

Epson Europe B.V.

Gender pay gap results 2020-21



Introduction

Epson is a global technology leader dedicated to connecting people, things and information with its original efficient, compact and precision technologies. With a lineup that ranges from inkjet printers and digital printing systems to 3LCD projectors, watches and industrial robots, the company is focused on driving innovation and exceeding customer expectations in inkjet, visual communications, wearables and robotics.

Part of the Japan-based Seiko Epson Corporation (SEC), the Epson Group comprises more than 81,000 employees in 85 companies around the world and is proud of its contributions to the communities in which it operates and its ongoing efforts to reduce environmental impacts.

As Epson employees, we always strive to exceed our own vision, and to produce results that bring surprise and delight to our customers. We respect individuality while promoting team work and it is committed to delivering unique value through innovative and creative solutions.

We foster values, such as customer focus, team work, results focus, communication and commitment to excellence as part of our principles of corporate behaviour. We strengthen teamwork by recognising the value of our workforce and creating synergies between individuals and our organisation. We will put Epson in the best position by hiring a diverse workforce and utilising their unique skills effectively, and maintain relationships with our employees based on trust.



Gender pay gap results 2020-21

UK employers with more than 250 employees are required to publish their gender pay gap. We have three companies in the UK. With over 250 employees Epson Europe B.V. is within the parameters to report the gender pay gap.

Equal pay vs Gender pay gap

Equal pay is comparing the pay of men and women doing roles of equal worth, as set out in the Equality Act 2010. It is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the difference in the average pay between all men and women in a workforce. The gender pay gap is influenced significantly by the shape of an organisation, in particular where there are a higher proportion of one gender at more senior levels.

In this report, we are sharing the median (midpoint) and mean (average) pay gaps between men and women's hourly ordinary pay and bonuses. The hourly rate used is based on earnings in the April 2020 pay and can include any pay, bonus or commission, but does not include overtime. Under the legislation, we have to report six different pieces of information relating to the pay of the included workforce population and these are:

1. Mean – pay gap

This is the difference in the hourly pay of men and women based on the snapshot date 5 April 2020. The pay gap figure is expressed as a percentage of the hourly pay of male employees.

2. Median pay gap

This is the difference between the average hourly earnings of men and women. It takes all hourly rates in the sample, lines them up by gender, in order from lowest to highest, and picks the middle figure from each line.

3. Mean bonus gap

This refers to the bonus and/or commission pay paid during the twelve months prior to the snapshot date 5 April 2020, expressed as a percentage of the bonus/commission pay paid to men.

4. Median bonus gap

This is calculated in the same way as the median pay gap in that it consists of two lists, one of all male bonus/commission payments during the year and the same for all females. Then the middle number from each list is compared calculate the median bonus gap.

Unlike the pay gap figures the bonus gap does not account for any reduction in hours therefore it is possible for a bonus gap to exist when in fact the two genders could be paid exactly the same hourly rate.

5. Proportion of Bonus Pay

Bonus pay proportion refers to men who received a bonus commission in the twelve months, expressed as a percentage of men; women who received a bonus commission in the twelve months, expressed as a percentage of women.

