants to share concerns on a wide range of topics and cheer up each other. We take up issues such as mindset in a pre-childcare leave period and ideas for balancing work and childcare after returning to work.

Support for balancing between work and elder care

A company-wide questionnaire showed that many employees are concerned about balancing elder care and work. In addition to setting up an internal and external help desks for elder care, we posted more than 40 short videos on the company intranet so that employees can obtain the necessary information on things such as remote care and finances. In FY2023, we conducted diversity management training for all Group managers to learn how to balance elder care and work.

Paternity leave promotion activities

We want our employees to be equally involved in childcare regardless of gender and want to enable them to balance work with their childcare responsibilities. To achieve this, we are working to foster a climate where all employees take childcare leave as a given. As a first step, Epson set a target of all eligible employees taking childcare leave in line with the revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members. The rate of male employees who took paternity leave was 97.2% in FY2022 and 85.2% in FY2023. We will continue to work to increase the number of paternity leave days taken by male employees. The goal is a 100% acquisition rate.

Introduction of leave systems for fertility treatment

We are working to create an environment in which people can balance fertility treatment and work with peace of mind. We recognize that there are three major issues regarding the treatment: mental strain, scheduling of hospital visits, and physical strain. As a first step to address these issues, we created in FY2022 a Life Support leave system to expand the provision of special leaves. Employees can use Life Support leave to take five days of paid leave a year and Life Support leave of absence to take a total of 365 days of leave over the three years. We will promote understanding of infertility and fertility treatment in the workplace and raise awareness to prevent harassment so that we can create a climate where the leave system is casually used.

Work-from-home system

The work-from-home system was first introduced to support people who need to balance work and childcare or elder care. Application of the system has now expanded to all employees with more choices of work location, enabling flexible arrangements.

Babysitter subsidy

From October 2005, we have offered subsidies for babysitting services. We have gradually increased the subsidy, and currently we pay the full amount for up to 16 hours.

Help for employees with children on nursery school 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 eight schools as of July 2024.)

Cultivate a Corporate Culture

Action Policy

We will promote change in the mind-set of employees so that DE&I becomes a foundation for business activities. We will also expand DE&I initiatives across the entire Group.

Specific actions are explained below.

Senior executive messages

Management communicates policies and ideas both internally and externally to demonstrate the importance of DE&I.

Diversity management training

To raise awareness among managers and deepen their understanding of DE&I, we conducted mandatory diversity training for all managers in the Group in FY2021. Starting from FY2022, we incorporate key DE&I items into annual training for newly appointed managers.

- FY2022: `Work in Life in Managers` Learn about how to work as diverse managers
- FY2023: Training for a healthy balance between work and elder care
- FY2024: `What is the necessary step for achieving advancement of people with disabilities in Epson?`

DE&I fair

We hold a DE&I fair for all Group employees to create opportunities to think about and increase understanding of the meaning and purpose of DE&I in Epson. At the fourth meeting in FY2023, we held lectures by top management, celebrities, and management from other companies on the theme of `Why Epson Needs Diversity, Equity and Inclusion.` We also hold round-table discussions about advancement of people with disabilities and work reforms, as well as workshops on other topics. Photo contests and senryu contests were also held to encourage employees to casually participate in the fair.

Communication using a dedicated DE& I web site

The Diversity, Equity & Inclusion special website was made public to communicate the thoughts of the Group CEO on DE&I and corporate initiatives. It includes things such as an interview of the Group CEO with a DE&I specialist, an interview with employees, and the DE&I fair.

Certification by external parties

Certification as an `Eruboshi` company (2016)

Acquisition of Platinum Kurumin (2016)

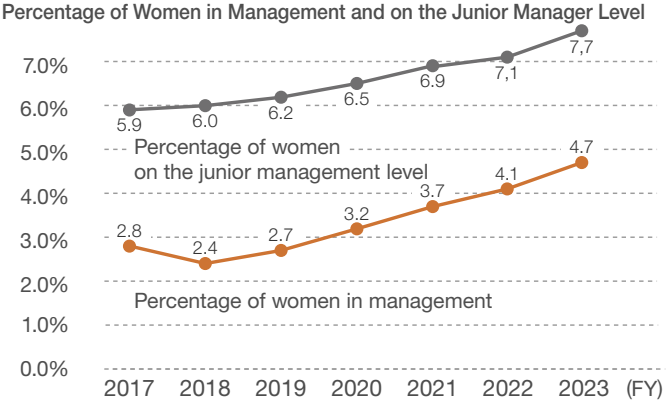
Progress in Closing the Gender Gap (as of March 2024)

Percentage of women in workplace and in management

	Group Total		Japan		Except Japan	
	Male	Female	Male	Female	Male	Female
Percentage of regular employees	53.5%	46.5%	80.4%	19.6%	43.3%	56.7%
Percentage of managers	83.6%	16.4%	94.5%	5.5%	73.9%	26.1%

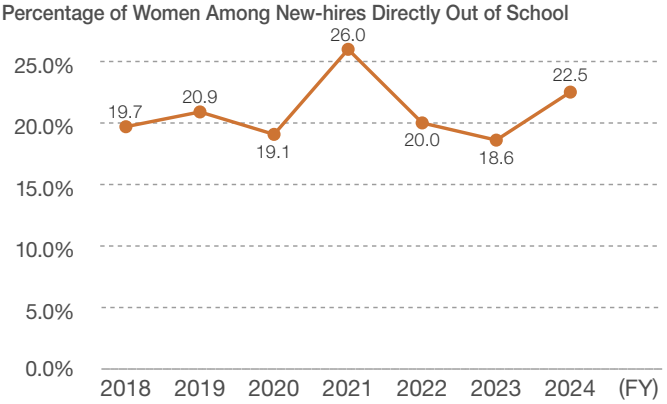
* Manager is section manager and department manager.

Percentage of Women in Management and on the Junior Manager Level



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

Percentage of Women Among New-hires Directly Out of School



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

Advancement of People with Disabilities

Epson recognizes the active participation of people with disabilities as one of its important DE&I issues. We aim to be a company in which people can contribute to the company`s performance by taking on challenges and continuing to grow regardless of whether they have disabilities. We are working to recruit people with disabilities throughout the Group, with 3.0% of our workforce will comprise of people with disabilities in FY2030. We are also fostering a culture where people with disabilities can advance by creating various opportunities and communicating relevant information.

Concrete Actions

- Provide more opportunities for people with disabilities at special subsidiaries and share the knowledge within the Group.
- Foster an inclusive climate.
  - Hold discussions with people with disabilities and have management visit special subsidiaries.
  - Internally distribute lecture videos and issue company newsletter articles.
- Provide counseling for people with disabilities.



President Ogawa visited a special subsidiary, Epson Mizube, and learned about work being done by people with disabilities.

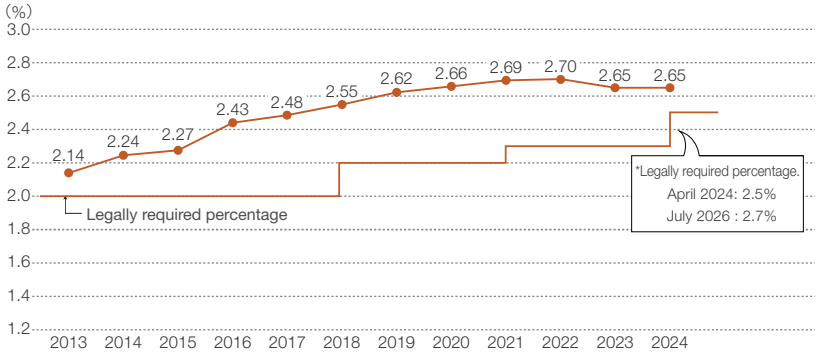


Participants expressed their own experiences, feelings at the round-table discussion.



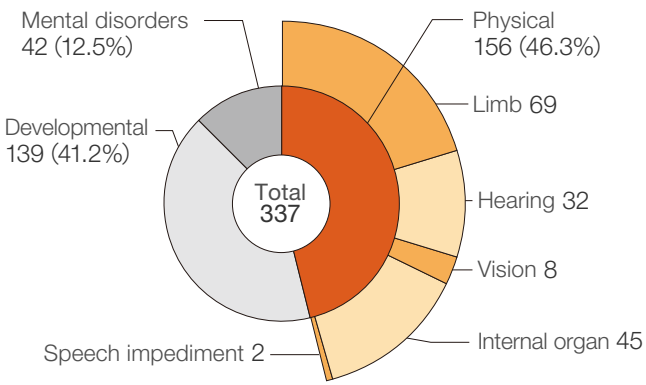
Participants expressed their expectations at the round-table discussion.

Employees of certified group companies for employment of people with disabilities



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

Type of Disability (Japan) (Current as of June 1, 2024)



Activities at Special Subsidiaries

Epson was a pioneer in setting up special subsidiaries in Japan. It established Epson Mizube in 1983 and Epson Swan in 2001, steadily increasing the number of employees with disabilities. Work is prepared and assigned according to the type of disability based on the experience and knowledge that have been accumulated over 40 years. New businesses have also been developed to create an environment in which people with disabilities can make the most of their abilities and aptitudes. We will introduce programs that can help people with disabilities achieve individual growth.

Epson Mizube Corporation

Epson Mizube employs 163 people with disabilities (as of June 1, 2024). Its employees are working in offices, manufacturing sites, environmental recycling departments, and other fields in six business sites.

Facilities cleaning services, which were launched in 2008, have grown into a core business of Epson Mizube. There are 64 cleaning crews as of March 2024. In addition, a PaperLab upcycling model line has expanded employment opportunities for people with disabilities since 2017. Employees on the line sort used paper, operate the PaperLab systems, and create business cards, notebooks, and other items using the paper produced in the system. It is planning to expand office assistance work in anticipation of increasing the recruitment of people with mental disabilities.



PaperLab upcycling center



Sorting of used ink cartridges



Building cleaning

Epson Mizube actively uses the Abilympics (skills competition for people with disabilities) to improve workers` professional skills. In FY2023, three employees participated in the National Abilympics and won the silver prize in the electronic device assembly category. The earnestness of candidates and the efforts of assisting workplace motivate employees with disabilities, energizing the workplace.



Shoichi Yokouchi (Epson Mizube) won the silver prize in the electronic device assembly category at the National Abilympics.

Epson Swan Corporation

Located on the grounds of Tohoku Epson, Epson Swan employs 26 people with disabilities (as of June 1, 2024) to clean cleanroom suits and provide facilities cleaning services within Tohoku Epson. In October 2020, the staff also began preparing materials (sorting paper) for processing with PaperLabs.

Cleanroom suit cleaning has been a part of Epson Swan`s operations since its founding. It provides this service to multiple Seiko Epson sites as well as to other local companies.



Cleanroom suit cleaning (washing process)



(folding process)

Epson Swan also focuses on human resource development and sends employees to take part in the Abilympics as part of its effort. In FY2023, it received a bronze prize in the building cleaning category of the National Abilympics. Employees with disabilities gained confidence and motivated by the results because the skills they acquired through work were recognized as achievements.

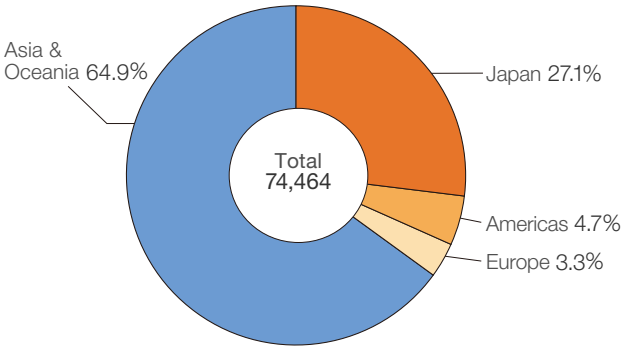


Taisei Domon (Epson Swan) won the bronze prize in the building cleaning category of the National Abilympics.

Drawing on Global Talent

Epson has sites around the world to accurately identify and swiftly and flexibly meet the changing needs of customers at different times and in different regions. The Epson Group currently employs about 75,000 people.

Employee Numbers by Region (Current as of March 31, 2024)



In order to deliver valuable products to customers, it is essential that the entire global value chain operates effectively and efficiently. This requires global human resources who have extensive knowledge and experience in various functions that spread all over the world and are capable of coordinating among respective functions from the perspective of overall optimization and making accurate and prompt decisions in the field. We hold seminars every year to foster management leaders at overseas subsidiaries and promote personnel exchanges across regions in order to develop leaders who share common values and perform actively. As in Japan, we also work with local top management and human resource departments to define roles and requirements for overseas human resources, and formulate succession and training plans for key positions and key human resources. Based on these activities, we continue to hold internal discussions on optimal functional allocation, and are working to build an optimal formation from a global perspective.

Global Talent Management

Epson actively recruits and utilizes overseas human resources. Using the same role evaluation tool as is used in Japan, we measure the size and weight of responsibilities that accompany each position in Epson Group companies overseas. Key positions are identified and their roles and requirements are specified. Then, through 360-degree evaluations and other means, we collect information about all potential candidates and their capabilities so that we can select the most appropriate people for each position, regardless of age, gender, nationality, and so forth. This information is used to conduct the same type of human resources reviews as are performed in Japan, ascertain personnel needs, and review succession plans.

As a result of these actions, Epson now has home-grown talent in leadership positions at its overseas affiliates. The CEO of Epson`s regional head office in the US is an American who owns responsibility for all administrative and business operations at Epson companies in North, Central, and South America. The regional head office in Southeast Asia is also headed by a local who is responsible for sales operations in the region. In Europe, all local affiliates controlled by the regional head office are headed by locals, and a number of Epson sales and manufacturing affiliates around the globe have also recruited or promoted locals to run their operations. Currently, 38% of directors at overseas affiliates are non-Japanese, while 63% of those affiliates` CEOs are non-Japanese. 90% of management positions are filled by locally hired employees.

Initiatives to Develop Global Human Resources

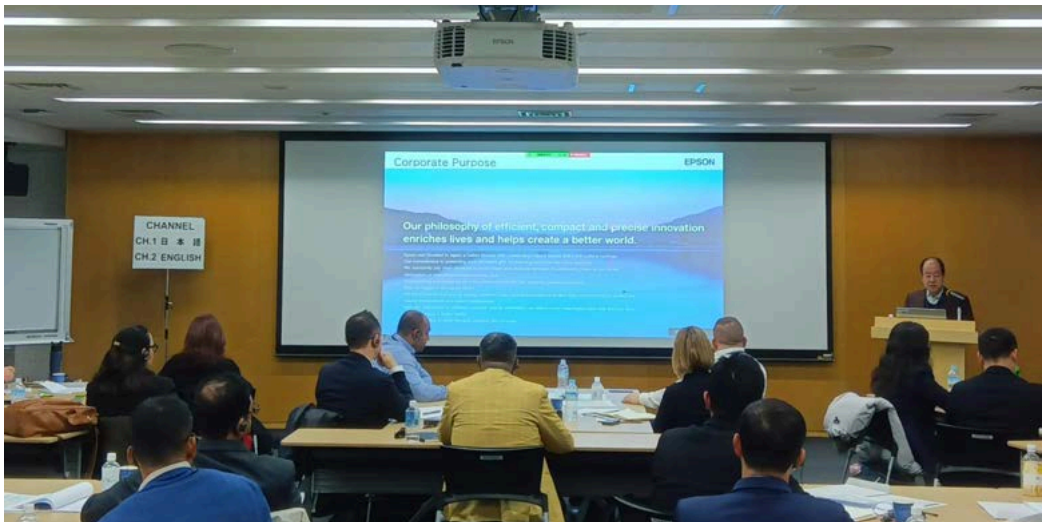
Global Incubation Seminar (GIS)

The Global Incubation Seminar (GIS) is a training program for next-generation leaders at the Group companies around the world. We share Epson`s corporate purpose and value creation story to help them understand the roles of their own organization and develop their ability to address issues. The GIS was first held in 1999. More than 400 people were invited, many of whom served in managerial positions in our overseas affiliates.

In FY2023, 25 people from 14 countries took the one-week seminar. The program included things such as a visit to business sites, business strategy briefings by chief operating officers, and an Epson Values Session. In this session, participants deepened their understanding of the corporate purpose, value creation story, and the Epson Way (the Management Philosophy, Principles of Corporate Behavior, etc.) that represents the shared values and expectations of conduct in the Epson Group. They also devised and declared actions that they take to further enhance Epson`s value. In addition, through talks with executives, they learned more about the corporate vision and business strategies. The participants work in different regions, functions, and businesses. So, they shared the problems they each face and what they are doing to overcome them. After the seminar, participants commented that they gained a deep understanding of the importance of company values and corporate culture, as well as the importance of linking their values to Epson`s values to achieve targets. They also said that they learned how to support their team to enable it to take ownership and fulfill its role.

One month after the face-to-face seminar, an online follow-up seminar was held, where participants presented the results of their efforts in their workplaces and shared issues.

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



Employees sent to Japan for training



Epson invites technical interns and trainees from its overseas manufacturing sites to stay in Japan for a period of three months to one year to participate in educational programs that give them an opportunity to learn skills and techniques not available in their home countries and helps them enhance their understanding of work processes.

We have accepted a total of more than 1,800 technical internees and trainees since 1988. Unfortunately, we had to suspend the program due to the COVID-19 pandemic in FY2020 and FY2021. However, we welcomed eight participants for the first time in three years in FY2022, and thirty-four from Indonesia, Philippines and Malaysia in FY2023.

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

Workforce Composition and Service Period

Workforce Composition

	Male/Female Ratio	Mgmt. Diversity	Junior Mgmt. Ratio[1]
Female	17.3%	4.7%	7.7%
Male	82.7%	95.3%	92.3%

* Data for Seiko Epson Corporation employees as of March 31, 2024.
[1] Team leader

Length of Employment

Total	Female	Male
18.6	18.4	19.3

* Data for Seiko Epson Corporation employees as of March 31, 2024.

Turnover Rate

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total turnover ratio	4.5%	4.1%	4.5%	4.4%	5.1%	3.9%
Voluntary turnover ratio	1.8%	1.5%	1.4%	1.5%	2.2%	1.2%

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

Respecting Human Rights

Approach and Initiatives

Guided by the corporate purpose statement, Epson is committed to achieving a more sustainable future by addressing societal issues. Epson believes that respect for human rights from the standpoint of each individual is a prerequisite for achieving sustainability and is indispensable as the basis for all business activities around the world. On the other hand, however, Epson recognizes that its operations may cause or contribute to adverse impacts on human rights. Epson believes that respecting human rights in its business activities is an important responsibility that all companies must fulfill.

We established Policies Regarding Human Rights and Labor Standards of the Epson Group in 2005 based on the United Nations Global Compact, and we have been practicing conduct that is aligned with the 2011 United Nations Guiding Principles on Business and Human Rights (`the Guiding Principles`). In April 2019, we joined the Responsible Business Alliance (RBA), a non-profit organization that supports the rights and welfare of workers and communities affected by global supply chains, and we and our suppliers conduct our business in line with the RBA Code of Conduct.

Organizational Structure

Epson`s human rights initiatives are spearheaded by Seiko Epson`s DE&I Strategic Promotion Department under the supervision of the executive officer in charge of human capital & well-being management. It is working in concert with corporate departments that supervise sustainability, RBA activities, supply chain CSR and human resources, and building a network with HR departments and related departments of our global affiliates to guide initiatives to prevent human rights abuses.

Epson Group Human Rights Policy

Epson made significant improvements to Policies Regarding Human Rights and Labor Standards of the Epson Group to further strengthen Epson`s human rights efforts in light of recent changes in the way that the international community views human rights and human rights issues. The new Epson Group Human Rights Policy took effect on April 1, 2022, following a resolution by the Seiko Epson Board of Directors pursuant to the Guiding Principles. Complementing Epson`s Management Philosophy and Principles of Corporate Behavior, the Epson Group Human Rights Policy clarifies the company`s approach to respect for human rights and serves as the highest-level guide in those efforts. Pursuant to this policy, Epson`s human rights efforts are focused primarily on the Epson Group and its supply chains.

Epson Group Human Rights Policy (Please refer to page 355 of “Appendices”)

Human Rights Due Diligence

Epson continually practices human rights due diligence as based on the Guiding Principles. Group companies as well as business partners fall within the scope of this process. Human rights due diligence concerns human rights risks in value chains connected to the business activities of product development, manufacturing, and sales. The due diligence process seeks to identify and study actual and potential adverse impacts on human rights, identify the problems, and prevent and mitigate them.

Epson`s human rights due diligence process is as follows:
1. Identify and assess adverse impacts
2. Make corrective action plan, and prevent, and mitigate adverse impacts
3. Track effectiveness of remediation of adverse impacts
4. Communication and reporting

1. Identify and assess adverse human rights impacts.

In the 2023 fiscal year, Epson again identified adverse human rights impacts and conducted an impact assessment. The information below was consulted for the assessment.

- Awareness and knowledge gained over the past four years through activities as a member of RBA (CSR self-assessments and RBA audits)
- The situation regarding incidents that occur internally and in the supply chain, and the reporting and discussion of such incidents
- Information obtained through publications such as Ministry of Economy, Trade and Industry`s Guidelines for Respecting Human Rights in Responsible Supply Chains and its practical reference materials, as well as information obtained through participation in events such as the Caux Round Table (Japan) Stakeholder Engagement Program.

Labor and occupational health and safety were identified as areas that are particularly susceptible to human rights abuses, such as those listed in the table below that affect Seiko Epson`s own employees, Epson Group company employees, agency workers, supplier employees, on-site service vendor workers, and migrant workers. Asia and manufacturing were identified as a susceptible region and business type.

High-Priority Groups	Main Adverse Impacts	Examples Warranting Particular Attention
Employees of Seiko Epson Corporation and Epson Group Temporary staff Supplier employees On-site service vendor workers Migrant workers	Forced labor	• Intermediary fees, recruitment fees, and other expenses related to employment • Confiscation of passports • Forced overtime • Freedom to leave work or terminate employment
	Young workers	• Overtime, night shifts, hazardous work
	Overwork	• Violations of laws and internationally recognized human rights norms related to working hours, and long working hours that are detrimental to health
	Wages and benefits	• Unpaid overtime wages • Non-payment or deductions from wages as a disciplinary measure
	Inhumane treatment	• Harassment
	Discrimination	• Discrimination in dismissal and treatment • Pregnancy tests, dismissal of pregnant women
	Occupational health & safety	• Hazardous and harmful working environment • Protection of women • Worker protection in emergency situations

2. Formulate a corrective action plan to prevent or mitigate adverse impacts on human rights.

Since the 2017 fiscal year, Epson has had its overseas manufacturing sites complete a CSR self-assessment questionnaire (SAQ) that conforms to the RBA Code of Conduct and RBA SAQ. After joining the RBA in April 2019, Epson began educating the Epson Group about the RBA Code of Conduct and working to integrate it into Group operations. Epson has continued to ask Seiko Epson plants and offices, domestic and overseas Group companies, as well as suppliers to complete an annual CSR SAQ. This CSR SAQ conforms to the RBA SAQ and the results are reported to the RBA. Each Seiko Epson office, Group company, and supplier has a due diligence process to identify the location of adverse impacts on human rights and to develop corrective action plans to remedy or mitigate the identified negative impacts.

FY2023 CSR Self-assessments by Epson Group Companies

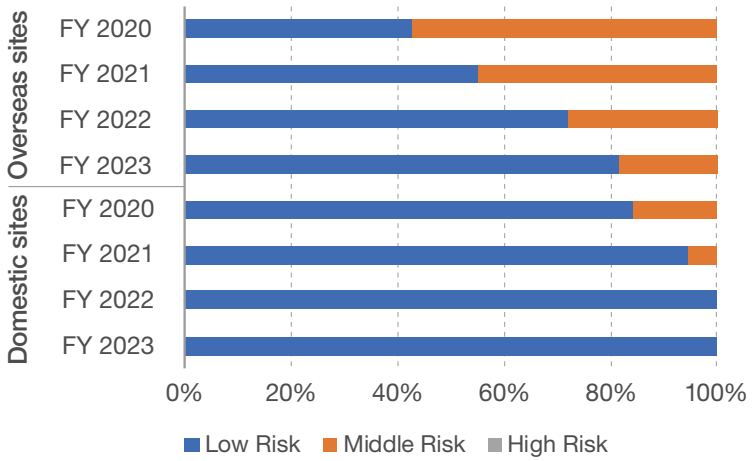
Items	Details
Questionnaire content	A. Freely chosen employment, young workers, working hours, wage and benefits, humane treatment, non-discrimination, freedom of association, etc. B. Health & Safety: Occupational safety, occupational injury and illness, dormitory & canteen, etc. C. Environment: Environmental 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.
When the SAQ is conducted	Survey：April – June, 2023 Analysis and corrective action: July, 2023～
Surveyed business units	11 Seiko Epson facilities 8 domestic affiliated companies (6 manufacturing companies and 2 sales companies) 49 overseas subsidiaries (17 manufacturing companies and 32 sales and other companies)
Questionnaire form	RBA SAQ
Corrective action	Formulate a corrective action plan, andprevent or mitigate adverse impacts on human rights under supervision of Seiko Epson corporate supervisory departments.

Summary of FY2023results:

- The FY2023 CSR SAQ showed that there were no high-risk Epson site.
- In the 2022 fiscal year, 14 sales sites were found to be medium risk. The Seiko Epson Head Office thus took the following actions to enable these sites to earn a low-risk rank so that the score of all of those 14 sales sites was improved and 5 of them became low risk:
  (1) Familiarized the sites with Epson Group regulations and provided guidance to meet them
  (2) Explained the SAQ questions and corrected answers where the answers did not match the actual situation
  In total, the number of middle-risk sites decreased from 20% in the previous year to 13% this year.
- In the 2023 fiscal year, we will build further awareness and understanding of Group policies, Group regulations, rules, guidelines and so forth at our business sites to eliminate potential priority non-conformances and further reduce the number of medium-risk sites.

Changes in the CSR self-assessment results from FY2020 onward are as shown below. The risk level is decreasing as a result of corrective actions taken.

CSR Self-assessment results by year



* Low risk: over 85 points, basically meeting the requirements of the RBA Code of Conduct, and is able to independently correct weaknesses.
Middle risk: over 65 and under 85 points, not meeting all the requirements of the RBA Code of Conduct, but is able to independently correct weaknesses.
High risk: under 65 points, needed to be monitored based on an improvement plan to meet the requirements of the RBA Code of Conduct.

3. Monitor results and progress.

Seiko Epson sites, Group companies, and suppliers have engaged management and are working to correct and mitigate adverse impacts on human rights in accordance with corrective action plans. The corporate supervisory department monitors the progress of corrective action to address significant adverse impacts and see them through to completion.
Epson continues to administer a CSR SAQ once a year to check corrective actions at Epson sites and address nonconformances to the RBA Code of Conduct. Furthermore, in order to identify and correct issues from a third-party perspective and enhance the level of actions being taken, seven of Epson`s main manufacturing sites (as of May 2024) located in Southeast Asia and China have been voluntarily undergoing audits under the RBA`s Validated Assessment Program (VAP). So far, Epson`s manufacturing facilities in Indonesia, Malaysia, Thailand, China, and the Philippines have all earned Platinum or Gold recognition. Platinum is exclusively reserved for factories that are compliant with the RBA Code of Conduct and receive a perfect score of 200.

Epson sites that currently hold Platinum and Gold status

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

Below are some examples of situations that have an adverse impact on human rights that were identified in the 2023 fiscal year through CSR assessments or RBA audits and that have been remediated or are being addressed.

Situation	Location	How it Was or Is Being Addressed
Long working hours for a subcontractor`s employees	On-site subcontractor	Discussed and implemented corrective action with the subcontractor
Workers are charged recruitment fees	On-site subcontractor	Fees were reimbursed
Violation of the Worker Dispatch Act	Manufacturing company	Ensure outsourced operations within the scope of the law.
Nonconforming emergency exit door along a factory evacuation route	Manufacturing company	The structure of the emergency exit door has been changed.

The table shows examples of adverse human rights impacts that we have addressed and corrected to date.

Situation	Location	How it Was or Is Being Addressed
Requiring migrant workers to pay broker and recruitment fees to recruitment agencies	Manufacturing company	Stopped requiring fees from migrant workers and reimbursed them
Holding passports that belong to migrant workers	Manufacturing company	Strictly prohibited the confiscation of passports
Agreement process with workers regarding overtime work	Sales company	Stated the process for requiring overtime
Workers were required to temporarily pay the cost of a physical checkup on behalf of their employer at the time of employment	Manufacturing company	Reimbursed the workers and changed the process to eliminate advance payment
Contracts between a labor agent and its workers did not meet all legal requirements.	Labor agent	Modified the contract document to comply with the law
Inadequate overtime records	Labor agent	Paid the unpaid overtime wages and improved the overtime recording system
Error in the calculation of withholding amounts	Labor agent	Adjusted withholding payments and updated the calculation system
Unpaid statutory reserves for employees	On-site subcontractor	Discussed with the subcontractor and corrected
Inadequate working hours management	On-site subcontractor	Discussed with the subcontractor and corrected
Unpaid overtime wages for an on-site service vendor	On-site subcontractor	Paid overtime wages based on the local law

4. Communication and reporting

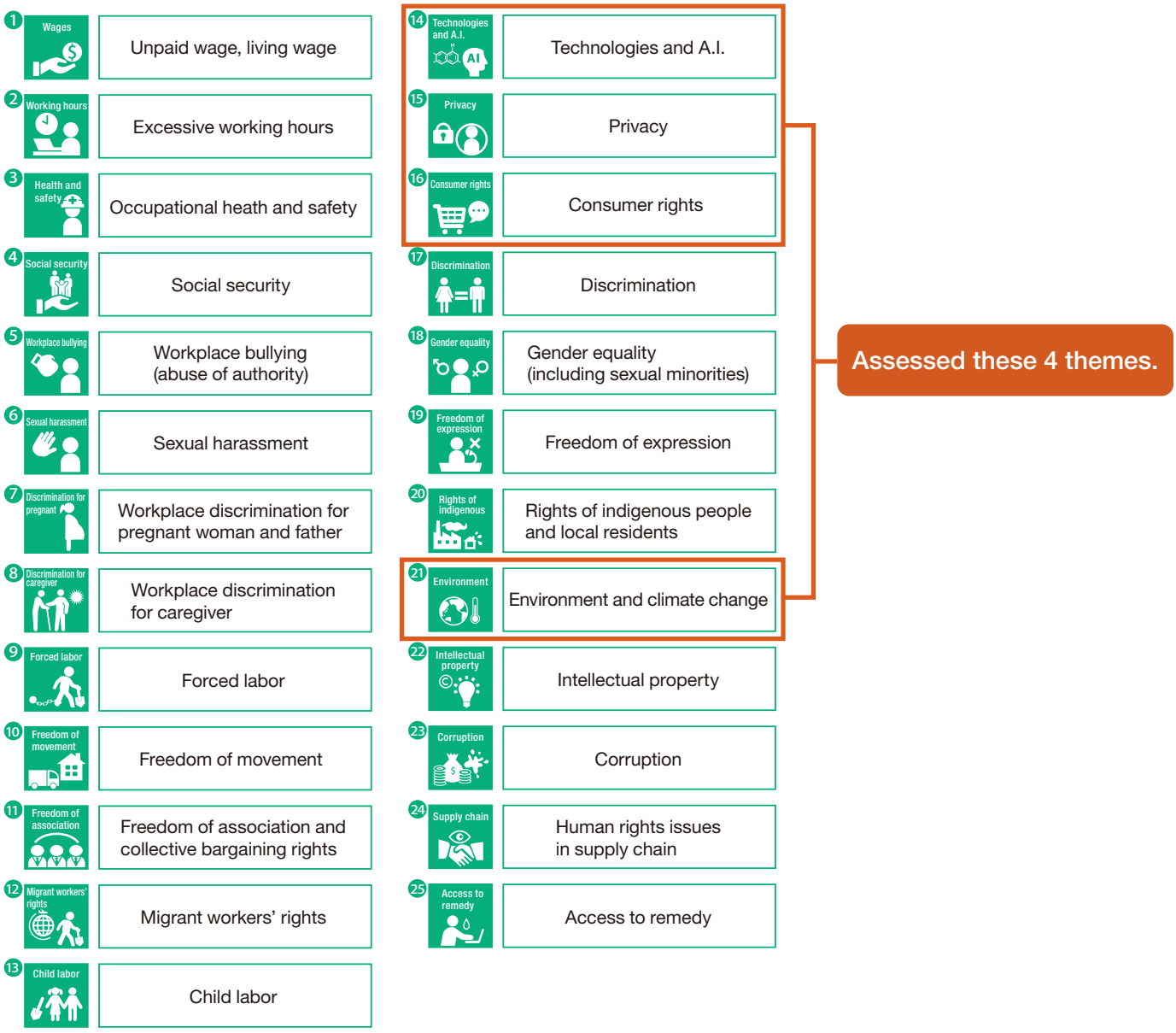
Epson`s efforts to address issues requiring corrective action are reviewed annually and reported on Epson`s websites and in its Sustainability Report. The Epson Group`s global efforts are also reported through statements on modern slavery and human trafficking.

Epson Slavery & Human Trafficking Statement (Please refer to page 361 of "Appendices")

To build and maintain good labor-management relations, Epson actively provides information to its employees and engages them in sincere talks and discussions. Epson also communicates with customers as needed about its efforts to respect human rights.

Epson recognizes that areas such as labor and health and safety pose the highest risk of human rights abuses. In FY2023, we assessed risks in other areas too. The Ministry of Justice defined 25 human rights categories that companies should respect. Referring to those and considering the severity (degree of difficulty in recovering human rights) and the extent of the impact, as well as the relevance to our business operations, we selected AI, privacy, consumer safety (product safety and marking in particular), and the environment and climate change as our four main subjects.

Human rights categories that companies should respect



We discussed the four subjects with relevant departments and determined the current state in Epson. Examples of subjects discussed include generally assumed adverse human rights impacts; adverse impacts in which Epson could be involved; general mechanisms and frameworks for preventing, stopping, and mitigating adverse impacts; mechanisms and frameworks at Epson; reporting channels for stakeholders; and the actual state of reporting. As a result of the discussions, we found no serious adverse impact of AI since its use is currently limited in-house. Nevertheless, we will keep monitoring it because there is a possibility that AI will be deployed in our businesses and incorporated into our products, which could cause adverse human rights impacts. We have not found any serious adverse impacts in the other three subjects at this time, but we will continue to monitor them.

Grievance mechanism

Epson has set up numerous grievance mechanisms. In addition to the Epson Helpline, the company has specialized advisory services to handle human rights-related inquiries and reports from employees (including contract employees, part-time employees, temporary employees, agency workers, etc.). There are advisory services for harassment, long working hours, foreign employees, diversity issues, among others. The Epson Helpline and the diversity advisory service can also be used to report or discuss human rights related issues that are not covered by the specialized advisory services. The advisory services take into consideration the wishes of the person making an inquiry or reporting an incident as they ascertain the facts and act to remedy the situation and prevent recurrences. In FY2023, we exchanged information with these advisory services and launched an effort to understand the overall situation regarding reporting on human rights.

Epson has established supplier compliance hotlines that suppliers and their employees can use to seek remediation. Customers, investors, community residents, and other stakeholders can access advisory services on the corporate website. In addition, they can file grievances via an Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which Epson joined as a member in April 2024. JaCER is an organization that aims to provide a cooperative `Engagement and Remedy Platform` involving multiple member companies for redress of grievances and to act in a professional capacity to support and promote redress of grievances by member companies based on the Guiding Principles on Business and Human Rights. Epson will use these advisory services and platforms to appropriately respond to reports and concerns regarding human rights from a wide range of stakeholders.

The information contained in reports is strictly protected at advisory services, reprisals against whistleblowers are prohibited, and anonymity is ensured.

Education

We have been educating our global workforce of people working in areas such as human resources, health and safety, environment, ethics, and supply chain management about the RBA Code of Conduct and its requirements. In 2021, we revised the Epson Group Human Rights Policy. We took this as an opportunity to hold further study sessions on the subject of business and human rights for directors and personnel in corporate and global HR departments. In the 2022 fiscal year, we conducted an online course for all officers, employees, contract employees, and temporary staff, who work at Seiko Epson and all other group companies in Japan, to raise awareness of human rights and prevent human rights abuses. Through this course, participants learned about the fundamentals of business and human rights, as well as about Epson`s efforts to respect human rights, which are essential for conducting global business. The number of employees and workers who completed the course was 18,473 as of September 2023. In the 2023 fiscal year, the course on business and human rights was offered online to managers and above at seven of Epson`s main overseas manufacturing and sales affiliates. The course completion rate was 92.7% as of the end of June 2024. In FY2024, Epson plans to implement the course at all overseas affiliates.

Epson Slavery & Human Trafficking Statement

Epson issues annual slavery and human trafficking statements. These statements disclose Epson`s modern slavery and human trafficking policy and report the results of actions taken to eradicate these from the supply chain pursuant to the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, and the U.S. California Transparency in Supply Chain Act 2010 (SB 657), Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid), and Canada`s Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Epson Slavery & Human Trafficking Statement for Financial Year 2023
(Please refer to page 361 of "Appendices")

Initiatives to Prevent Power Harassment

Employee Advisory Service

Epson seeks to create a fair and pleasant working environment. Toward this end, we have set up an advisory service and are addressing grievances to prevent and stamp out power harassment. In FY2024, we added a new external reporting channel to accept anonymous claims. We also provide training to personnel who handle grievances to improve their skills and reduce their stress. We do so by sharing examples of how claims have been handled in the past and sharing information on legal changes.

Power Harassment Prevention Training

We provide Group-wide training on the prevention of power harassment that is tailored to the different echelons. For executive management, the training provides an opportunity to think about how to create an organization that is free of power harassment. For middle managers, the training reminds them of the seriousness of the impact that power harassment can have. After sharing power harassment examples, participants engage in discussions and consider preventative actions. In addition, we require all employees to take an online course every year. We also provide executives and employees who will be assigned overseas with training tailored to their needs and local circumstances.

Since FY2021, we have been working to create a power-harassment-free organizational climate by taking individually tailored action in each workplace. This action takes many forms, including individual follow-up with workplaces in which health management information indicates that stress levels are high and the establishment of consultation services for managers.

Harassment Recurrence Prevention

Human rights abuses including harassment and labor-related grievances are regularly reported to executive management. This information and company responses are shared with managers and disclosed company-wide to prevent similar incidents in the future. We require Group companies to report all material harassment incidents. There have been no omissions in reporting in recent years.

Anger Management Training

Anger management training is said to be an effective way to prevent so-called power harassment (abuse of authority at work).
Seiko Epson has provided anger management training sessions since FY2015 to teach employees skills needed to control feelings of anger at work. We have held echelon- and department-based anger management training 800 times up to the end of FY2023. 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 13,000 Epson Group employees in Japan have taken a course. By providing its people with the proper training and skills, Epson hopes to eliminate power harassment from the workplace.

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

Power Harassment Prevention Training/Anger Management Training (after 2015)

	Course	2015	2016	2017	2018	2019	2020	2021	2022	2023	People Trained
All	Harassment preventive e-learning				●	●	●	●	●	●	Mandatory for all employees and executives FY2023: participation ratio 97.6%
	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. FY2023: 530 people at 64 trainings
Executive	Power harassment prevention training/anger management training for executive	●	●	●	●	●	●	●	●	●	Mandatory
Management	Power harassment prevention training for managers	●	●								1,303 people at 70 trainings at 27 sites in Japan
	New general manager training				●	●	●	●	●	●	FY2023: 43 people
	New section manager training		●	●	●	●	●	●	●	●	FY2023: 123 people
	Anger management training					●	●	●	●	●	FY2023: 156 people at 11 trainings
Overseas Assignees	Power harassment prevention training prior to assignment overseas	●	●	●	●	●	●	●	●	●	FY2023: 72 people at 6 trainings
	Anger management training							●	●	●	FY2023: 87 people at 6 trainings
Junior management	Power harassment prevention training for junior management		●								2,561 people at 131 trainings at 27 sites in Japan
	New senior staff training			●	●	●	●	●	●	●	
Other	Harassment prevention/anger management training conducted by division	●	●	●	●	●	●	●	●	●	Conducted upon demands of the division or the affiliated company FY2023: 972 people at 54 trainings

Current as of March 31, 2024

Security Personnel Trained in Human Rights

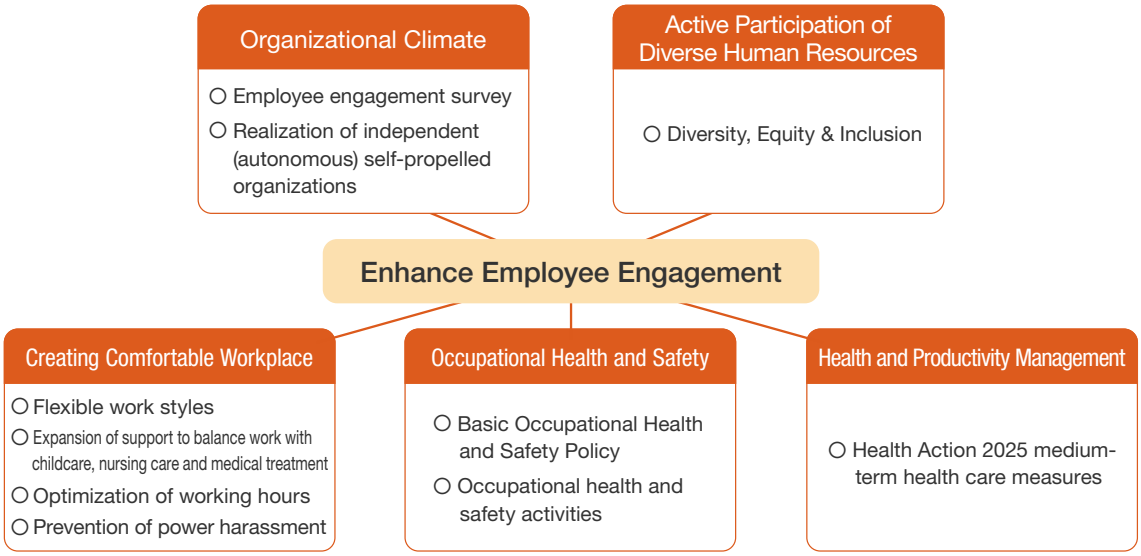
Seiko Epson outsources security operations to security companies and asks them to train those employees in human rights policies or procedures. In FY2023 we conducted a CSR self-assessment questionnaire to confirm that thoses suppliers, as well as other suppliers of indirect materials, provided human rights training to those people.