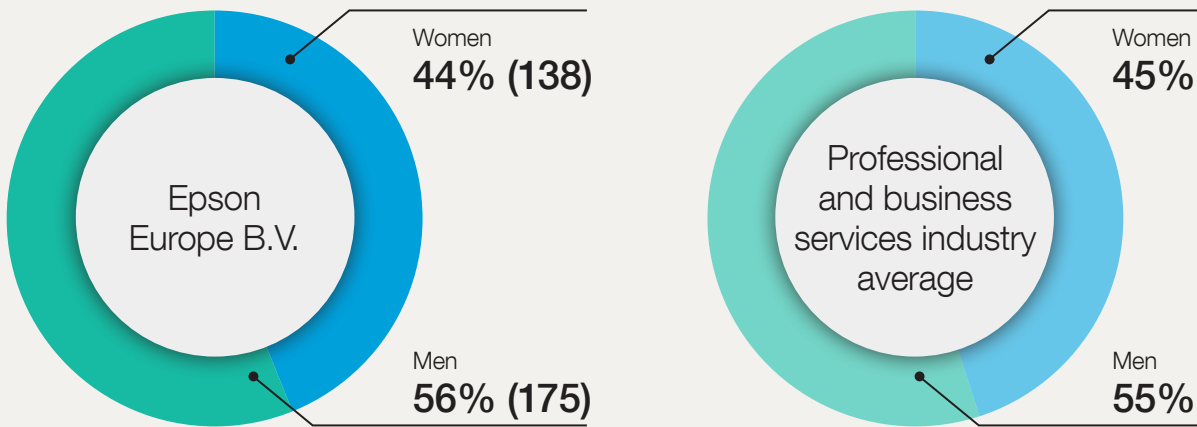
6. Pay Quartiles

This organises the workforce into evenly sized quartiles based on ranking of all included employees from lowest to highest by hourly rate of pay. This is then split equally into four quartiles for each gender. The report shows for each quartile the number of full-pay relevant men and women in each quartile as a percentage of the total in the quartile.

Gender pay gap

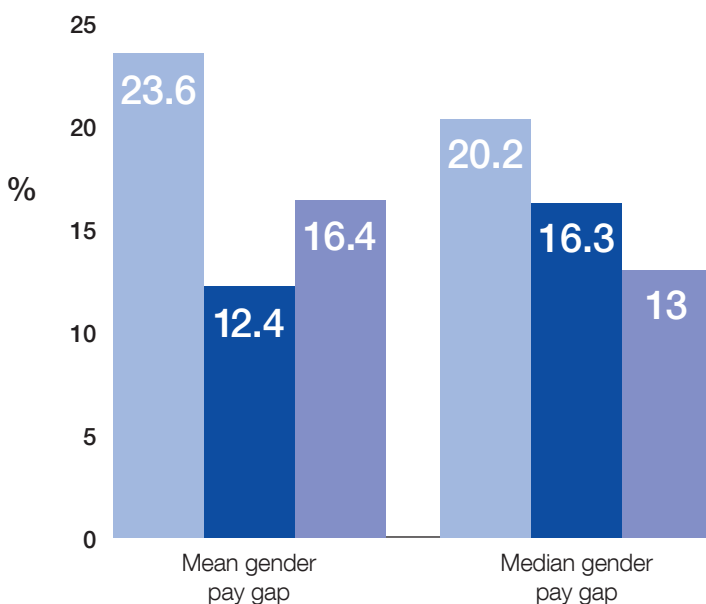
The diagrams below refers to Epson Europe B.V. totalling 316 employees, with 313 employees being full pay relevant to this report based on the snapshot data from April 2020. No employees of Epson Europe BV have identified themselves as non-binary.

Total split of men and women employees



The industry average used in this report is based on data from The Office for National Statistics and data from XperHR published in 2020 based on 2019/20 Gender Pay Gap Reporting submissions.