Fostering a Better Workplace

Approach & Initiatives

We will secure and take advantage of a diverse workforce, including women, non-Japanese, mid-career hires, people with disabilities, and older workers, in order to enhance creativity to realize innovation. We will also create a comfortable work environment that leverages our advantages as a regional company, such as our commitment to organizational culture, the natural environment of Shinshu, and proximity to work and home, to increase employee engagement and maximize the overall strength of the organization for continuous value creation.

Initiatives for fostering a better workplace



Employee Engagement Survey and Initiatives for Improving the Organizational Climate

Epson has conducted an annual organizational climate survey since 2005 to gain an understanding on the current state of organizational culture, with the aim of creating an environment where each employee has more motivation and initiative than before, and where diverse human resources can work autonomously and with vitality.

We introduced and conducted an engagement survey which allows us to compare our company with external organizations in FY2022. The aim of the survey is to engage in effective activities based on even more specialized and multifaceted detailed analysis. The results clearly show there is a relationship of mutual trust at the foundations of our entire company and that Epson is an organization in which employees act when given instructions by their superiors. However, the results have also revealed there are many challenges to realizing an independent (autonomous) self-propelled organization in which individuals take the initiative to improve the weaknesses of the organization on their own.

Based on these results, we began initiatives to (1) instill our philosophy among employees, (2) change the prevailing mindset and adopt an outward-facing perspective, and (3) achieve further growth and a sense of contribution through work in order to maximize our organizational strength.

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

We will also help them fulfill their management roles and improve their management skills by providing various opportunities and examples in conjunction with the results of a 360-degree survey. This includes things such as 1-on-1 skills training, changes to the education and training system for current and future managers, discussions among managers from throughout the company, and a management consultation service and mentoring program. We specifically help workplaces and areas that need thoroughgoing support.

The overall rating in the Engagement Survey in FY2023 was BB, one rank higher than the previous year. We aim to improve productivity by building a strong organization. Toward this end, we are developing people who take initiative and building relationships of trust in the workplace.

Employee Engagement Survey Results and Targets

Company-wide Indicators		FY2022	FY2023	Target (End of FY2025)
Overall rating		B	BB	A
	Score	51.8	52.9	58.0
Number of D-rated workplaces		47	45	Zero
Sub-items				
	Job areas	3.2	3.3	3.6
	External adaption	3.2	3.2	3.6
	Activities for change	3.1	3.2	3.6

Diversification of Work Arrangements

Epson aims to create an environment where employees have motivation and can work with vitality and in a physically and mentally healthy and safe manner while adapting to various changes in life stages and others. In particular, we are promoting flexible working styles that allow employees to work at any time and any place, such as a flexible working hours system and telework, and creating an environment that enables a work-life balance in life-stage events such as childcare, medical treatment, nursing care, and infertility treatment. We are also promoting measures to prevent harassment in the workplace and keep working hours at an appropriate level. At Epson, a Group whose main sites are concentrated in the Shinshu area, we believe that it is important to further promote flexibility in working hours and workplaces, and create an environment that enables our diverse human resources to realize their individual career development, in order to promote diversity in the future based on hiring and retention of diverse human resources including managerial human resources and specialists.

Seiko Epson has been driving additional work reforms since 2017. In Phase I (FY2017-2019), we prioritized the management of overtime and the prevention of long working hours. In Phase II (FY2020-2022), we established a work-from-home system for all employees, abolished core hours in flex time, expanded the applicable age range for shortened working hours for childcare reasons (up to the sixth grade of elementary school) and otherwise expanded our systems for the diversification of workstyles and increase in choices.

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

The diversification of work arrangements is bringing a wide range of issues to the forefront in areas including hu-

man resources management and organizational operations. Everything from health to how we communicate and how we develop/evaluate/appraise personnel are affected. As a part of our efforts to create a healthy and vibrant work environment, we will also review our human resources systems and provide management with support.

Progress on Measures to Diversify Workstyles

Initiative	Measure	FY2023 Results
Ensure flexibility in place and time of work	Evolve the remote work system	Revised the system to allow employees to work by the minute (September 2024)
	Set guidelines for working onsite and working from home	Set guidelines for working onsite and working from home, taking into account the importance of face-to-face communication, organizational management issues, and flexible working styles
	Apply flextime without core hours	Abolished core hour
Ensure employees can balance work with childcare, nursing care and medical treatment	Support employees balancing work with medical treatment	Expanded the short-term leave and long-term leave systems for infertility treatment

Offering Flexible Work Location Options and Work Hours

Remote work system

Seiko Epson introduced a system in FY2018 that gives time-constrained employees the opportunity to work from home so that they can provide care to dependents, including children and other sick or ill family members. In September 2020, the remote work option was expanded to encompass all employees. This allows employees to work from home even if they are not constrained by childcare or nursing/caregiving responsibilities. Employees can also work remotely from approved locations outside the home in case of sudden needs for care, providing even greater flexibility. Effective from July 2022, Seiko Epson expanded the work location options so that employees can also work from the home of their parents or their spouse`s parents or at the home of their spouse who lives separately.

However, we recognized the importance of face-to-face communication and saw that there were organizational management issues during the rapid implementation of the work-from-home system due to the COVID-19 pandemic. So, in September 2023, we established company-wide guidelines that require workers to come to the office at least once a week in order to achieve the best organizational productivity and performance using the optimal form of working arrangements. In addition, in September 2024, we changed the system to allow workers to work from home in one-minute increments in addition to all-day and half-day.

Time Off by the Hour

From October 2022, employees will be allowed to request time off by the hour at any time during the workday. This is meant to strike a better balance between work and the care of a child or family member or with one`s own medical care. Enabling employees to take up to five days` worth of annual paid leave by the hour has made it possible to lead to the realization of a work-life balance.

Flex Time without Core Hours

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

Enhanced Support for Balancing Work with Treatment

Epson is creating an environment that facilitates a better work-life balance so that employees can continue to work with peace of mind while adapting to changes in their situation. Since FY2022, we have been encouraging all fathers to take paternity leave. As a result, the ratio of male employees who took paternity leave increased significantly.
In addition, we established a new system to support employees undergoing infertility treatment from September 2023.

Childbirth and Childcare Support

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

<Childcare Leave Trends>

FY	Childcare Leave			
	Women	Ratio of women granted leave	Men	Ratio of men granted leave
2023[1]	46	97.9%	208	85.2%
2022[1]	38	90.5%	273	97.2%
2021[2,3]	38	100%	131	53.5%
2020[2,3]	37	100%	72	30.8%
2019[2,3]	41	100%	61	21.3%
2018[2,3]	35	100%	40	13.6%

* Data for Seiko Epson Corporation employees as of March 31, 2024.

Calculation for FY2022:
[1] Ratio of the number of employees who took childcare leave in the fiscal year prior to publication with respect to the number of employees who gave birth or whose spouse gave birth in the fiscal year prior to publication

Calculation for the fiscal years up to FY2021:
[2] Number of people including those who took wellbeing leave which is a system unique to Epson
[3] Number of people who took childcare leave / Number of people eligible for the system (people eligible for the system: those who gave birth to a child and who became eligible to take childcare leave)

Support for Employees Undergoing Infertility Treatment

There is a need for companies to establish workplace environments where it is possible for employees to continue working while undergoing infertility treatment in response to the social issue of the declining birthrate. We expanded our short-term leave and long-term leave systems in September 2023 to ensure that employees can undergo infertility treatment without worrying about work. Both male and female employees are equally using this system.

<Support Systems for Infertility Treatment>

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

Responding to Employee Caregiver Needs

With advancing population aging, the number of people requiring care is on the rise. Consequently, the number of employees acting as caregivers for their families is also on the rise. Aiming to eliminate turnover due to caregiver needs, Epson provides the following types of support to caregivers.

- Launched a website related to caregiving to provide information related to in-house programs and nursing care insurance systems.
- Conducting nursing care preparation seminars to equip employees with the knowledge that will enable them to respond calmly to sudden nursing care needs.
- We contracted with an outside advisory service that employees can privately consult about caregiving issues.
- Enable the use of the following programs to support balance between work and caregiving.

<Caregiving Program>

Name	Overview
Caregiver leave	May take up to 1 year and 6 months per applicable family member
Caregiver reduced hours	Can be taken up to March 20th after three full years from start of use An extension will be granted if ongoing care is necessary.
Caregiver overtime exemption	Exempt employees from overtime exceeding nominal hours
Caregiver overtime restriction	Restricts employee overtime to less than 24 hours per month or 150 hours per year
Caregiver night shift restriction	Restricts night shift assignments for employee
Caregiver telecommuting program	Enables telecommuting up to limited time specific for each work shift
Caregiver leave	Allows employee to take 5 days/year for 1 applicable family member or 10 days/year for 2 applicable family members as caregiver leave (unpaid)

<Caregiver Leave Trends>

FY	Caregiver Leave	Employees using caregiver reduced hours
2023	3	4
2022	2	5
2021	5	6
2020	2	4
2019	6	4
2018	2	5

* Data for Seiko Epson Corporation employees as of March 20, 2024.

Epson's Wellbeing Leave Program

Seiko Epson introduced a special paid leave program in March 1998 that allows employees who do not use all their annual paid vacation days during the year to stockpile the remainder, up to 60 days, in a separate account. They have the option of using special paid leave days in the event of personal injury or illness, or to care for children or family members, or to participate in school events for their children in elementary and middle school.

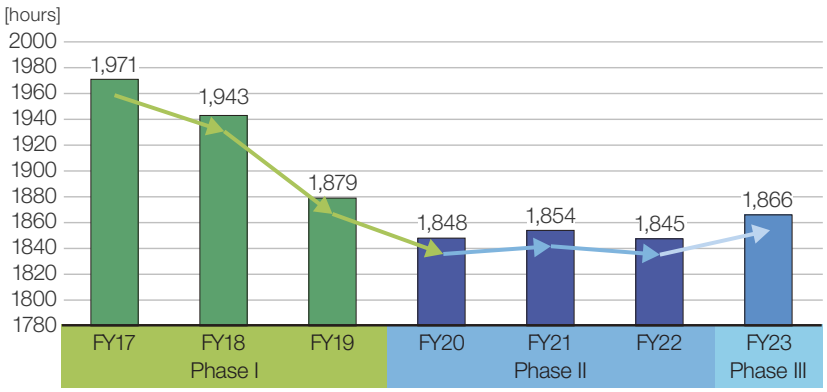
Managing Working Hours

Seiko Epson has been acting to more closely manage working hours and prevent long working hours as part of work reforms we began in 2017 and as a priority field in our Health Action 2025 medium-term health management measures we enacted in April 2022. In addition to ensuring legal compliance by familiarizing employees with an operations manual for managing working hours, we monitor in-out times and hours spent at work with automated tracking systems. We also remind personnel of the importance of maintaining reasonable working hours.

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

Target in FY2024 for actual total annual working hours: 1,845 hours

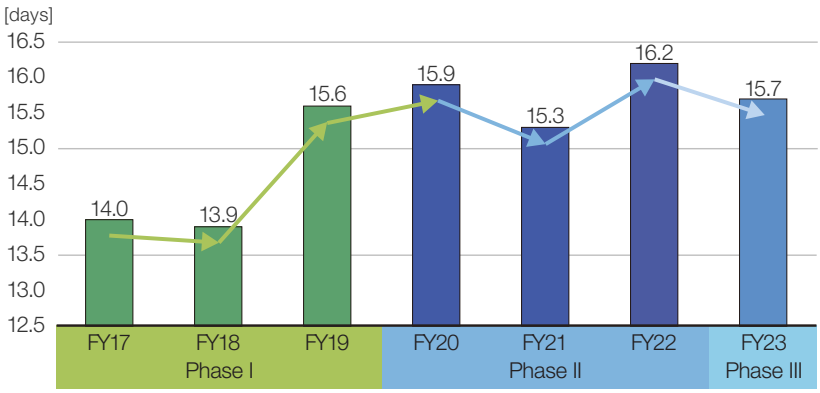
Annual Total Working Hours per Employee



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

Target in FY2024 for number of days of paid leave taken: 20 days (including leave taken other than annual paid leave)

Number of paid leave used



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

Wages

Epson`s wage standards are compliant with the local labor regulations in the countries where we operate. Our standards provide for things such as suitable wages, allowances, and extraordinary pay.
The Epson Group Human Rights Policy states `Epson promotes equality of opportunity and treatment in respect to employment, occupation, and remuneration, with a view to eliminating any discrimination.` In Japan, Epson pays its people based on the principle of equal pay for equal work, regardless of type of employment, as required by law. The wage system does not discriminate by age or gender. Seiko Epson eliminated the gender pay gap in 1983.

In Japan, for regular employees who are not in management positions, we have introduced a qualified grade-based system wherein compensation is primarily 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 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

Epson states in its Human Rights Policy that it respects the right to freedom of association and collective bargaining based on applicable laws and regulations. It also commits to providing workers with necessary information and exchanges opinions with them in good faith to maintain good labor-management relations.

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.

* Rate of joining the labor union among all regular employees: 86.3%

Main Employee Welfare and Benefits Systems (Japan)

Category	Description of System
Insurance	Health insurance, welfare pension, long-term care insurance, employment insurance, workman`s accident compensation insurance
Pensions	Corporate pension fund, defined contribution pension plan
Assistance	Commuting expense subsidy, employee cafeterias & shops, uniforms
Leisure	Subsidies for get-togethers between employees, clubs for employees with shared interests
Personal development	Distance learning and license/qualification acquisition subsidies
Asset-building	Employee savings scheme, employee stock ownership plan
Housing	Company housing and apartments for singles
Medical & health	Company infirmaries and therapy (massage)
Caregiving	Time off, leaves of absence, reduced hours, and home care services for employees who are caring for children or other family members
Other	Congratulatory and condolence payments, long-term service awards, group insurance, etc.

Health and Productivity Management

Health Management at Epson

Epson considers the health of all people in the Epson Group to be our top priority. We are thus working to create an enjoyable and dynamic workplace environment to ensure their physical and mental well-being in line with Epson`s Purpose Statement, the Epson Way, the Epson Group`s Basic Occupational Health and Safety Policy, and the Epson Group Health and Productivity Management Declaration.

In April 2020, the president of SEC made free and open communication, enjoyment of work, and changes in the organizational climate priorities. In conjunction with this, Epson publicly committed to the Health and Productivity Management Declaration.

In April 2024, Epson partially revised the Health and Productivity Management Declaration to clearly state that our health management programs are for all Epson Group contributors and not just our own employees. In June, we also established English and Chinese translations of the Declaration and are rolling it out globally to 62 of our overseas sites (as of March 31, 2024). Occupational health laws and regulations may differ from country to country and region to region, but our efforts to ensure a healthy organizational climate and employee happiness do not change. Our overseas affiliates will manage health in line with their local laws and culture and will strive to support continuous improvement in health through initiatives tailored to prevailing conditions. In this way, we are reiterating our commitment to promoting the health and well-being of everyone in the global Epson Group and to achieving our corporate aspiration of achieving sustainability and enriching communities.

Health and Productivity Management Declaration

At Epson, we consider the health of all people in the Epson Group to be our top priority.

We therefore take a proactive, participatory approach to creating a rewarding, dynamic, and engaging workplace environment and promoting physical and mental wellness for all.

Our goal is for all Epson Group contributors to feel energized, produce results that surprise and delight, and make the world a better place.

People: Top management, employees, contractors, temporary workers, and other workers who do work activities and are under the control of the company.

Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Health Management Objectives and Organization

Health Management Goals

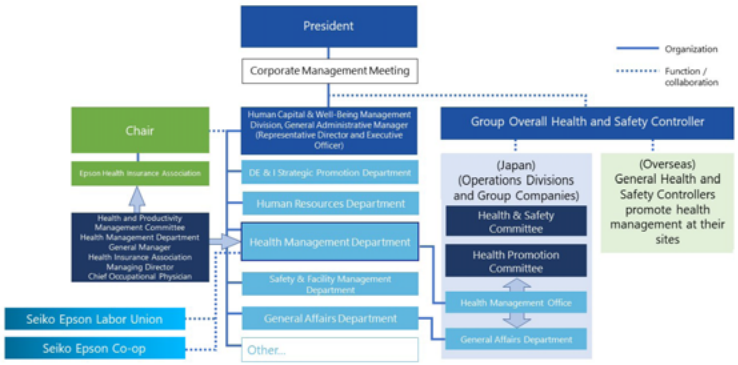
The goals of health management are employee happiness and contributions to society. We want all who work at the Epson Group to enjoy a dynamic workplace and to feel that their job is worthwhile and rewarding, with the result that even more societal issues get resolved. We believe that this will lead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

We recognize that this will require each individual to engage in health practices that suit their needs and situation, which may change as different work arrangements are introduced and the workplace environment evolves. Our efforts are thus being directed toward the self-management of mental and physical health and fostering a positive, healthy workplace climate.

Organization

Seiko Epson created an integrated Human Capital & Well-Being Management Division under the president, who holds the ultimate responsibility for health management, to drive the Group's unique health initiatives forward. The Representative Director and General Administrative Manager of the division is responsible for overseeing all health management initiatives. As an Executive Officer, this individual participates in the Corporate Management Council and serves as the Chair of the Health Insurance Association.

Epson Health Management Organization



In Japan, we are executing a mid-term health plan in cooperation with relevant departments, business sites, and affiliated companies. A Health and Productivity Management Committee, which is jointly run by the company and the health insurance association, is responsible for analyzing health and productivity-related data and for establishing, evaluating, and improving health-related measures and policies. Health promotion committees, led by employees and involving the company and health insurance association, meet regularly to coordinate activities.

Epson Group companies overseas began implementing initiatives to maintain and improve employee health at the start of the 2024 fiscal year. The initiatives are tailored to the specific needs of each company and are aligned with the local culture and occupational health laws and regulations. In June 2024, we introduced the Health and Productivity Management Declaration globally and are collaborating with our overseas sites to promote certain unified actions Group-wide.

See the following links for more information about actions being carried out with the Human Capital & Well-Being Management Division:

Epson Group Basic Occupational Health and Safety Policy (Please refer to page 354 of "Appendices")

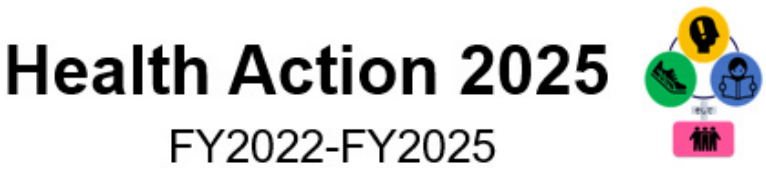
The "Health Action 2025" Health Management Policy

Health Action 2025

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

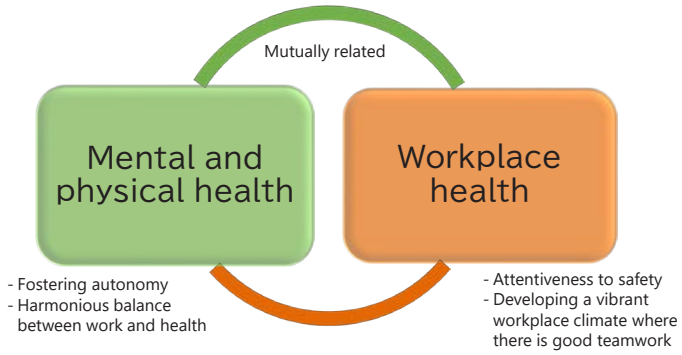
Significant changes are happening in the workplace. More diverse work arrangements are being introduced and the workforce is aging. To adapt to these changes, we believe employees need to understand the state of their own health and to work toward personal wellness. We are working on two important areas. One is mental and physical health, where we are looking to foster autonomy and strike a harmonious balance between work and health. The other is workplace health[1], where we aim to ensure safety and foster an organizational climate in which teams work in an enjoyable and dynamic manner. Health Action 2025 programs are being carried out under the slogan `Notice, learn, act, and acknowledge.`

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



Key Areas

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



Slogan

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

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

Notice, learn, act, and acknowledge



Notice
- Monitor mental and physical health with health examinations
- Self-measure (weight, blood pressure, and steps)
- Notice changes in yourself and your surroundings (Don't ignore the signs when you don't feel quite right)

Learn
- Do your own research and allow yourself to be taught
- Utilize the training and education
- Get the right knowledge

Act
Increase the things you can do now to improve your health
- Don't smoke
- Manage stress
- Good sleep quality
- Get the necessary tests and treatment
- Move more than you do now
- Eat healthily

Acknowledge
- Greet with a smile
- Encourage and thank each other
- Help each other
- Listen to others

Objective and Targets

Mental and Physical Health

Objective

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

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

Workplace Health

Objective

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

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

[1] Indexed with the FY2022 percentage set to 1

Health-Related Data Analysis

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

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

In March 2024, Epson was recognized under the Health & Productivity Stock Selection Program for the third consecutive year.

The Health and Productivity Management Stock program was launched jointly by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange. The program selects publicly traded companies that pursue strategic health management initiatives to promote the health of employees and other personnel from a management perspective. By highlighting companies that are attractive for investors who prioritize long-term improvement in corporate value, the program seeks to encourage companies to engage in health management efforts.

Epson received high scores in all four areas of health and productivity management: management philosophy and policy, organization, program and action implementation, and evaluation and improvement. As a result of its ongoing efforts, Epson has also been certified for eight consecutive years under the Certified Health and Productivity Management Organization Recognition Program (White 500), which was started in 2017 by METI and the Nippon Kenko Kaigi as a way to recognize companies that practice excellent health and productivity management.





Mental and Physical Health

Increasing health literacy

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

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

In the area of workplace health, we conduct self-care education courses focused on fostering a healthy workplace climate. The courses are mainly provided online, but some also combine online study with face-to-face workshops.

In FY2023, we provided an online course in body weight management for all personnel. (The completion rate was 88.2%.) In FY2024, we plan to offer online courses in sleep, cancer, and communication. We also provide self-care education tailored to different age groups from the time people join the company.

Wellness activities

The health promotion committees at our various sites have been operating since the 1990s based on THP (Total Health Promotion Plan) guidelines to maintain and improve health and to revitalize and energize the workplace. These committees have been set up at each business site to give employees themselves an avenue to develop and implement wellness activities through cooperation among management, the union, and the health insurance association.

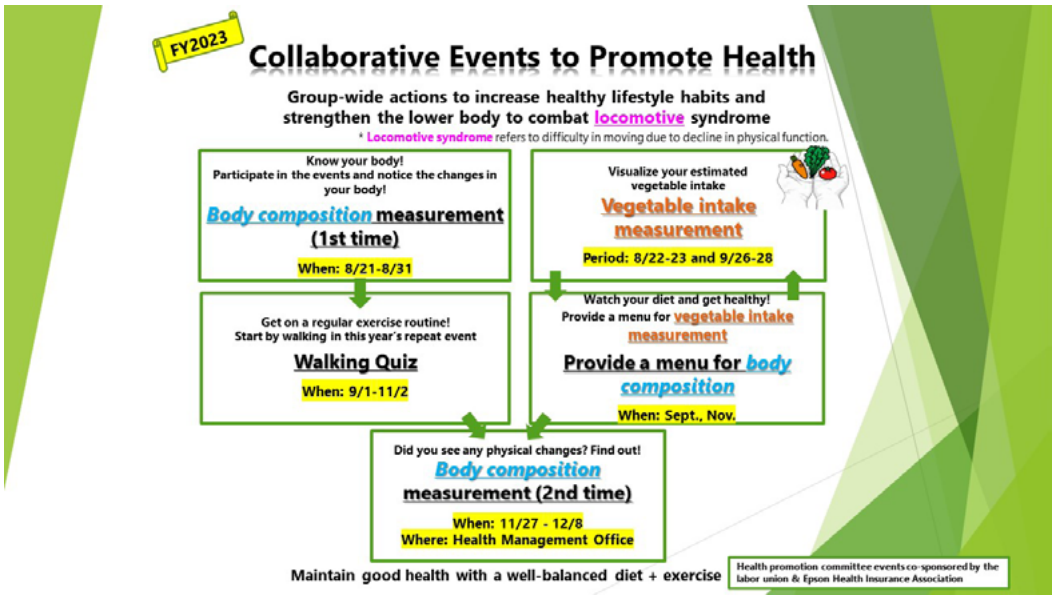


Health Promotion Committee Member Training

Training sessions for committee members were held separately at the start of the fiscal year at each of the 15 sites. However, beginning in FY2024, we held a single training session online simultaneously. To foster a sense of company-wide unity and to ensure a certain level of knowledge, messages from management were sent to the health promotion committees, roles were clarified, and education was provided. The FY2024 session was attended by 285 people, both on-site and online.

• Well-being activities created by employees themselves

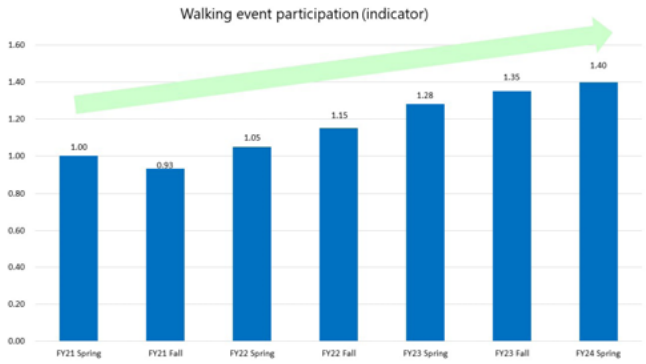
The health promotion committees select health issues at their sites and organize events that help to address them in a way that people enjoy. For example, there are events for measuring body composition, events that encourage people to get on a regular exercise program, lectures on nutrition to improve dietary habits, and sleep seminars. Some of the more unique events meant to encourage regular exercise include a photo contest in which people post the best photo of something they found on a walk and a quiz in which people look for answers that can be found along a walking course.



Examples of Site Activities

• Company-wide events to promote health Walking events

Walking events have been held annually since FY2021 with the health insurance association. Employees can participate as individuals or as members of a team. Awards and incentives are provided based on site participation and achievement rates. Participation has been increasing with each iteration, contributing to the establishment of a regular exercise routine, mental and physical refreshment, and improved workplace communication.



• Events to improve eating habits

Epson and the co-op have been partnering since 2019 to promote dietary health. As part of this program, they arranged to offer vegetable-rich, lower-sodium soups at all Epson Group cafeterias in Japan during the months of October and January of fiscal 2023. These menu choices help to encourage employees to improve their eating habits.



Vegetable-Rich, Lower-Sodium Soups

Individual Support

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

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

Cancer Screening

Epson and the health insurance association work together to provide cancer screening at the annual physical. They help build awareness and increase the cancer screening rate and follow-up testing by distributing informational materials and encouraging symptomatic individuals to seek further testing.

Workplace Health

Mental Health and Wellness Programs

In the area of mental health and wellness, employees whose mental health issues have caused them to take time off from their jobs can benefit from our back-to-work program. The program has helped smooth the transition back to the workplace and prevent relapses. We have strengthened our efforts to review what led each individual to take a leave of absence when they return to work and have been successful in reducing repeats. Medical professionals and industrial counselors come together to consider how to respond as a team, and they work closely with the individual`s primary care physician, manager or supervisor, and human resources department to provide better support. Apart from this, individuals whose stress check scores indicate that they are highly stressed are encouraged to speak with a physician. Those who do not wish to do so are encouraged to come in for counseling with a member of the occupational health staff. Moreover, we educate managers, supervisors, and leaders regarding mental health by providing online courses and group training seminars. These are designed to enable them to better foster a healthy, vibrant workplace climate.

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

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

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



Discussion facilitation

We continue to provide traditional workplace support because we are seeing the average overall health risk across the company decrease. On the other hand, the percentage of high-risk workplaces has stopped declining, so we continue to provide workplace support while also enhancing training for managers and supervisors to prevent further increases.

Measures to Prevent the Spread of Infectious Disease

• Common infectious diseases

In March 2024, we provided an online course on infection prevention in the workplace. When designing the course, which was completed by 90.3% of the workforce, we used the lessons learned from the COVID-19 pandemic to teach personnel how to avoid becoming infected and how to avoid infecting others.

• Emerging infectious diseases

To eliminate Epson Group plant closures caused by outbreaks of disease, 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 views infectious diseases as a major risk affecting its global corporate activities. We are advancing efforts across the global Epson Group to keep employees safe, minimize damage, and ensure business continuity. These efforts include formulating regionally tailored business continuity plans (BCP) to control risks in the event of an outbreak of emerging infectious disease, conducting contingency drills, and stockpiling of epidemic prevention supplies.

Other Initiatives

Support for Japanese Employees Working Overseas

We have set up a global health support desk to provide consultation services and health-related information to Epson employees from Japan who are working overseas.

Prior to assignment, our occupational physician responsible for overseas provides information and education on three major infectious diseases (HIV, malaria, and tuberculosis).

To reduce mental and physical health risks associated with overseas assignments, the physician interviews expats when they temporarily return to Japan during the first three to six months after assignment. In addition, individual interviews are conducted online within the first year of the assignment.

Expats are provided with the same level of health-related support health as our employees in Japan. We regularly send them health-related information, conduct physical and mental health assessments, provide follow-up, and post information on the company intranet.

Support for Women's Health Issues

Counseling services

Epson aims to create a work environment where employees can work comfortably together, regardless of gender. We offer counseling and support for health issues related to childbirth, childcare, menopause, and more. Support is available not only to the employees themselves but also to their supervisors and coworkers.

Education programs

- The company provides education on women`s health issues at various echelon-based seminars.
- The Human Resources Department, the DE&I Strategic Promotion Department, and other related departments are working together to explore additional initiatives and programs.

Training in Life-Saving Procedures

There have been incidents in the past in which individuals have suffered cardiopulmonary arrest at Epson sites. In view of this, Epson began to spread awareness of emergency procedures at Group companies in Japan so that we can provide the best first aid and life-saving treatment if we should ever be present when someone suffers such an event.

Executives and other personnel have been given online and hands-on training in cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators (AEDs). As of the end of June 2024, over 17,000, people took the courses.

Initiatives Involving External Partners

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

Promoting Broader Health Management Activities

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

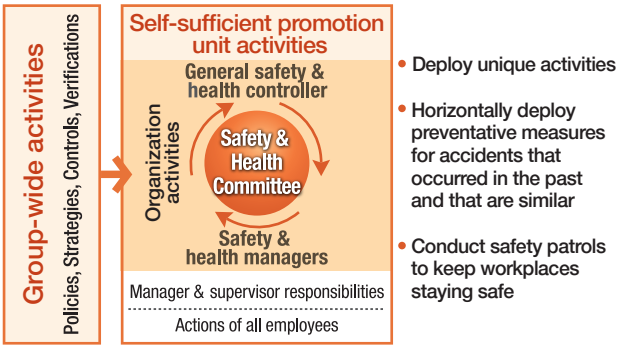
We also presented the results of our analysis from the perspective of positive mental health at the 97th Japan Society for Occupational Health at the conference and provided information on our activities.

Occupational Health and Safety

Approach to Occupational Health and Safety

At Epson, safety, health, and compliance take precedence over performance. We believe that initiatives to promote a healthy and safe work environment and to protect the physical and mental wellbeing of our people are essential for a healthy company. We are thus carrying out occupational health and safety activities around the globe to ensure that all workers in the Epson Group can enjoy work in the knowledge that they are safe.

Basic Concept of Occupational Health and Safety Activities



Epson has established a Basic Occupational Health and Safety Policy that is founded on the four pillars of safety, health, fire and disaster management, and facilities, and we make officers, employees, and our partners aware of our occupational health and safety (OH&S) activities.

Epson Group Basic Occupational Health and Safety Policy (Please refer to page 354 of "Appendices")

Commitment

Epson is evolving the Group's OH&S activities to align them with ISO 45001, thereby further improving the workplace health and safety environment. Bearing in mind that safety, security, and health are the lifeblood of the company, we will comply with all applicable local and international laws and regulations as well as with company rules. We will strive to maintain and promote both mental and physical health. Together, we will work as one to achieve our goals of zero serious occupational accidents and industrial incidents and zero occupational illnesses, thereby laying the foundation for achieving sustainability and enriching communities.

Yoshihiko Kubota
Deputy General Administrative Manager
Overall Safety and Health Controller
Human Capital & Well-Being Management Division

Occupational Accident Situation

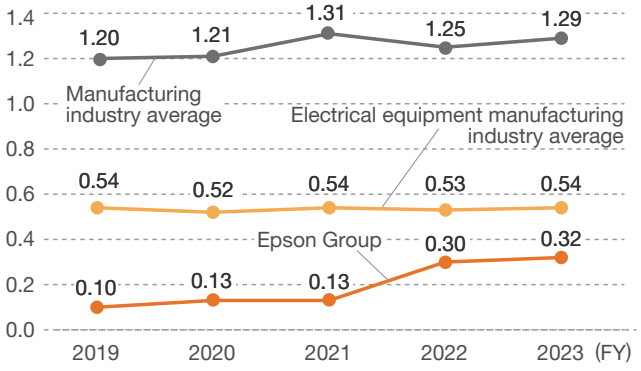
In FY2023, we did not have a serious occupational accident[1]. The actions we took reduced the number of collisions and hit-by accidents from 12 to 3. However, the number of falls increased from 18 to 21, while the number of accidents involving reaction to motion and over-exertion increased from 3 to 10. In FY2022, we revamped our tracking indicators to include sales companies along with manufacturing companies and began stepping up our OH&S activities. Nevertheless, we are seeing occupational accidents at sales companies trend higher. Many of the accidents involve lower back injuries from warehouse work and injuries from falls in offices. We have been holding OH&S meetings with all business units, including Epson sales companies, and continue to implement actions to prevent such accidents from recurring.

The number of incidents involving smoke and fire increased from 3 to 5. These incidents involved consumer appliances, including an electric fan and a dish dryer. For this reason, we are taking steps to strengthen the management of such appliances.

The occupational accident frequency rate and severity rate[2] rose slightly from last year, but they remain below the national average.

[1] Accidents involving death, disability, or other comparable aftereffects
[2] Occupational accident indicators that are calculated in accordance with a formula of the Ministry of Health, Labour and Welfare

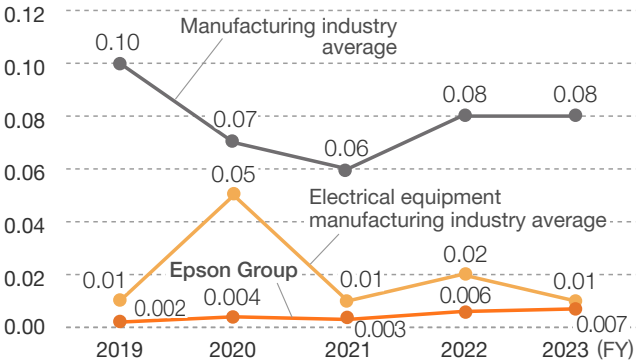
Occupational Injury Accident Frequency



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: 7,500 days for physical disability levels 1–3
- Permanent partial disability: 50 to 5,500 days depending on disabilitylevels 4 to 14
- Temporary disability: The total number of lost days, including designated holidays, is multiplied by 300/365

Number of Occupational Accidents, by Type, in FY2023 (Unit: Accident)

Falls	Reaction to motion, over-exertion	Fire & smoke	Collisions	Cuts, scrapes	Other	Total
21	10	5	3	2	7	48

* The count only includes accidents that resulted in the loss of one or more work days.

Safety Management Activities

After reviewing the results from FY2023, we set the targets for FY2024 as follows:

Indicator	FY2023 Target	FY2023 Actual	FY2024 Target
Serious occupational accidents & industrial incidents	Zero	Zero	Zero
Occupational accident frequency rate	≤ 0.30	0.32	≤ 0.30
Occupational accident severity rate	≤ 0.006	0.007	≤ 0.006

Actions for FY2024

Based on an analysis of occupational accidents that occurred in FY2023, we will focus on the activities below in FY2024 to prevent the same or similar accidents from recurring and preemptively avoid other accidents.

- Falls: In addition to making environmental improvements to staircases and eliminating trip hazards, etc., we will try to eliminate falls by helping employees to improve or maintain their physical fitness.
- Reaction to motion & over-exertion: To address lower back injuries and other injuries that occur when transporting objects or when performing continuous physical tasks, we will better identify risks associated with physical stresses through on-site observation and take corrective action.
- Fire and smoke: In response to incidents involving general household appliances, we will enhance pre-purchase specification checks and regular inspections.

When introducing new machinery or equipment, including during the research and development stage, we identify and assess risks in accordance with the Group`s risk assessment criteria. We then implement safety measures based on the findings.

ISO 45001 Certification Acquisition Situation

To protect employees from occupational health and safety risks, Epson manufacturing companies as well as some other sites have been systematically working to obtain ISO 45001 certification, the international standard for OH&S management systems, over a three-year period. By the end of FY2023, 12 out of our 14 manufacturing sites in Japan and all 14 of our overseas manufacturing sites have obtained ISO 45001 certification, making for a certification rate of 92.9% (26/28). The remaining two sites will earn certification this fiscal year.

Global Sharing of OH&S Activities Information

Epson production sites in Japan and abroad regularly hold meetings between management and operational staff and between labor and management to share information and level up their OH&S activities.

At the management level, the senior executives and Epson Group company presidents who head up health and safety programs at Epson sites in Japan gather twice a year for a General Health & Safety Controllers` Meeting in which the director in charge participates. The same thing happens separately overseas. These meetings are used to discuss the current situation and challenges faced in occupational health and safety and to work on improvements.



A February 2024 general health and safety controllers` meeting in Japan

At the labor-management level, members of the labor union and management convene monthly Health and Safety Committee meetings to gather ideas and feedback from workers that can be used to improve site health and safety.

Building Awareness Internally through Safety News Bulletins

Epson analyzes all occupational accidents and industrial incidents in the Epson Group, identifies causes, and implements measures to prevent similar incidents. Information on occupational accidents and industrial incidents—including causes, countermeasures, and recurrence prevention measures—is compiled into `Safety News` bulletins and disseminated to all employees through the company intranet.

Human Resource Development through Health and Safety Education

Epson considers its comprehensive health and safety education courses to be among the most important in its education program. A key feature of the program is that the curriculum is tailored to the different echelons and roles of employees. For general employees, we focus on practical training in things such as risk assessment and hazard prediction. For management and supervisory staff, the emphasis is on acquiring skills to lead the workplace. This approach is integrated into the company-wide education curriculum.

In FY2023, we provided online safety education courses. These courses were completed by 19,697 employees, or 97.97% of the workforce. Outside Japan, 27,336 employees completed the courses.
We keep track of, and follow up with, those who have not completed the courses.

Fire and Disaster Prevention

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

Formation of Fire Brigades

Epson has had independent fire brigades in place for 68 years. The first brigade was formed in 1955, with 15 men dedicated to protecting their factory from fire. As our business has grown, so has the number of fire brigades. There are now approximately 900 employee firefighters active at business sites in Japan and at facilities around the world. Fire brigades train year-round to protect life and company property.



Members of the Group's first independent fire brigade (1955)

Purpose and significance of independent fire brigade initiatives

- Regular training teaches members about firefighting techniques and skills and raises their safety awareness so they can take immediate and proper action in an emergency. This is part of company safety education.
- Fire brigade training is meant to enable personnel to ensure personal safety (rescue and render first aid) and minimize damage to facilities and equipment by fighting incipient fires when there is an accident or disaster.
- Employees who learn about safety and firefighting techniques and skills become key members of the workplace to instruct others there. They model fire/disaster prevention and safety for all employees, which raise workplace awareness of the same.
- Initiatives to fight fire enhance communication. Brigades are a good place to foster friendships between members from different departments, develop character, and cultivate human resources.

Drills in Fighting Incipient Fires

Fire brigades

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

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



Fire brigade drill



Firefighting drill



Nighttime firefighting drill

General firefighting training

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


Training in fire extinguisher use


Employees practicing fire extinguisher use

Facility Safety Maintenance

Epson maintains safe facilities in line with the Epson Group Basic Occupational Health and Safety Policy to prevent accidents caused by faulty buildings, equipment, and facilities.

Facility safety maintenance covers all domestic and foreign Epson Group buildings and building equipment, including but not limited to electrical equipment, air conditioning and sanitary equipment, drainage equipment, disaster management equipment, communication equipment, and equipment for supplying gas and chemicals to production machinery. Maintaining the soundness of buildings and building equipment, planning and maintaining them to minimize 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 safety assessments prior to use to verify that 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 enlist the cooperation of outside partners to do the actual construction work. When we hire a partner, 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 our partners 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



Outside partner safety conference



Electrical equipment technician training

Supply Chain

218 Top Message
219 Vision
224 Supplier Guidelines
226 Supply Chain Initiatives
241 Communication & Training
245 Responsible Mineral Sourcing
251 Supply Chain Human Rights Due Diligence
256 Green Purchasing
257 Paper Products Procurement

Top Message

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

We Will Build a Sustainable Supply Chain by Engaging Our Suppliers.

Epson wants to help solve societal issues and achieve sustainable growth through sustainability initiatives based on the idea of building social trust, the concept that underlies Epson`s Management Philosophy. We are building social trust by complying with local laws and regulations in the countries and regions where we operate, as well as by honoring international sustainability initiatives such as the Sustainable Development Goals (SDGs) and the Responsible Business Alliance`s Code of Conduct. Furthermore, as outlined in the United Nations Guiding Principles on Business and Human Rights, Epson`s responsibility extends to its value chain.

To attain our goal of achieving sustainability and enriching communities, we are working to ensure socially responsible supply chains and sustainable procurement from the standpoints of human rights and sustainability. In addition, with the cooperation of our business partners and the collaboration of our suppliers, we will proactively take on new challenges, including initiatives meant to solidify business continuity management, transit to 100% renewable electricity, and reduce greenhouse gas (GHG) emissions on our way toward building a green supply chain.

Epson will strengthen its partnerships based on the fundamental stance of fairness, equity, and mutual prosperity with business partners, while working to build a responsible supply chain.



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

Vision

Supply Chain CSR Vision

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

In 2021, Epson identified four materialities (priority issues) that it should address to help solve societal issues and advance toward its aspirational goal of achieving sustainability and enriching communities. Epson selected 12 Key Sustainability Topics that it will act on to achieve these. Realizing responsible supply chains is listed as a Key Sustainability Topic for fulfilling our social responsibility. We are working to achieve the key performance indicators (KPI) that have been set for each of the Key Sustainability Topics, which have been mapped to the 169 targets of the 17 Sustainable Development Goals (SDGs) of the United Nations. The entire Epson Group will contribute to achieving the SDGs targets.

As a means to enhance CSR in its own supply chains, Epson joined the Responsible Business Alliance (RBA) an industry coalition comprised of electronics, retail, auto and toy companies dedicated to responsible business conduct in global supply chains. We support RBA's mission and code of conduct, which consists of internationally recognized, ambitious CSR requirements covering human rights, health and safety, the environment, and ethics. The RBA Code of Conduct is regularly reviewed and revised to establish common requirements that the electronics industry should work toward together.

As a Regular Member of the RBA, Epson is expected to observe the RBA Code of Conduct and meet its supply chain due diligence obligations at a high level. Accordingly, in addition to ensuring compliance in our own operations, we ask our suppliers to observe the requirements and promote CSR across the entire supply chain.

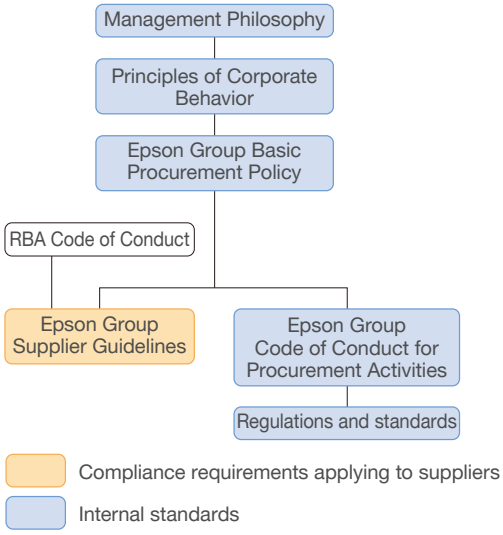
Responsible Business Alliance
Advancing Sustainability Globally

Sustainable Procurement Policy

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

The Epson Basic Procurement Policy sets forth fundamental procurement practices. We engage in procurement activities that comply with international rules and the laws and regulations of all nations, fulfilling our social responsibilities, including those related to human rights and the environment. We build sustainable supply chains by forging partnerships of mutual trust with our suppliers based on fairness and mutual benefit. We also work with our suppliers to stabilize and optimize quality, prices, and delivery times to deliver products and services of value to our customers.

CSR Procurement Policies



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

The Epson Group Supplier Guidelines include a Code of Conduct pertaining to labor(human rights), health and safety, environment, ethics, and management systems. This Code of Conduct is based on the Code of Conduct of the Responsible Business Alliance (RBA), a coalition dedicated to supply chain CSR.

Supply Chain CSR Strategy

Epson aims to help solve societal issues and achieve sustainable growth through sustainability initiatives that are aligned with the Principles of Corporate Behavior, which is based on the idea of building social trust, the concept that underlies Epson`s Management Philosophy. Not only do we comply with local laws and regulations in the countries and regions where we operate, we also respect international sustainability initiatives such as the Sustainable Development Goals (SDGs) and the RBA code of conduct.

Furthermore, as stated in the United Nations Guiding Principles, our responsibility extends to our supply chain. Based on the company policy `to achieve sustainability and enrich communities` we have strategically defined key mid- to long-term supply chain CSR action items from the perspective of `human rights` and `sustainability`.

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

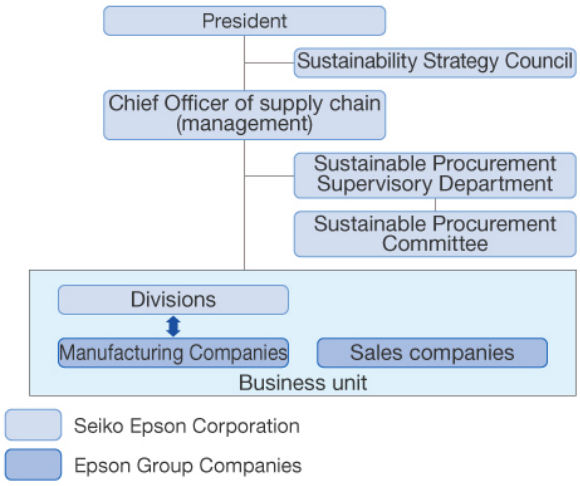
Promoting decent work	Ensuring work safety	Responsible mineral sourcing	Environmental impact mitigation

Organization

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

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

Organization of Supply Chain CSR



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

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

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

Socially responsible procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
Responsible mineral sourcing: Make products conflict-mineral-free[1] and disclose product information.

[1] Use only conflict-free smelters and refiners certified under the RMI`s Responsible Minerals Assurance Program (RMAP).

FY2023 Action Items and Results

	Action Items and KPI	Result
1	Improvement in CSR CSR SAQ results (major direct material suppliers[1]) -0% high risk (0 companies) -4% medium risk (20 companies) or less	Major direct material suppliers -0% high risk (0 companies/0 sites) -4.2% medium risk (23 sites)
2	Strengthening conflict minerals survey 1) Survey return rate: 100% 2) Feedback to suppliers using smelters that are not conflict-free certified[2]: 100%	1) 100% for CMRT (915 companies) 2) 100% (1500+ Feedback)
3	Strengthening CSR engagement with suppliers: 1) Supplier CSR meetings: Hold at 100% of production sites	1) 94% (15 sites)

[1] Major direct material suppliers: Epson`s Tier 1 (direct) suppliers are arranged in descending order based on transaction amounts and selected until 80% of the total spend is reached.
[2] Smelters that are not conflict-free certified: Smelters and refineries that are not certified as being conflict-free under the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

FY2024 Action Items

	Action Items	KPI
1	Maintain and improve supply chain CSR	1) Return rate of Supplier Guidelines Agreement Letter: 95% (2500 companies) of major suppliers of direct materials[1] and indirect materials[2] 2) CSR SAQ risk level: Zero (0%) major supplier of direct and indirect materials rated high risk[3]
2	Strengthening conflict mineral surveys	1) Survey return rate: 100% 2) Provision of smelter or refiner (SOR) information to suppliers: monthly (12 times/year)
3	Strengthening supply chain BCM[4]	Impact on sales from supply chain disruptions: zero (0)

[1] Direct materials: raw materials and parts required in product assembly, subcontracting of processing, etc.
[2] Indirect materials: factory supplies that are not direct materials, machinery and equipment, public relations and advertising, logistics, outsourcing, temporary staffing, etc.
[3] High risk as assigned by the RBA when RBA-Online is used, or a score of less than 65 points when Epson`s own SAQ is used to assess risk level
[4] BCM: business continuity management

External Recognition

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

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

Seiko Epson Corporation has continued to earn high ratings in sustainability assessments by France-based EcoVadis. In 2024, EcoVadis awarded Seiko Epson a Platinum medal. In 2020, a new Platinum medal[1] was established for the top 1% of the approximately 130,000 companies assessed worldwide. Seiko Epson was awarded Platinum medal for three consecutive years from 2020 to 2022. In addition to an overall score, EcoVadis provides scores for Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement Performance. Seiko Epson received its highest score in Sustainable Procurement, an evaluation theme that includes supply chain human rights initiatives, environmental initiatives, and responsible minerals sourcing.

EcoVadis Sustainability Assessment Results Trend

	2020	2021	2022	2023	2024
Overall rating	PLATINUM Top 1% 2020 ecovadis Sustainability Rating — Platinum	PLATINUM Top 1% 2021 ecovadis Sustainability Rating — Platinum	PLATINUM Top 1% 2022 ecovadis Sustainability Rating — Platinum	GOLD 2023 ecovadis Sustainability Rating — Gold	PLATINUM Top 1% ecovadis Sustainability Rating SEP 2024 — Platinum
Sustainable Procurement Score	80/100	80/100	90/100	90/100	80/100

[1] Platinum medal: A new rating established in 2020 in the EcoVadis sustainability assessment. Recipients must be in the top 1% and earn a certain score. (The minimum score for Platinum was 75 from 2020 to 2022, 78 in 2023, and then raised to 80 from January to June 2024 and then to 81 from July 2024.)

Supplier Guidelines

Epson Group Supplier Guidelines/Epson Supplier Code of Conduct

Epson believes that to achieve the goals stated in its Management Philosophy, its suppliers must understand the Management Philosophy and comply with the Epson Supplier Code of Conduct. For this reason, the Epson Group Supplier Guidelines includes a code of conduct that we ask suppliers to follow.

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

The 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. The Epson Supplier Code of Conduct included in the Guidelines cover corporate social responsibility (CSR) requirements 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. To gain the understanding of our suppliers around the world, we have translated the Guidelines into multiple languages. The current version of the Guidelines (Ver. 8.0) is available in seven languages.

We have asked all suppliers to comply with the requirements and have asked our major suppliers to sign a formal agreement. Version 8.0 of the Supplier Guidelines was established in April 2024. All direct material suppliers were notified of the revision, and more than 2,100+ companies (accounts, 95% of the total) submitted written agreements to comply with the Guidelines.

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

Requirements Under the Supplier Code of Conduct

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

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



A. LABOR (Human rights)	B. HEALTH AND SAFETY
A1 Prohibition of Forced Labor A2 Young Workers (including prohibition of child labor) A3 Working Hours (maximum working hours, holidays, voluntary overtime) A4 Wages and Benefits A5 Non-Discrimination/Non-Harassment/Humane Treatment A6 Freedom of Association and Collective Bargaining	B1 Occupational Health and Safety B2 Emergency Preparedness B3 Occupational Injury and Illness B4 Industrial Hygiene B5 Physically Demanding Work B6 Machine Safeguarding B7 Sanitation, Food, 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/Stakeholder Engagement and Access To Remedy E9 Audits and Assessments E10 Corrective Action Process E11 Documentation and Records E12 Supplier Responsibility

Supply Chain Initiatives

Supply Chain Management

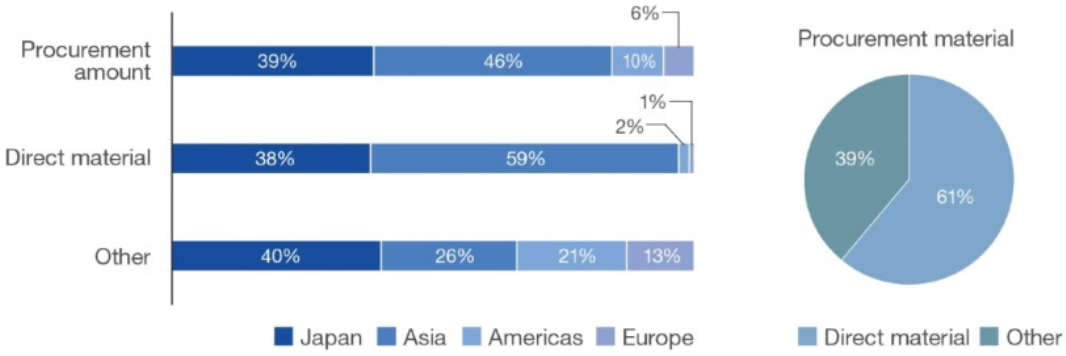
Epson considers suppliers to be important partners in its business activities. As such, our procurement activities are designed to develop mutually beneficial trusting relationships with our business partners based on fairness, transparency, and respect.

Epson procures goods from around the world. Domestic Japanese procurement accounts for about 39% of our total procurement spend. Asia accounts for the large majority of the remaining 61%.

Our procurement spent for direct materials (production materials and outsourced manufacturing) accounts for about 61% of the spend and indirect materials (including factory consumables, machinery, public relations, logistics, and staffing) for about 39%.

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

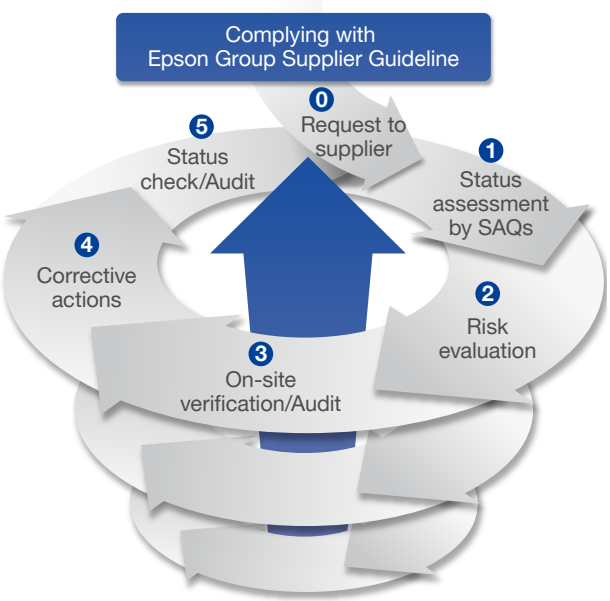
Epson evaluates both direct and indirect materials suppliers based on a comprehensive supplier evaluation program. The program consists of multiple evaluations. The primary components are an indirect evaluation, which is based on information from a third-party credit investigation, and a direct evaluation (annual evaluation), which is a self-check that suppliers do to evaluate their own QCD and other performance metrics.

Epson Group Supplier Evaluation Program	Evaluation Frequency
Indirect evaluation Evaluation based on information from an external credit bureau Evaluation items: Credit score, business history, capital composition, business size, profit/loss, financing status, management, etc.	Every 2 months
Direct evaluation (annual evaluation) Self-assessment of QCDEMS Evaluation items: Quality management (Q), cost management (C), delivery management (D), environmental management (E), management systems (M), and information security (S)	Once per year
Detailed CSR evaluation Self-evaluation and check of compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) Evaluation items: labor (human rights), health and safety, environment, ethics, and management systems	Once per year
Evaluation of emergency response capabilities Self-assessment of ability to respond in the event of a natural disaster, fire, or other emergency. Evaluation items: Management attitudes, risk countermeasures, and ability to respond to emergencies, recover from disasters, continue supplying goods, maintain procurement, and manage inventory, etc.	Once per year
Safety management evaluation Self-assessment of response to fires and other emergency risks Evaluation items: Management of electrical hazards, hazardous materials, fire prevention, etc.	Once per year

Socially Responsible Procurement Program

Epson`s socially responsible procurement program is an annual cyclical activity. It consists of steps in which we ask suppliers to comply with Epson`s Supplier Guidelines and complete self-assessment questionnaires (SAQ). Epson then analyzes and evaluates risks, verifies the facts on site or audits certain high-risk suppliers, and supports and works with suppliers on corrective actions.

Socially Responsible Procurement Program



Direct Evaluation (Annual Evaluation)

Certain suppliers, selected on the basis of procurement risk, are asked to complete an annual self-assessment questionnaire (SAQ).

They are asked questions in the categories of quality, cost, delivery, environment, and management systems. Management system questions include the management of hazardous substances in products, the handling of personal data, and compliance with legal requirements concerning things such as international trade control and bribery. We concurrently ask suppliers to check their information security and defenses against the recent global surge in cyberattacks and information leaks.

Section	Number of questions
Q. Quality	12
C. Cost	5
D. Delivery	5
E. Environment	5
M. Management system	16
S. Information security	25
Total	68

Suppliers who receive a score of 60 points or less in the annual evaluation are asked to take corrective action. We assist these suppliers in their efforts to improve. If, despite this, no improvement is observed, Epson terminates the relationship. In the 2023 annual evaluation, 14 suppliers scored 60 or were asked to take corrective action.

Direct Evaluation Results

		FY2021	FY2022	FY2023
Number of suppliers		959	937	900
Number of sites		1,572	1,582	1,425
% of suppliers who completed the self-assessment	Goal	100%	100%	100%
	Actual	100%	100%	100%
Suppliers asked to take corrective action (number of sites)		-	16	14

Evaluation of Prospective New Suppliers

New suppliers are asked to sign a Supplier Agreement under which they pledge to observe the Epson Group Supplier Guidelines/RBA Code of Conduct (covering human rights, health and safety, environment, and ethics expectations). They are also asked to complete a self-assessment, the content of which is based on the annual evaluation. Both of these conditions must be met before transactions can begin. If they score fewer than 70 points, we ask them to correct issues before doing business with them.

Detailed CSR Evaluation

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

Every year, Epson evaluates supplier compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) based on a detailed self-assessment questionnaire (SAQ). Suppliers are asked to take corrective action, depending on the results of the SAQ. We also have a process for verifying supplier answers via audits, site observations, and interviews.

Suppliers can choose to answer either an online SAQ provided by the RBA or an SAQ prepared by Epson that is based on the RBA`s Validated Audit Program (VAP) audit criteria. The Epson SAQ is designed to thoroughly check the human rights situation at suppliers` sites has many questions in the labor section as well as questions about the protection of the rights of indigenous peoples and foreign immigrants. Epson`s SAQ form is available in multiple languages[1] to ensure that local suppliers of Epson`s overseas manufacturing sites understand the questions on the SAQ and provide accurate answers.

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

[1] The SAQ for direct material suppliers is available in five languages and that for indirect material suppliers is available in six languages.

Composition of Questions on the 2023 Epson SAQ

Section	Scope & Number of questions	
	Direct supplier	Indirect material supplier
A. Labor (human rights)	40	37
B. Health and safety	30	9
C. Environment systems	13	-
D. Ethics	13	8
E. Management systems	15	9
O. Protection of the rights of indigenous peoples and foreign migrant workers	5	5
Total	116	68

Epson SAQ Scores and Risk Ranks

Risk rank	Score	Remarks
Low risk	More than 85 pts.	• Suppliers who comply with the requirements of the RBA Code of Conduct
Medium risk	65-85 pts.	• Suppliers who do not comply with some of the requirements of the RBA Code of Conduct but are expected to take corrective action themselves
High risk	Less than 65 pts.	• Suppliers who do not comply with many of the requirements of the RBA Code of Conduct and need to be monitored based on a corrective action plan • Suppliers who are asked to undergo an RBA (VAP) audit

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

2023 SAQ

In 2023, we conducted a detailed CSR evaluation (SAQ and corrective actions) of major suppliers.

Scope of 2023 SAQ

		Selection Criteria
Direct materials	Major suppliers	Suppliers who account for 80% of the value of Epson`s procurement spending[1]
	Other key suppliers	Key suppliers designated by each business line. Single source suppliers, etc.
Indirect materials suppliers	On-site service vendors[2]	Vendors on Seiko Epson and its production sites
	Staffing/recruitment agencies	Agencies that Seiko Epson and its production sites employ
	Logistics warehouse operators	Operators that Seiko Epson and its production sites employ
	Call center contractors	All call center service providers that Epson uses

[1] Epson`s Tier 1 (direct) suppliers are arranged in descending order based on transaction amounts and selected until 80% of the total spend is reached. If a tier 1 supplier is a trading company, the manufacturer that supplies the trading company is asked to complete an SAQ.
[2] Contractors who provide security, food service(canteen), and other services at Epson sites.

Direct Material Suppliers

In 2023, Epson collected a completed SAQ from all the 270 major tier 1 direct materials suppliers (547 sites) who asked to complete one. Epson also asked single-source suppliers and other key suppliers to complete a SAQ and collected one from each. When our tier 1 supplier was a trading company, we also had tier 2 suppliers complete an SAQ.

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

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

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

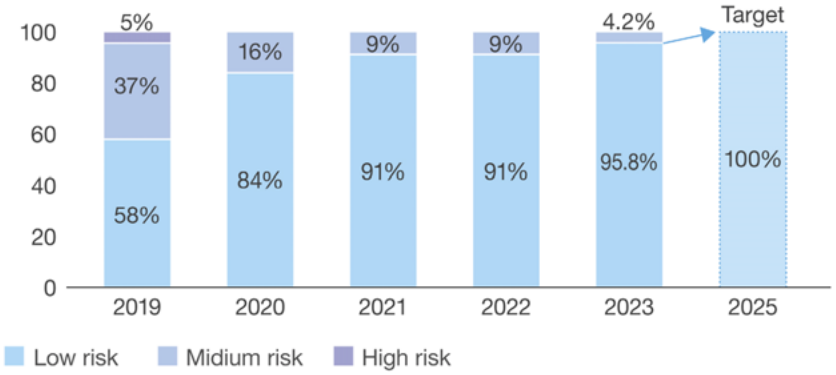
- Prohibition of child labor (none detected)
- Prohibition of slave labor, and forced labor (conclusion of appropriate employment contracts, freedom of movement, limits on company loans)
- Proper management of working hours (no more than six consecutive work days and a limit on working hours of 60 hours/week)
- Proper payment of wages (payment of at least the legal minimum wages and overtime, and timely payment of wages)
- Prohibition on charging workers recruitment fees, humane treatment, harassment
- Humane treatment (prohibition of harassment)
- Evacuation drills (with full participation enterprise wide, nighttime, dormitories, etc.)
- Provision of suitable personal protective equipment at no cost to workers
- Provision of safety measures for pregnant and nursing mothers, and provision of a clean lactation room

Evaluation Results for Direct Material Suppliers

	2021		2022		2023	
Number of suppliers evaluated	293		164[1]		270[1]	
	Epson SAQ (427 sites)	RBA SAQ (70 sites)	Epson SAQ (338 sites)	RBA SAQ (111 sites)	Epson SAQ (401 sites)	RBA SAQ (146 sites)
Mid-term targets (KPI)	• Achieved the FY2020 target of 0% high-risk suppliers. • Target set in FY2021: All major suppliers are ranked low risk in terms of CSR by 2025.					
Low risk (> 85 pts.)	91% (443 sites)		91% (407 sites)		96% (524 sites)	
			91% (306 sites)	91% (101 sites)	94% (378 sites)	100% (146 sites)
Medium risk (65-85 pts.)	9% (54 sites)		9% (42 sites)		4% (23 sites)	
	9% (53 sites)	0% (1 sites)	9% (32 sites)	9% (10 sites)	6% (23 sites)	0% (0 sites)
High-risk (< 65 pts.)	0% (0 sites)		0% (0 sites)		0% (0 sites)	

[1] Corporate group

SAQ Evaluation Result



Indirect Material Suppliers

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

Since 2019, we have asked our major indirect material suppliers, including on-site service vendors, staffing/recruitment agencies, and logistics warehouse operators, to complete the SAQ and take corrective actions depending on the SAQ results. In 2023, we further expanded the number of companies asked to complete an SAQ.

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

In 2023, we received a completed SAQ from all 277 companies (100% collection rate) with operations at Seiko Epson plants and offices and at Epson`s main production sites. As with direct material suppliers, when issues are detected in critical items related to human rights, we ask suppliers to formulate and carry out a corrective action plan, and we confirm that the issues have in fact been addressed.

Example of a corrective action that was confirmed: A on-site manufacturing contractor reimbursed foreign workers for expenses incurred (for Japanese language education, VISA acquisition fees, etc.) in their country of origin.

Evaluation Results for Indirect Material Suppliers

Supplier category		2021	2022	2023
		Number of vendors	Number of vendors	Number of vendors
On site service vendors	Security	15	19	24
	Canteen	13	13	16
	Cleaning	13	17	19
	Facility maintenance	16	17	17
	Others	71	67	75
	Sub-total	128	133	151
Logistics warehouse operators		3	8	8
Staffing/recruitment agencies		89	91	93
Call centers[1]		-	15	25
Risk rank	Low risk (> 85 pts.)	174	203	242
		79%	82%	87%
	Medium risk (65-85 pts.)	46	44	35
		21%	18%	13%
	High risk (< 65 pts.)	0	0	0
		0%	0%	0%

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

Audits, On-Site Verification, and Corrective Action Support

Epson supports the corrective action efforts of high-risk and medium-risk suppliers.

Epson schedules field audits and on-site verification primarily of major suppliers because it believes that it is important, as part of the detailed CSR evaluation due diligence process, to understand the situation. We provide assistance for corrective action taken by suppliers who are found to be at risk.

Third-Party Audits

The number of suppliers that voluntarily undergo RBA (VAP) audits is growing. Initial audits often reveal issues in the areas of labor (human rights) and health and safety. We monitor suppliers are correcting issues by means of corrective action plans (CAP) and closure audits. Labor (human rights) and health and safety are areas where we are stepping up our supplier CSR initiatives.



On-Site Verification, and Corrective Action Support

Epson manufacturing company staff members visit suppliers to verify conditions on-site and provide help for corrective actions.

For direct material suppliers, we not only help them address CSR issues but also support them when they struggle in other areas, such as in introducing fire prevention measures or establishing business continuity plans.

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

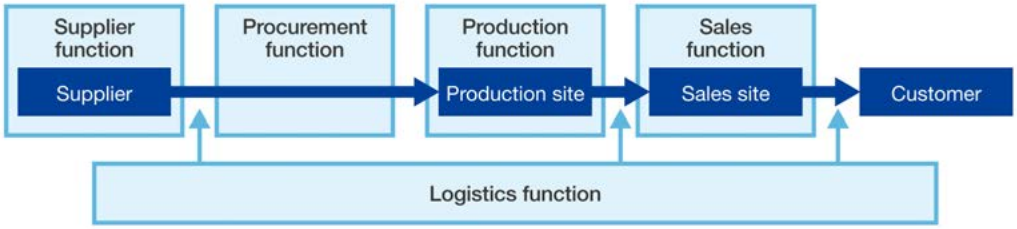
Audit and On-Site Verification (number of sites, Japan and other areas)

Audit/Verification		2021	2022	2023
Third-party audit [RBA (VAP) audit]	Initial audit	16	23	26
	Closure audit	6	12	12[1]
Second-party audit and on-site verification	Direct Material Suppliers	163	216	217
	Indirect material suppliers	55	64	55
	total	218	280	272

[1] Priority closure audit included

Supply Chain Business Continuity Management

Epson drives business continuity management (BCM) programs across the supply chain so that it can resume supply within the target period and fulfill its supply responsibilities in the event of a disaster, accident, pandemic, or other contingency in the supply chain.



Evaluation of Emergency Response Capabilities

Within our supply chain BCM activities, we encourage our suppliers to implement their own BCM programs to prevent a disruption in the supply of goods we procure from them. We regularly ask suppliers to self-evaluate their emergency response capabilities. We provide them with feedback on the results of these assessments and support their efforts to improve.

Using emergency response capability evaluations, we identify suppliers who have not yet established a BCM program or prepared a business continuity plan (BCP) and offer them BCM support to prepare for contingencies. The goal is to ensure that all key suppliers have a BCM program in place.

In fiscal 2022, we revised the content of the evaluation and the criteria for selecting which direct and indirect material suppliers would be asked to evaluate their emergency response capability. The selection criteria below are used. Those suppliers meeting the criteria (approximately 1,000 companies) were further prioritized and evaluated over a two-year period from 2022 to 2023, and the results were fed back.

Selection Criteria

- Suppliers with whom we had transactions in the previous fiscal year
- Suppliers who have not been evaluated for the past three years
- Suppliers that are critical to Epson`s operations divisions

Result of Supplier Emergency Capability Evaluation

		FY2022	FY2023
Number of suppliers who have introduced BCM	Actual	694	336
BCM adoption rate	Target	100%	
	Actual	89%	91%

Safety Management Evaluation

Fires at suppliers` facilities have disrupted supplies in the past. In response, Epson has been evaluating the safety management of direct and indirect material suppliers by asking them to complete a self-inspection. The goal is to enhance their ability to control risks that lead to accidents such as fires, explosions, and chemical leaks. In fiscal 2022, the criteria below were used to select which suppliers to evaluate. Those suppliers meeting the criteria (approximately 1,000 companies) were further prioritized and evaluated over a two-year period from 2022 to 2023.

Selection Criteria

- Suppliers with whom we had transactions in the previous fiscal year
- Suppliers who have not been evaluated for the past three years
- Suppliers that are critical to Epson`s operations divisions

Recognizing that supplier safety management is an important element of supply chain BCP, Epson added safety management evaluations as a condition for initiating new transactions in FY2024.

Supplier Support through Site Safety Inspections

In addition to asking suppliers to evaluate their own safety management, Epson has been sending personnel with safety management expertise to suppliers` sites since 2017 to conduct safety inspections and provide support needed to raise the effectiveness with which safety is managed. To date, Epson has helped over 500 companies.

Epson evaluates the results of site safety inspections and assigns suppliers one of the levels that Epson has created.

Levels
Level 1: Requirements met
Level 2: Some requirements not met
Level 3: Requirements not met

All 93 suppliers who conducted site safety inspections in fiscal 2023 were found to be at Level 1 (requirements met). To ensure that all key suppliers attain Level 1, in fiscal 2024 we will continue to support the two companies that were assessed Level 2 (some requirements not met) in 2022 and plan to conduct site safety inspections at 83 companies. This will bring the total number of companies at which site safety inspections have been completed to 631.

Supplier Safety Management Inspections

		Up to FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Plan
Number of suppliers inspected		348	107	93	83
(Breakdown)	Level 1: Requirements met	348	105	93	—
	Level 2: Some requirements not met	0	2	0	—
	Level 3: Requirements not met	0	0	0	—

Human Rights Initiatives

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

We have a program that covers the entire supply chain and includes the following:
1. Fostering an understanding of human rights and requirements (conferences and education)
2. Making suppliers aware of the need to implement a human rights program
3. Checking the programs of suppliers by (1) conducting self-assessments and audits
4. Checking the programs of suppliers by (2) providing support for the remediation of individuals and communities and addressing human rights impacts

To foster understanding of human rights, we ask suppliers to read the Epson Group Supplier Guidelines. We also hold supplier conferences and human rights seminars that many suppliers attend.

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

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

Priority human rights issues
- Child labor (A2 in the RBA CoC, ILO Convention Nos. 138 & 182)
- Forced labor (A1 in the RBA CoC, ILO Convention Nos. 29 & 105)
- Working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA CoC)
- Proper payment of wages (proper payment of the legal minimum wages and overtime wages, and timely payment of wages) (A4 in the RBA CoC)
- Humane treatment (no harassment) (A5 in the RBA CoC)
- Non-discrimination (A5 in the RBA CoC, ILO Convention Nos. 100 & 111)
- Freedom of association and the right to collective bargaining (A6 in the RBA CoC, ILO Convention Nos. 87 & 98)
- A safe and healthy work environment (B. Health and Safety in the RBA CoC, ILO Convention Nos. 155 & 187)

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

Examples of Remediation

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

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

Supply Chain Environmental Initiatives

Epson is pursuing ambitious environmental initiatives under the Epson 25 Renewed corporate vision. We are looking to decarbonize and close the resource loop. We are also developing environmental technologies and providing products and services that reduce environmental impacts. Reducing the environmental impact early in the life cycle, at the procurement stage, is a particularly important issue, and one that Epson is addressing in cooperation with suppliers.



Environmental Requirements in the Supplier Guidelines

Epson`s Supplier Guidelines include a code of conduct that suppliers are required to adhere to. In addition to requests related to quality, cost, delivery (QCD), and compliance, the Supplier Guidelines set forth the Supplier Code of Conduct on CSR (aligned with the RBA Code of Conduct). Regarding the reduction of environmental impact, Epson requires its suppliers not only to comply with the RBA Code of Conduct (covering pollution prevention and resource conservation, hazardous substances, solid waste, and air emissions, etc.) but also to address environmental issues such as reducing greenhouse gas emissions, promoting resource circulation, managing water resources, managing chemicals, and preserving biodiversity. Additionally, Epson requests that suppliers manage chemical substances contained in products and ensure compliance with environmental regulations at their factories.

Initiatives for Reducing Greenhouse Gas Emissions

Epson has established specific greenhouse gas (GHG) reduction targets for the next 5 to 10 years, aligned with the scientific target-setting methodology proposed by the Science Based Targets initiative (SBTi). These targets are based on the GHG emissions quantified in accordance with the GHG Protocol, encompassing Scope 1, 2, and 3 emissions. Scope 3 emissions represent indirect emissions from the entire value chain, and Epson has set a medium-to long-term reduction target to reduce GHG emissions per unit of business profit by 2025.

Additionally, Epson has joined the international initiative RE100, which aims to use 100% renewable energy for electricity in business operations by 2050. The company has committed to achieving 100% renewable energy for all its global group facilities[1] by 2023, and this transition was successfully completed in December 2023. This change will reduce Epson`s GHG emissions by approximately 400,000 tons per year.

Going forward, Epson will work on reducing emissions throughout its entire supply chain to achieve more ambitious total emissions reduction targets in line with the 1.5℃ scenario.

[1] Excludes some sales sites and leased properties where the amount of electricity consumed cannot be determined.

Epson Green Supply Chain

Epson`s transition to renewable electricity in 2023 shows its significant first step in addressing the urgent global need for climate change action. However, a substantial portion of Epson`s GHG emissions originates from its supply chain, necessitating strengthened collaboration between Epson and its suppliers to promote decarbonization across society.

Drawing on its experience and achievements in successfully completing the transition to renewable electricity early among manufacturers, Epson launched the Epson Green Supply Chain project in 2024. This project aims to foster understanding and encourage cooperation through workshops and seminars, while also implementing decarbonization target setting and providing support for the adoption of renewable electricity among suppliers. Through these activities, Epson seeks to increase the number of business partners who share its vision and to engage the entire supply chain in the challenge of reducing environmental impact.



Steps for Building the Epson Green Supply Chain

Holding seminars to foster understanding	Understanding the Importance of decarbonization, grasping trends, and recognizing strategies for reducing environmental Impact.
Conducting surveys to assess current situations	Conducting a detailed survey to assess suppliers' current situations* and understand their efforts in reducing environmental impact. * Situations of renewable electricity implementation and GHG emissions reduction plans.
Setting environmental KPIs for the supply chain	Setting emissions reduction targets in combination with business activities.
Implementing activities to reduce GHG emissions	Approaches for collaboration on switching to renewable energy and engaging suppliers upstream in the supply chain.

Supplier Conferences and Seminars Held in FY2024 (Japan)

Implementation period	Topic	Number of participants
April	Procurement Policy Conference	221 companies
June	Epson Green Supply Chain Conference	115 companies
July	Decarbonization Seminar	1,271 participants in total

* Briefings and seminars for major overseas suppliers are also planned during FY2024.

Strengthening Engagement to Reduce Environmental Impact

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

Direct Evaluation (Annual Evaluations) and Detailed CSR Evaluations for Suppliers
Suppliers are asked to complete direct evaluations (annual evaluations) and detailed CSR evaluations that include questions about the environment. We collect and analyze their answers and provide feedback on the detailed CSR evaluations. Suppliers whose scores put them in the high-risk category are visited for on-site verification or audits and are aided to correct issues.

Environmental Impact Survey
In addition, we survey the suppliers who account for 80% of the value of Epson`s procurement spending to find out about their policies and status on renewable electricity initiatives, use of recycled materials, water usage, and awareness of biodiversity, etc.

Response to Climate Risk

As part of activities to mitigate climate change, it is essential to promote the use of renewable electricity and supplier engagement. At the same time, it is urgent to address the physical risks posed by the increasingly visible effects of climate change. 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.

Efforts for Biodiversity Conservation and Endorses TNFD Recommendations



Epson has expressed its support for the recommendations published by the Taskforce on Nature-related Financial Disclosures (TNFD) in September 2023. Moving forward, Epson plans to develop strategies in line with the TNFD framework and aims to disclose information starting in 2025, updating it as necessary.

Epson believes that maintaining healthy biodiversity is crucial for sustaining business activities and the lives of its employees. The company has two fundamental principles regarding biodiversity conservation: `promoting biodiversity conservation through business operations` and `raising employee awareness of biodiversity.` To date, Epson has steadily advanced initiatives to reduce environmental impact, such as measures against climate change, resource recycling and conservation, and pollution prevention and chemical management, thereby addressing factors that influence biodiversity, including climate change and pollution.

Following its endorsement of the TNFD, Epson will organize and disclose these activities in alignment with the TNFD framework. The company will also strive to minimize the impact on nature and biodiversity throughout its value chain and enhance its efforts to harmonize with local ecosystems, contributing to the realization of a sustainable society.

Partnerships with External Organizations

In addition to our own initiatives, Epson supports and actively participates in alliance activities in order to resolve CSR issues, including human rights issues in the supply chain. We have joined the RBA and JEITA to work on solving societal issues around the world and improving supply chain CSR through industry collaboration.

【Global initiative】

Responsible Business Alliance (RBA) regular member
Member companies: 242 (as of 5/2024)

Responsible Business Alliance
Advancing Sustainability Globally

【Domestic Japanese industry initiative】

The Japan Electronics and Information Technology Industries Association (JEITA), CSR Committee
Member companies: 29 (as of 4/2024)
Example activities:
- Issuing and promoting the Responsible Business Conduct Guidance
- Study of human rights due diligence and grievance mechanisms
- Study of the global regulatory situation

Communications & Training

Communication with Suppliers

Procurement Policy Orientation

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

Epson engages its suppliers throughout the year in many forms and at many different levels. An annual supplier conference is held in Japan as a top-level event at which we explain our procurement policies. We provide suppliers with an overview of our operations and share with them our important policies.

Epson`s president and chief operating officers explain the company`s policies and the business policies, and the chief officer of supply chain management (SCM) requests cooperation with Epson`s Basic Procurement Policy and sustainable procurement practices. Many suppliers attend this event every year.

At the 2024 conference, suppliers were asked to respect and protect human rights, manage business continuity, and help build a `Epson green supply chain` by switching to renewable energy and reducing their greenhouse gas (GHG) emissions.

Supplier Conference for CSR

At an annual supplier conference for CSR (held since 2016), we talk about CSR trends and our socially responsible procurement activities. We also ask our suppliers to engage with us in our efforts. Suppliers attend the conferences held at Epson production sites in Japan, China, Philippines, Indonesia, and other areas.

At the conference, we ask suppliers to comply with our Sustainable Procurement Policy and the Epson Supplier Guidelines. We provide guidance for completing self-assessment questionnaires (SAQ) used to evaluate suppliers` CSR efforts and emergency response capabilities. We also ask suppliers to cooperate in conflict mineral surveys.