Employee gender pay gap

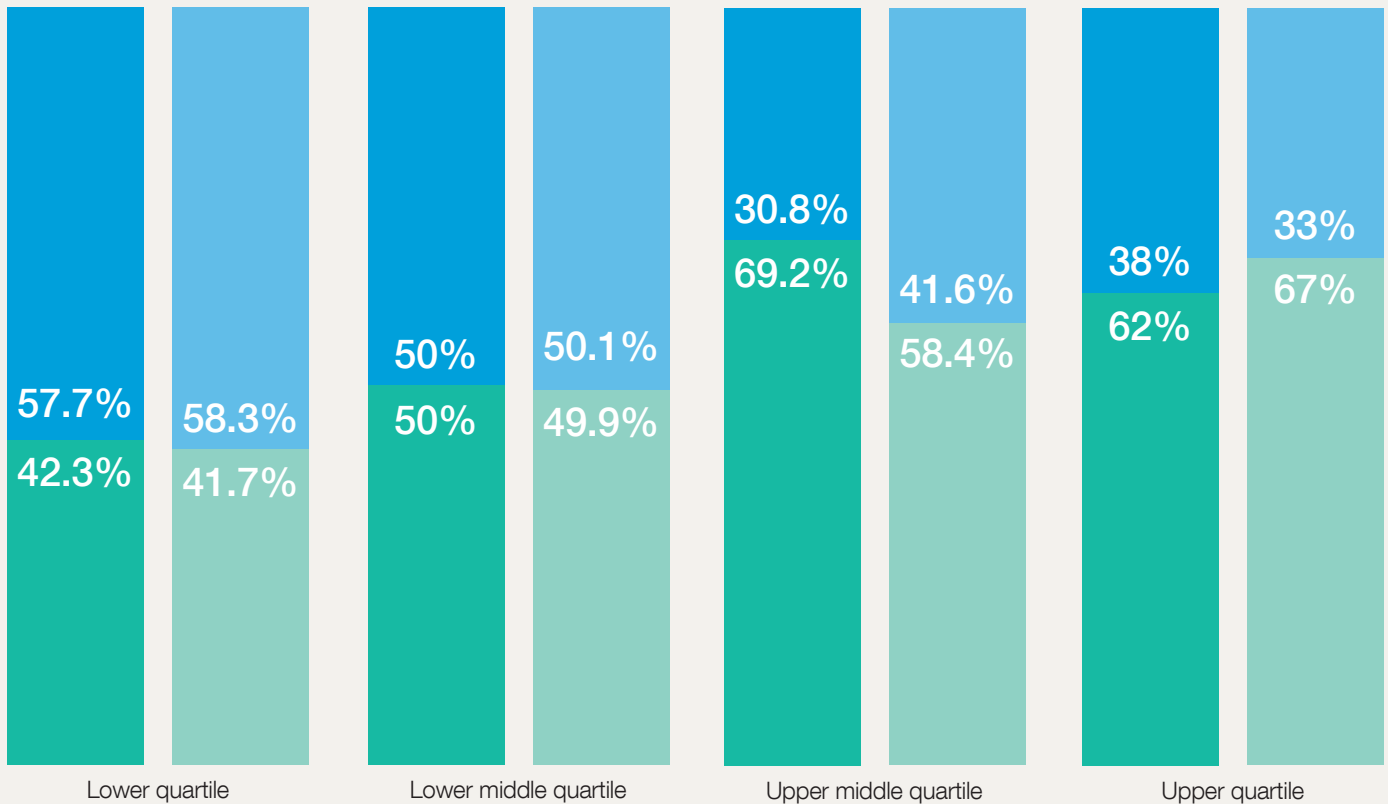


There is a gender pay gap within Epson Europe B.V which has decreased last year from 23.6% mean to 12.4% mean this year. Upon further analysis there is little difference in the rates of pay being offered to new starters of either sex, and additionally employees with 5-9 years' service also have more equity in their rates of pay. This has also been influenced by a greater number of females in the upper pay quartile.

This is a positive decrease and demonstrates that we are closing the pay gap between genders.

- Epson Europe B.V 2019
- Epson Europe B.V 2020
- Professional and business services industry average

Pay quartiles

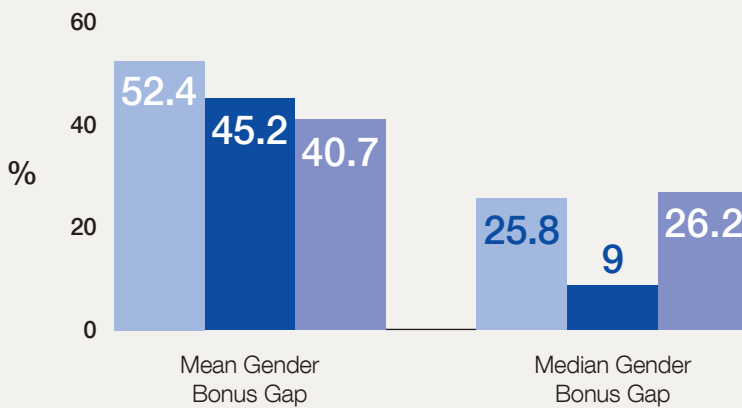


More women are found in administrative, support roles and within the lower pay quartile compared to men. The upper pay quartile gap has improved for women from last year 27.1% to this year 38% which means there is an increase in women in the upper pay quartile band in higher paid roles.

Epson Europe B.V have more women in the upper pay quartile than the industry average.

- Epson Europe B.V. women
- Epson Europe B.V. men
- Women professional and business services industry average
- Men professional and business services industry average