Supplier Participation

	Area					Total number of attended companies
	Japan	China	Philippines	Indonesia	Others[1]	
FY2021	550	22	86	145	11	814
FY2022	969	80	81	30	35	1,195
FY2023	603 (693 people)	417 (473 people)	20 (57 people)	60 (441 people)[2]	6 (20 people)	1,106 (1,684 people)

[1] `Others` includes Singapore, Thailand, and Malaysia, where Epson production sites are located.
[2] PT. Indonesia Epson Industry (IEI), a major production site located in Indonesia, held a conference for 346 employees of service suppliers who work on-site.

Seminars for Suppliers

In addition to explaining social demands and Responsible Business Alliance (RBA) requirements at supplier conferences for CSR, we also hold seminars and conferences to provide further detail and ask for cooperation. Many suppliers attend these events. We also survey suppliers to understand their needs and incorporate that information in our seminars and conferences.

Epson believes that it is important for suppliers to understand the need for CSR programs and to take the initiative to launch their own. We see human rights as a priority issue–and one in which the expectations of society are rapidly evolving. We therefore hold seminars taught by outside consultants to provide suppliers with expert information. In addition, we hold conferences to foster understanding and enlist supplier support for the building of a `Epson green supply chain`. We also hold a seminar taught by an outside consultant about reducing environmental impact.

In FY2023, we also held a conference to explain changes in the latest revisions of the RBA Code of Conduct and Epson Group Supplier Guidelines. The more than 1,000 people who attended gained an understanding of Epson`s procurement policies and the RBA Code of Conduct.

FY2022	Human rights seminar, SAQ briefing[1], conflict minerals survey conference
FY2023	Human rights seminar, Environment seminar, SAQ briefing, responsible mineral sourcing conference Epson Group Supplier Guidelines briefing (including an explanation of the changes to the RBA Code of Conduct)
FY2024 (plan)	Human rights seminar, environment seminar (decarbonization), SAQ briefing, responsible minerals sourcing conference, Epson Group Supplier Guidelines briefing (including an explanation of the changes to the RBA Code of Conduct)

[1] SAQ briefing includes CSR SAQ (self assessment questionnaire) and environmental survey.

Whistleblowing System for Suppliers

Epson has established compliance hotlines as grievance mechanisms that suppliers can use to report or discuss violations or potential violations of legislative requirements and the Epson Group Supplier Guideline. These hotlines are being used to further promote ethical corporate conduct, so we encourage their use. Reports may be made anonymously, and whistleblowers shall be protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson`s internal regulations.

Suppliers can use the hotlines to report:
- actions that violate or may violate laws, regulations, or the `Supplier Code of Conduct (human rights, health and safety, environment, ethics, and management systems)` ;
- ideas or complaints relating to health and safety; and
- concerns relating to conflict minerals

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

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

You may also use a comments/opinions box located in the Epson facility.
In addition, regarding human rights issues, you may also use the Engagement and Remedy Platform provided by `Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)` to report a grievance.

Internal Training

Epson Group`s Management Philosophy champions teamwork and respect for the individual. Principles of Corporate Behavior, meanwhile, outlines conduct for creating a corporate culture by fostering employee independence and confidence through professional development. We believe it is particularly important to understand legal and other requirements to ensure compliance and sustainability in procurement. Epson has thus created a multi-level program to provide employees and partners with training.

Mandatory Internal Training (Japan)

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

Procurement Compliance Seminar

Course	Description	For		FY2021	FY2022	FY2023
Procurement compliance seminar			Seminar completion rate	82%	96%	98%
Basic online course	-CSR/SDGs/RBA and procurement -Code of conduct for procurement -Laws and regulations -Procurement rules -Procurement rules violation case studies	New procurement staff	Target			
			Persons	400	903	700
			Result			
			Persons	522	903	892
Procurement compliance seminar (updated)	-CSR/SDGs and procurement -Code of conduct for procurement -Laws and regulations -Procurement rules violation case studies -Important rules changes	Procurement staff, every 5 years	Target			
			Persons	2,470	3,468	1,273
			Result			
			Persons	1,840	3,299	1,037

Procurement Compliance Training (Worldwide)

We provide procurement compliance training to procurement staff and managers at our overseas production sites to educate them on procurement-related compliance and CSR. In FY2023, more than 3,400 people took the course at 14 sites.

Basic Online Course

Description	For		FY2021	FY2022	FY2023
1. Ethical conduct 2. Subcontract Act & procurement management (Laws & regulations, case studies)	All domestic Epson Group company employees & partners	Target completion rate	90%	90%	90%
		Actual completion rate	91%	88%	92%

* The ethical conduct and the Subcontract Act are covered in alternate years.

RBA (Supply Chain CSR) Professional Training (Worldwide)

Epson provides professional training in CSR to procurement staff who deal with suppliers. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standard, including A. Labor, B. Health and Safety, C. Environment, D. Ethics, and E. Management Systems. Some programs are conducted by outside consultants.

Course	Contents
RBA seminar	General overview of the RBA Code of Conduct and RBA system
RBA seminar (Advanced)	Professional training course regarding the RBA Code of Conduct and detailed requirements concerning labor, health and safety, environment, ethics and management systems
Workshop for RBA (VAP) audits	Workshop training for implementing RBA requirements and preparing for RBA (VAP) audits
CSR auditor training for supplier audits	Internal auditor training for supplier on-site audits
RBA Fundamentals (online course)	General training in the RBA Code of Conduct and RBA system (for all Epson group employees including procurement staff)
Responsible sourcing of minerals training	General training course regarding responsible sourcing of minerals (requirements of D7 in the RBA Code of Conduct) and expert training focused on surveys.
Practical Training in Minerals Surveys	Understanding and preparing forms used to conduct minerals surveys (CMRT & EMRT[1])

[1] The Conflict Minerals Reporting Template (CMRT) for 3TG (tin, tantalum, tungsten & gold) and the Extended Minerals Reporting Template (EMRT) for other minerals, including cobalt and mica, provided by the Responsible Minerals Initiative (RMI)

Responsible Mineral Sourcing

Responsible Minerals Sourcing

Policy for High Risk Minerals

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

It is Epson`s corporate policy to avoid engaging in any form of human rights abuses or environmental destruction. While sourcing minerals that are used in Epson products, we will not tolerate any form of human rights violations or gross abuses. We will not engage in business relationships with any party involved in human rights abuses, nor will we support operations that result in the degradation of socioeconomic and environmental conditions.

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

Moreover, as a member of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), we require our suppliers to adhere to this policy and expect them to require compliance within the supply chain. We also ask them to understand and comply with the Epson Group Supplier Guidelines and the Epson Supplier Code of Conduct (RBA Code of Conduct). And Epson has direct material suppliers submit an agreement letter stating that they will comply with responsible mineral sourcing requirements.

Conflict Minerals Survey Program

Epson recognizes that the responsible sourcing of minerals is an important societal issue that it should address. To ascertain whether minerals are being sourced responsibly throughout the supply chain, Epson has established a survey system as stated in Principles of Corporate Behavior. The nature of actions to be taken is set forth in Key Sustainability Topics. Policies and results are discussed and reported at meetings of the Sustainability Strategy Council, a corporate management meeting that includes members of the board of directors.

Epson also established the Epson Group Responsible Minerals Survey Standard and is implementing a survey program across the entire Group in accordance with Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by the Organization for Economic Co-operation and Development (OECD). Using the Conflict Minerals Reporting Template (CMRT) for 3TG and the Extended Minerals Reporting Template (EMRT) for other minerals, including cobalt and mica, provided by the RMI, we identify upstream smelters and refiners (SORs[1]) of conflict minerals (tin, tantalum, tungsten, gold, and cobalt) with the cooperation of direct material suppliers. We also check the country of origin by obtaining answers about the supply chain.

[1] SOR: Smelter and/or Refiner

We ask our suppliers to source minerals only from conflict-free SORs (CFS) certified by RMI`s Responsible Minerals Assurance Program (RMAP). If suppliers indicate that they are unable to determine whether the source SORs is a CFS, Epson tries to avoid or mitigate risk by asking them to do additional checking or to source minerals from a different supplier.

Epson holds supplier conferences for CSR at our production sites around the world. We use these conferences as well as other opportunities to promote understanding of Epson policies, ask suppliers to improve survey accuracy, and share information about trends involving conflict minerals. We also endeavor to educate suppliers about survey templates and foster understanding of the surveys. Epson will continue working with suppliers to make sure the minerals used in our products fulfill the standards set in our responsible minerals sourcing policy.

To responsibly source minerals used in Epson products, our program follows a five-step framework according to the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas issued by OECD.

STEP 1: Establish strong company management systems.
Epson establishes a Group-wide policy, implements a supply chain due diligence program, concludes written agreements with suppliers, and establishes a grievance mechanism.

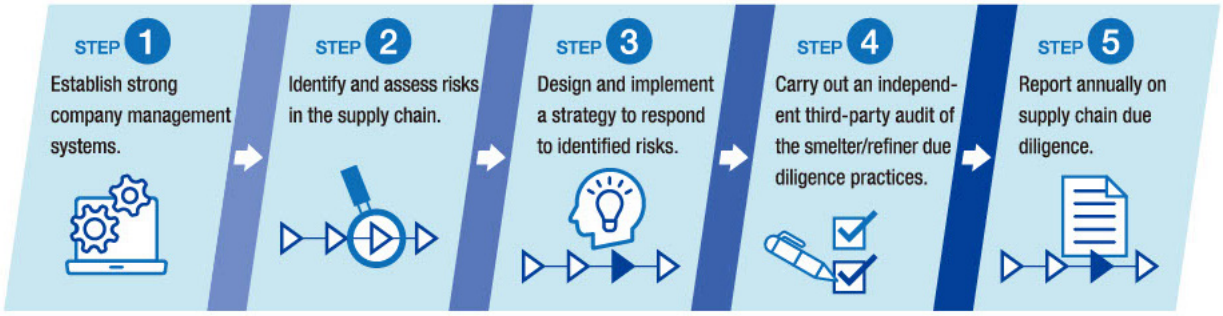
STEP 2: Identify and assess risks in the supply chain.
Epson identifies and assesses risks in our supply chain by conducting surveys.

STEP 3: Design and implement a strategy to respond to identified risks.
Epson reports the results of risk assessments to the Chief Procurement Officer, discusses risk mitigation plans with tier 1 suppliers, and monitors their performance.

STEP 4: Carry out an independent third-party audit of the smelter/refiner due diligence practices.
Epson uses the results of RMI`s Responsible Minerals Assurance Program (RMAP) in assessments.

STEP 5: Report annually on supply chain due diligence.
Epson discloses its due diligence status on the company`s official Web site, in the annual integrated report, and in other media formats.

Five-step framework



Survey Results

Epson conducts surveys using the reporting templates (CMRT and EMRT) provided by the Responsible Minerals Initiative (RMI). The CMRT and EMRT allow users to select one of three declaration scopes: (1) Company-wide, (2) Product (or List of Products), or (3) User-Defined. However, Epson asks that suppliers select Product and answer with respect to specific products that are delivered to Epson so that we can verify the smelter of the minerals included in parts and materials used in Epson products. We believe that conducting the survey in this way will enable us to identify where we should mitigate risk and will result in effective due diligence.

In 2023, Epson conducted a survey of 3TG and cobalt and received completed surveys from 100% of the suppliers of parts/materials containing 3TG and 98% of the suppliers of parts/materials containing cobalt. We analyzed suppliers` answers and provided them with individual feedback based on the results within about a month or two. Suppliers with identified risks were asked to submit a corrective action plan and mitigate those risks.

Confirmed risks
- There are smelters that cannot be identified.
- There are smelters have not been certified as conforming to RMAP (including smelters in high-risk areas).

Risk management plan
- Explained and proposed possible risk mitigation measures to suppliers.
- Asked suppliers to submit a plan for addressing identified risks.

Tracking and monitoring of suppliers` risk mitigation efforts
- Meetings were held with individual suppliers to ascertain whether they have mitigated identified risks in their parts and supply chains.
- The results of surveys from suppliers who were asked to resubmit them were re-analyzed.

Concrete examples of risk mitigation
- We asked suppliers that were unable to identify smelters used for multiple minerals, including gold, to recheck whether they used a smelter that are not RMAP certified. As a result, it was found that no minerals from that smelter were used in parts delivered to Epson.
- We asked suppliers that sources tin in a procurement route that includes a smelter or smelters that is/are not RMAP certified to switch to a different source (or procurement route). We confirmed that the supplier made the change.

3TG Survey Results

	FY2021	FY2022	FY2023				
			Total	Tin	Tantalum	Tungsten	Gold
Number of identified SORs	406	349	357	89	43	52	173
Number of CFS[1]	244	229	234	70	40	34	90
Number of Active SORs	20	16	5	2	1	0	2
Supplier response rate	99%	99%	100%	-	-	-	-

[1] Conflict-free SORs (smelters/refiners) (CFS) certified by RMI`s Responsible Minerals Assurance Program (RMAP).
For detailed information on conflict minerals surveys for individual products, please contact your local Epson sales company.

Cobalt Survey Result

	FY2021	FY2022	FY2023
Number of identified smelters	86	69	80
Number of CFS [1]	23	35	46
Supplier response rate	98%	97%	98%

[1] Conflict-free SORs (smelters/refiners) (CFS) certified by RMI`s Responsible Minerals Assurance Program (RMAP).
For detailed information on conflict minerals surveys for individual products, please contact your local Epson sales company.

3TG Survey Results (for products/procured parts)

To ensure that our products are conflict-free and, moreover, that the information we provide to customers is as accurate as possible, Epson manages information on the basis of procured parts that are tied to products. By product, the results of the FY2023 survey confirmed that only RMI-certified smelters/refiners (SORs) are used for products such as semiconductors. We were also able to confirm from the survey that about 76% of the 50,000 procured parts and materials that were subject to the 2023 survey contained 3TG. Of those, 66% (roughly 25,000 parts) were sourced only from RMI-certified SORs.

Information and Education for Suppliers

Epson believes that responsible sourcing of minerals is an important societal issue that needs to be addressed, and since supplier cooperation is essential for achieving this, Epson strives to inform and educate its suppliers.

Throughout the year, we provide the following tools and information to ensure that suppliers always have up-to-date and easily accessible information:
- Excel Check Tool to check a SOR`s RMAP certification information
- RMAP certification renewal information for SORs

The feedback, which is issued on each reporting template, is intended to clearly indicate where a supplier needs to exercise due diligence. We also explain the reporting templates and provide individual support for completing them in response to requests from suppliers.

We hold annual supplier conferences when we ask suppliers to complete the survey. At these conferences, we talk about responsible mineral sourcing, global trends in mineral issues, Epson`s policies, and OECD`s due diligence guidance. We also provide ongoing education on survey methodology and on how to answer survey questions. In 2023, a total of more than 1,100 suppliers participated.

Third-Party Audit Results

Epson`s global manufacturing sites undergo RBA VAP audits. All sites that underwent a VAP audit between 2022 and 2023 were found to be in conformity with the RBA`s criteria for the responsible sourcing of minerals criteria in the RBA Code of Conduct* and E3 in the RBA VAP Standard.

Manufacturing Site	Country	Main Products Manufactured
PT. Indonesia Epson Industry	Indonesia	Inkjet printers, large format printers, small printers, impact dot matrix printers
PT. Epson Batam	Indonesia	Inkjet printer ink cartridges and ink bottles, scanners
Epson Engineering (Shenzhen) Ltd.	China	Inkjet printers, large format printers, 3LCD projectors, industrial robots
Epson Precision (Philippines), Inc.	Philippines	Inkjet printers, 3LCD projectors
Epson Precision (Thailand) Ltd.	Thailand	Device products
Epson Precision Suzhou Co., Ltd.	China	Device products
Epson Precision Malaysia Sdn. Bhd.	Malaysia	Device products

* D7 in the RBA Code of Conduct: Responsible Sourcing of Minerals D7
Participants shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold and cobalt in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

Epson had an independent, third-party auditing firm conduct a review to verify that Epson sources minerals responsibly in line with the OECD Due Diligence Guidance Framework. The audit firm, in a written opinion following the review, stated that it had not found any discrepancies between the information disclosed on Epson`s website regarding its conflict mineral program and the company`s conflict minerals survey policy, its survey program and reporting, internal organizational preparations, or the implementation of the survey according to the plan.

Regarding responsible minerals sourcing Independent Review Statement
https://corporate.epson/en/sustainability/supply-chain/pdf/burea_veritas_240311.pdf

Partnerships with External Organizations

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

We support and actively participate in the programs of the Responsible Minerals Initiative (RMI), which was established to address responsible mineral sourcing issues, and of JEITA, a domestic Japanese industry association. We also contribute to the RMI`s audit fund, believing that it is the responsibility of downstream companies to shoulder the costs of smelter and refiner audits.

Global initiative
The Responsible Minerals Initiative(RMI)

Number of member companies: 500+
Some of the RMI`s activities
Due diligence
Certification program
Development and provision of standardized reporting templates (survey forms)

Domestic Japanese industry initiative
The Japan Electronics and Information Technology Industries Association (JEITA), Responsible Minerals Trade Working Group
Number of member companies: 50+
Some of the activities of JEITA
- Collaborating with international initiatives such as RMI/GeSI
- Monitoring and sharing information on the regulatory situation in various countries and regions
- Educating and raising awareness among suppliers
- Pressuring smelters that are not RMI-certified to undergo audits

Reporting to Mitigate Mineral Sourcing Risks

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

Supply Chain Human Rights Due Diligence

1. Policy (UN Guiding Principle 16)

We at Epson believe that respecting human rights in everything we do is an essential part of to our corporate responsibility. This commitment is reflected in Epson Group`s Management Philosophy and Principles of Corporate Behavior. We established Policies Regarding Human Rights and Labor Standards of the Epson Group in 2005 based on the United Nations Global Compact, and we have been practicing conduct aligned with the `United Nations Guiding Principles on Business and Human Rights` (`the UN Guiding Principles`) adopted in 2011. In April 2019, we joined the Responsible Business Alliance (RBA), a non-profit organization that supports the rights and welfare of workers and communities affected by global supply chains, and we promote business activities in accordance with the RBA Code of Conduct together with our suppliers.

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

Epson Group Human Rights Policy (Please refer to page 355 of "Appendices")

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

* Results of the FY2021, FY2022, and FY2023 CSR assessments showed that there were no major cases of human rights violations in the form of child labor, forced labor, discrimination, and the like, either at Seiko Epson or its Group companies.

We have been making the RBA Code of Conduct and its detailed requirements known to the people in our human resources departments at our domestic and overseas affiliates. We have also been educating our officers and employees about human rights as described below.
2021: With the revision of the Epson Group Human Rights Policy, we held additional study sessions on the UN Guiding Principles on Business and Human Rights for directors and certain personnel from Seiko Epson`s Head Office supervisory departments and domestic and overseas Group companies.
2022: Employees at all Epson Group companies in Japan were required to take a mandatory course titled `Business and Human Rights.`
2023: Employees at all Epson Group companies in Japan were required to take a mandatory course titled `Business and Human Rights.`

Epson has set up the Epson Helpline and various other channels that can be used to report harassment, long working hours, and other concerns involving issues such as human rights and labor. All personnel are regularly notified of disciplinary actions and other actions taken by the company in response to incidents related to labor, harassment, and other forms of human rights abuses to prevent similar incidents in the future. Furthermore, Epson has whistleblowing systems that customers, investors, people in the local community, and other stakeholders can use to report grievances, which Epson then appropriately addresses. Epson Group companies worldwide also respond to human rights and labor-related inquiries and reports they receive from business partners over the supplier whistleblowing systems they have established. In addition to using Epson`s own reporting channels, we encourage stakeholders to seek engagement and remedy by filing grievances via a grievance handling platform that conforms to the Guiding Principles on Business and Human Rights and that is provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which Epson has joined.

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

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

The process for ensuring that human rights are respected in Epson`s business is as follows:
1. Establish policies, secure the commitment of top management, embed respect for human rights in the Group, and ask suppliers to uphold human rights, as well.
2. Identify and assess adverse human rights impacts.
3. Formulate a corrective action plan, cease, prevent, and mitigate adverse impacts.
4. Monitor effectiveness of the response.
5. Communicate and report performance.
6. Provide for remediation.

Specific contents of human rights due diligence are as follows:

(1) Establishing policies and making commitments

Epson Group Human Rights Policy (revised in September 2024)
Epson respects the human rights set forth in the International Bill of Human Rights and in the ILO Declaration on Fundamental Principles and Rights at Work. Our human rights initiatives are compliant with the United Nations Guiding Principles on Business and Human Rights, and the RBA (Responsible Business Alliance) Code of Conduct. In particular, as a Regular Member of the RBA, Epson is obligated to observe the RBA Code of Conduct, which was established with reference to the foregoing international human rights norms.

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

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

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

High-priority groups	Impacts/risks of business activities	Assessment method
Employees of Seiko Epson Corporation and Epson Group	Forced labor, young workers, working hours, wages and benefits, humane treatment (harassment, etc.), discrimination, freedom of association	RBA-compliant self-assessment
Dispatch workers		
On-site service vendor employees		
Supplier employees		
Foreign migrant workers		

Once a year, we have our business sites, Group companies in Japan and overseas, and suppliers complete a CSR self-assessment questionnaire.
In addition to identifying adverse impacts through assessments, we recognize that reports are an important means of assessing human rights impacts.

(3) Assessment results and redressing/prevention

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

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

(4) Monitoring

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

Moreover, major manufacturing sites voluntarily undergo RBA`s Validated Assessment Program (VAP) audit. These assessments help them accurately grasp how well they are conforming to the RBA Code of Conduct and identify issues for redressing and mitigation. In accordance with RBA membership obligations and customer requirements, we prepare corrective action plans and seek to redress any nonconformances found during VAP audits.

We use information from reporting channels as a means of measuring the effectiveness of our response to adverse human rights impacts.

(5) Communication and reporting

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

(6) Remediation

In addition to Epson Group employees, dispatch workers, on-site service vendor employees, supplier employees, and foreign migrant workers who are given priority, we have established reporting systems and support centers for all stakeholders, including customers, investors, and local residents, to appropriately respond to all complaints. In addition to using Epson`s own reporting channels, we encourage stakeholders to seek engagement and remedy by filing grievances via a grievance handling platform that conforms to the Guiding Principles on Business and Human Rights and that is provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which Epson has joined.

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

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

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

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

(2) Education through human rights seminars

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

(3) Implementing due diligence through SAQ and corrective actions

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

We use the self-assessment questionnaire (SAQ), which confirms compliance with the RBA Code of Conduct, to ascertain the status of respect for human rights at suppliers, and in addition to the implementation of human rights remedies, we provide feedback on matters that need to be addressed, request actions, and confirm completion of the actions at each supplier site. Whilst the RBA Code of Conduct covers a wide range of human rights issues, particularly the ones in Section A. `Labor`, taking into account the ILO core labor standards and the principles of the United Nations Global Compact, we identify salient human rights issues and make addressing these issues mandatory. After reviewing the answers to the 2023 SAQ, we asked certain suppliers to establish and implement a corrective action plan, and we verified that issues have been corrected.

Salient Issues

- Prohibition of child labor (ILO Convention No. 138/182 & A2 in the RBA Code of Conduct)
- Prohibition of forced labor (ILO Convention No. 29/105 & A1 in the RBA Code of Conduct)
- Proper management of working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA Code of Conduct)
- Proper payment of wages (payment of the legal minimum wages and overtime wages, and timely payment of wages) (A4 in the RBA Code of Conduct)
- Humane treatment (no harassment) (A5 in the RBA Code of Conduct)
- Non-discrimination (ILO Convention No. 100/111 & A5 in the RBA Code of Conduct)
- Freedom of association and the right to collective bargaining (ILO Convention No. 87/98 & A6 in the RBA Code of Conduct)
- A safe and healthy work environment (ILO Convention No. 155/187 & B. Health and Safety in the RBA Code of Conduct)

Examples of redress in 2023

- Refund of recruitment fees charged to foreign workers
  We identified via a self-assessment a case in which a manufacturing contractor that uses foreign workers at a manufacturing site had charged foreign worker recruitment fees (for things such as language lessons and visa acquisition costs) in their home country. We discussed the matter with the manufacturing contractor. The contractor provided the worker with a refund, a fact that we confirmed through evidence. The manufacturing contractor also agreed to ensure that workers would not be charged recruitment fees in the future.
- Employment agreements
  We found via self-assessments that multiple suppliers had not provided workers with an employment agreement in a language they could understand or that descriptions of terms and conditions of employment had lacked. We explained to the suppliers exactly what should be described in employment agreements, asked them to change the format of such agreements, and reviewed the evidence confirming that redress was made.

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

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

We take steps to ensure that whistleblowing systems, which are accessible from our website, are easy to use for our suppliers` employees. We encourage the use of these systems and provide information about them in the Epson Group Supplier Guidelines and at supplier conferences.

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

Examples of Remediation

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

Green Purchasing

Introduction

Epson is committed to a policy of creating and providing earth-friendly products. The elimination of harmful substances and resource conservation are a point of emphasis for us, and we have thus made the procurement of supplies that have a lower environmental impact a priority.

Epson will continue to promote efforts throughout the supply chain to strengthen product substance assurance by tracking and controlling the use of substances in products at every stage from product planning and design to shipping and sales.

We ask for your understanding and cooperation in our efforts.

Basic Principles of Product Substance Assurance

Epson procures production materials on the basis of the following five principles:

1. Comply with applicable laws and regulations.
2. Procure materials from suppliers that can comply with conditions specified in this standard regarding banned substances (e.g., thresholds, parts and locations where substances are present, uses).
3. Procure materials from suppliers who can guarantee that banned substances are not present in their products.
4. Procure materials from suppliers who can provide data on target substances present in their products.
5. Accept goods that have been guaranteed by the supplier.

Paper Products Procurement

The illegal logging of forests is a very serious issue for those seeking to protect the environment on the global scale and practice sustainable forest management. Around the world, greater efforts are being made to ensure legality and sustainability during the procurement of wood products.

Epson thus manages its entire supply chain from the immediate supplier all the way back to the forest to ensure the legality, sustainability and environmental safety of the paper products we procure. We ask that suppliers understand the intent and nature of these initiatives and give us their full support.

Stance on Procurement of Paper Products

Epson has established a procurement policy for paper, the major forest product we procure. Under this policy, we adhere to the practices below that support, the social, economic and environmental sustainability of forests.

1. We make effective use of used paper and other recycled pulp.
2. When virgin is used as a raw material in paper goods we procure, we confirm its
   - legality
   - sustainability
   - chemical safety
   - environmental management

Scope of Application

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

Content of Conforming Procurement Management

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

Customer Commitment

259 Approach

260 Customer Satisfaction

262 Quality Improvement

265 Product Safety

268 Universal Design

Approach

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

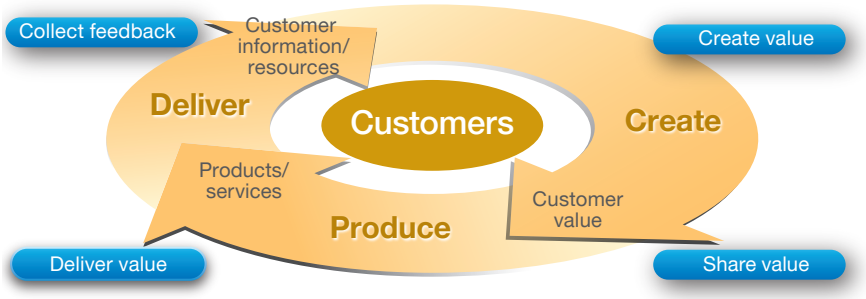
Vision for Mid-Range CS & Quality Initiatives

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

Goal

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

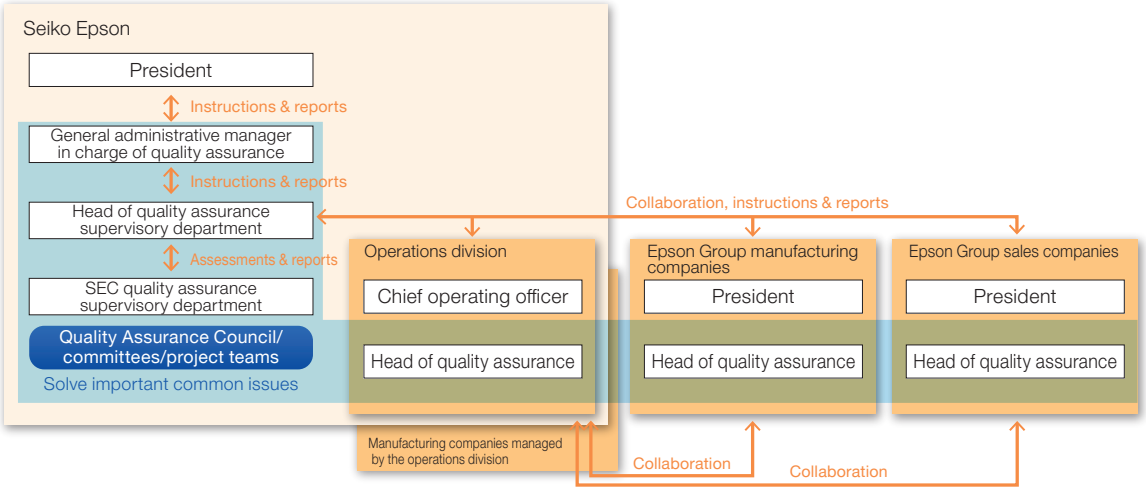
CS & Quality Vision (Creating Customer Value)



Quality Assurance Program Organization

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

Quality Assurance Program Organization



Customer Satisfaction

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

Product Design

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

Advertising Initiatives

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

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

Initiatives of Sales Companies

Product Service and Support that Keeps Businesses Running

Users of business printer can find their work interrupted if their printer breaks down or if it runs out of consumables. To avoid such work interruptions, sales company Epson Taiwan Technology & Trading Ltd. (ETT) began in 2016 offering business inkjet printer users a package that includes regular on-site service. This is the first service of its kind in Taiwan`s office printing industry.

Support staff members with thorough product knowledge visit customer sites to inspect and maintain their printers. They also let customers know when they can expect to run out of ink based on print use patterns. This service has sharply reduced printer breakdowns and ensures stable print quality. And since ETT is able to deliver ink before it runs out, work interruptions are far less frequent. These regular site visits are also an important opportunity to get feedback directly from users.

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

After-Sales Service for Epson PCs

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

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

Quality Improvement

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

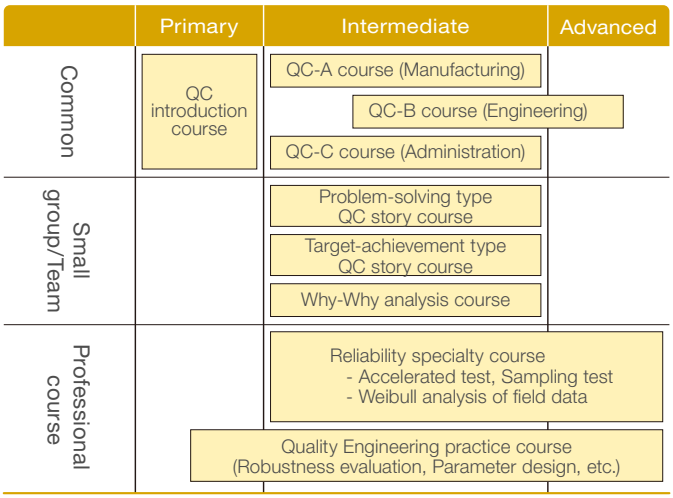
Training

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 (FY2023, Japan)

Course	People newly tranied	% trained
QC Introduction	365	87%
QC-ABC	315	74%

Licensed Quality Control Training Trainers

Region	Number of Production Sites with Licensed Trainers	Licensed Trainers [1]
Southeast Asia	7 companies	76
China	4 companies	40

[1] Number of licensed trainers as of March 31, 2024.

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 members of the President`s Award-winning `The Big Dipper` team

The 2023 Worldwide Team Presentations conference was held at a central venue instead of online for the first time in four years. A total of 13 teams participated. There were four teams from three companies in Japan, four teams from three companies in Southeast Asia, four teams from two companies in China, and one team from Europe and North America. `The Big Dipper,` a team from production site Epson Engineering (Shenzhen) Limited in China, was presented with the President`s Award in recognition of the outstanding actions it took toward reforming the cleaning process to reduce environmental impact.

Activities to Raise Awareness

November is CS & Quality Month across the global Epson Group. During the month, all personnel are encouraged to think about what a commitment to customer satisfaction, as enshrined in the Management Philosophy, means, and to look back on the quality of their own work.

The slogan for the 2023 fiscal year was `Adhering to the fundamentals, do reliable work, improve quality, and win more Epson fans.`

With manufacturing processes evolving as digital technology and automation are introduced, we believe it is essential for every employee to improve the quality of his or her own work in order to provide customers with value through products and services of more reliable quality. To this end, we conducted workshops led by the head of Quality Assurance, shared best practices internally, and held workplace discussions.

Through activities like these, we are endeavoring to win more Epson fans, not only by demonstrating a commitment to customer satisfaction but also by showing all stakeholders that Epson genuinely is a good company.



CS & Quality Month poster (Japanese)



CS & Quality Month poster (English)



CS & Quality Month poster (Chinese)

Product Safety

Approach to Product Safety

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

Our product safety and environmental compliance requirements are set forth in the Epson Quality Standard (EQS), a set of unified standards implemented across the entire Epson Group. EQS specifies independent controls that we widely implement to meet or exceed legal and regulatory requirements in each country. Epson will take action to minimize safety and security risks involving our products and services, for example by painstakingly evaluating safety in every area to prevent the occurrence or recurrence of product incidents.

Key Actions (KPIs)	Results		Target
	FY2022	FY2023	FY2024
No. of serious incidents[1]	0	0	Keep at 0 each year

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

Epson Group Basic Policy on Product Safety

Seiko Epson Corporation and the Epson Group recognize that securing customer trust in the safety of the products we manufacture and sell is an important management task. We have established the Epson Group Basic Policy on Product Safety below based on the Epson Group`s management philosophy, which articulates our commitment to customer satisfaction, and actively work to ensure product safety as our top priority.

Epson Group Basic Policy on Product Safety (Please refer to page 353 of "Appendices")

Safety Assurance Program Organization

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

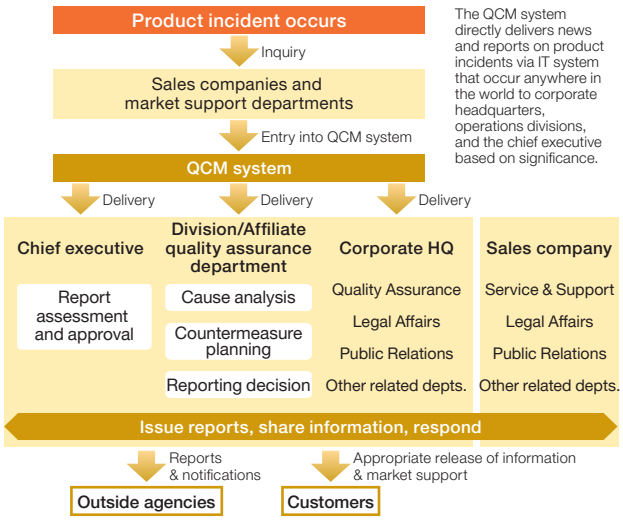
Additionally, for each of our products and services, we ensure conformity to EQS, the Group`s unified quality standard, from the planning, development, and design stages and conduct risk assessments on new elements to ensure product safety in the product build-in stage.

Process for Rapidly Responding to Product Incidents

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

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

Epson Product Incident Response Process



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

Analyses to Prevent Product Incidents

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


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.

We also conduct regular education programs, such as online courses held throughout the year for all employees to learn product safety-related knowledge and raise awareness, and product safety education conducted each year for new technical employees involved in design, development, production engineering, and quality assurance, which mainly consists of risk assessment exercises (conducted nine times in FY2023). In addition, we are working to further improve the awareness and skills of our employees through specialized training programs focused on machine safety and functional safety.

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

Establishing an Evaluation Environment for Delivering Safe and Secure Products

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

We have also earned accreditation based on ISO/IEC[1] and other standards to enable us to conduct official certification tests in-house. Through periodic internal and external audits, we maintain and manage such accreditation to ensure that we can continue to achieve high-precision measurements. Specifically, we have introduced facilities such as large radio-frequency anechoic chambers, shieled room, and other facilities that we own in Japan and overseas, to enable in-house conducting of EMC testing.[2]

[1] IEC is an acronym for the International Electrotechnical Commission. It is an organization for international standardization that establishes standards for electrical and electronic technology.
[2] Electromagnetic compatibility testing. Electromagnetic interference testing to measure interference waves, i.e., electromagnetic waves radiated or conducted from the product itself or power supply that interferes with the operation of other devices, and electromagnetic immunity testing to evaluate the resistance of the product itself to malfunction due to electromagnetic waves generated by nearby electrical equipment.

Safety Evaluations on Substances Released by Products

Products can sometimes release trace amounts of chemical substances during use. Epson goes beyond simply evaluating releases of controlled substances specified under the requirements for environmental labels such as Japan`s Eco Mark and Germany`s Blue 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].



Measurement of substances released by products

Epson seeks to deliver safe, secure printers, projectors, and other products by verifying that releases from these products meet Epson Quality Standard (EQS), a set of unified standards implemented across the entire Epson Group. The EQS sets Epson`s strict, independent standards that exceed the rigorousness of the Health, Labor and Welfare Ministry`s indoor concentration guideline values.

In March 2024, we acquired ISO/IEC17025 laboratory accreditation[3] in order to maintain and improve the testing technology capabilities of our in-house testing laboratory, enabling us to achieve more reliable measurements.

[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.
[3] ISO/IEC 17025 accredited laboratories certify the technical competence of laboratories that perform specific types of tests such as analysis and measurement and calibration of measuring instruments by a laboratory accreditation body operating under ISO/IEC 17011, and the competence of laboratories that have obtained accreditation is recognized internationally.

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[1].

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

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

Universal Design

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 FY2023, we had 403 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.





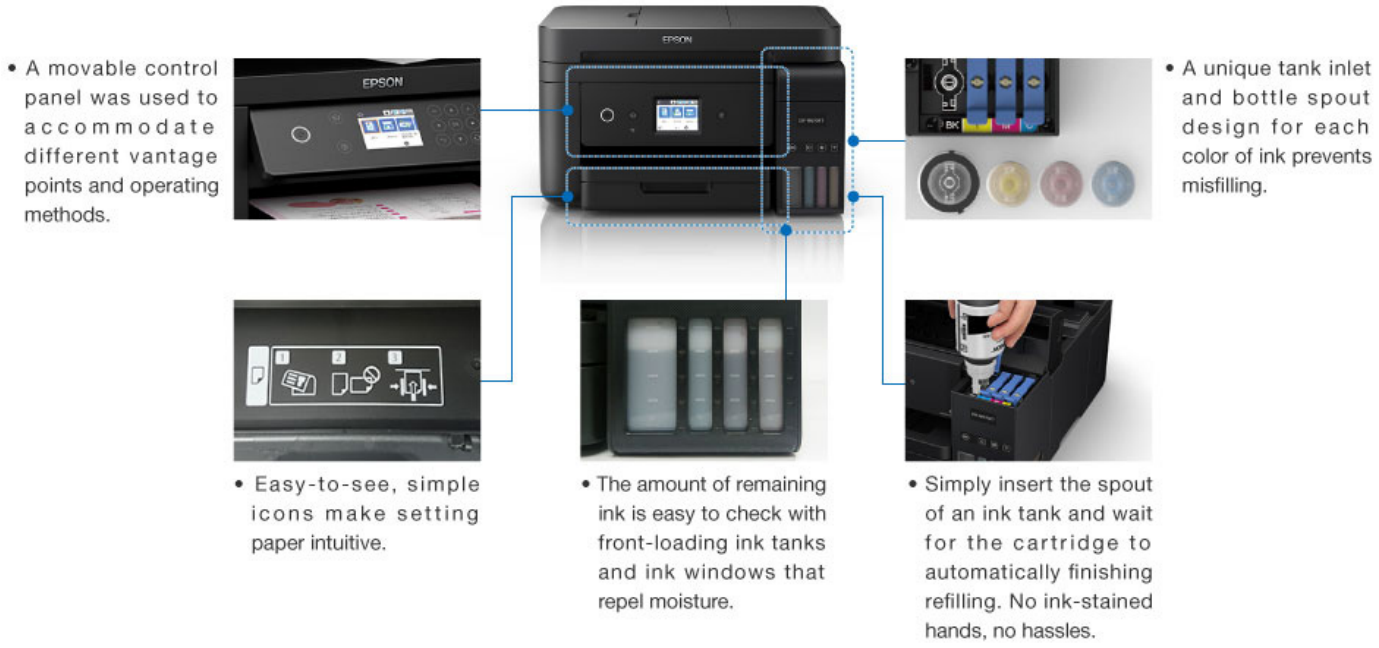


- Fin-shaped projections on the paper output tray make it easier to pick up sheets.

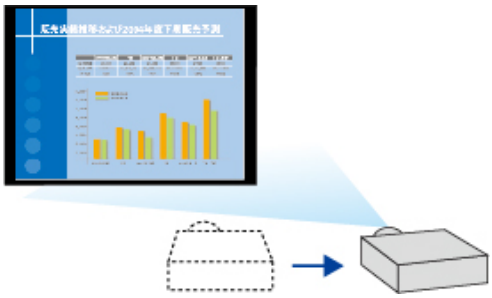


- Components move lightly and can easily be operated with one hand.

High-Capacity Ink Tank MFPs



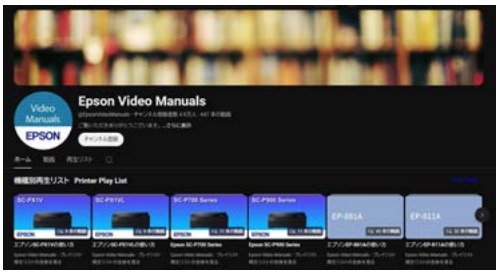
Automatic Keystone Correction for Quick Set-Up (Business Projectors)



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-a3IlOxcXQRuZFjYATpg

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

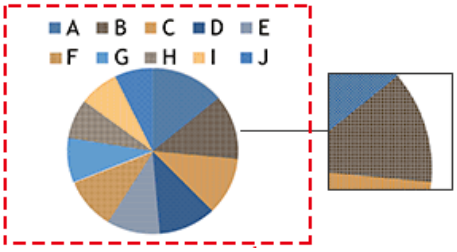
Color Universal Design

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.



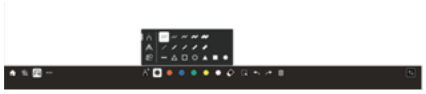
Business Inkjet Printers

We have reorganized the elements on the operation panel to make it as intuitive and easy to see as possible for most people, regardless of individual differences in color vision.



Interactive Projectors

The color scheme of the drawing toolbar in whiteboard mode has been designed to make it easy to identify for as many people as possible.



Stakeholder Engagement

272 Stakeholder Engagement

275 Shareholders & Investors

277 Local Communities

278 Business Partners & Consortia

Stakeholder Engagement

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

To guide its businesses toward solving societal issues, Epson believes it is important to understand and reflect the expectations of stakeholders in its strategies while also striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

Stakeholder 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

Stakeholder Engagement Objectives

NGO/NPO, International Organizations
Social support for sustainability (value sharing)

Business Partners & Consortia
Co-create sustainable social value that helps solve societal issues

Employees
Create a working environment that contributes to job satisfaction



Customers
Create products and services that delight customers and earn their trust

Shareholders & Investors
Build strong communication that leads to effective business operations and helps investors make decisions

Local Communities
Foster mutually beneficial relationships with local communities in countries and regions where we operate through programs rooted in those communities

Suppliers
Build good partnerships based on mutual trust and the principles of fairness, coexistence and co-prosperity

[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
- 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

- Wild Bird Society, tree planting, coral transplantation, environmental education for children, ink cartridge joint collection
- Fantas Aquarium, blood drives, and support for sports for persons with disabilities (intellectual and physical) and local hospitals

Shareholders & Investors

Discussions with Shareholders and Investors

- Encouraging sound investment decisions and improving the quality of management -

IR/SR Policies and Guidelines

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

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

Analyst and Investor Meetings

FY2023 Meetings

Total Meetings 255

Japan 134 **Overseas 121**

	FY2020	FY2021	FY2022	FY2023
Japan	153	135	142	134
(SR interviews*)	13	6	18	18
Overseas	82	104	127	121
Total	235	239	269	255

* SR interviews included in Japan (domestic) meetings.

Although the number of shareholders and investors we can directly communicate with is limited, we are actively using tools such as reports 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 information as well as IR information.

IR Basic Cycle



* This cycle is subject to change.

Other IR-related Activities

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

FY2023 Engagement Activities

Initiatives to Increase Interest in Epson

Epson actively engages in IR activities to make shareholders and investors aware of Epson and help them understand our growth strategy and business environment.

In FY2023, in addition to 1-on-1 style meetings with sell-side analysts and institutional investors, Epson held small meetings with the CEO and CFO, as well as small meetings for the visual communications business, where progress in business structure reform has been made ahead of schedule and profitability has improved. We have also increased the number of online and hybrid formats of these meetings, so that more people can attend.

We will continue our efforts to make Epson known to more people in the future.

Discussion between Institutional Investors and Epson`s Outside Directors

In February 2024, we hosted a fourth discussion between institutional investors and all six of our outside directors. In FY2021 and FY2022, the discussions were held online, but this year`s event was face-to-face, which was conducive to more in-depth discussions. During the event, both the institutional investors and the outside directors engaged in a lively debate about what they see as the challenges we face in increasing corporate value. Providing opportunities like this for the outside directors and institutional investors to deepen mutual understanding will help to enhance the effectiveness of the company`s board of directors. We plan to continue to hold such discussions because we believe that disclosing the nature of the discussions as fully as possible will help us to gain stakeholder trust.

Discussions Aimed at Increasing Epson`s Corporate Value

Epson improved its management of issues that became apparent last fiscal year (FY2022) based on discussions and societal trends. We reported progress on these issues, including those listed below, in Epson`s Integrated Report 2023 and elsewhere.

- Roadmap for embedding the corporate purpose internally
- Materiality opportunities and risks, KPIs, and value creation strategies associated with them
- Human capital and diversity in accordance with the disclosure framework.

In the 2023 fiscal year, we discussed with shareholders and investors information disclosed in materials such as the Integrated Report. In addition to receiving feedback about the actions we have taken to improve management, we received valuable suggestions for further improvement in areas such as those listed below.

- Calculation and disclosure of avoided GHG emissions through products & services
- Human resource strategy linked to management and DX strategies
- Progress in driving digital transformation
- Enhanced disclosure of biodiversity and human rights initiatives, etc.

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

Local Communities

Cooperation with Local Communities

Nagano / Collaborating with Local Government to Host a Triathlon

Program

Local governments in Suwa and surrounding cities in Nagano Prefecture, along with local chambers of commerce and industry and the Nagano Prefecture Triathlon Association, partnered to organize and host the second Suwako 8Peaks Middle Triathlon, in June 2024. In addition to supporting race operations by using its GPS and sensor technology to monitor the athletes` location and safety, Epson also provided them with reports containing motion analysis data on things such as their running form during the race. By providing the athletes not only with their own race times but also with data they can use to benchmark themselves against other competitors, Epson is helping to motivate the athletes to compete again the following year, enhancing the attractiveness of the region, and revitalizing the community.

Passing on the Beauty of Lake Suwa and the Yatsugatake Mountains to the Next Generation



Takuya Kojima
Executive Director Triathlon Organizing Committee

The Suwako 8Peaks Middle Triathlon was realized through the cooperation of the three municipalities that surround Lake Suwa and that want to restore the lake to its former glory and the three municipalities that spread along the foothills of the Yatsugatake mountain range and that want to make the area a Mecca for road biking. We intend to make the triathlon a tradition for passing on the beauty of Lake Suwa and the Yatsugatake Mountains to the next generation. We look forward to continuing to work with Epson to make the tournament a success.

Societal Issues and Value

Specific Activities and Approaches

We aim to promote health and improve the quality of life for people of all ages by providing them with a safe environment to engage in sports of all kinds, including triathlons, and by offering advice on how to improve their exercise habits.

Key Points of the Value Provision

- Real-time monitoring of athletes
- Visualization of athletes` exercise information to improve their skills
- Improvement of operational efficiency through optimal staffing



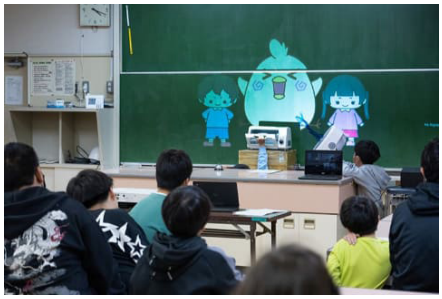


Business Partners & Consortia

Fostering Creativity and Confidence Through the Joint Development of `Programapping`

Japan / Contributing to the Development of Next-Generation Human Resources Through a Digital Education App

Independent, Interactive, Deep Learning



Epson Sales Japan and Uni-Ty Inc. have jointly developed an app for students that contributes to the development of digital human resources. We believe this app is an effective means for improving lessons, aligning with the guidelines of Japan`s Ministry of Education, Culture, Sports, Science and Technology to cultivate qualities and abilities through independent, interactive, and deep learning.

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Collaborating Partners

- Uni-Ty Inc.
- The Open University of Japan
- Board of Education

Specific Activities

- Joint Development of Programapping
- Practical lessons at elementary schools
- Building a Programapping website and instructing teachers
- Raising awareness in the educational field through educational media

Societal Issues and Value

Programming classes have traditionally taught logical thinking but have not sparked independent and interactive learning.



Message from a Partner



Hirofumi Ogiya
Director and Sales Division General Manager
Uni-Ty Inc.

Children are full of ideas. We developed Programapping in collaboration with Epson Sales Japan to give children an avenue to tap into those ideas and create original projection mapping content by combining programming thinking with expression and production activities.

I feel that the user-friendly interface and design, insights into which were gained in the development of education apps in our Play & Learn! series, have helped Programapping win over children.

Collaboration with International Consortia

- Co-creation of sustainable social value that helps solve societal issues -

CSR Europe

Participation in Sustainability Activities 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. Since then, Epson Europe has been participating in the building of a global network and the creation of sustainability policies for a sustainable future and sustainable business growth.

Corporate Citizenship

281 Corporate Citizenship

282 Environmental Value

283 Social Value

290 Economic Value

Corporate Citizenship

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

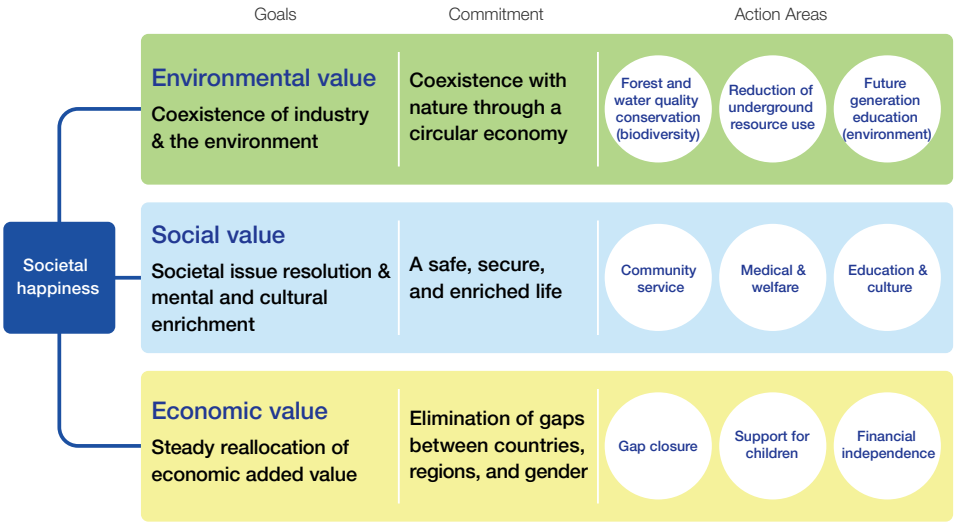
Epson thinks that business activities themselves are to contribute to society.

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

Basic Concept of Social Support Activities

Epson`s social support activities

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



Long-Term Vision

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

Key Activities

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

Results of Social Support Activities

FY2023 1,150 million yen

Environmental Value

Goals	Commitment	Action Areas
Environmental value **Coexistence of industry & the environment**	**Coexistence with nature through a circular economy**	Forest and water quality conservation (biodiversity) Reduction of underground resource use Future generation education (environment)

Epson engages in environmental initiatives focused on issues such as forest and water quality conservation to preserve biodiversity, reduction of underground resource use, and environmental education.

Forest and Water Quality Conservation (Biodiversity)

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.



Future Generation Education (Environment)

Donations of Notebooks Made of PaperLab Recycled Paper (Japan)

Seiko Epson has been donating notebooks to elementary and junior high schools since FY2022. The notebooks are made from paper that was used within Epson and recycled using PaperLab dry-process office papermaking systems, which apply Epson`s unique Dry Fiber Technology. A total of 100,000 notebooks were donated to schools in 29 municipalities by the end of July 2024. Epson`s forest conservation initiatives and PaperLab systems are introduced in the notebooks, providing opportunities to teach children that paper recycling can contribute to the SDGs in environmental education.





We also provide lecturers and accept student trainees when asked to by schools and communities.

Social Value

Goals	Commitment	Action Areas
Social value **Societal issue resolution & mental and cultural enrichment**	**A safe, secure, and enriched life**	Community service Medical & welfare Education & culture

Epson engages in social support initiatives in areas such as community service, medical and welfare, and education and culture.

Community Service

Watch Assembly Class (Japan)

Seiko Epson traces its roots to Daiwa Kogyo, a watch factory. Over the decades, we have developed watch manufacturing technology and master watchmakers.



Seiko Epson holds watch assembly classes for elementary and junior high school students in the community to provide them with opportunities in which they can experience the fun and lure of monozukuri. Children who took the classes felt a sense of accomplishment and gained a greater understanding of local industry. They commented that they were surprised by the tiny parts in a watch and found it difficult to insert them in tiny holes. Nevertheless, they were pleased to complete their watches with support from the staff.

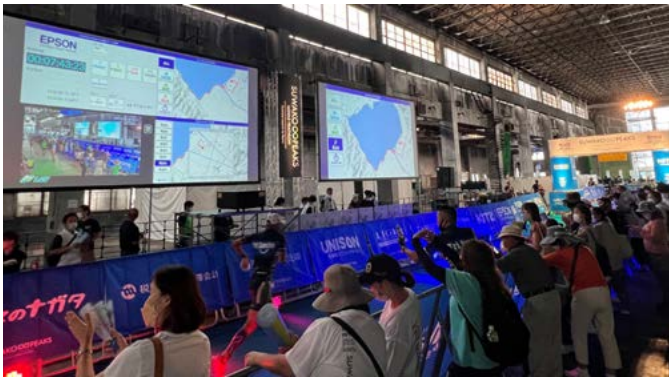
Suwako 8Peaks Middle Triathlon (Japan)

Seiko Epson has been supporting this event since 2022. The race takes place along an 88 km course in and around Lake Suwa and out to the base of the Yatsugatake Mountains.

Seiko Epson provides a global positioning system that utilizes its sensing technology to locate athletes in real time in order to ensure their safety.



Race in 2024



Race in 2022

Fireworks Festival Sponsorship (Japan)

To stimulate the local economy and community, Seiko Epson sponsors fireworks festivals that take place in Suwa, Shiojiri, Azumino, Minowa, Beppu and other areas where it operates.

Seiko Epson has been sponsoring the Lake Suwa Fireworks Festival since 1956. The festival is held in the city of Suwa, a short walk from the Epson Head Office. This festival, one of the largest in Japan, is a local summer tradition. The sound of fireworks exploding over the lake reverberates off the surrounding hills, thrilling spectators.



Medical & Welfare

Interacting with Children with Disabilities (Singapore)

Epson Singapore Pte. Ltd. (ESP) employee volunteers teamed up with the staff from Rainbow Centre to bring children with disabilities out for an excursion to Gardens by the Bay. It was an exciting day for us as we interacted with the children, which also allowed us to learn more about different ways to communicate with and befriend persons with disabilities.

Together, we can embrace diversity and inclusion to create a better world in our own ways.



290 Days of Social Commitment (Germany)

Epson Deutschland GmbH (EDG) has been running its 290 Days of Social Commitment program since 2008. All 290 EDG employees are granted one day of paid leave to serve the community by volunteering their time at social welfare facilities or schools in the area around the Düsseldorf office.

The activities are diverse. In FY2023, they included building a warehouse in the schoolyard to store toys for children needing special educational support, cleaning up riverbanks, helping elderly people with gardening work, repairing stables for an animal welfare organization, and donating laptops to support disadvantaged people in need.



The Fantas Aquarium (Japan)



Seiko Epson has been bringing the Fantas Aquarium to hospitals and special-needs schools around Japan since 2015. The Fantas Aquarium is a projector-based production that uses a technique called Fantas Projection to generate a calm and peaceful space through a combination of video images, music, and gently swaying screens. The result is a richly stimulating sensory experience that delights the senses of sight, touch, and hearing. In the 2023 fiscal year, the company staged this event at 14 locations nationwide, welcoming 5,119 visitors. The shows were set up and run with the help of employee volunteers. In recent years, with access to facilities limited due to the pandemic, Epson started a Fantas Car (a mobile cart equipped with a projector) loan program. Facilities exercised ingenuity to effectively use the Fantas Car to stage shows in ways that were best for them. In FY2023, a total of 2,673 people were able to experience the program at 15 facilities nationwide.

Facility 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 the projected 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 looks forward to again taking the Fantas Aquarium on the road in the future.

Blood Donations (Worldwide)

Epson employees donate blood every year.



Japan



Indonesia



U.S.



China

Education & Culture

Educational Assistance for Children (India)

Epson India Pvt. Ltd. (EPIL) believes in the importance of childhood education and has an assistance program that focuses on underprivileged children. Over the past several years, EPIL has been distributing notebooks, backpacks, stationary, and other goods to public schools that serve underprivileged children primarily in the states of Karnataka, in southwest India where EPIL is located, the southern state of Tamil Nadu, the northern state of Utter Pradesh and in the western state of Maharashtra. The number of recipient schools has been increasing year by year. In fiscal 2024, we delivered goods to 539 schools and 42,480 students. The children were happy with their new gear that helped with their studies.



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

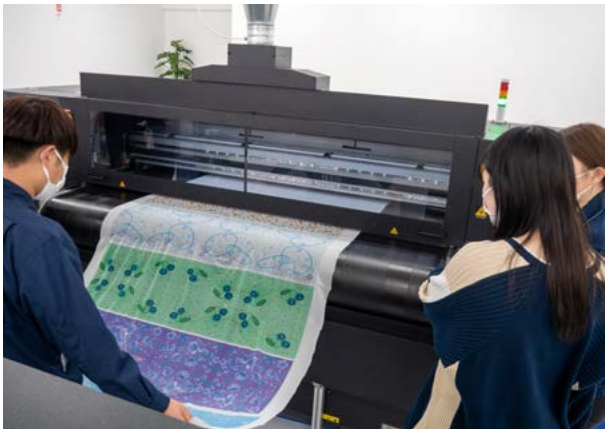
In 2019, Epson Europe B.V. launched New Horizons, an education program that reaches 10,000 youth in Europe, the Middle East, and Africa. This program leverages Epson`s storehouse of technology and expertise to draw out the creative potential of youngsters and elevate their understanding of sustainability.



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

Assisting Fashion Art School Students with Digital Textile Printing Technology (Japan)

Seiko Epson has been providing print support for graduation projects of fourth-year students of Bunka Fashion College in Tokyo using digital textile printing technology since 2020. The students can use the latest Epson printers and technologies to create dresses and costumes that they have designed.



Comments from Students

- I used to print about 20 times to reproduce the desired color, but I was never satisfied with the result, so I thought I had to compromise. However, thanks to Epson`s printer with a colorimeter that enabled me to fine-tune the colors of the design that I wanted to express, I was able to produce a satisfying work.
- Lines for cutting are also printed on the fabric. This shortened the production time because I was able to start cutting and sewing the fabric right after printing.

Digital Textile Printing Technology

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 can solve these problems. It enables apparel manufacturers to quickly print only what they need, when they need it, and it saves water because there are no printing plates to clean. Using its digital printing technology, Epson will contribute to sustainability by providing a production process that minimizes environmental impact.

Epson International Scholarship Foundation (Japan)

The Epson International Scholarship Foundation provides scholarship assistance to outstanding students from abroad who wish to study at graduate schools in Japan and to students from Japan who wish to study at universities abroad. For many international students, securing their own living expenses is a challenge. For Japanese students in particular, the recent sharp depreciation of the yen and the rise in prices have exacerbated the situation. This scholarship gives ambitious students time to focus on their studies and boosts their motivation to learn.

The Foundation was established in 1997 and has supported 311 international students to date. Scholarship alumni are making an impact in many different areas in countries around the world. To encourage the mutual exchange among scholarship students and alumni, we hold various events, including a ceremony for new scholarship recipients, Seiko Epson company tours, alumni association initiation ceremonies, and alumni reunions.

The Foundation also provides subsidies for research conducted by young researchers in engineering fields and for participation in international academic conferences.



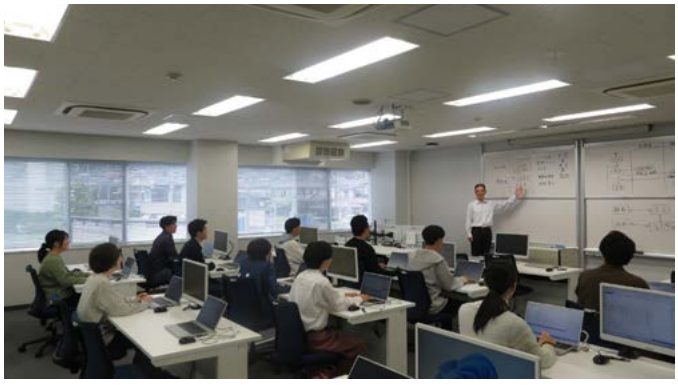
2023 Epson company tour



2024 ceremony for new scholarship recipients

Epson Information Science Vocational School (Japan)

Seiko Epson established the Epson Information Science Vocational School in 1989 to develop technical personnel who are trusted by the community and can make wide-ranging contributions to society. The school has produced more than 2,900 graduates so far, some of whom are working at Epson.



Most of the instructors are engineers and developers who have corporate experience, including at Epson. The curriculum is designed to enable students to master skills that can be used in actual work. There are three disciplines: Information Systems, Information and Electronic Systems, and Information Business. All of these are recognized as Professional Post-Secondary Courses by the Ministry of Education, Culture, Sports, Science and Technology.

The Seiji Ozawa Matsumoto Festival (Japan)

Seiko Epson has been supporting the Seiji Ozawa Matsumoto Festival since it began, in 1992.

The festival brings together top-notch musicians from all over the world to perform high-quality programs, including orchestral concerts, chamber music and opera.

There are special events geared toward children. To date, invitations have been extended to 13,000 sixth-graders, seventh-graders, and to schools for the deaf, blind, and disabled in Nagano prefecture. This education program provides a valuable opportunity for the children to hear live orchestra music, thus serving as a catalyst for interest in music.



Economic Value

Goals	Commitment	Action Areas
Economic value **Steady reallocation of economic added value**	**Elimination of gaps between countries, regions, and gender**	Gap closure Support for children Financial independence

Epson engages in social support initiatives with an economic focus to bridge gaps, assist children in need, and promote financial independence.

Epson Sponsors Onigiri Action to Provide Children with School Meals in Developing Countries

`I want to be an electrician,` a child told Epson employees on an observation tour in Tanzania, one of the countries we are assisting. Providing school meals motivated him to come to school and study, which eventually broadened his career choices.

Seiko Epson sponsored Onigiri Action held by TABLE FOR TWO International (TFT) in 2023. Onigiri Action is a project for providing school meals to children in need in Africa and Asia. Sponsoring companies make a donation large enough to provide five school meals for each photo of onigiri, a Japanese rice ball, posted on social media (Instagram, X, Facebook) or to the special website with the hashtag #OnigiriAction. Epson employees posted approximately 2,000 photos, providing about 10,000 meals.

Message from the Organizer

Staff of TABLE FOR TWO International

Onigiri Action is a community engagement project that encourages people to recognize global food problems and cooperate in solving them by simply posting photos of onigiri. Thanks to companies that share our vision, the project has become a social movement in which the combined efforts of different organizations and individuals work together to solve a single social issue.

School meals are a lifeline for children in deprived areas in Africa and Asia, where TFT provides support. Not only do they help feed hungry children, the meals also serve as a catalyst for continuing studies and working out their future. We hope that Epson will continue to participate in this project to help ensure that it continues.





Photos provided by TFT

Suwa City and Epson: Assisting Local Children

Seiko Epson and Suwa City concluded an environmental and welfare partnership agreement to assist children in the city in 2023. As part of its welfare initiatives, Epson donates to NPOs and other organizations that are working to provide relief for economically disadvantaged children in the local community.

In 2023, Epson supported six organizations that are involved in assisting single-parent families, children in foster care, and young caregivers in the community.



Message from the Collaborator

Staff of Suwa City

In Japan, the income gap is widening. Children from single-parent families or who have caregiving responsibilities are in particular need of support so that they can receive an education and give their lives stability. However, there is a limit to the support that local government can provide, so the cooperation of organizations having expertise in specific areas is enlisted to ensure that children are getting the help they need.

One of the issues of these organizations is securing funding. The collaborative indirect support by Epson and Suwa City will enable the organizations to conduct their independent activities while contributing to the revitalization of the local economy.

We see this initiative as a good example of tripartite collaboration among the government, private companies, and non-profit organizations. We hope this will expand nationwide.

Governance

293 Corporate Governance

308 Internal Control System

316 Initiatives of Internal Control

321 Security

Corporate Governance

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

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

Basic Corporate Governance Principles

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

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

Corporate Governance System

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

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

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

Board of Directors

The Board of Directors, with a mandate from shareholders, is responsible for realizing efficient and effective corporate governance, through which the Company will accomplish its social mission, sustain growth, and maximize corporate value over the medium and long terms. To fulfill these responsibilities, the Board of Directors will exercise a supervisory function over general management affairs, maintain management fairness and transparency, and make important business decisions, including decisions on things such as management plans, business plans, and investments exceeding a certain amount.

The Board of Directors operates in accordance with the Articles of Incorporation and regulations that were approved by resolution of the Board of Directors. The Board of Directors is composed of 11 directors[1], including six Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. President and Representative Director acts as the chairman of the Board meetings. Corporate Governance Policy states that at least one-third of the board members should be Outside Directors.

The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations. Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. To speed up management decisions and increase business agility as a company with an Audit & Supervisory Committee, the Company has expanded the scope of affairs delegated to executive management from the Board of Directors, including capital investments below a certain threshold. Board meetings were held 13 times in the 2023 fiscal year and three times during the period from April 2024 to the June Ordinary General Meeting of Shareholders. The attendance rate for each director is 90% for Tadashi Shimamoto in fiscal 2023, 100% for other directors, and 100% for each director for the period from April 2024 to the regular general meeting of shareholders in June 2024.

[1] As of June 30, 2024

Audit & Supervisory Committee

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

The Audit & Supervisory Committee operates in accordance with the regulations that were approved by resolution of the Audit & Supervisory Committee. The Audit & Supervisory Committee is composed of four Audit & Supervisory Committee 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, 2024

Compliance Committee

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

The Compliance Committee operates in accordance with the regulations that were approved by resolution of the Board of Directors. As an advisory body to the Board of Directors, the Compliance Committee is composed of Outside Directors and Directors who are Audit & Supervisory Committee members. The Compliance Committee is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are held every half year and as needed. Financial auditors and the head of the internal audit control departments attend meetings of the Committee as observers.

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

Director Nomination Committee & Director Compensation Committee

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

The overview of each of these Committees is as follows:

Composition

Both the Director Nomination Committee and the Director Compensation Committee are composed of all Outside Directors, President and Representative Director, and the Outside Directors shall select the committee chairs from among themselves. Directors who are full-time members of the Audit & Supervisory Committee can attend meetings of either Committee as observers.
The current[3] members are as follows:
[The Director Nomination Committee]
Chairman: Outside Director, Tadashi Shimamoto
Members: Outside Directors, Masaki Yamauchi, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, Akira Marumoto, and Yasunori Ogawa, President
[The Director Compensation Committee]
Chairman: Outside Director, Masaki Yamauchi
Members: Outside Directors, Tadashi Shimamoto, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, Akira Marumoto, and Yasunori Ogawa, President

[3] As of June 30, 2024

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

The Company has established a Director Nomination Committee to impartially examine through a transparent and objective process the selection of Director candidates and the dismissal of Directors as well as to evaluate and supervise the status of Director successor development plans created by the President and Representative Director, the issues therein, and Director succession plans created by the President and Representative Director.

The Committee met 12 times in the 2023 fiscal year and three times during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including succession plans for the President and Representative Director, Officer (Directors, Executive Officers and Special Audit & Supervisory Officers) selection policy and candidate proposals, consideration of Outside Director candidates, and revisions to the skills matrix.

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

The Company has established a Director Compensation Committee to impartially examine through a transparent and objective process proposals and discussions concerning matters such as the compensation system and by-laws for Directors of the Company as well as Directors` individual compensation. The Director Compensation Committee, with a mandate from the Board of Directors, decides the individual compensation of Directors who are not Audit & Supervisory Committee members.

The Committee met eight times in the 2023 fiscal year and four times during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders. The Committee deliberated on matters such as the amount of individual base compensation, the payment coefficient for bonuses and individual bonus amounts, the coefficient for allocating shares under the restricted stock compensation plan, the amount of monetary compensation claims and the number of allocated shares, and update of the liability insurance for Directors, etc., and conclusion of a Company indemnity agreement and limited liability agreements, etc.

Committee Attendance

The attendance rate of each member of the Director Nomination Committee and Director Compensation Committee during the 2023 fiscal year and during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders was as follows.

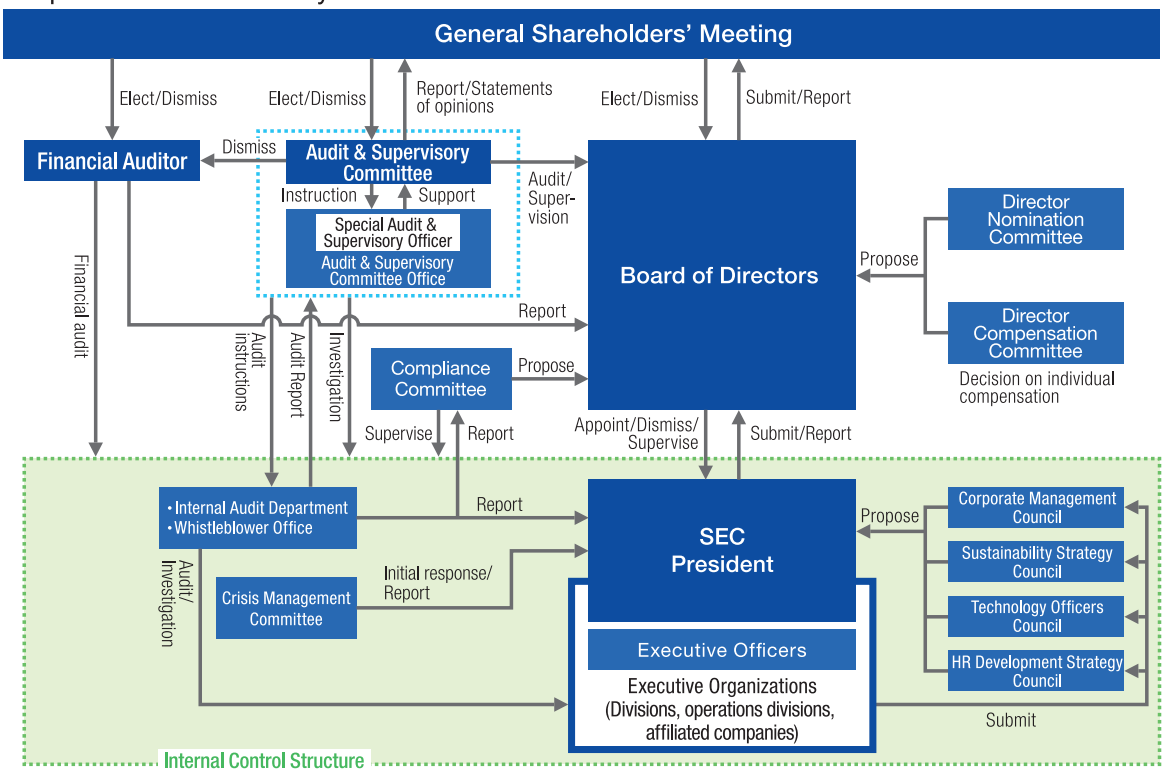
Director Nomination Committee: 100% for both the 2023 fiscal year and the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders

Director Compensation Committee: 100% for the 2023 fiscal year; 75% (three out of four meetings) for the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders for Mari Matsunaga, and 100% for the others

Corporate Management Council

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

Corporate Governance System



Nomination of Officers

The policies and procedures for nominating Director candidates and for selecting and dismissing Executive Officers (including the President) and Special Audit & Supervisory Officers are as follows:

Policies

1. Considering the role that Officers of the Company are required to fulfill and the nomination criteria that Epson has established, Officers must meet the standard requirements of insight, accountability, and ethics. They must also satisfy the selection criteria in 2, depending on their respective roles, and must be able to contribute to an increase in corporate value.
2. In addition to the foregoing requirements, Officers of the Company shall satisfy the selection criteria below.
   a. Non-Executive Director candidates
      Oversight capability, management knowledge, professional knowledge
   b. Executive Director candidates
      Oversight capability, foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
      A candidate for President and Representative Director in particular shall possess the following:
      - The ability to face societal issues, construct a vision based on deep insight, and the courage to carry out that vision
      - A strong sense of ethics and the ability to humbly accept diverse values, tap the initiative of employees, and be a unifying force that consolidates the power of the entire company
   c. Executive Officers
      Foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
   d. Special Audit & Supervisory Officer
      The ability to influence and lead the Company, creativity, the ability to drive change, management ability, the ability to lead a group, management knowledge, professional knowledge
3. Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established `Criteria for Independence of Outside Directors.`

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

Procedures

Nomination, selection, and dismissal are decided by the Board of Directors after a fair, transparent, and rigorous screening by the Director Nomination Committee, which also presents its opinion. The consent of the Audit & Supervisory Committee is required for nominating Director candidates who are Audit & Supervisory Committee members and for appointing Special Audit & Supervisory Officers.

Criteria for Independence of Outside Directors

The Company has established the criteria below to objectively determine whether potential Outside Directors are independent.

1. A person is not independent if:
   I. The person considers the Company to be a major business 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 with a relationship of reciprocal employment of Outside Director[8]; or
   XI. A spouse or relative within the second degree of kinship of a person having the interests listed in (I) through (IX) above.

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

Notes

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

Reason for Appointed as Outside Directors

Name	Reason for Appointment
Tadashi Shimamoto	Mr. Shimamoto has served as President and Chairman of Nomura Research Institute, Ltd. and has a wealth of experience and insight as a corporate manager and in fundamental technology, distribution, service, and industry-related systems. The Company believes that he, as an Outside Director of the Company, will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company`s corporate value over the medium- to long-term through his active opinions and proposals from the perspective of overall management and DX/IT systems, based on his familiarity with corporate management in the information service industry, which is a different business field.
Masaki Yamauchi	Mr. Yamauchi has served as President and Chairperson of the Board of Directors of Yamato Holdings Co., Ltd. and has a wealth of insight and experience in corporate management. The Company believes that, based on his experience in practicing satisfaction-creating management that makes full use of digital technology, his efforts to instill Yamato`s DNA (values) in employees and his track record of fostering organizational culture, he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company`s corporate value over the medium- to long-term through his active opinions and proposals from the perspectives of organizational management, DX/IT, and sustainability that relate to the fundamentals of corporate management.
Kahori Miyake	Ms. Miyake promoted ESG strategies as Executive Officer of AEON Co., Ltd. and is currently a Fellow Officer of Sumitomo Mitsui Trust Bank, Limited and Co-Chair of the Japan Climate Leaders` Partnership, a cross-industry group of companies working to achieve a sustainable, decarbonized society. The Company believes that, based on her wealth of experience and considerable insight into ESG and decarbonization measures, she will monitor corporate management appropriately, aiming at our goal of achieving sustainability and enriching communities and improving the Company`s corporate value over the medium- to long-term through her active opinions and proposals from the perspective of environmental management with expertise in environmental and social contribution.
Susumu Murakoshi	Mr. Murakoshi has a high level of expertise as an attorney. Having served as the President of Japan Federation of Bar Associations and the President of Japan Attorneys Political Association, he has a wealth of experience in the legal community. The Company believes that he will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. He has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit & Supervisory Committee member.
Michiko Ohtsuka	Ms. Ohtsuka has a high level of expertise as a certified public accountant. She has a considerable insight and experience as an independent officer of a listed company. The Company believes that she will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. She has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that she can appropriately perform her duties as an Outside Director who is an Audit & Supervisory Committee member.
Akira Marumoto	Mr. Marumoto has served as Executive Vice President and President of Mazda Motor Corporation and has a wealth of experience and considerable insight in corporate management. He was in charge of a wide range of administrative areas, including corporate planning, production and sales operations in the U.S., general affairs, public relations, and human resources. After assuming the position of president, he responded to various management issues and, as one example, strengthened earning power by improving profitability through dealership reforms and putting a new plant into operation. The Company believes that he will be able to appropriately supervise and contribute to the soundness of the Company`s management aimed at achieving sustainable growth and improving the Company`s corporate value over the medium- to long-term.

Matrix of Areas of Expertise Particularly Expected for Directors

The Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, our basic policy is to maintain a board that is well-balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise, without regard to gender, race, ethnicity, country of origin, nationality, cultural background, age, etc.

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

Title	Name	Areas of expertise and skills particularly expected by the Company								
		Corporate Management	Development Design Business Development	Sales Marketing	IT Digital	Finance Accounting Investment	Compliance Governance	HR Develpment HR Management	Environment Sustainability	Global (Internationality)
President and Representative Director	Yasunori Ogawa	●	●						●	
Representative Director Executive Officer	Eiichi Abe						●	●		●
Director Executive Officer	Junkichi Yoshida			●	●					●
Director Executive Officer	Yasunori Yoshino		●		●	●				
Outside Director	Tadashi Shimamoto	●	●		●					
Outside Director	Masaki Yamauchi	●		●				●		
Outside Director	Kahori Miyake			●					●	●
Director Full-Time Audit & Supervisory Committee Member	Masayuki Kawana					●	●	●		
Outside Director Audit & Supervisory Committee Member	Susumu Murakoshi					●	●		●	
Outside Director Audit & Supervisory Committee Member	Michiko Ohtsuka					●	●	●		
Outside Director Audit & Supervisory Committee Member	Akira Marumoto	●	●							●

* Up to three areas of expertise particularly expected are stated.
* As of June 30, 2024.

Compensation of Officers

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

Policies

Compensation for Executive Officers

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

Compensation for Non-Executive Officers

1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

Procedures

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

Compensation Structure

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

Base Compensation (Fixed)

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

Performance-Linked Compensation (Bonuses)

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

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

Restricted Stock Compensation (Non-Monetary)

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

Pursuant to the resolution of the Board of Directors of the Company, the Company will pay monetary compensation claims up to the aforesaid annual amount of 200 million yen as compensation, etc., for restricted stock. In turn, eligible Directors will pay all monetary compensation claims provided by the Company as in-kind contributions and will receive an allotment of restricted stock. The aforesaid monetary compensation claims will be paid on condition that eligible Directors have agreed to the aforesaid in-kind contributions and have concluded a restricted stock allotment agreement. The total number of restricted stock shares to be allotted to eligible Directors will not exceed 200,000 shares in each fiscal year.

The restricted stock allotment agreement will include the following:

I. Nature of restrictions on transfer
Eligible Directors shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose of restricted stock (hereafter `the Allotted Stock`) during the period from the date of allotment to the date on which they resign or retire from their position as either a Director, Executive Officer, or employee of the Company.

II. Gratis acquisition of restricted stock
If an eligible Director resigns or retires from his or her position as a Director, Executive Officer or employee of the Company before the end of the period, the Company will rightfully acquire the Allotted Stock without compensation, unless there are extenuating circumstances that the Company`s Board of Directors deem reasonable.

III. Lifting of the transfer restrictions

The Company will lift transfer restrictions for all the Allotted Stock upon the end of the final day of the transfer restriction period, provided that the eligible Director holds the position of Director, Executive Officer or employee of the Company continuously from the date the transfer restriction period starts to the date of the first Ordinary General Meeting of Shareholders thereafter.

IV. Malus and clawback provisions

The Company will establish provisions to acquire without contribution some or all of the Allotted Stock granted to eligible Directors or common shares of the Company for which transfer restrictions have been lifted, or to be paid an amount equivalent to the value of the Allotted Stock or common shares of the Company for which transfer restrictions have been lifted, in cases in which the Board of Directors recognizes that eligible Directors have violated laws, regulations, or internal rules, etc. in any material respect during the transfer restriction period or after the lifting of the transfer restrictions, and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses, etc.

V. Treatment in organizational restructuring, etc.

If, during the transfer restriction period, matters concerning organizational restructuring, etc., of the Company are approved at an Ordinary General Meeting of Shareholders, the Company will, by resolution of the Board of Directors, lift the transfer restrictions prior to the effective date of the organizational restructuring, etc., for the number of Allotted Stock that is reasonably determined based on the period from the date the transfer restriction period starts to the date the organizational restructuring, etc., is approved.

* The Company plans to also allote restricted stock like the restricted stock described above to Executive Officers who are not Directors of the Company.