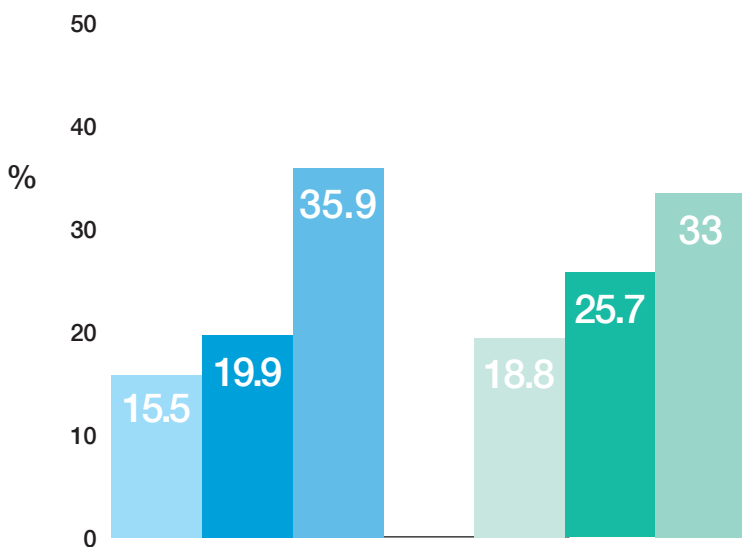
Gender bonus gap



The mean gender bonus gap has reduced by 7.2 percentage point from 2019 to 2020 and the median gender bonus gap had significantly reduced by 16.8 percentage point.

- Epson Europe B.V. 2019
- Epson Europe B.V. 2020
- Professional and business services industry average

% of employees receiving a bonus



There has been an increase this year in women receiving bonuses. In 2019 15.5% of women received a bonus compared to 2020 where 19.9% of women received a bonus.

- Epson Europe B.V. women 2019
- Epson Europe B.V. women 2020
- Epson Europe B.V. men 2019
- Epson Europe B.V. men 2020
- Women Professional and business services industry average
- Men Professional and business services industry average

Career Testimonials

Nicola Consterdine IP Protection Manager



Nikki graduated from Middlesex University with an honours degree in European economics, this was a joint degree with University of Nantes in France. As part of the course, she was fortunate enough to have the opportunity to live and study in France in her second and third year.

After four years of studying, Nikki was unable to get onto a graduate programme so managed to get a job as a secretary for an international drinks company and then as office manager for a London-based interior design

company. She soon realised she did not have an established career plan and decided to apply for a role as an intellectual property coordinator for a retail brand, which involved a lot of international travel and collaboration with colleagues all over the world. This was the start of her career in the field of brand protection, and through constant education and development, she has continued to build her career. Nikki has now been in the intellectual protection industry for over twenty years.

Nikki joined Epson Europe B.V as IP Protection Manager in July 2011, she is responsible for overseeing the company's IP enforcement strategy as well as trademark prosecution work. Nikki is passionate about ensuring the protection of the Epson brand for our customers and our business.

At Epson, Nikki has had the opportunity to develop her role and has focused on developing her team's profile within Epson including how brand protection is perceived. She continues to work on promoting Epson as a leader on the international brand protection stage. During her nine years at Epson, Nikki has also been part of various committees. She sits on the employee information and consultation group and is a committee member for the Inspira employee ideas scheme. This has given her the opportunity to liaise with different people throughout the company and develop relationships outside her department.

Nikki is one of seven directors that sits on the board of the UK Anti-Counterfeiting Group (a non-profit trade association bringing together over 3,000 brands in the fight against counterfeiting), which provides her with excellent networking opportunities and has given her great insight in how to run a business.

"I'm proud to work for a company that has strong values, respects the individual and recognises the importance of brand protection to the business. I've been fortunate to work for a manager that allowed me to grow in my role both internally and externally - from sitting on various internal committees in order to broaden my business knowledge, to championing brand protection both within Epson and on the international stage. None of this would be possible, however, without the support and commitment of an amazing team who inspire and motivate me everyday"

Career Testimonials

Heather Kendle

**Manager,
Product Management – Commercial & Industrial Printing**



Heather graduated from Colchester Institute with a vocational degree in Catering Management. She started her career in the print industry in 2000 as marketing manager at a company in Cambridge, where she worked for sixteen years, during which time she was promoted to director of marketing and sales.

In May 2016, Heather joined Epson Europe B.V as a market development manager for large format printing (LFP) - textiles for EMEAR. As part of the role she has been involved in developing Epson's recognition within the textile industry, identifying business and market opportunities with external partners, working with universities to educate the next generation of end users, as well as widening Epson's knowledge of products and how they are being used.

In August 2020, Heather moved into the role of manager, product management textile LFP, where she manages a team of two. Heather's role is to support our parent company SEC, manage the roll-out and sales of new textile printers, as well as provide direction on the development of mid-term products.