To share the benefits and risks of changes in the stock price with general shareholders and to enhance the incentive to increase the stock price, sustain growth, and increase medium- to long-term corporate value, the achievement levels against the indicators including the company-wide ROIC and sustainability goals are set as indicators.

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

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

Compensation to Directors (FY2023)

Category	Total compensation (millions of yen)	Total compensation by type (millions of yen)			Number of individuals
		Base compensation	Performance-linked compensation	Restricted stock compensation (non-monetary)	
		Fixed (monetary)	Bonus (monetary)		
Directors who are not Audit & Supervisory Committee members (amount accounted for by Outside Directors)	262 (39)	189 (39)	31 (-)	41 (-)	8 (4)
Directors who are Audit & Supervisory Committee members (amount accounted for by Outside Directors)	82 (49)	82 (49)	- (-)	- (-)	4 (3)
Total	345	272	31	41	12

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 31 million yen (amount paid to two Directors excluding Chairman and Director without the right of representation, Outside Directors, and Directors who are Audit & Supervisory Committee members), as resolved at the Ordinary General Meeting of Shareholders held on June 25, 2024.
3. Based on a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2006 to abolish bonuses for retiring executives, the Company provided payment of 24 million yen to one eligible Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024.
4. Stock options are not granted.

Actions to Ensure Board Effectiveness

The Board of Directors of the Company analyzes and evaluates the effectiveness of the entire Board of Directors every year based on Article 19 of the Corporate Governance Policy.

Annual Cycle for Evaluating the Effectiveness of the Board of Directors (General Principles)

- When evaluation is planned: November to February
- When evaluation is performed: February to March
- When evaluation results are analyzed and issues are selected: April to May
- Disclosure of issues in a Corporate Governance Report: June
- Interim report to the Board of Directors (regarding actions taken to resolve issues): October to November
- Final report to the Board of Directors (regarding action to take to resolve issues): February of the following year
- Disclosure of the results of actions taken to resolve issues in a Corporate Governance Report: June of the following year

Board of Directors Effectiveness Evaluation for the 2022 Fiscal Year

The results of actions taken to address issues that were raised when the effectiveness of the Board of Directors was evaluated for the 2022 fiscal year are provided below. The effectiveness of the Board of Directors in the 2022 fiscal year was evaluated by having all Board members complete a questionnaire. The questionnaire results showed that the Board of Directors is functioning effectively.

1. Enhance discussions on long-term corporate strategy.
   Key issues were identified and an early consensus was reached on the next corporate vision. The conditions are thus in place for exploration of the long-term strategy, which is planned for FY2024 and beyond.
2. Increase the ability to execute Epson 25 Renewed and the speed of execution.
   The Board of Directors contributed to things such as decisions regarding the direction of business by discussing each area of innovation and topics that concern the entire Epson Group.
3. Develop details of succession plans for the management team and carry out the plans.
   Discussions and actions regarding succession plans, including the development of a detailed succession plan, are on the path to completion. We will carry out the plan and regularly report the progress to the Board of Directors.

Issues 1 and 2 are associated with medium- and long-term corporate strategies that are being executed or studied. The Board of Directors will continue to supervise and discuss these strategies during the 2024 fiscal year.

Board of Directors Effectiveness Evaluation for the 2023 Fiscal Year

To incorporate a more objective perspective, the Board of Directors effectiveness evaluation for the 2023 fiscal year was conducted based on the evaluation and opinions of a third-party organization in a series of steps from the preparation of the questionnaire to its analysis and evaluation. The questionnaire was administered to all Directors and included the following items:

1. Composition of the Board of Directors and how it is positioned
2. Operation of the Board of Directors
3. Discussions of the Board of Directors
4. Board of Directors monitoring function
5. Directors` activities (self-evaluation/roles and activities of Directors, etc.)
6. Training
7. Dialogue with shareholders (investors)
8. Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
9. Summary (effectiveness of the Board of Directors) and free comments

The results of the evaluation showed that the Board of Directors as a whole is generally functioning effectively. However, Board members held discussions and, considering the results of the 2022 fiscal year Board effectiveness evaluation, the Board identified the following issues in order to improve effectiveness in the future.

1. Discussion and supervision of actions taken with regard to the Epson 25 Renewed financial goals and strategy execution
2. Holding and acceleration of discussions on long-term corporate strategy
3. Human capital management initiatives linked to management strategy

In the future, we will work to further improve effectiveness by addressing these issues.

Responding to Large-Scale Acquisitions of Seiko Epson Shares

The Company`s Corporate Governance Policy stipulates the following:

1. Whether to accept a bid to purchase a number of shares that would give the acquirer control over the Company`s financial and business policies (`large-scale acquisition` hereafter) should ultimately be decided by the shareholders.
2. Epson shall ask persons who attempt to make large-scale acquisitions of Company shares to provide a sufficient amount of the information needed to determine the desirability of the large-scale acquisition from the perspective of ensuring and enhancing corporate value and the common interests of shareholders, after which Epson shall disclose the opinions of the Company`s Board of Directors regarding the proposed large-scale acquisition, thereby doing its due diligence to provide shareholders with the time and information they need to consider the desirability of the large-scale acquisition. The Company shall also take appropriate actions based on the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations.

Internal Control System

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

Group Governance

The Epson Group is managed based on the concept: global consolidated responsibility of product-based divisions; and global responsibility of the Head Office supervisory functions. The head of the business operations divisions take the responsibility for the business execution systems of subsidiaries. And the head of Head Office supervisory sections take the responsibility for Group-level corporate functions. With this system, Epson strives to streamline operations throughout the Epson Group, including subsidiaries.

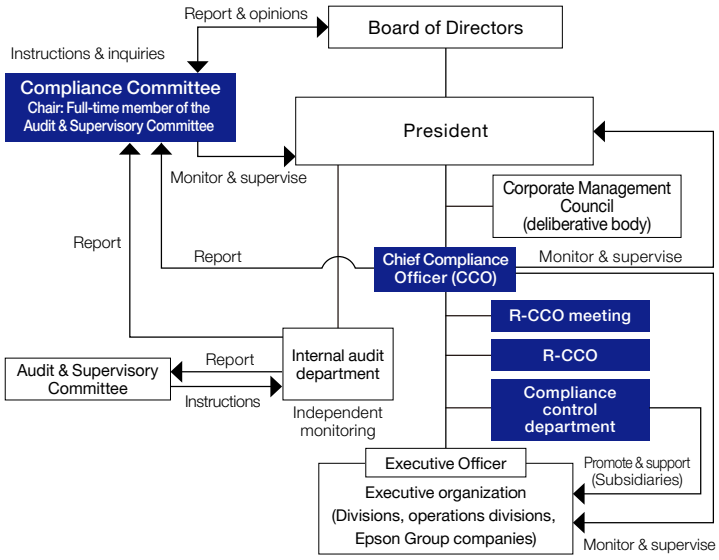
Compliance and Risk Management

Epson`s goal is to continuously create value that exceeds customer expectations while building trust with all stakeholders based on the `Epson Way.` To maintain and strengthen this trust, Epson seeks to increase management transparency and fairness and effectively manage compliance through faster decision-making. There were no legal or regulatory violations subject to disclosure in FY2023, nor were there fines or settlements subject to reporting in audited financial statements.

Compliance Organization

As an advisory body to the Board of Directors, the Compliance Committee is made up of six outside directors and one director who is a full-time member of the Audit & Supervisory Committee. It is chaired by the full-time member of the Audit & Supervisory Committee, and supervises and monitors 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 and periodically reports the state of compliance affairs to the Compliance Committee. Under the supervision of the president, the compliance control department globally promotes and enforces compliance in cooperation with businesses and subsidiaries. It monitors compliance in general and, if necessary, makes corrections and adjustments to enhance the completeness and effectiveness of compliance activities.

Compliance Organization Chart



Whistleblowing Systems and Reporting Channels

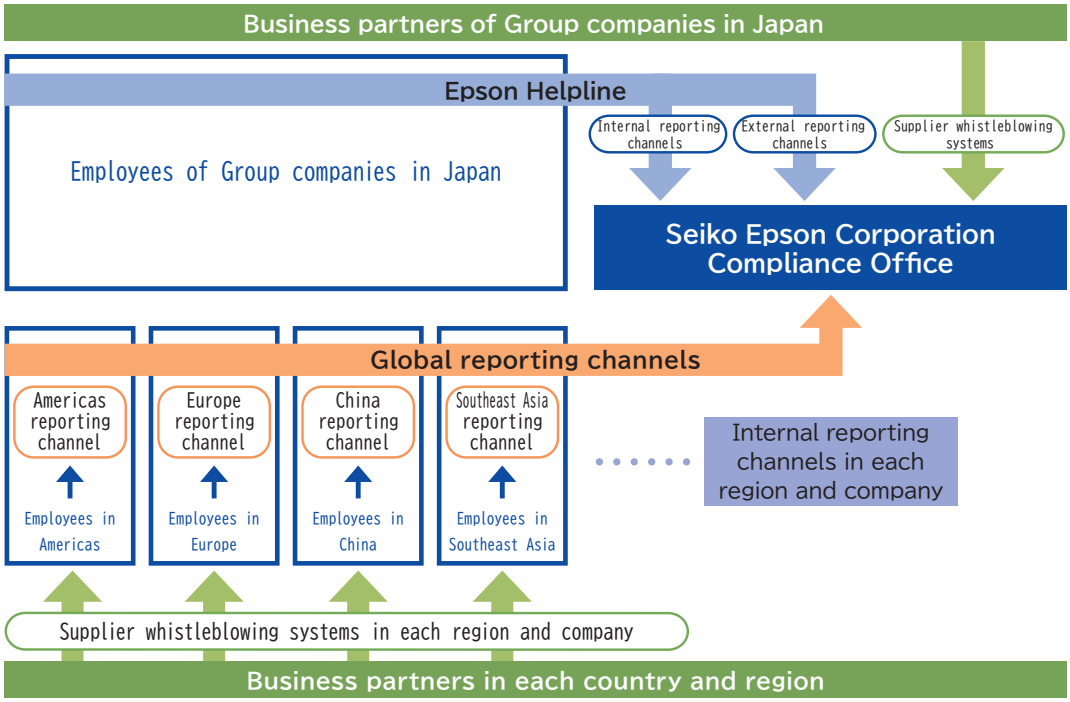
Epson provides reporting channels to obtain information from officers, regular employees, contract employees, and temporary workers to quickly call our attention to potential compliance problems that might go undetected. We set up a process for escalating reports of concern. The basic rules for whistleblowing systems, such as the need to strictly manage information contained in reports, forbid reprisals against whistleblowers, and protect anonymity, are set forth in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. Seiko Epson and all the Group companies, including in the Americas, Europe, China, and Southeast Asia, provide reporting channels based on them. Whistleblowing systems comply with the laws and regulations of each country and region, including, in Japan, the Whistleblower Protection Act. They are available in Group companies in their local language.

Reporting channels are prescribed in the Epson Global Code of Conduct and accessible on the intranet. We inform officers, employees, and temporary workers about the channels and urge their use through Compliance Month activities every October and online courses.

In addition, Seiko Epson and all Epson Group companies around the world have set up supplier whistleblowing systems to receive reports from suppliers and other external business partners. As with Epson`s internal reporting channels, the information contained in reports is strictly protected, reprisals against whistleblowers are prohibited, and anonymity is ensured. Suppliers and other external business partners are notified about supplier whistleblowing systems in written supplier guidelines and at supplier conferences and are encouraged to use them.

Whistleblowing system use and reports received in the Epson Group are reported regularly to the Board of Directors, Audit & Supervisory Committee, Compliance Committee, and Corporate Management Council. The identity of whistleblowers is kept confidential.

Epson Group Whistleblowing System



Human rights-related inquiries and reports are handled as described below.

- Directors, employees, and dispatch workers can use the Epson Helpline or several other reporting channels and advisory services to report or consult regarding diversity issues and so forth.
- Suppliers and other external business partners can use a supplier whistleblowing system to lodge reports.
- All stakeholders can seek engagement and remedy by filing grievances via a grievance handling platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

Support System in Japan

Epson has set up two types of Epson Helpline reporting channels. One type is operated internally. The other is operated by a third-party provider. Officers, employees, and temporary workers in domestic Group companies can use either type of channel to report their concerns. Instructions for using Epson Helplines are provided in a user manual posted on the company intranet. Trainings and other opportunities also cover helpline use. Reports can be lodged by e-mail or phone 24 hours a day, 365 days a year. We investigate reports from whistleblowers and take corrective action as needed. We have been taking the initiative in developing the whistleblowing system since establishing the first reporting channels for employees and temporary workers in conjunction with the enforcement of the Whistleblower Protection Act in 2006. In compliance with the amended Whistleblower Protection Act that came into force in June 2022, we have designated personnel to handle whistleblowing reports and have been addressing reports from employees and dispatch workers within one year after leaving the company. We actively develop, improve, and implement systems based on the latest social and regulatory trends that are identified from things such as evaluations by an external consultant.

Our reporting channels in Japan received 143 reports, an increase of 29 over the previous fiscal year. Whistleblowers reported possible cases of internal rule violations, misconduct, and lawbreaking. Epson responded appropriately to each of these reports. Aside from Epson Helplines, we set up advisory services for specific concerns for officers, employees, and temporary workers. This helps us to maintain and operate an environment that makes it easier to seek advice.

Counseling and Support Services in Japan

Harassment counseling	Management advisory service	Counseling related to overwork and long working hours
Career counseling	Diversity counseling	Women`s health counseling
Employee counseling	Corruption (bribery) regulations & Competition laws advisory service	Insider trading advisory service

Support System Outside Japan

All overseas Group companies, including in the Americas, Europe, China, and Southeast Asia, have set up reporting channels that allow officers, employees and temporary workers to report. Each reporting channel complies with local laws and regulations. Information contained in reports is strictly protected and reprisals against whistleblowers are prohibited. Reports may be made anonymously.

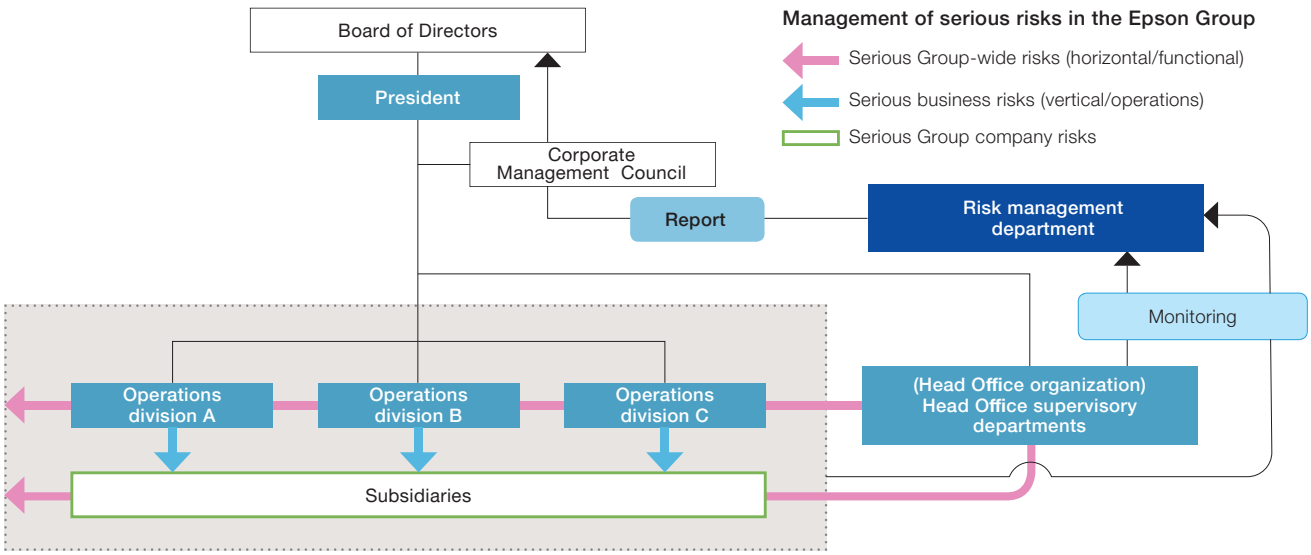
We have also introduced an Epson Executive Compliance Hotline, a global reporting system that Epson uses to directly receive compliance-related reports involving executives in subsidiaries outside Japan. The system helps us to improve the completeness and effectiveness of the reporting system in the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

Risk Management

The president of Seiko Epson acts as the Chief Risk Management Officer in the Epson Group, including subsidiaries. Group-wide risks are globally managed by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Seiko Epson risk management department monitors overall risk management in the Epson Group, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs.

The risk management organization is defined in the Epson Group Risk Management Basic Regulation.

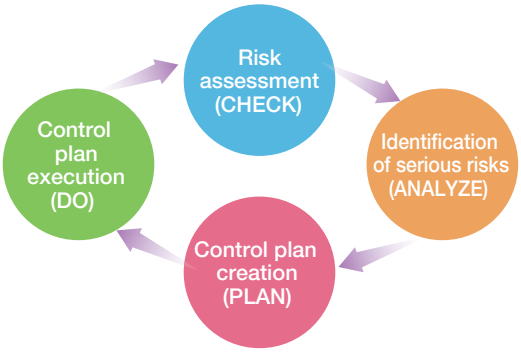
Risk Management Organization Chart



Epson identifies business operations risks, business ethics risks, such as participation in bribery and cartels, and other serious risks that could materially impact the company. Epson evaluates these risks using The Committee of Sponsoring Organizations (COSO) and ISO 31000 as guides and sets priorities.

- Risks that could have serious adverse effects on Epson Group management are considered `Corporate serious risks.`
- Risks that could have serious adverse effects on business operations are considered `Business serious risks.`
- Risks that could have serious adverse effects on subsidiaries` management are considered `Group company serious risks.`

Risk Management Cycle



Epson drafts and executes plans to control these serious risks and periodically monitors plan progress. The company also strives to ensure control plan effectiveness by evaluating serious Group-wide risks every quarter, evaluating serious business risks and serious Group company risks every six months, and revising the plans as needed. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly.

Crisis Management

Epson maintains a Crisis Management Committee structure to respond to emergency situations. 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.

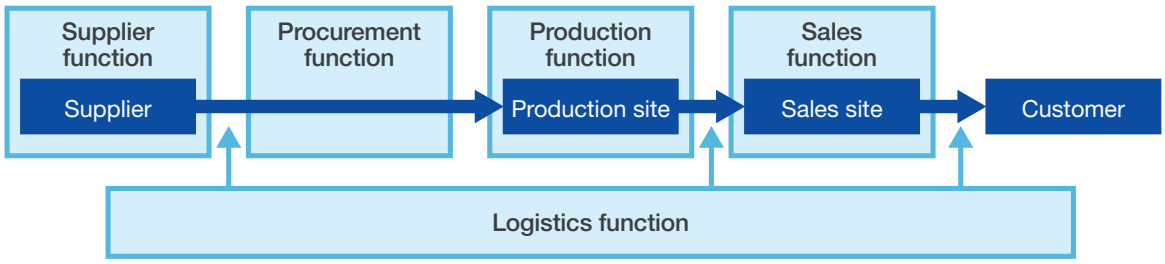
The activities of the Crisis Management Committee are regularly reported to executive management, including outside directors, through meetings of the Corporate Management Council and Board of Directors.

Supply Chain Business Continuity Management

The Epson Group formulates a business continuity plans (BCPs) to ensure that we fulfill our responsibility to supply products and services and to minimize losses in the event of a disaster, accident, outbreak of emerging infectious disease, or other disruption in the supply chain. Epson also implements supply chain business continuity management (BCM) to properly maintain and improve the BCPs.

Supply Chain BCM

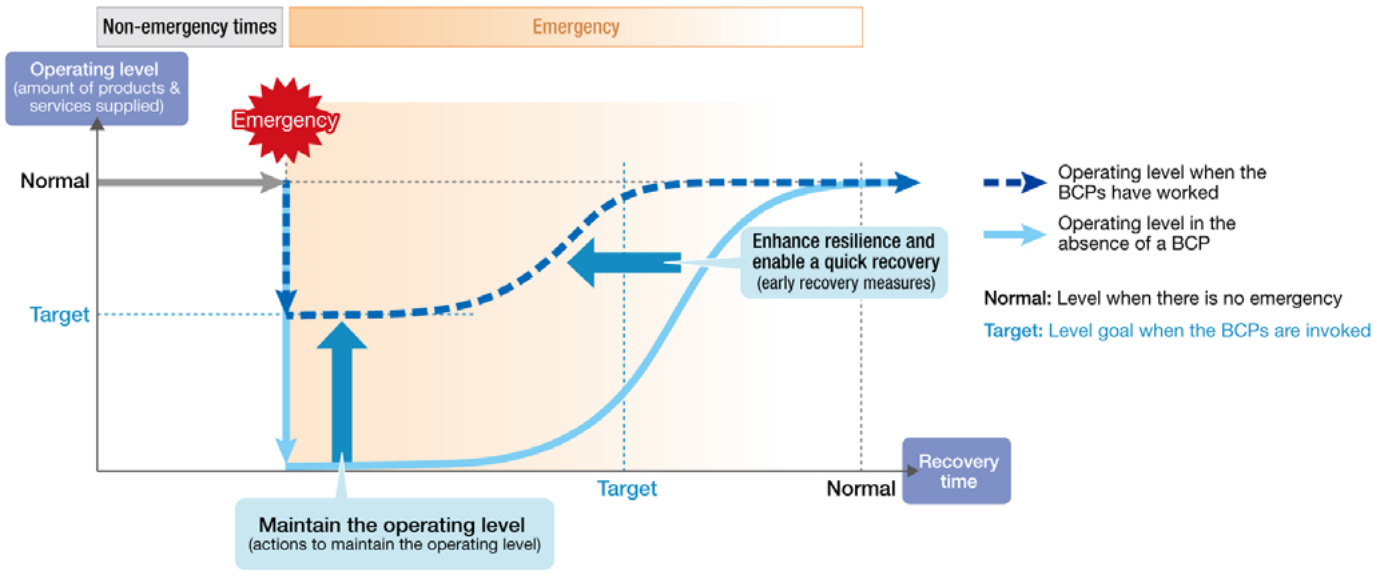
Supply chains are becoming increasingly sophisticated and complex. Epson`s basic approach to establishing supply chains that are more resilient, sustainable, and resistant to the risks and contingencies that today`s supply chains face is to geographically distribute functions, secure alternative sources, and increase resilience. We have divided supply chain functions into five categories (suppliers, procurement, production, sales, and logistics) and are addressing the priorities that have been set for each.



Functions	Initiatives
Suppliers	Acting on suppliers to enhance their own supply continuity capabilities by establishing business continuity management (BCM) and a business continuity plan (BCP)
Procurement	Multi-sourcing, securing alternative sources for procured goods, executing long-term procurement contracts, strengthening partnerships, and maintaining inventory of parts and raw materials * Applies to direct materials and parts and to indirect materials
Production	Strengthening the distributed production organization, increasing the resilience of facilities, strengthening measures to prevent the spread of infectious diseases, and securing product inventories
Sales	Maintaining operations sites, human resources, and an IT backup system
Logistics	Securing space on ships by strengthening relationships with shipping companies, improving the accuracy of shipping plan management, and securing multiple logistics modes and methods (carriers, transportation routes, and warehousing functions)

Schematic Diagram of the BCP

The vertical axis on this graph shows the operating level while the horizontal axis is recovery time. In an emergency, the operating level declines and stays at that level for a period of time. However, implementing actions in the BCM enable a business to keep the operating level as high as possible even in an emergency or enable it to quickly restore operations in the event of a shutdown.



Responding to Supply Chain Risks

Since 2019, the risk of supply chain disruptions due to events like the spread of infectious disease, global chip shortages, and shipping container scarcity has been far greater than assumed. Moreover, risks in the business environment that threaten supply chains, including the outbreak and protraction of regional conflicts as well as geopolitical and disaster risks, have not been resolved. If anything, they have increased in magnitude and scope.

Supply chains are becoming increasingly sophisticated and complex. Epson`s basic approach to establishing supply chains that are more resilient, sustainable, and resistant to the risks and contingencies that today`s supply chains face is to geographically distribute functions, secure alternative sources, and increase resilience. Epson is addressing these risks by taking the actions described below in the five supply chain functions.

1. Suppliers
   We need our suppliers to strengthen their own supply continuity capabilities, so we ask them to put business continuity management (BCM) arrangements in place and to formulate a multifaceted action plan (BCP) to respond to contingencies so that they can minimize damage and losses should there be a disruptive event in the supply chain.

2. Procurement
   We are gathering more in-depth supply chain information and enhancing our ability to detect risks. Furthermore, we will implement effective, practical procurement risk avoidance measures (preventive measures) to ensure stable material procurement.
   We will secure multiple sourcing options, expand the evaluation of alternative products, keep BCP inventory, and strengthen relationships with partners to achieve these objectives.

3. Production
   In preparation for future outbreaks of infectious disease, we have established preventive guidelines to protect our employees–our top priority–and to minimize the impact on production.
   To fulfill our product supply obligations, we are moving toward geographically distributed production. We are also increasing the resilience of all our production facilities, particularly the domestic Japanese factories responsible for manufacturing the core components of each of our businesses.

4. Sales
   We will establish sales and distribution guidelines and will specify the required level of prevention to shield the sales function from the impact of contingencies that arise. To meet our product supply obligations, we will operate in line with the sales and distribution guidelines.

5. Logistics
   In addition to further strengthening partner relationships, we will increase the visualization of logistics, improve the communication and coordination of information between production sites and sales sites, and deliver goods to meet the demands of our customers.
   We will diversify the means and modes of distribution, including transport routes, ocean and air freight, and warehouse facilities. Additionally, we will continue to improve product loading efficiency in all businesses, mitigate logistics risks, improve logistics efficiency, and minimize environmental impact.

Internal Audits

The internal audit department conducts audits in accordance with a code of conduct to check for compliance and corporate ethics violations and to facilitate self-directed internal control at all Group divisions as well as subsidiaries and related organizations in Japan and overseas. Audits are used to check compliance and the effectiveness and efficiency of these units` risk management, internal controls, and governance processes. If problems are found, the internal audit department helps minimize business risks by conducting a follow-up audit to check the status of improvements. To ensure effective Group governance, the internal audit department also centrally oversees internal audits throughout the Group in collaboration with auditing departments at regional headquarters in Europe, the Americas, China, and Southeast Asia.

Each year, the units to be audited are chosen by assessing the risk at each division and each subsidiary and related organization in Japan and overseas. Then an auditing cycle is set that is designed for effectiveness and efficiency. Audits are then performed systematically. In the 2023 fiscal year, the internal audit department audited 19 business units and provided them with concrete advice on correcting 49 observed nonconformities. In the 2024 fiscal year, business units were grouped into 62 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

Compliance Activities

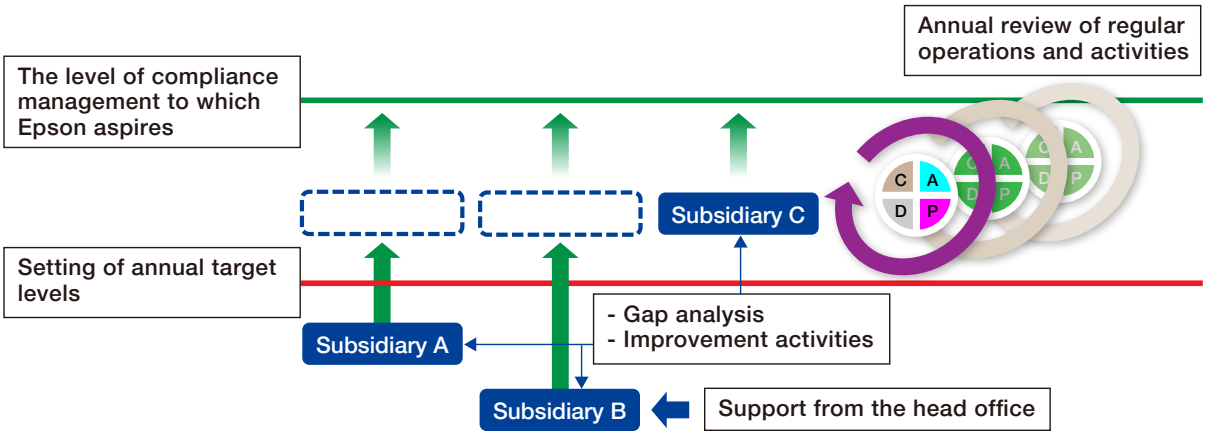
Epson engages in a variety of compliance activities to ensure that we observe all applicable laws, regulations, company rules, and business ethics and meet the expectations of society. The Epson Way (comprising the Management Philosophy, Principles of Corporate Behavior, and the Epson Global Code of Conduct) represents the shared values and expectations of conduct within the Epson Group, forming the foundation for our compliance efforts. To deeply root compliance awareness and ensure effectiveness, we have translated the Epson Global Code of Conduct into 17 languages. In addition, we provide a wide range of compliance training that includes online courses and rank-specific training given by internal and external instructors.

October is Compliance Month at Epson. One of the things we do across the global Epson Group during the month is to remind employees of the Epson Way, the foundation on which our business activities rest, and urge them to maintain high ethical standards. We raise compliance awareness by having the chief compliance officer and the heads of our business units and subsidiaries issue compliance messages, familiarizing employees with the Epson Global Code of Conduct, giving compliance training, and conducting a compliance awareness survey. Compliance training courses are provided at all Epson Group companies worldwide. The completion rate is nearly 100% in Japan. We also conduct a compliance awareness survey, which gives us ideas for further improvement by analyzing the results for each department and subsidiary.

Global Compliance Activities

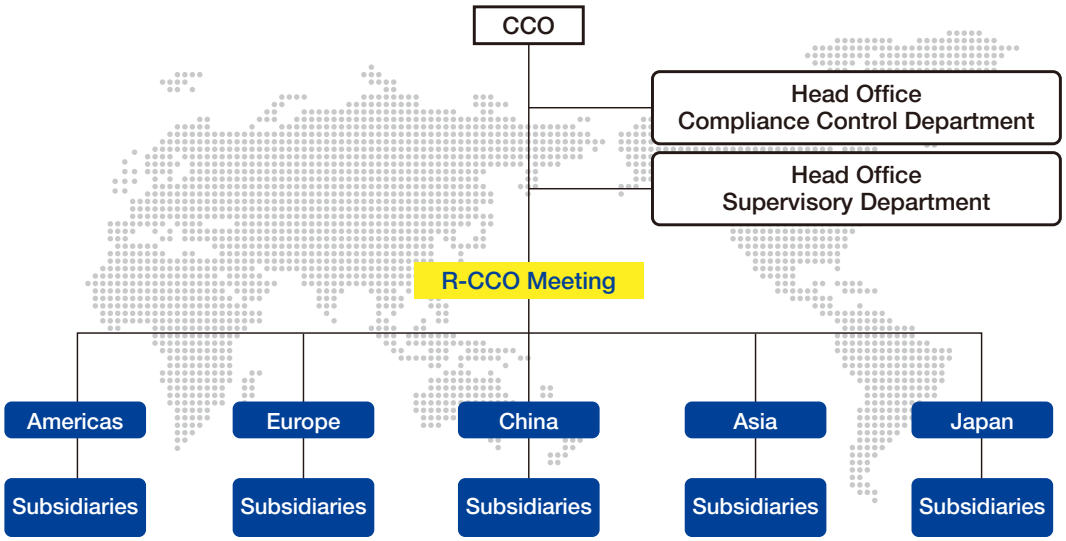
The Epson Group shares a common goal of managing compliance to create a safe environment where every employee can shine and pursue higher goals. To achieve this, we have introduced global compliance activities throughout the Group. We set targets for each fiscal year, evaluate the compliance systems and operations of each organization and subsidiary, and make improvements. We raise the level of compliance across the entire Group and minimize risks by implementing the PDCA cycle.

Global Compliance PDCA



A regional chief compliance officer (R-CCO) system has been established to promote the global compliance activities. Group companies are divided into five regional blocs, each headed by an R-CCO who leads the compliance activities in that bloc. The blocs are determined based on geographical proximity and similarities in linguistic, regulatory, cultural, and other factors, facilitating collaboration among compliance personnel in the bloc when they address common issues. An R-CCO meeting is held once every six months with the participation of the CCO and all R-CCOs to increase the coordination across the entire Group. In addition, area meetings are held to develop compliance activities unique to the region. Each bloc works to achieve its goals by implementing Group-wide compliance policies, issues, and measures.

R-CCO Organization



Anti-Corruption/Anti-Bribery

Basic Principles

Principle 5, `Ensuring effective governance and compliance,` in Principles of Corporate Behavior, states that we will not tolerate 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 actions that employees are expected to take based on the understanding of 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 demands that our business partners adhere to a zero-tolerance policy regarding illegal and unethical business practices. Moreover, in Anti-Bribery, Anti-Corruption, and Competition Law (Antimonopoly Act) Guidelines for Business Partners, we strongly urge our business partners to understand Epson`s values and to eliminate any corruption, including but not limited to involvement in bribery, cartels, insider trading, and conflict of interest. We insist that they conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.

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.

Principles of Corporate Behavior (Please refer to page 350 of "Appendices")

Anti-Corruption Efforts

Epson sees corruption as an important business risk and is acting to prevent any form of corruption. Working with corporate supervisory departments, the compliance control department oversees entertainment and gift-giving, invitations, donations, sponsorships, agency management, hiring, and other operations. There were no corruption-related violations subject to disclosure in the 2023 fiscal year, nor were there fines or settlements subject to reporting in audited financial statements.

Topic	Description
Response to risks	Corruption risks are evaluated based on the likelihood of corruption [per the Corruption Perceptions Index (CPI)] in countries and territories around the world and at Epson`s overseas subsidiaries, as well as on the impact that an incident of corruption would have. For high-risk organizations, we formulate and execute control plans every year, check plan progress quarterly, evaluate action effectiveness, and report the findings to the board of directors.
Business partners	We inform our business partners of the Anti-Bribery, Anti-Corruption, and Competition Law (Antimonopoly Act) Guidelines for Business Partners and the Epson Group Supplier Guidelines, and we strongly urge our business partners to eliminate any corruption, including but not limited to involvement in bribery, cartels, insider trading, and conflict of interest. We also insist that they conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace. **Customers** In addition to informing our dealers, distributors, and service partners of the guidelines, we ask them to include compliance clauses in their business agreements whenever possible. Moreover, we are moving to check the state of compliance at our business partners. **Suppliers** We require all our business partners to comply with the guidelines, and we ask them to sign contracts or agreements to do so. In addition, when evaluating potential new business partners, we check their system for managing compliance with anti-bribery and competition laws. For major suppliers, we conduct an annual detailed CSR evaluation to assess compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) and to ascertain what they are doing to prevent anti-competitive behavior and misconduct, including bribery. Among other things, we check whether they have established policies and rules, whether they have had violations, and, if so, what corrective actions were taken. If corrective action is necessary, we ask them to formulate corrective action plans and we monitor progress until the plans are completed.
Entertainment and gift-giving	Illegal and unethical gifts and entertainment are prohibited. All gift-giving and entertainment is subject to advance reporting, review, and approval.
Education	We formulate annual compliance education plans. Every October, which is designated as Compliance Month, we provide officers and employees with an online course to share information about cases of bribery and corruption. We also periodically provide anti-bribery and anti-corruption education to procurement, sales, development, and design personnel as they are at higher risk of bribery and corruption.
Response to incidents	If a violation that has a material impact on Group management should occur, the Crisis Management Committee will be called upon to invoke the crisis management program.

International Trade Control Initiatives

Epson is a multinational corporation with production centers, sales centers, customers, and business partners around the world. Smooth international trade operations are essential for delivering Epson products and services to customers in a timely manner.

Meanwhile, we must observe own regulations of each country to respond the changes in international situation as well as numerous conventions and frameworks governing international trade that have been put in place to maintain international peace and security.

To maintain compliance with these and to ensure smooth trade, Epson has established comprehensive systems for reliable trade management for entire EPSON Group. As a result, EPSON Group companies have many certifications around the world as companies that complies with the systems and programs established by the authorities of each county in Japan, North America, Latin America, Europe, China, Asia, etc., especially in areas of security trade control and security management that strict operations are required.

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

Tax Compliance Policy

Epson seeks to fulfill its corporate social responsibility by paying appropriate taxes in compliance with the spirit as well as the letter of the tax laws and regulations in the countries and regions where it operates. In accordance with this basic policy on taxes, we are taking the actions below to maintain and improve tax compliance.

1. Tax governance

- The Board of Directors is responsible for overseeing tax risk, and Epson`s Chief Financial Officer is the responsible official of Group tax affairs. The group that is in charge of tax affairs reports and manages taxes is under the supervision of the Chief Financial Officer.
- Epson considers tax risk to be an important risk, and regularly reports such risks to the board of directors and the Corporate Management Council, which is composed of directors of the company.
- Employees are trained in the tax-related regulations and business process standards that Epson has established to ensure that it properly fulfills its tax obligations. We conduct periodic internal tax audits and report the findings to top management and to the Audit & Supervisory Committee.

2. Monitoring tax affairs

- We appropriately respond in a timely manner to changes in local tax systems and taxation trends through regular reporting among the group that is in charge of tax affairs and Epson`s local subsidiaries.
- We enlist the support of tax accounting firms and other external experts for advice on taxes and for tax support in each country and region.

3. Tax planning and Tax avoidance

- Around the globe, we strive to effectively use preferential taxation systems where possible in our normal business activities to ensure a suitable tax burden.
- We do not transfer value created to low tax jurisdictions, and do not use tax structures intended for tax avoidance without the spirit of the law.

4. Dealing with uncertainty

- Tax risk uncertainty is expected to increase as countries and regions around the globe strengthen their tax reporting obligations, tax audits, and tax enforcement. Epson controls tax risks by identifying situations that could potentially pose serious tax risks.

5. Transfer pricing taxation

- Epson complies with local tax laws and OECD guidelines to control transfer pricing tax risks. We have established transfer pricing guidelines for the Epson Group to help ensure appropriate transfer pricing transactions. In line with these transfer pricing guidelines, we control the profitability range of our global subsidiaries to ensure that transactions are made at arm`s length.
- We use an advance pricing arrangement (APA) for transactions with subsidiaries in high-risk countries.

6. Anti-tax haven rules (also known as Japanese Controlled Foreign Company rules, or `CFC`)

- Epson sets up foreign subsidiaries to carry out its ordinary business activities, but does not do so in `tax haven` jurisdictions to avoid taxes. When anti-tax haven rules apply, Epson properly files and pays taxes.

7. Relationships with tax authorities

- Epson strives to work in good faith with tax authorities and to maintain and improve good tax corporate governance.

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

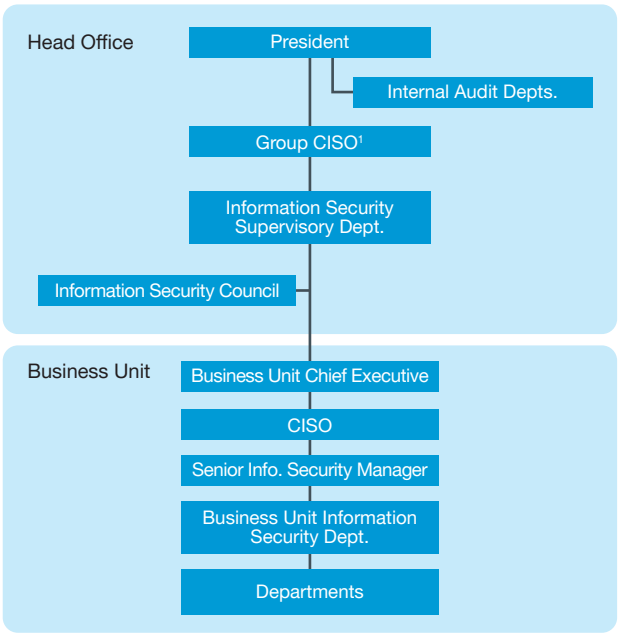
Epson has set forth essential information security principles and rules in a Basic Information Security Policy. The company is building an information security governance framework and fostering a corporate culture that reflect the importance and principles of good information security practices.

Basic Information Security Policy (Please refer to page 359 of "Appendices")

Information Security Framework

Epson`s various business units build and maintain their own information security systems based on Group-wide rules. The senior executive of the company serves as the Group Chief Information Security Officer and promotes the information security governance. Under this organization, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively. A maturity indicator has also been established for information security actions to gauge the maturity level of each business unit.

Information Security Organization



[1] Chief Information Security Officer

Program

Epson conducts the following programs in line with the Epson Group Basic Information Security Policy:

- Programs to maintain compliance by revising internal systems and understanding the trends in laws, regulations, and guidelines of nations and regions
- Programs to raise awareness and educate employees
- Risk assessments

Cyber Security

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

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

We continue to improve and reinforce our cyber security. To detect cyberattacks as early as possible and to minimize potential damage, we have introduced managed detection and response (MDR), a service that monitors computers and networks and detects and responds to suspicious behavior.

Training

The following training programs are implemented to increase employees` information security awareness and ability to respond to various external threats:

- An information security course that all officers and employees are required to complete
- A training on responding to targeted e-mail attacks
- Risk assessment education for managers
- Inspection programs that check whether the company`s information security is improving

Personal Data Protection

We at Epson are acting to protect the personal data of our customers, business partners, and employees to reward their trust and fulfill our social responsibility. Countries and regions around the world are establishing and amending laws and regulations governing personal data protection and privacy protection. The E.U.`s General Data Protection Regulation (GDPR) is a prominent example.

Epson is part of the Japan Electronics and Information Technology Industries Association and reviews its internal rules to identify necessary revisions regarding the protection of personal data.

Basic Approach to Personal Data Protection

Internal regulations at Epson require us to establish controls based on the 11 principles outlined in ISO/IEC 29100. Group companies furthermore establish their own Privacy Statements and Privacy Policies based on laws and regulations in their own countries and publish them on their national websites.

Personal Data Management Framework

At Epson, personal data is part of our information security and we work to protect it with our information security organization and systems.

Training

Epson trains its employees on data handling rules and the importance of personal data protection in accordance with the type and level of personal data.

- A course for employees who handle personal data
- Online courses regarding Europe`s General Data Protection Regulation

List of certifications

Information Security Management System (ISMS) Certification (As of June 2024)

Name of organization	Seiko Epson Corporation
Certification standard	ISO/IEC 27001:2013 / JIS Q 27001:2014
Scope of certification and registration	The following business in DX Division - Operation management of cloud service to accounts business - Operation management of common platform The following business in Printing Solutions Division - Operation management of cloud print and scan service - Operation management of remote monitoring system The following business in VSM Project - Operation management of health guidance
Certifying organization	BSI Group Japan Co., Ltd.
Certification registration No.	IS 507352

Name of organization	Epson Avasys Corporation
Certification standard	ISO/IEC 27001:2013 / JIS Q 27001:2014
Scope of certification and registration	-The embedded software development and application development for IT devices -The Technical documentation and translation for the above-mentioned IT related products and services -The Quality evaluation for IT devices and application software -The Business application system development -The Operation and administration of internal backbone network, servers, and information systems
Certifying organization	BSI Group Japan Co., Ltd.
Certification registration No.	IS 85200

Privacy Mark (As of June 2024)

Name of organization	Epson Sales Japan Corporation
Certification standard	JIS Q 15001
Period of validity	April 12, 2021 to April 11, 2023
Certifying organization	The Association of Computer Software
Certification registration No.	No. 10520010 (09)

Name of organization	Epson Direct Corporation
Certification standard	JIS Q 15001
Period of validity	December 12, 2020 to December 11, 2022
Certifying organization	BJapan Institute for Promotion of Digital Economy and Community
Certification registration No.	No. 10580040 (08)

Intellectual Property Protection

Epson protects the rights to its proprietary technologies so as to support the smooth and ongoing development of its existing businesses and the development and growth of new businesses. These actions ensure that our IP portfolio contributes to corporate earnings. We also respect the rights of others and implement measures to prevent infringement of those rights.

ESG Data/Appendices

325 ESG Data

326 Environment

335 Social

346 Governance

350 Appendices

350 Principles of Corporate Behavior

353 Epson Group Basic Policy on Product Safety

354 Epson Group Basic Occupational Health and Safety Policy

355 Epson Group Human Rights Policy

359 Basic Information Security Policy

360 Epson Group Basic Procurement Policy

361 Epson Slavery & Human Trafficking Statement for Financial Year 2023

ESG Data (Environment)

Global Environmental Data

Energy

Use of non-renewable energy

		Unit	FY2017 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Gas/oil	MWh	330,257	331,509	350,307	306,884	336,189	320,796
	Electricity/steam	MWh	467,629	360,543	361,612	181,696	0	0
Overseas	Gas/oil	MWh	19,592	15,804	16,869	16,957	13,121	13,752
	Electricity/steam	MWh	341,322	343,183	309,855	263,240	182,815	31,110
Total		MWh	1,158,800	1,051,039	1,038,644	768,778	532,126	365,658
Per unit of business profit (include renewable energy)		GWh/100 million yen	1.6	2.9	1.9	1.3	1.2	1.8

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

Use of renewable electricity

		Unit	FY2017 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Japan		MWh	257	119,302	118,974	335,408	515,804	520,041
	Purchased electricity	MWh	0	119,070	118,879	317,532	446,019	444,201
	Generated onsite	MWh	257	232	95	150	813	1,819
	Renewable Energy Certificate	MWh	-	-	-	17,727	68,971	74,022
Overseas		MWh	9,215	18,695	37,466	94,201	179,861	322,796
	Purchased electricity	MWh	7,063	13,757	32,117	88,015	111,455	138,818
	Generated onsite	MWh	2,152	4,938	5,349	6,186	9,746	12,794
	Renewable Energy Certificate	MWh	-	-	-	-	58,660	171,184
Total		MWh	9,473	137,997	156,440	429,610	695,665	842,837

* Totals do not add up in some cases due to rounding off of fractions.
* Includes cogeneration systems (CGS) electricity and self-generated electricity. Since it is difficult to procure renewable energy fuels or green gas certificates that meets the RE100 technical criteria, we have achieved 100% renewable electricity by voluntarily applying renewable energy certificates equivalent to the amount of electricity used.

Status of electricity sources

	Unit	FY2017 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Renewable electricity	MWh	9,473	137,997	156,440	429,610	695,665	842,837
Non-renewable electricity	MWh	850,359	741,546	707,408	442,530	180,221	28,721
Total	MWh	859,831	879,543	863,849	872,140	875,886	871,558
Ratio of renewable electricity	%	1.1	16	18	49	79	96

* Totals do not add up in some cases due to rounding off of fractions.
* Includes cogeneration systems (CGS) electricity and self-generated electricity. Since it is difficult to procure renewable energy fuels or green gas certificates that meets the RE100 technical criteria, we have achieved 100% renewable electricity by voluntarily applying renewable energy certificates equivalent to the amount of electricity used.

Greenhouse gas (GHG)

Greenhouse gas emission(Scopes 1, 2, and 3)

	Unit	FY2017 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1	thousand t-CO_2e	137	122	125	118	142	101
Scope 2 (market-based)	thousand t-CO_2e	455	363	345	230	93	15
Scope 3	thousand t-CO_2e	3,261	3,024	2,516	2,392	2,327	2,352
Total	thousand t-CO_2e	3,853	3,510	2,987	2,740	2,562	2,469

Scope 1: Direct GHG emissions (LPG, LNG, natural gas, kerosene, heavy fuel oil, gasoline, PFCs, etc.)
Scope 2: Indirect GHG emissions (electricity and steam, etc.)
Scope 3: Indirect GHG emissions of the entire value chain
* Totals do not add up in some cases due to rounding off of fractions.
* Since it is difficult to procure renewable energy fuels and green gas certificates that meet RE100 technical criteria, we voluntarily applying renewable energy certificates equivalent to the amount of electricity used, offsetting the equivalent CO_2 emissions from Scope 1.

Greenhouse gas emission (scopes 1, 2)

		Unit	FY2017 (Base year)	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1		t-CO_2e	136,734	122,263	124,929	117,788	141,883	101,416
	Japan	t-CO_2e	122,479	104,470	109,613	102,250	123,030	95,242
	Overseas	t-CO_2e	14,255	17,793	15,316	15,537	18,853	6,174
Scope 2 (market-based)		t-CO_2e	455,110	363,490	345,151	229,883	92,855	15,251
	Japan	t-CO_2e	246,022	184,748	179,890	72,881	0	0
	Overseas	t-CO_2e	209,088	178,743	165,261	157,002	92,855	15,251
(Scope 2:location-based)		t-CO_2e	(450,463)	(437,086)	(421,711)	(417,283)	(421,421)	(414,739)
Total		t-CO_2e	591,844	485,753	470,079	347,670	234,738	116,668
Per unit of business profit		thousand t-CO_2e/100 million yen	0.79	1.19	0.76	0.38	0.24	0.18
FY2025 target (science-based): reduce 34% total emissions from FY2017								-80%

* Totals do not add up in some cases due to rounding off of fractions
* Since it is difficult to procure renewable energy fuels and green gas certificates that meet RE100 technical criteria, we voluntarily applying renewable energy certificates equivalent to the amount of electricity used, offsetting the equivalent CO_2 emissions from Scope 1.
* Scopes 1 and 2 emissions are verified by a third party. Scope 2 location-based emissions are available only for FY2023.
* CO_2 conversion factor of greenhouse gas emissions
  - Electric power: Disclose market-based emissions. 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 emission factors of the electricity retailers contracted at each site or the emission factors of the IEA (International Energy Agency) for each country. The emission factor is set to zero for the amount of renewable energy certificates and J-Credits utilized.
  - Fuel: The factors announced by the IPCC in 2019 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.

Greenhouse gas emission (scope 3)

			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 3			thousand t-CO_2e	3,024	2,516	2,392	2,327	2,352
	Category 1	Purchased goods and services[1]	thousand t-CO_2e	1,064	928	932	980	948
	Category 2	Capital goods	thousand t-CO_2e	217	125	128	176	174
	Category 3	Fuel- and energy-related activities not included in scope 1 or scope 2	thousand t-CO_2e	36	36	36	20	23
	Category 4	Upstream transportation and distribution	thousand t-CO_2e	181	167	182	176	141
	Category 5	Waste generated in operations	thousand t-CO_2e	4	3	4	5	3
	Category 6	Business travel	thousand t-CO_2e	32	6	9	15	32
	Category 7	Employee commuting	thousand t-CO_2e	45	45	43	35	35
	Category 8	Upstream leased assets	thousand t-CO_2e	5	3	4	4	2
	Category 9	Downstream transportation and distribution	thousand t-CO_2e	7	6	5	5	5
	Category 10	Processing of sold products	thousand t-CO_2e	61	29	44	30	33

			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
	Category 11	Use of sold products[1]	thousand t-CO_2e	1,297	1,106	947	787	866
	Category 12	End-of-life treatment of sold products	thousand t-CO_2e	75	61	58	94	91
	Category 13	Downstream leased assets	thousand t-CO_2e	N/A	N/A	N/A	N/A	N/A
	Category 14	Franchises	thousand t-CO_2e	N/A	N/A	N/A	N/A	N/A
	Category 15	Investments	thousand t-CO_2e	N/A	N/A	N/A	N/A	N/A
FY2025 target (science-based): reduce 44% per unit of business profit from FY2017 (categories 1 and 11)								-17%

* Category 1: The National Institute of Advanced Industrial Science and Technology IDEA Ver.3.3 is used for calculations from FY2022.
[1] Data verified by a third party

Calculation method

Category 1	Multiplied the mass of materials that comprise sold products by their emission factors
Category 2	Multiplied the capital expenditure in each investment account by emission factors
Category 3	Multiplied the amount of each type of energy used at each site by their emission factors
Category 4	Emissions from transportation to Epson of products and services purchased from suppliers, and emissions from the transport of goods by Epson, were calculated by multiplying the mass of transported goods and the distance transported by emissions factors
Category 5	Multiplied the amount of each type of waste generated at each site by their emission factors
Category 6	Multiplied the transportation expenses for each transportation mode and lodging expenses by their emission factors
Category 7	Multiplied the transportation expenses for each transportation mode by their emission factors
Category 8	For emissions from the operation of leased assets (excluding those not already included in scope 1 or scope 2 inventories), the floor area of leased buildings was multiplied by emission factors
Category 9	Multiplied the sold product not shipped by Epson and the average distances of transported volumes by their emission factors per unit
Category 10	Multiplied the electricity consumed in the processing of intermediate products into finished products by emission factors
Category 11	Multiplied the estimated electricity consumption over the lifetime of sold products by an emission factor
Category 12	Multiplied the mass of each type of waste treated by the emission factor for each type of waste treatment
Category 13	Not applicable (We have no assets leased to customers)
Category 14	Not applicable (We have no franchise business)
Category 15	Not applicable (We do not engage in investment management)

Third-party verification of greenhouse gas (GHG) emissions

We have a third party verify our calculations to ensure reliability. Our FY2023 GHG emissions (scopes 1, 2 and 3) , energy use and retired reductions data were verified as having been measured and calculated accurately, and a independent verification report was obtained.

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

WEB Third-party verification report on Scope 2 (location-based)
https://corporate.epson/en/sustainability/esg-data/pdf/verification_report_scope2.pdf

Industrial waste

Industrial waste emissions

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Waste generated	thousand t	14.3	13.7	14.6	13.6	13.1
	Recycled	thousand t	13.7	13.1	13.9	13.0	12.7
	Waste (disposed of)	thousand t	0.6	0.6	0.6	0.6	0.4
	Landfilled	thousand t	0.6	0.6	0.6	0.5	0.4
Overseas	Waste generated	thousand t	18.3	19.8	18.6	19.9	18.5
	Recycled	thousand t	15.3	17.8	16.5	18.1	17.0
	Waste (disposed of)	thousand t	3.0	2.0	2.1	1.8	1.5
	Landfilled	thousand t	2.1	1.5	1.3	1.1	0.8
Total waste generated		thousand t	32.6	33.5	33.2	33.5	31.6
Per unit of business profit		t/100 million yen	79	54	37	35	48
Target: amount of emissions (waste generated) previous year or less							-5.6%

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

Water

Water withdrawal by source

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Municipal water	thousand m^3	5,031	4,992	4,949	4,969	4,988
	Ground water	thousand m^3	692	638	731	773	735
	(Returned water to the source)	thousand m^3	(415)	(373)	(411)	(446)	(410)
	Subtotal	thousand m^3	5,724	5,629	5,680	5,742	5,724
Overseas	Municipal water	thousand m^3	2,407	2,296	2,360	2,498	2,364
	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	2,407	2,296	2,360	2,498	2,364
Total		thousand m^3	8,131	7,925	8,041	8,240	8,088
Per unit of business profit		thousand m^3/100 million yen	0.78	0.80	0.71	0.62	0.62
Target: 1% improvement in water withdrawal per revenue from the base value (0.74 thousand m^3/100 million yen)							-15%

* Industrial water is included in municipal water.
* No water was withdrawn from other sources.
* Totals do not add up in some cases due to rounding off of fractions

Recycling water

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Recycled water	thousand m^3	1,527	1,693	1,750	2,019	1,957
Recycled ratio	%	16	18	18	20	19

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

Water discharge by destination

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Sewerage	thousand m^3	2,021	2,003	2,065	2,142	2,193
	Rivers	thousand m^3	2,779	2,863	2,892	3,000	2,912
	Subtotal	thousand m^3	4,800	4,867	4,957	5,142	5,105
Overseas	Sewerage	thousand m^3	2,178	2,068	2,131	2,262	2,149
	Rivers	thousand m^3	0	0	0	0	0
	Subtotal	thousand m^3	2,178	2,068	2,131	2,262	2,149
Total		thousand m^3	6,977	6,935	7,088	7,404	7,254

* 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 FY2023 data.

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

Chemical substance

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	PRTR[1] substance emissions	t	2.2	2.2	2.2	2.4	3.4
	Per unit of business profit	kg/100 million yen	5.5	3.5	2.4	2.4	5.2
Japan	VOC[2] emissions	t	76	71	75	80	58
	Per unit of business profit	kg/100 million yen	187	115	83	84	89

* Some figures differ from those in Sustainability Report 2023 due to a recalculation.
[1] Pollutant Release and Transfer Register.
[2] Volatile Organic Compounds. We report VOC emissions based on the voluntary action plans of four electric and electronic organizations.

Raw materials

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Raw material consumption		thousand t	234	193	210	209	206
Detailed breakdown	Resin	%	41	42	37	41	41
	Metal	%	19	20	19	16	16
	Paper and wood	%	16	19	20	20	20
	Electronic component	%	9	10	8	8	8
	Other	%	15	9	16	15	15

Coverage of environmental reporting

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Company number	Companies	54	50	52	58	64
Percentage of coverage (Revenue)	%	95	95	95	98	99

* Company number includes Seiko Epson Corporation.

ISO 14001 Certification List

Japan: Development divisions/Operations divisions/Group companies

Region	Certified sites
Japan	Seiko Epson Corporation Global Environmental Strategy Promotion Office Technology Development Division Human Capital & Well-Being Management Division IJS Operations Division Visual Products Operations Division Microdevices Operations Division Manufacturing Solutions Operations Division Tohoku Epson Corporation Akita Epson Corporation Miyazaki Epson Corporation Epson Direct Corporation Epson Logistics Corporation Epson Swan Corporation
	Seiko Epson Corporation Printing Solutions Operations Division
	Epson Atmix Corporation

Overseas: Regional headquarters/Sales/Service subsidiaries and affiliates

Region	Certified sites
Asia/Oceania	Epson (China) Co., Ltd.
	Seiko Epson Corporation, Hong Kong Office
	Epson Australia Pty. Ltd.
Europe	Epson Europe B.V.
	Epson Deutschland GmbH
	Epson Europe Electronics GmbH
	Epson France S.A.S.
	Epson Italia S.p.A.
	Epson Iberica S.A.U.
	Epson Iberica S.A.U., Portugal Office
	Epson (U.K.) Ltd.
Americas	Epson America, Inc.

Overseas: Manufacturing industry

Region	Certified sites
Asia/Oceania	Tianjin Epson Co., Ltd.
	Epson Precision Suzhou Co., Ltd.
	Epson Engineering (Shenzhen) Ltd.
	Epson Precision (Philippines) Inc.
	Epson Precision (Johor) Sdn. Bhd.
	Singapore Epson Industrial Pte. Ltd.
	PT. Epson Batam
	PT. Indonesia Epson Industry
	Epson Precision Malaysia Sdn. Bhd.
	Epson Precision (Thailand) Ltd.
	Epson Wuxi Co., Ltd.
Europe	Epson Telford Ltd.
Americas	Epson Portland Inc., HQ
	Epson Portland Inc., Longview Office
	Epson do Brasil Industria e Comercio Ltda.

Product Recycling

Collection

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Finished products[1]	thousand t	20.9	17.5	24.2	35.5	23.7
Cartridges	thousand t	1.8	1.5	2.3	1.8	2.7

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

Environmental Risk Management

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Violation of environmental regulations	Cases	0	2	0	0	0

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

Site	Unit	FY2021	FY2022	FY2023	Remediation
Head Office	mg/L	11	10	5.9	Barrier, pump and treat, monitoring
Shiojiri	mg/L	0.19	0.11	0.11	Barrier, pump and treat, monitoring
Fujimi	mg/L	0.010	0.010	0.058	Barrier, pump and treat, monitoring
Suwa-Minami	mg/L	0.022	0.015	0.014	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.

Education

Environmental education (Japan)

Training		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Basic environmental training	Participants	Persons	17,008	18,626	17,490	18,657	19,042
ISO 14001 environmental auditor training	Participants	Persons	175	114	117	91	126
	Certification recipients	Persons	1,012	1,131	1,207	1,262	1,370

* This is the number of persons who took Basic Environmental Training during the period it was offered. Figures of Certification Recipients show the number of certified persons as of the end of fiscal year.

ESG Data (Social)

HR Development

Main online courses (Japan)

Course	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Fundamentals of security export control	Persons	16,072	16,204	-	-	-	-
Import/Export control	Persons	15,986	16,149	-	-	-	-
Fundamentals of Export Control	Persons	-	-	17,332	17,844	18,979	18,466
Epson`s compliance(code of conduct etc.)	Persons	18,331	19,347	20,891	20,018	20,608	20,532
Basic information security	Persons	19,924	19,550	21,982	20,258	22,127	21,074
Basic environmental training II	Persons	17,379	17,008	18,626	17,490	20,343	20,334
Introduction to procurement (Subcontract Act.)	Persons	16,801	-	17,801	-	16,736	-
Introduction to procurement(Ethics and code of conduct)	Persons	-	15,974	-	17,167	-	17,691
J-SOX	Persons	18,497	18,642	-	18,673	-	20,038
Basic Harassment Preventive Training	Persons	18,470	15,646	17,128	16,296	17,120	19,524
Occupational Safety Training	Persons	-	18,749	17,721	15,750	18,003	19,742
Healthy Balance Between Work and Life Training	Persons	-	-	-	-	-	11,551
Business & Human Rights	Persons	-	-	-	-	-	18,473

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

Training by employee level

Training	Who	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
New employee orientation	New hires	Persons	298	311	344	200	250	344
		%	100	100	100	100	100	100
C-level employee training	New C-level staff	Persons	182	285	350	279	325	285
		%	96.3	95.0	98.3	97.1	98.0	97.9
Senior staff training	New senior staff	Persons	247	206	231	227	269	301
		%	91.1	95.8	97.4	95.0	96.4	98.0
Section manager training	New section manager	Persons	130	90	130	173	118	143
		%	93.5	91.8	98.5	98.3	95.2	93.5
General manager training	New general manager	Persons	31	30	53	42	47	43
		%	86.9	85.7	93.0	72.4	87.0	91.5

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

Training Hours

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Training by regular employee	Hours	11.0	11.1	7.4	20.9	21.5	34.2
Total training hours	Hours	-	-	-	228,696	235,910	375,219

* Seiko Epson HR Department training for regular employees and time spent on online courses. Education and training courses of functional supervisory departments and operations divisions are also included after FY2021.

Quality control training (Japan)

Course		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
QC introduction	People newly trained	Persons	413	366	403	489	365
	% trained	%	88	90	90	85	87
QC-ABC	People newly trained	Persons	168	389	320	388	315
	% trained	%	75	77	77	71	74

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

Licensed quality control training trainers

Region		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Southeast Asia	Number of production sites with licensed trainers	Companies	7	7	7	7	7
	Licensed trainers	Persons	80	77	78	76	76
China	Number of production sites with licensed trainers	Companies	6	6	5	5	4
	Licensed trainers	Persons	61	52	49	46	40

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

Promotion of Diversity

Employees with disabilities (Japan)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees	Persons	295	308	317	324	327	329	337
Employment ratio	%	2.55	2.62	2.66	2.69	2.70	2.65	2.65
Target: Employment ratio of disable employees (%)		2.5	2.5	2.5	2.5	2.5	3.0%/FY2030	

* Figures for fiscal year as of Jun 1 every year

Workforce composition

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Female/Male ratio	Female	%	16.3	16.3	16.3	16.9	17.0	17.3
	Male	%	83.7	83.7	83.4	83.1	83.0	82.7
Management diversity	Female	%	2.4	2.7	3.2	3.7	4.1	4.7
	Male	%	97.6	97.3	96.8	96.3	95.9	95.3
Target: Female management position ratio							8% by FY2025	
Junior management diversity[1]	Female	%	6.0	6.2	6.5	6.9	7.1	7.7
	Male	%	94.0	93.8	93.5	93.1	92.9	92.3
Target: Female junior management position ratio							10% by FY2025	

* Data for Seiko Epson Corporation employees as of March 31 every year
[1] Team leader

Employees by age group(Seiko Epson Corporation regular employees)

Age	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Less than 20	Persons	49	42	45	30	28	44
20-29	Persons	1,533	1,671	1,804	1,728	1,743	1,812
30-39	Persons	2,208	2,080	1,983	1,928	2,004	2,137
40-49	Persons	3,714	3,650	3,487	3,293	3,202	3,055
50-59	Persons	3,724	3,777	3,900	3,946	3,948	3,949
60-69	Persons	0	0	1	0	0	1
70 and over	Persons	0	0	0	0	0	0

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

Employees by age group(Seiko Epson Corporation regular employees and contract employee)

Age	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Less than 20	Persons	-	-	-	-	-	44
20-29	Persons	-	-	-	-	-	1,820
30-39	Persons	-	-	-	-	-	2,152
40-49	Persons	-	-	-	-	-	3,067
50-59	Persons	-	-	-	-	-	3,959
60-69	Persons	-	-	-	-	-	1,194
70 and over	Persons	-	-	-	-	-	0

* Data for Seiko Epson Corporation regular employees and contract employee as of March 31, 2024.

Employees by age and by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Less than 20	Female	%	2.4	1.2	0.6	0.9	0.9	0.5
	Male	%	1.0	0.7	0.3	0.5	0.4	0.2
	S. Total	%	3.4	1.9	0.9	1.4	1.3	0.7
20-29	Female	%	20.4	21.0	19.6	19.5	19.7	18.6
	Male	%	18.2	17.6	16.9	15.6	15.2	13.6
	S. Total	%	38.6	38.6	36.5	35.1	34.9	32.2
30-39	Female	%	12.0	12.0	12.1	12.8	13.3	13.9
	Male	%	13.5	13.4	14.5	14.6	14.8	15.4
	S. Total	%	25.5	25.4	26.6	27.4	28.1	29.3
40-49	Female	%	7.7	8.2	8.5	8.8	8.4	9.1
	Male	%	12.7	12.9	13.1	13.1	12.3	12.5
	S. Total	%	20.4	21.1	21.6	21.9	20.8	21.7
50-59	Female	%	2.6	2.9	3.4	3.5	3.6	4.0
	Male	%	8.9	9.4	10.2	10.3	10.5	11.2
	S. Total	%	11.5	12.2	13.5	13.8	14.1	15.2
60 and over	Female	%	0.2	0.3	0.3	0.2	0.3	0.3
	Male	%	0.4	0.4	0.6	0.3	0.6	0.6
	S. Total	%	0.6	0.7	0.9	0.5	0.9	0.9
Total	Female	%	45.3	45.5	44.5	45.6	46.2	46.5
	Male	%	54.7	54.5	55.5	54.4	53.8	53.5
	G. Total	%	100	100	100	100	100	100

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

Composition of new-graduate regular employees

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Female	Persons	66	52	50	64	84
	%	19	26	20	19	23
Male	Persons	278	148	200	280	289
	%	81	74	80	81	77
Total	Persons	344	200	250	344	373

* Data for Seiko Epson Corporation

Composition of mid-career hires in regular employment

	Unit	FY2020	FY2021	FY2022	FY2023
Female	Persons	9	13	78	40
	%	30	27	32	20
Male	Persons	21	35	163	164
	%	70	73	68	80
Total	Persons	30	48	241	204

* Data for Seiko Epson Corporation

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

FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
22.7%	29.6%	8.0%	19.4%	49.1%	35.4%

* Data for Seiko Epson Corporation

Length of employment

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total	Years	19.4	19.2	19.1	19.3	19.0	18.6
Female	Years	21.5	20.9	20.4	20.3	19.9	19.3
Male	Years	18.9	18.9	18.9	19.1	18.8	18.4

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

Average age

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total	Years old	43.6	43.6	43.6	43.8	43.7	43.4
Female	Years old	43.9	43.6	43.5	43.6	43.5	43.2
Male	Years old	43.6	43.6	43.6	43.8	43.7	43.5

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

Turnover rate

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total turnover rate	%	4.5	4.1	4.5	4.4	5.1	3.9
Voluntary turnover rate	%	1.8	1.5	1.4	1.5	2.2	1.2

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

Ratio of women's wages to men's wages.

	FY2021	FY2022	FY2023
All employees	74.9%	76.5%	76.5%
Regular	75.7%	76.7%	76.8%
Non-Regular	74.6%	77.8%	79.3%
(Reference)Management positions	97.8%	97.1%	97.9%

* Seiko Epson Corporation on a non-consolidated basis
* Wage includes wages, salaries, allowances, bonuses, and all other things paid by an employer to a employee as compensation for labor

Workforce composition by employment type and by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Full-time employment	Female	%	36.1	35.5	32.7	34.0	35.2	36.7
	Male	%	43.0	43.0	41.1	40.5	41.0	42.2
	S. Total	%	79.1	78.5	73.8	74.5	76.1	78.9
Part-time employment/ Contract	Female	%	10.8	12.0	15.8	15.4	14.0	10.6
	Male	%	5.2	6.4	7.8	6.8	6.7	7.4
	S. Total	%	16.0	18.4	23.6	22.2	20.7	18.0
Temporary	Female	%	2.1	1.4	1.3	1.6	1.4	1.4
	Male	%	2.8	1.6	1.3	1.7	1.8	1.7
	S. Total	%	4.9	3.0	2.6	3.3	3.2	3.2
Total	Female	%	49.0	48.9	49.8	51.0	50.5	48.7
	Male	%	51.0	51.1	50.2	49.0	49.5	51.3
	G. Total	%	100	100	100	100	100	100

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

Composition of all managerial positions by gender (Global)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Junior management positions	Female	%	18.8	18.8	19.4	20.3	21.5	22.1
	Male	%	81.2	81.2	80.6	79.7	78.5	77.9
	S. Total	%	100	100	100	100	100	100
Top management positions	Female	%	13.4	14.7	13.0	12.5	10.6	12.6
	Male	%	86.6	85.3	87.0	87.5	89.4	87.4
	S. Total	%	100	100	100	100	100	100
Total	Female	%	16.2	16.7	17.1	18.0	20.2	20.5
	Male	%	83.8	83.3	82.9	82.0	79.8	79.5
	G. Total	%	100	100	100	100	100	100

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

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

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Management positions in revenue-generating functions	Female	%	14.7	14.6	15.2	16.0	18.5	18.9
	Male	%	85.3	85.4	84.8	84.0	81.5	81.1
	S. Total	%	100	100	100	100	100	100
Management positions in non-revenue generating functions	Female	%	24.5	25.6	25.8	27.2	28.5	28.9
	Male	%	75.5	74.4	74.2	72.8	71.5	71.1
	S. Total	%	100	100	100	100	100	100
Total	Female	%	16.2	16.7	17.1	18.0	20.2	20.5
	Male	%	83.8	83.3	82.9	82.0	79.8	79.5
	G. Total	%	100	100	100	100	100	100

* Data for all Epson group companies as of March 31 of that year
* `Management positions in revenue-generating functions` means those functions including R&D, design, manufacturing, procurement, sales, customer service, etc. but excluding back-office functions such as general affairs, HR, accounting, legal, administration, etc.

Fostering a Better Workplace

Annual total working hours per employee

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total working hours	Hours	1,943	1,879	1,848	1,854	1,845	1,866	
Target	Hours	-	1,900	1,865	1,850	1,845	1,845	1,845

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

Paid leave

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of paid leave used	Days	13.9	15.6	15.9	15.3	16.2	15.7	
	Target (days):	15.0	18.0	18.0	18	20	20	20
	%	69.5	78.0	79.5	76.5	81.0	78.5	
	Target (%):	75.0	90.0	90.0	90	100	100	100

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

Childcare leave trends

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Childcare leave	Total	Persons	75	102	109	169	323	254
	Female	Persons	35	41	37	38	38	46
	Ratio of female granted leave[1]	%	100	100	100	100	90.5	97.9
	Male	Persons	40	61	72	131	273	208
	Ratio of male granted leave[1]	%	13.6	21.3	30.8	53.5	97.2	85.2

* Data for Seiko Epson Corporation employees as of March 20 every year
[1] Calculation for FY2022:
Number of employees who took childcare leave in the fiscal year/Number of employees who gave birth or whose spouse gave birth in the fiscal year.
Calculation for the fiscal years up to FY2021:
Number of people who took childcare leave/Number of people eligible for the system (people eligible for the system: those who gave birth to a child and who became eligible to take childcare leave).

Caregiver leave trends

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Care giver Leave	Persons	2	6	2	5	2	3
Employee using caregiver reduced hours	Persons	5	4	4	6	5	4

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

Result of employee survey

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Participation ratio	%	96.7	97.4	92.5	98.9	95.4	96.9
% of engaged employees[1]	%	92.2	91.2	92.0	92.7	92.3	94.6

* Data for Seiko Epson Corporation regular employees and employees after retirement age.
[1] Percentage of respondents who rated their satisfaction 3 or higher on a 5-point scale

Labor Union membership

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Ratio of Union membership	%	85.8	85.9	86.5	86.4	86.2	86.3

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

Collective bargaining agreements

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Employees covered by collective bargaining agreements	%	55.4	56.2	57.7	54.7	53.5	50.2

* Data for Epson overseas subsidiaries employees as of March 31 every year

Employee coverage of the individual performance appraisals by MBO (Manegement by Objectives)

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Performance appraisals by MBO	Female	%	47.8	59.3	64.6	62.4	58.9	68.4
	Male	%	31.0	46.9	51.9	54.6	52.7	58.1
	Total	%	44.9	53.8	58.9	59.0	56.1	63.9

* Data for Epson overseas subsidiaries employees as of March 31 every year
* In Japan, MBO is in principle implemented for 100% of employees

Minimum Wage

Ratios of standard entry level wage by gender compared to local minimum wage

	Unit	Amount	Local min. wage	% to local min. wage
Epson Precision (Philippines), Inc. Philippine Peso (as of March 2024 by the day)	Female	479	479	100.0%
	Male	479	479	100.0%
	Average	479	479	100.0%
Epson Engineering (Shenzhen) Ltd. Chinese Yuan (as of March 2024 by the month)	Female	3,300	2,360	139.8%
	Male	3,300	2,360	139.8%
	Average	3,300	2,360	139.8%
PT. Indonesia Epson Industry Indonesian Rupiah (as of January 2024 by the month)	Female	7,286,150	5,343,430	136.4%
	Male	7,286,150	5,343,430	136.4%
	Average	7,286,150	5,343,430	136.4%

Occupational Safety and Health

Occupational injury accident frequency (Global)

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Occupational accident rate	-	0.10	0.13	0.13	0.30	0.32

* 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	FY2019	FY2020	FY2021	FY2022	FY2023
Injuries severity rate	-	0.002	0.004	0.003	0.006	0.007

* The number of working days missed per 1,000 work hours, where an injury accident is an incident that causes a worker to miss one or more days of work

Supply Chain Management

Supplier conference for CSR

Area		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Number of companies	Companies	447	510	764	550	969	603
China	Number of companies	Companies	222	58	77	22	80	417
Philippines	Number of companies	Companies	70	0	17	86	81	20
Indonesia	Number of companies	Companies	168	193	17	145	30	60
Others	Number of companies	Companies	225	63	40	97	35	6
Total	Number of companies	Companies	1,132	824	898	814	1,195	1,106

Annual evaluation

Evaluation		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Direct evaluation	Number of accounts	Accounts	1,481	1,525	1,440	1,572	1,582	1,425
	Ratio of evaluation suppliers	%	100	100	100	100	100	100
Evaluation of emergency response capabilities (BCP self assessment questionnaire)	Number of companies	Companies	-	1,336	1,465	1,233	948	429
	Ratio of evaluation suppliers	%	-	84	85	94	82	82
Safety management evaluation (BCP self assessment questionnaire)	Number of companies	Companies	-	1,402	1.384	1,245	948	429
	Ratio of evaluation suppliers	%	-	85	78	95	80	87

Detailed CSR evaluation

Evaluation		Unit	2018	2019	2020	2021	2022	2023
Direct suppliers (Production material)	Number of companies	Companies	-	312	222	293	164	270
	Ratio of high risk rank	%	-	5	0	0	0	0
Indirect suppliers (Non-production material)	Number of companies	Companies	-	124	233	220	232	277
	Ratio of high risk rank	%	-	16	8	0	0	0

Conflict Minerals

Conflict minerals survey

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Survey sheet recovery rate	%	92	91	97	99	99	100
Number of identified smelters	-	314	344	340	406	349	357
Number of CFS[1]certified smelters	-	256	268	242	244	229	234

[1] Conflict-free smelters (CFS) certified by RMI`s Responsible Minerals Assurance Program (RMAP).

Each mineral data

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Gold	Number of identified smelters	-	150	159	166	181	175	173
	Number of CFS-certified smelters	-	102	107	107	106	95	90
Tantalum	Number of identified smelters	-	40	45	41	44	36	43
	Number of CFS-certified smelters	-	40	40	38	39	34	40
Tin	Number of identified smelters	-	81	93	79	117	86	89
	Number of CFS-certified smelters	-	74	78	55	56	63	70
Tungusten	Number of identified smelters	-	43	47	54	64	52	52
	Number of CFS-certified smelters	-	40	43	42	43	37	34

Corporate Citizenship

Corporate citizenship

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Corporate citizenship expenditures	Billion yen	0.90	0.58	0.77	1.61	1.15

* The monetary equivalent of donations and grants, as well as human, material, and other assistances

ESG Data (Governance)

Corporate Governance

Board of directors

		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Outside directors	Female	Persons	2	2	2	2	2	2
	Male	Persons	3	3	3	3	4	4
	S. Total	Persons	5	5	5	5	6	6
Inside directors	Female	Persons	0	0	0	0	0	0
	Male	Persons	7	7	6	5	4	5
	S. Total	Persons	7	7	6	5	4	5
Total	Female	Persons	2	2	2	2	2	2
	Male	Persons	10	10	9	8	8	9
	G. Total	Persons	12	12	11	10	10	11

* Data is from the end of June each year.

Number of meetings of the board of directors and other committees

	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
FY2023	13	18	2	12	8
From April to the June 2024 general shareholders` meeting	3	5	1	3	4

Number of meetings directors attended (FY2023)

(): Attendance rate

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Minoru Usui	Chairman of the Board	Chair of the Board of Directors	13 (100%)	-	-	-	-
Yasunori Ogawa	President and Representative Director		13 (100%)	-	-	12 (100%)	8 (100%)
Tatsuaki Seki	Representative Director, Senior Managing Executive Officer		13 (100%)	-	-	-	-
Koichi Kubota[1]	Director		3 (100%)	-	-	-	-

Name of Director	Title	Role	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Hideaki Omiya[1]	Outside Director	Director Nomination Committee Chair[1] Director Compensation Committee Chair[1]	3 (100%)	-	1 (100%)	4 (100%)	3(100%)
Mari Matsunaga	Outside Director		13 (100%)	-	2(100%)	12 (100%)	8 (100%)
Tadashi Shimamoto[2]	Outside Director		9 (90%)	-	1(100%)	8 (100%)	5 (100%)
Masaki Yamauchi[2]	Outside Director		10(100%)	-	1(100%)	8 (100%)	5 (100%)
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Audit & Supervisory Committee Chair Compliance Committee Chair	13 (100%)	18 (100%)	2 (100%)	12 as an observer	8 as an observer
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member	Director Nomination Committee Chair[3] Director Compensation Committee Chair[3]	13 (100%)	18 (100%)	2 (100%)	12 (100%)	8 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member		13 (100%)	18 (100%)	2 (100%)	12 (100%)	8 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member		13 (100%)	18 (100%)	2 (100%)	12 (100%)	8 (100%)

[1] Retirement at the Ordinary General Meeting of Shareholders held on June 27, 2023
[2] Appointment at the Ordinary General Meeting of Shareholders held on June 27, 2023
[3] He assumed the office of the chair of Director Nomination Committee and Director Compensation Committee on June 27, 2023.

Number of meetings directors attended
(the period from April to the June 2024 general shareholders' meeting)

(): Attendance rate

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	3 (100%)	-	-	-	-
Yasunori Ogawa	President and Representative Director		3 (100%)	-	-	3 (100%)	4 (100%)
Tatsuaki Seki	Director		3 (100%)	-	-	-	-
Mari Matsunaga	Outside Director		3 (100%)	-	1(100%)	3 (100%)	3 (75%)
Tadashi Shimamoto	Outside Director		3 (100%)	-	1 (100%)	3 (100%)	4 (100%)
Masaki Yamauchi	Outside Director		3 (100%)	-	1 (100%)	3 (100%)	4 (100%)
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Audit & Supervisory Committee Chair Compliance Committee Chair	3 (100%)	5 (100%)	1 (100%)	3 as an observer	4 as an observer
Yoshio Shirai	Outside Director, Audit & Supervisory Committee Member	Director Nomination Committee Chair Director Compensation Committee Chair	3 (100%)	5 (100%)	1 (100%)	3 (100%)	4 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member		3 (100%)	5 (100%)	1 (100%)	3 (100%)	4 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member		3 (100%)	5 (100%)	1 (100%)	3 (100%)	4 (100%)

Directors comprising corporate management meeting bodies (as of the end of June, 2024)

Name of Director	Title	Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Yasunori Ogawa	President and Representative Director	Chair	-	-	Member	Member
Eiichi Abe	Representative Director, Executive Officer	Member	-	-	-	-
Junkichi Yoshida	Director, Executive Officer	Member	-	-	-	-
Yasunori Yoshino	Director, Executive Officer	Member	-	-	-	-
Tadashi Shimamoto	Outside Director	Member	-	Member	Chair	Member
Masaki Yamauchi	Outside Director	Member	-	Member	Member	Chair
Kahori Miyake	Outside Director	Member	-	Member	Member	Member
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	Member	Chair	Chair	(Observer)	(Observer)
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
Akira Marumoto	Outside Director, Audit & Supervisory Committee Member	Member	Member	Member	Member	Member

Composition of corporate management meeting bodies (as of the end of June, 2024)

Corporate Management Meeting Bodies		Board of Directors	Audit & Supervisory Committee	Compliance Committee	Director Nomination Committee	Director Compensation Committee
Members		11	4	7	7	7
Breakdown 1	Outside director	6	3	6	6	6
	Inside director	5	1	1	1	1
	Other (inside)	-	-	-	-	-
Breakdown 2	Female	2	1	2	2	2
	Male	9	3	5	5	5

Appendices

Principles of Corporate Behavior

Issued September 2005
Revised April 2024

Epson will fulfill its social responsibility by living up to the principles below and effecting continuous improvements based on the Management Philosophy, Exceed Your Vision, and the underlying spirit of `integrity and effort` and `creativity and challenge` that we have embraced since the founding of the company.

The subject of the principles is `we` (i.e., Epson). This signals our commitment as a company to observing these principles. It also serves as a declaration that all Epson personnel, including executives, managers, and employees, should conduct themselves in line with these principles.

Principle 1: Pursuing customer satisfaction

We continue to win more Epson fans by being attentive to customers` needs at all times and delivering safe and reliable products and services that delight and enrich the lives of our customers worldwide.

1.1 We will produce quality products and services that reflect universal design principles and will be easy to use for the greatest number of people.
1.2 We will foster a culture of learning from our mistakes and will build business processes to prevent problems from recurring, to prevent them from happening in the first place, in order to create value.
1.3 We will continue to provide innovative products and services that benefit society and that have high customer value by conducting R&D and improving our manufacturing capabilities from a customer perspective.
1.4 We will remain attentive to customers, respond to them quickly, appropriately and with sincerity and care, and do our best to solve their problems.
1.5 We will improve the quality of all work and gain strong customer trust by being mindful that compliance and product safety are top priorities.

Principle 2: Preserving the natural environment

We integrate environmental considerations into our corporate activities and actively strive to meet high conservation standards when fulfilling our responsibilities as a good corporate citizen.

2.1 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.
2.2 We will strive to minimize our own as well as society`s environmental impacts across the entire life cycle of our products and services, from manufacturing to transport, use, and disposal.
2.3 We will participate in environmental preservation and restoration projects as a member of society.
2.4 We will promote environmental awareness and provide information to our employees to enhance their understanding of environmental issues.

Principle 3: Fostering diverse values and teamwork

We take full advantage of the value of a diverse workforce and create synergies between individuals and organizations to increase organizational power and achieve our goals through teamwork.

3.1 We will instill in our employees, and practice, the ideals of our Management Philosophy.
3.2 We will put Epson in the best position by hiring a diverse workforce and utilizing their unique skills effectively.
3.3 We will respect the individuality of employees and maintain relationships between the company and employees based on trust.
3.4 We will develop our employees by creating systems that allow individuals to utilize their skills effectively.
3.5 We will state and share the purpose and objectives of actions, show proof that objectives have been achieved, and align the actions of the company and the individual.
3.6 Everyone in the organization will understand the purpose of actions, their role, and work as a part of a team.

3.7 We will embrace a culture in which objectives are achieved by involving others, discussing issues until a mutual understanding and consensus are reached, and building and maintaining mutual trust.
3.8 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.

4.1 We will not tolerate any violation of human rights.
4.2 We will not engage child labor or forced labor.
4.3 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.
4.4 We will eliminate any forms of discrimination against gender, nationality, religion, race and disability.
4.5 We will support employees by facilitating a proper work-life balance.
4.6 We will adhere to and maintain the proper health and safety standards at all sites around the world.
4.7 We will support the efforts of employees to monitor and improve their mental and physical wellbeing.
4.8 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.

5.1 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.
5.2 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.
5.3 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.
5.4 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.
5.5 We will maintain a good, mutually cooperative relationship with governments and their administrative bodies. We will not make company donations of any kind to politicians or political parties, nor will we participate in events or campaigns aimed at political fundraising.
5.6 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.
5.7 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.
5.8 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.

6.1 We will establish and maintain systems to ensure the safety and security of Epson personnel, as well as visitors or contractors on our premises.

6.2 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.
6.3 We will take reasonable and necessary precautions to protect the confidentiality of proprietary business information including the privacy of customers, employees and other stakeholders.
6.4 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 ask our suppliers, sales channels, collaborators, and other business partners to live up to the highest standards of ethical conduct, and we strive to build responsible value chains.

7.1 We respect the autonomy of our business partners and strive for mutual benefit.
7.2 We hold our business partners to the same strict standards that Epson upholds with regard to human rights, labor conditions, the environment, compliance, ethics, information security, and quality. We support their endeavors towards improvement as needed.
7.3 We refrain from engaging in illegal or unethical business practices in our relationships with business partners, and we require our business partners to adopt a similar approach in their dealings.

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.

8.1 We respect the cultures and traditions of the countries and regions in which we operate.
8.2 We will engage in open dialogue within our communities and actively contribute to them.
8.3 We nurture a culture in which our employees are encouraged to participate in volunteer programs and other activities as members of society.

Principle 9: Initiating honest dialogue with our stakeholders

We maintain open lines of communication with our stakeholders, thoughtfully considering their views and suggestions.

9.1 We will respect other cultures and traditions while striving to engage in principled, ethical communication.
9.2 We will communicate openly and honestly with our stakeholders, and will establish appropriate systems for the disclosure of information.
9.3 We will utilize appropriate and useful tools to communicate information to our stakeholders.
9.4 We will provide opportunities and establish appropriate systems to engage in dialogue with stakeholders.
9.5 We will utilize the opinions and suggestions of our stakeholders as a vital resource for corporate management.

Closing: The spirit of "integrity and effort" and "creativity and challenge"

We take a broad, global view of the social and market situation when implementing these principles, respond with integrity to the expectations of our customers and society, develop our strengths, exercise the effort to overcome our weaknesses, and continue to create new value.

Appendices

Epson Group Basic Policy on Product Safety

Seiko Epson Corporation and the Epson Group recognize that securing customer trust in the safety of the products we manufacture and sell is an important management task. We have established the Epson Group Basic Policy on Product Safety below based on the Epson Group's management philosophy, which articulates our commitment to customer satisfaction, and actively work to ensure product safety as our top priority.

1. Compliance with laws and regulations

- We comply with product safety laws and regulations and this Basic Policy, and we conduct all product safety activities ethically.

2. Development of "Product Safety First" corporate culture

- We execute various actions on product safety pursuant to the Principles of Corporate Behavior and make continuous improvements to establish and maintain a corporate culture where the priority is on the customer and product safety.

3. Actions and continuous improvements to ensure product safety

- We maintain and comply with our own safety standards and rules as well as safety requirements defined by laws and regulations and public safety standards, which are timely revised according as the risks generated by the changes such as usage environments, and we continuously strive to improve them by implementing proper quality management in order to ensure product safety.
- We place cautionary information or markings to help prevent accidents due to misuse or carelessness on products themselves or in instruction manuals to help ensure that our customers use our products safely.
- We educate employees and other parties to help ensure product safety and product compliance with laws and regulations, which leads to our development, production and maintenance of safe products.

4. Responding to product accidents

- We promptly and actively collect information on accidents involving our products and keep our customers and stakeholders properly informed; and, when deemed necessary, we recall products and take other measure to prevent and contain further harm.
- If serious product accidents occur with our products, we promptly report to the relevant authority in accordance with laws and regulations.

Appendices

Epson Group Basic Occupational Health and Safety Policy

April 1, 2024

Safety, health, and compliance take precedence over performance. Epson believes that initiatives to promote a safe, healthy, and dynamic work environment and to protect physical and mental wellbeing are essential for a healthy company and will execute this policy to ensure that all workers* in the Epson Group can enjoy work in the knowledge that they are safe.

* Workers: Any person who does work activities and is under the control of an Epson Group company, including top management, employees, contractors, temporary workers, etc.

1. With the full participation of all workers, administer the occupational health and safety management system, and drive continuous improvements.

2. Identify hazards (via risk assessments, etc.), analyze the causes of occupational accidents and industrial incidents, and develop preventive and protective measures.

3. Foster a vibrant organizational climate where work and health are well-balanced by preventing occupational illnesses and supporting workers` own health monitoring and improvement efforts.

4. Periodically review the preparations in place for fires, earthquakes, floods, infectious diseases, and other natural disasters and actions planned to save lives, prevent the spread of damage, and restore business operations. Conduct drills on an ongoing basis to verify preparation and action effectiveness and implement further improvements.

5. Educate workers and raise the level of health and safety awareness and management.

6. Observe occupational health and safety legal and regulatory requirements in your country and region, as well as internal regulations, standards, and policies.

7. Allocate appropriate management resources for activities, and continuously make effective improvements.



Yasunori Ogawa
President and Representative Director

Appendices

Epson Group Human Rights Policy

Enacted 9/26/2005
Revised 9/1/2024

Article 1 (Background)

`Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.` Guided by this corporate purpose statement, Epson is committed to achieving a more sustainable future by addressing societal issues.

Pursuant to its Management Philosophy, Epson believes that respect for human rights from the standpoint of each individual is a prerequisite for achieving sustainability and is indispensable as the basis for all business activities around the world. On the other hand, however, Epson recognizes that its operations may cause or contribute to adverse impacts on human rights.

Epson has clarified the concept of respect for human rights and positioned the Epson Group Human Rights Policy as the highest guideline in its efforts. Epson enacted it by the resolution of the Board of Directors.

Article 2 (Commitment to international human rights)

Epson commits to respect internationally recognized human rights, at a minimum, as set out in the International Bill of Human Rights and the International Labour Organization`s Declaration on Fundamental Principles and Rights At Work, and our approach is based on United Nations Guiding Principles on Business and Human Rights. In addition, as a member of the Responsible Business Alliance (RBA), Epson will work towards adhering to RBA`s Code of Conduct and various standards and procedures which it enacted with reference to those international human rights norms. Epson is a signatory of United Nations Global Compact, and also refers to the following norms and guidelines in conducting our efforts.

- The OECD Guidelines for Multinational Enterprises
- ILO `Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy`
- ISO 26000
- UNICEF, the UN Global Compact and Save the Children `The Children`s Rights and Business Principles`
- Keidanren (Japan Business Federation) `Charter of Corporate Behavior`

Article 3 (Scope of application)

This policy applies to all officers and employees of the Epson Group. Epson will assign an officer responsible for the global implementation of this policy, and, under the officer`s direction and supervision, will proceed with the efforts related to human rights by the established group organization so as not to cause or contribute to human rights violations.

Epson expects all business partners, including suppliers, to understand and support this policy and the efforts derived from it, and will continue to work to ensure that this policy is respected by them. In addition, in the context of stakeholders and circumstances where the Epson Group cannot control decision-making, we will strive to exert influence so that this policy will be respected and will continue to work to avoid complicity in human rights violations.

Article 4 (Respect for human rights)

Epson respects the human rights of all persons, whether internal or external. Human rights that Epson should respect in its operations include:

[Inhumane treatment]

Epson will eliminate inhumane treatment including all kinds of harassment such as sexual harassment and power harassment, violence, gender-based violence, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, verbal abuse, or any other inhumane treatment of workers.

[Privacy]

Epson will respect, and not infringe on, personal privacy.

[Discrimination]

Epson will not engage in any discrimination based on race, color, nationality, ethnicity, gender, sexual orientation, gender identity and expression, pregnancy, social status, age, religion, beliefs, creed, education, disability, political affiliation, union membership, covered veteran status, marital status, protected genetic information or any other forms of discrimination.

[Equal opportunity]

Epson promotes equality of opportunity and treatment in respect to employment, occupation, and remuneration, with a view to eliminating any discrimination.

[Child labor, forced labor]

Epson will never engage in child labor, forced labor, or human trafficking. Epson will not allow children under the minimum employment age stipulated by the laws and regulations of each country or region in which it operates. In the unlikely event that child labor is found, Epson will provide the child with assistance/remediation.

[Unreasonable dismissal]

Epson will not dismiss employees for reasons that are not directly related to carrying out business.

[Freedom of association]

Epson will respect the freedom of association and the right to collective bargaining based on the laws and regulations of each country and region. In order to maintain good labor-management relations, Epson will provide workers with necessary information and hold discussions and exchange opinions in good faith.

[Work environment]

Epson will comply with occupational health and safety laws and regulations as well as company rules and policies, and provide and maintain a safe, sanitary, and healthy work environment that promotes physical and mental well-being.

[Working conditions]

Epson will comply with laws and regulations concerning labor conditions in each country and region where Epson conducts business. Epson strives to provide employees with the working conditions, remuneration, and development opportunities to attain the living standards of success in their communities.

Article 5 (Human rights due diligence)

In order to identify, assess, prevent, mitigate, and redress adverse impacts on human rights that are caused or may be caused through Epson`s business activities, Epson will build and enhance a human rights due diligence mechanism which encompasses the supply chain and will continue to make efforts to properly deal with the adverse impacts.

Epson will conduct human rights impact assessment when entering new markets, developing new technologies and products, constructing factories, making important decisions such as mergers and acquisitions, and when other major changes such as those to the business environment taking place.

Epson will appropriately address the adverse impacts on human rights identified in the human rights impact assessment and continue to monitor in order to verify the effectiveness of addressing the impacts.

Epson will regularly disclose and report on the implementation status of human rights due diligence.

Article 6 (Remediation)

Epson will implement a mechanism for consultations, complaints and notifications for all stakeholders who are adversely affected by human rights in connection with Epson`s operations, products and services encompassing employees, business partners including suppliers, and local communities. Epson will respond in good faith to those complaints and notifications, and will report the outcomes.

These complaints/notifications can be made anonymously, and Epson prohibits disadvantageous treatment and retaliation against the whistleblower. Epson will provide appropriate confidentiality concerning the content and the identity of the whistleblower.

Article 7 (Compliance with laws and regulations)

Epson will comply with the laws and regulations of all countries and regions in which it operates and respect internationally recognized human rights. If there is a discrepancy between the laws of the country or region and internationally recognized human rights, Epson will seek ways to respect the internationally recognized human rights adhering to the higher standards.

Article 8 (Dissemination and education)

Epson will continue to provide officers and employees with education and instructions on this policy and the efforts derived from it and will strive to make the policy and the efforts permeate the company so that all officers and employees of the entire group will comply with this policy and promote efforts to respect human rights.

Article 9 (Disclosure/dialogues)

Epson will disclose this policy and its efforts internally and externally to make them accessible to employees, business partners and other stakeholders.

Epson will utilize the knowledge and advice of independent external experts in the process of implementing the efforts set forth here and will sincerely engage in discussions and dialogues with stakeholders whose human rights are adversely affected.

Epson will review this policy on a regular basis in light of changes in the social environment and dialogues and discussions with stakeholders, and strive to enhance efforts to respect human rights.

Yasunori Ogawa
President
Seiko Epson Corporation

9/1/2024

Appendices

Basic Information Security Policy

Established on April 1, 2007
Revised on April 1, 2020

Epson`s Basic Information Security Policy, established based on the company`s Management Philosophy and Principles of Corporate Behavior, describes our information security approach and requirements. Epson Group companies, their officers and their employees must recognize the importance of information security, exercise effective information security governance, and build information security into the corporate culture so that Epson continues to be a company that is trusted by its stakeholders. (Established April 1, 2007)

It is therefore company policy to ensure that:

1. All information* used in business activities are recognized as important management assets, and information security activities are treated as a critical management concern.

   * Including customer and other personal information; confidential information relating to sales and marketing, products, technology, production, and know-how, and suppliers; and information systems that store and use such information.

2. A standard information security policy is established for worldwide operations, information security responsibility and management systems are identified, and a management system capable of protecting and controlling information assets is built.

3. Information security risks confronted in business activities are appropriately assessed and managed, to justify the trust placed in the company by stakeholders and to keep business.

4. Continuous training and education are provided to Epson Group companies, their officers and their employees so that security consciousness is integrated into the corporate culture.

5. A compliance program is developed and implemented to ensure compliance with laws, agreements and regulations related to information security management.

6. The information security management system is reviewed, maintained and improved on a continuing basis by Epson management.

Yasunori Ogawa
President and CEO
Seiko Epson Corporation

Appendices

Epson Group Basic Procurement Policy

Enacted 10/1/2010
Revised 4/1/2024

1. With high ethical standards and a social conscience, we and our suppliers engage in procurement activities that comply with international rules and the laws and regulations of all nations, fulfilling our social responsibilities, including those related to human rights and the environment.

2. We build sustainable supply chains by forging partnerships of mutual trust with our suppliers based on fairness and mutual benefit.

3. We work with our suppliers to stabilize and optimize quality, prices, and delivery times to deliver products and services of value to our customers.

Appendices

Epson Slavery & Human Trafficking Statement for Financial Year 2023

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 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), Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid), and Canada`s Fighting Against Forced Labour and Child Labour in Supply Chains Act.

The Epson Group companies that are required to report under these laws are as follows:
Epson (U.K.) Limited
Epson Telford Limited
Epson Australia Pty. Ltd.
Epson America, Inc.
Epson Europe B.V.
Epson Canada, Limited.

Child labour means labour or services provided or offered to be provided by persons under the age of 18 years and that fall under any of the below:
(a) are provided or offered to be provided in a country under circumstances that are contrary to the laws applicable in that country;
(b) are provided or offered to be provided under circumstances that are mentally, physically, socially or morally dangerous to them;
(c) interfere with their schooling by depriving them of the opportunity to attend school, obliging them to leave school prematurely or requiring them to attempt to combine school attendance with excessively long and heavy work;
(d) constitute the worst forms of child labour as defined in Article 3 of ILO Worst Forms of Child Labour Convention, 1999, adopted at Geneva on June 17, 1999 (No.182). (travail des enfants)

Forced labour means labour or service provided or offered to be provided by a person under the menace of any penalty in circumstances that fall under any of the below:
(a) could reasonably be expected to cause the person to believe their safety or the safety of a person known to them would be threatened if they failed to provide or offer to provide the labour or service;
(b) constitute forced or compulsory labour as defined in Article 2 of ILO Forced Labour Convention, 1930, adopted in Geneva on June 28, 1930 (No. 29). (travail forcé)

Our organisation

Seiko Epson Corporation and Epson Group companies (collectively `Epson`) are primarily engaged in the development, manufacturing, and sales of products and services in the areas of printing, visual communications, and manufacturing-related and wearables. These actions are guided by a Corporate Purpose which states: `Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.`
Epson is organized into operational divisions that come under consolidated management. The majority of advanced R&D and product development is conducted by Seiko Epson in Japan, while manufacturing and sales activities are conducted around the world by 82 Epson Group manufacturing and sales companies, in 61 countries and regions, with 74,464 employees (as of 31 March 2024) and 1313.9 billion yen in net revenue for FY2023.
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 inkjet printers for office and home, serial impact dot matrix printers,

page printers, colour image scanners, dry process office papermaking systems, commercial and industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, and related consumables, and others.
Epson`s visual communications business provides 3LCD projectors mainly for business, education, the home, and event, smart glasses, and others.
Its manufacturing-related and wearables business provides Industrial robots and compact injection molders; wristwatches and watch movements; crystal units, crystal oscillators, and quartz sensors for consumer, automotive, and industrial equipment applications; CMOS LSIs and other chips mainly for consumer electronics and automotive application; high-performance metal powders; high-value-added surface finishing; and, in the Japanese market, PCs.

Supply Chain

In manufacturing and selling the many Epson products mentioned above, Epson currently procures goods, raw materials, and parts from about 1,700 direct material suppliers around the world.
Epson procures goods from around the world. Domestic Japanese procurement accounts for 39% of the spend and overseas procurement for 61%.
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 61% of the spend.
Other procurement, which includes spending on things such as factory supplies, machinery and equipment, advertising, logistics, outsourcing of business processes, and temporary staffing, accounts for 39%.
Epson considers suppliers to be important partners in its business activities. As such, our procurement activities are designed to develop mutually beneficial trusting relationships with them based on fairness, transparency, and respect. Epson believes its responsibility for products and services goes beyond just ensuring high-quality products for the market. It also believes it is responsible for ensuring that its entire supply chain upholds appropriate standards in respect to human rights, labour, and the environment. Therefore, Epson recognizes the importance of taking CSR initiatives hand in hand with its suppliers. For that reason, Epson practices fair and transparent trade with its suppliers and thereby building trusting relationships.

Epson standards

Epson is serious about keeping all forms of human rights abuses 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, Epson established the Principles of Corporate Behavior, which serves as a guide to values and conduct based on the Management Philosophy. The Principles of Corporate Behavior are reviewed each year in light of changes in the internal and external environment. They were last revised in April 2024.
Epson established Policies Regarding Human Rights and Labor Standards of the Epson Group in 2005 based on the United Nations Global Compact, ISO 26000 (Social responsibility), and the OECD Guidelines for Multinational Enterprises and has been practicing conduct that adheres to the 2011 United Nations Guiding Principles on Business and Human Rights. In April 2019, Epson joined the Responsible Business Alliance (RBA), a non-profit organization that supports the rights and welfare of workers and communities affected by global supply chains. As a Regular Member of the RBA, Epson is expected to observe the RBA Code of Conduct and meet its supply chain due diligence obligations at a high level. Accordingly, in addition to ensuring compliance in our own operations, Epson asks its suppliers to observe the requirements and promote CSR across the entire supply chain.
Epson made significant improvements to Policies Regarding Human Rights and Labor Standards of the Epson Group to further strengthen Epson`s human rights efforts in light of recent changes in the way that the international community views human rights and human rights issues. The new Epson Group Human Rights Policy took effect on April 1, 2022, following a resolution by the Seiko Epson Board of Directors pursuant to the Guiding Principles.
Complementing Epson`s Management Philosophy and Principles of Corporate Behavior, the Epson Group Human

Rights Policy clarifies the company`s approach to respect for human rights and serves as the highest-level guide in those efforts. Pursuant to this policy, Epson`s human rights efforts are focused primarily on the Epson Group and its supply chains.
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 and attain its goal of achieving sustainability and enriching communities. We believe that we can build mutually beneficial relationships by asking all our business partners, including our suppliers, to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.
These supply chain ethics requirements are based on the RBA Code of Conduct. Epson, which has mapped each of its supply chain initiatives to one or more of the Sustainable Development Goals (SDGs) of the United Nations, will help to achieve the SDGs by taking action throughout the supply chain.
We seek to achieve sustainability and enrich communities and, toward that end, are engaging our suppliers in four long-term, priority areas to ensure socially responsible supply chains from the standpoints of human rights and sustainability:

- Decent work
- A safe work environment
- Responsible sourcing of minerals
- Environmental impact mitigation

Epson believes that to achieve the goals stated in its Management Philosophy, its suppliers must understand the Management Philosophy and comply with the Epson Supplier Code of Conduct. The Epson Group Procurement Guidelines (now called the Epson Group Supplier Guidelines) were established in April 2005 to inform suppliers about Epson`s procurement policies and requirements. In April 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 stipulate the basic quality (Q), cost (C), and delivery (D) requirements for transactions, trade control measures that satisfy the requirements of the international community, and measures to ensure security in the supply chain. They also stipulate CSR requirements (the RBA Code of Conduct) in the areas of labour, health and safety, environment, and ethics with the aim of maintaining socially responsible business practices along with our business partners. Over the 20-year history of the Guidelines, we have asked all our suppliers to comply with the requirements and have major suppliers of both production materials and indirect materials (including suppliers of contract services and temporary staff) submit a written agreement which they consent to comply with Epson`s requirements.
Going forward, Epson will ensure strict observance of the RBA Code of Conduct and work with its suppliers to build more responsible supply chains.

Organisational structure

Epson`s human rights initiatives are spearheaded by Seiko Epson`s DE&I Strategic Promotion Department under the supervision of the executive officer in charge of human capital & well-being management. It is working in concert with corporate departments that supervise sustainability, RBA activities, supply chain CSR and human resources, and building a network with HR departments and related departments of our global affiliates to guide initiatives to prevent human rights abuses.
The chief officer of supply chain management (SCM), a member of Seiko Epson`s management leadership team, promotes social responsibility in supply chains in conjunction with all entities within the Epson Group.

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

Due diligence processes for slavery and human trafficking

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 actual and potential adverse impacts on human rights, identify the problems, and prevent and mitigate them.
Epson`s human rights due diligence process is as follows:

1. Identify and assess adverse impacts
2. Make corrective action plan, and prevent, and mitigate adverse impacts
3. Track effectiveness of remediation of adverse impacts
4. Communication and reporting

1. Identify and assess adverse human rights impacts.
In the 2023 fiscal year, Epson again identified adverse human rights impacts and conducted an impact assessment. The information below was consulted for the assessment.

- Awareness and knowledge gained over the past four years through activities as a member of Responsible Business Alliance (RBA) (CSR self-assessments and RBA audits)
- The situation regarding incidents that occur internally and in the supply chain, and the reporting and discussion of such incidents
- Information obtained through publications such as Ministry of Economy, Trade and Industry`s Guidelines for Respecting Human Rights in Responsible Supply Chains and its practical reference materials, as well as information obtained through participation in events such as the Caux Round Table (Japan) Stakeholder Engagement Program.

Labour and occupational health and safety were identified as areas that are particularly susceptible to human rights abuses, such as those listed in the table below that affect Seiko Epson`s own employees, Epson Group company employees, agency workers, supplier employees, on-site service vendor workers, and migrant workers. Asia and manufacturing were identified as a susceptible region and business type.

High-Priority Groups	Main Adverse Impacts	Examples Warranting Particular Attention
Employees of Seiko Epson Corporation and Epson Group Temporary staff Supplier employees On-site service vendor workers Migrant workers	Forced labour	• Intermediary fees, recruitment fees, and other expenses related to employment • Confiscation of passports • Forced overtime • Freedom to leave work or terminate employment
	Young workers	• Overtime, night shifts, hazardous work
	Overwork	• Violations of laws and internationally recognized human rights norms related to working hours, and long working hours that are detrimental to health
	Wages and benefits	• Unpaid overtime wages • Non-payment or deductions from wages as a disciplinary measure
	Inhumane treatment	• Harassment
	Discrimination	• Discrimination in dismissal and treatment • Pregnancy tests, dismissal of pregnant women
	Occupational health & safety	• Hazardous and harmful working environment • Protection of women • Worker protection in emergency situations

2. Formulate a corrective action plan to prevent or mitigate adverse impacts on human rights.
Since the 2017 fiscal year, Epson has had its overseas manufacturing sites complete a CSR self-assessment questionnaire (SAQ) that conforms to the RBA Code of Conduct and RBA SAQ. After joining the RBA in April 2019, Epson began educating the Epson Group about the RBA Code of Conduct and working to integrate it into Group operations. Epson has continued to ask Seiko Epson plants and offices, domestic and overseas Group companies, as well as suppliers to complete an annual CSR SAQ. This CSR SAQ conforms to the RBA SAQ and the results are reported to the RBA. Each Seiko Epson office, Group company, and supplier has a due diligence process to identify the location of adverse impacts on human rights and to develop corrective action plans to remedy or mitigate the identified negative impacts.
The FY2023 CSR Self-Assessment Questionnaire showed that there were no high-risk Epson site.

3. Monitor results and progress.
Seiko Epson sites, Group companies, and suppliers have engaged management and are working to correct and mitigate adverse impacts on human rights in accordance with corrective action plans. The corporate supervisory department monitors the progress of corrective action to address significant adverse impacts and see them through to completion.
Epson continues to administer a CSR self-assessment questionnaire (SAQ) once a year to check corrective actions at Epson sites and address nonconformances to the RBA Code of Conduct. Furthermore, in order to identify and correct issues from a third-party perspective and enhance the level of actions being taken, seven of Epson`s main manufacturing sites (as of May 2024) located in Southeast Asia and China have been voluntarily undergoing audits under the RBA`s Validated Assessment Program (VAP). So far, Epson`s manufacturing facilities in Indonesia, Malaysia, Thailand, China, and the Philippines have all earned Platinum or Gold recognition. Platinum is exclusively reserved for factories that are compliant with the RBA Code of Conduct and receive a perfect score of 200.

Epson sites that currently hold Platinum and Gold status

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

One adverse impact on human rights was identified in the 2023 fiscal year through CSR assessments. One on-site manufacturing contractor reimbursed foreign workers for expenses incurred (for Japanese language education, VISA acquisition fees, etc.) in their country of origin.

4. Communication and reporting
Epson`s efforts to address issues requiring corrective action are reviewed annually and reported on Epson`s web-sites and in its Sustainability Report. The Epson Group`s global efforts are also reported through statements on modern slavery and human trafficking.
To build and maintain good labour-management relations, Epson actively provides information to its employees and engages them in sincere talks and discussions. Epson also communicates with customers as needed about its efforts to respect human rights.

Supply chain initiatives

In 2023, we asked direct material suppliers and indirect material suppliers of our major manufacturing sites (on-site service vendors, employment and recruitment agencies, and logistics warehouse operators) to complete a CSR SAQ. We received completed CSR SAQs from 270 key first-tier suppliers of direct materials (547 sites) and from 277 indirect material suppliers.
When suppliers are found to be high-risk as a result of their score on the CSR SAQ, we have them undergo an audit in accordance with RBA criteria and support their efforts to improve to medium risk or better. When labour-related risks (human rights risks) are identified, Epson asks its suppliers to take corrective action, regardless of their overall score. Epson then follows up by checking corrective action plans and verifying that actions are completed.
In 2023, no supplier was deemed to be high risk based on the CSR SAQ. However, the number of suppliers that voluntarily underwent an RBA audit grew. When a nonconformance has been observed in an audit, we monitor the progress on corrective action plans and are stepping up our supplier CSR initiatives.
Epson manufacturing company staff members visit suppliers who do not undergo a third-party audit to verify conditions on-site and provide help for corrective actions.
For direct material suppliers, we not only help them address CSR issues but also support them when they struggle in other areas, such as in introducing fire prevention measures or establishing business continuity plans.
For on-site service vendors, Epson employees conducted a second-party audit to improve the working conditions by, for example, tracking and reducing working hours, granting time off, paying appropriate overtime wages, and ensuring that workers are not made to pay recruitment fees.

Performance indicators

To realize our vision of socially responsible supply chains, we set mid-term goals and annual targets. Performance and progress against the goals and targets are measured using KGI and KPI, respectively.
Mid-Term Goals (to be achieved by March 31, 2026)
Socially responsible procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
Responsible mineral sourcing: Make products conflict-mineral-free[1] and disclose product information.

[1] Use only conflict-free smelters and refiners certified under the RMI`s Responsible Minerals Assurance Program (RMAP).

FY2023 Action Items and Results

	Action Items and KPI	Result
1	Improvement in CSR CSR SAQ results (major direct material suppliers[2]) - 0% high risk (0 companies) - 4% medium risk (20 companies) or less	Major direct material suppliers - 0% high risk (0 companies/0 sites) - 4.2% medium risk (23 sites)
2	Strengthening conflict minerals survey 1) Survey return rate: 100% 2) Feedback to suppliers using smelters that are not conflict-free certified[3]: 100%	1) 100% (915 companies) 2) 100% (1500+ Feedback)
3	Strengthening CSR engagement with suppliers: 1) Supplier CSR meetings: Hold at 100% of production sites	1) 94% (15 sites)

[2] Major direct material suppliers: Epson`s Tier 1 (direct) suppliers are arranged in descending order based on transaction amounts and selected until 80% of the total spend is reached.
[3] Smelters that are not conflict-free certified: Smelters and refineries that are not certified as being conflict-free under the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

FY2024 Action Items

	Action Items	KPI
1	Maintain and improve supply chain CSR	1) Return rate of Supplier Guidelines Agreement Letter: 95% (2500 companies) of major suppliers of direct materials[1] and indirect materials 2) CSR SAQ risk level: Zero (0%) major supplier of direct and indirect materials rated high risk
2	Strengthening conflict mineral surveys	1) Survey return rate: 100% 2) Provision of smelter or refiner (SOR) information to suppliers: monthly (12 times/year)
3	Strengthening supply chain BCM[4]	Impact on sales from supply chain disruptions: zero (0)

[4] BCM: business continuity management

Responsible Sourcing of Minerals

Profits from the extraction and sale of minerals such as tin, tantalum, tungsten, and gold (3TG) in conflict-affected areas such as the Democratic Republic of the Congo (DRC) and adjoining countries are a source of funding for armed groups and anti-government forces carrying out atrocities and gross human rights abuses. Furthermore, it has been pointed out that cobalt mines in the southern part of the DRC have become breeding grounds for child labour. Mineral mining and trade have adverse social and environmental impacts.
As a matter of corporate policy, Epson eschews involvement in human rights abuses and environmental destruction and will not tolerate any manner of human rights abuses associated with the minerals it procures. Epson has in place internal processes to ensure responsible sourcing and has joined the Responsible Minerals Initiative (RMI).
We ask our suppliers to support our responsible mineral sourcing policies and cooperate in mineral surveys. We conduct annual surveys on the parts and materials used in Epson`s products in accordance with `Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas` issued by the Organisation for Economic Co-operation and Development (OECD). If a supplier`s answers on a survey indicate that it was unable to verify whether a smelter or refiner from which minerals were sourced is certified as conflict-free under RMI`s Responsible Minerals Assurance Program (RMAP), we work with the supplier and the RMI to encourage the smelter/refiner to obtain RMAP certification as part of our efforts to avoid or mitigate human rights abuses and environmental destruction.
In 2023, Epson conducted a survey of 3TG and cobalt and received completed surveys from 100% of the suppliers of parts/materials containing 3TG and 98% of the suppliers of parts/materials containing cobalt. In addition to implementing a responsible minerals sourcing policy and survey program, we disclose on our website information about smelters and refiners that have been identified through surveys. We also respond to survey requests from our customers.

Training and whistleblowing systems

We have been educating our global workforce of people working in areas such as human resources, health and safety, environment, ethics, and supply chain management about the RBA Code of Conduct and its requirements. In 2021, we revised the Epson Group Human Rights Policy. We took this as an opportunity to hold further study sessions on the subject of business and human rights for directors and personnel in corporate and global HR departments. In the 2022 fiscal year, we conducted an online course for all officers, employees, contract employees, and temporary staff, who work at Seiko Epson and all other group companies in Japan, to raise awareness of human rights and prevent human rights abuses. Through this course, participants learned about the fundamentals of business and human rights, as well as about Epson`s efforts to respect human rights, which are essential for conducting global business. The number of employees and workers who completed the course was 18,473 as of September 2023. In the 2023 fiscal year, the course on business and human rights was offered online to managers and above at seven of Epson`s main overseas manufacturing and sales affiliates. The course completion rate was 92.7% as of the end of June 2024. In FY2024, Epson plans to implement the course at all overseas affiliates.
Epson provides professional training in CSR to procurement staff who deal with suppliers. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standard. Some programs are conducted by outside consultants. Since 2020, a specialist course in responsible sourcing of minerals has been conducted to provide procurement personnel and others with an introduction to RBA`s responsible mineral sourcing standards and surveys.
Epson engages its suppliers throughout the year in many forms and at many different levels. An annual Supplier Conference is held in Japan as a top-level event at which we explain our procurement policies. We provide suppliers with an overview of our operations and share with them our important policies. Seiko Epson`s president and chief operating officers explain the company`s policies and the divisions` policies. The managing executive officer in charge of procurement requests cooperation with Epson`s Basic Procurement Policy and sustainable procurement practices.

We have also held a Supplier Conference for CSR every year since 2016 in Japan, China, Indonesia, and other countries where we have major production sites. The conferences are used to explain trends in CSR and Epson`s socially responsible procurement activities, as well as to ask for cooperation. In addition to requesting compliance with our socially responsible procurement policies and the Epson Group Supplier Guidelines, we also ask for cooperation in evaluating CSR and emergency response capabilities (BCM) and in conflict minerals surveys.
In addition to explaining social demands and RBA requirements at the Supplier Conference for CSR, we also hold seminars and conferences to provide further details. We believe that it is important for suppliers to voluntarily undertake CSR initiatives after understanding the underlying objectives, rather than viewing the activities as an end in themselves. We see human rights as a priority issue. It is also an area where the expectations of society are rapidly evolving. We therefore hold seminars taught by outside consultants to provide suppliers with expert information.

Supplier Seminars and Conferences

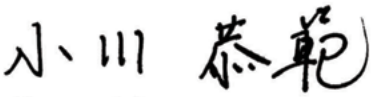
FY2022	Human rights seminar, SAQ briefing, and responsible mineral sourcing conference
FY2023	Human rights seminar, environment seminar, SAQ briefing, and responsible mineral sourcing conference
FY2024 (plan)	Human rights seminar, environment seminar (decarbonisation), SAQ briefing, responsible minerals sourcing conference, Epson Group Supplier Guidelines briefing (including an explanation of the changes to the RBA Code of Conduct)

Grievance mechanism

Epson has set up numerous grievance mechanisms. In addition to the Epson Helpline and an Employee Counseling Office, the company has specialized advisory services to handle human rights-related inquiries and reports from employees (including contract employees, part-time employees, temporary employees, agency workers, etc.). There are advisory services for harassment, long working hours, foreign employees, diversity issues, among others. The Epson Helpline and the diversity advisory service can also be used to report or discuss human rights related issues that are not covered by the specialized advisory services. The advisory services take into consideration the wishes of the person making an inquiry or reporting an incident as they ascertain the facts and act to remedy the situation and prevent recurrences.
Epson has also 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 Guidelines. In addition to actions that violate or may violate laws, regulations, or the Epson Group Supplier Guidelines, suppliers can use the compliance hotlines to report or discuss concerns about human rights abuses and conflict minerals. These hotlines are being used to further promote ethical corporate conduct, so their use is encouraged. Reports may be made anonymously, and whistleblowers are protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson`s internal regulations.
Customers, investors, community residents, and other stakeholders can access advisory services on the corporate website. In addition, they can file grievances via an Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which Epson joined as a member in April 2024. JaCER is an organisation that aims to provide a cooperative `Engagement and Remedy Platform` involving multiple member companies for redress of grievances and to act in a professional capacity to support and promote redress of grievances by member companies based on the United Nations Guiding Principles on Business and Human Rights. Epson will use these advisory services and platforms to appropriately respond to reports and concerns regarding human rights from a wide range of stakeholders.

Further steps

Epson will continue to verify the effectiveness of measures taken to ensure that the supply chain is free of modern slavery and human trafficking. It will focus particularly on improving the effectiveness of human rights due diligence. This includes efforts to instill Epson`s attitude and policies on human rights throughout the Epson Group and its supply chains, as well as stronger actions to redress human rights issues. Also, the due diligence process described in this report of identifying adverse impacts, making corrective action plans, tracking the effectiveness of remedial measures, and communication & reporting will be continuously improved upon. Supplier CSR initiatives and the responsible sourcing of minerals which we are focusing on especially are being continuously improved upon as well.
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), Canada`s Fighting Against Forced Labour and Child Labour in Supply Chains Act and other legal requirements to ensure complete compliance.
This Statement was approved at the Seiko Epson Corporation`s board of directors meeting on 30 August 2024 and signed by the President of Seiko Epson Corporation.



Yasunori Ogawa
President, Board of Directors
Seiko Epson Corporation

Date: 2nd September 2024

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Epson (U.K.) Limited for the financial year ending 31 March 2024.

Epson (U.K.) Limited is a wholly owned subsidiary of Epson Europe B.V. of Amsterdam, The Netherlands. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.
Epson (U.K.) Limited sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation and purchased from Epson Europe B.V., which purchases products and consumables from Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part of the Epson Group.
Epson Europe B.V. has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, and Africa.
As the supplier of its products, Seiko Epson Corporation and Epson Europe B.V. has assured Epson (U.K.) Limited that it is committed to combatting slavery and human trafficking in all its businesses and supply chains. Seiko Epson Corporation, in turn, confirms that it is committed to the same.
This Statement was approved at the Epson (U.K.) Limited`s board of directors meeting on 10th September 2024 and signed by the Managing Director.

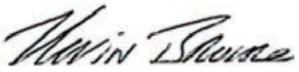
Duncan Ferguson

Duncan Campbell-Ferguson
Managing Director
Epson (U.K.) Limited

Date: Sep. 10, 2024

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 2024.

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 5th September 2024 and signed by the Managing Director.



Kevin Browne
Managing Director
Epson Telford Limited

Date: 5th September 2024

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 2024.

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 10th September 2024 and signed by the President.



Craig Heckenberg
Managing Director
Epson Australia Pty. Ltd.

Date: 10th September 2024

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 2024.

Epson Europe B.V. is a wholly owned subsidiary of Seiko Epson Corporation, headquartered in Japan.
Epson Europe B.V. sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part of the Epson Group.
Epson Europe B.V. has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, and Africa.
This Statement was confirmed by Epson Europe B.V.`s board of directors and signed by the President.



Takanori Inaho
President
Epson Europe B.V.

Date: Sep. 9, 2024

This statement is made pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and constitutes the slavery and human trafficking statement of Epson Canada, Limited for the financial year ending 31 March 2024.

Epson Canada, Limited is a wholly owned subsidiary of Epson America, Inc. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.
Epson Canada, Limited sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in Canada.
This Statement was approved at the Epson Canada, Limited`s board of directors meeting on September 3, 2024 and signed by the Vice President & CFO.



Andrea Zoeckler
Vice President & CFO
Epson Canada, Limited

Date: 9/10/2024

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