Heather has also had the opportunity to be part of the 30% club, a European initiative focused on supporting the progression, development and retention of female talent. The mentoring programme allowed Heather to expand many of her competencies, explore a variety of business models and look at how this knowledge could be applied at Epson.

“My roles at Epson have given me some wide-ranging challenges, as well as the opportunity to extend my digital print background into an exciting new sector – the textile industry. The teams in the UK office as well as around EMEAR have been helpful and supportive and make working at Epson an enjoyable experience.”

Action plan to address gap

In line with supporting the United Nation's Sustainable Development Goal #5: Achieve gender equality and empower all women and girls.

We believe this can be achieved by providing insight and transparency to influence Epson business activity; it is our ambition as a diverse and inclusive employer to close the Gender Pay Gap.

Epson aspires to be a company that professionals within the industry want to work for. As part of this we are committed to the following:

Flexibility

- We support all our employees with flexible working requests through following our consistent policy. Flexible working requests were approved at a rate of 86% between 01 April 2019 – 31 March 2020, which is 6% more requests accommodated than the previous year. Epson continues to support different ways of working to meet employee needs whilst continuing to maintain our productivity and performance. All employees can adjust their start and finish time to meet their personal commitments, subject to their line manager's approval, as part of Epson's core hours policy.
- Following the review of our Family Friendly Policies we have decided to enhance the pay of our maternity leave, shared parental leave, adoption leave and paternity leave linked to length of service with effect from 01 April 2020. Furthermore, if any child is born prematurely (defined as 28-35 weeks gestation), and as a result requires neonatal intensive care, we will provide additional maternity pay for the period between the time of birth and the original due date. This change ensures that we continue to be an organisation that provides market leading benefits and Epson is recognised as a great place to work.
- At the start of the year Epson undertook a homeworking trial across both EEGB and EUL to understand the impact on both the business and employees. The trial was to assess a more agile working arrangement where people had the opportunity to work from home.
- Unfortunately, only two weeks into the trial the COVID19 lockdown happened and this resulted in most of our employees working from home, and in effect everyone became part of the working from home pilot. The feedback we have received from our employees is that many aspects of roles can be undertaken effectively from home, therefore we have agreed to an agile hybrid working model which will combine home and office working, where roles and responsibilities permit this and this will be effective as our employees return to office working during 2021.

Talent Acquisition

- Between 01 April 2019 – 01 April 2020, 42% of external hires were women. This is an example of how our bias free, skills and knowledge-based talent acquisition practices led by our in-house talent acquisition team. We continue take all candidates through our structured and objective selection & assessment process. This can involve face to face interviews, personality & ability assessments, and additional role specific assessments where appropriate, in order to make hiring decisions based on candidate's skills, knowledge and experience and never gender. This leads to equality of opportunity for all to apply and work for Epson, which is a great place to work.

Pay

- To make competitive and commercial pay decisions we use a systematic and analytical job levelling methodology and we subscribe to Willis Towers Watson's market pay data. The processes and tools we deploy ensure consistent, competitive, efficient and fair processes are applied to all pay decisions. Monitoring market pay trends and movements enables us to be highly competitive in our pay strategy to ensure we are successful in attracting, engaging and retaining talent across the organisation. Our robust and fair pay policy and tools ensure that our female and male workforce is treated objectively and equally.



Action plan to address gap

Progression

- Between 01 April 2019 – 01 April 2020, 43% of all promotions were women. Epson is proactive in enhancing female career progression and for the last two years we have focused on mentoring. We are working with the 30% Club, an initiative focused on supporting the progression, development and retention of female talent in our business. After a successful first year of implementation we have expanded our remit to include mentees in UK, Ireland, Russia, Norway and Denmark and we will provide mentors from UK and Netherlands (male and female), of which we hope will support and encourage gender diversity, develop talent and encourage women to realise their value and potential.
- We have rolled out Equality, Diversity and Inclusion learning across the EMEAR region in FY20. The training outlines the importance of an inclusive workplace, it outlines the responsibilities we all have in promoting and maintaining an inclusive environment for all and covers how to recognise discrimination, harassment and victimisation, and how to become more aware of your own unconscious biases and provide tools to adjust automatic patterns of thought and action.
- We will continue to enhance our development programmes for leadership training, mentoring and coaching focused on female progression. This will support our female employees seeking promotional opportunities and those looking to develop within their role.



Declaration

We confirm that the data reported is accurate and meets the requirements of the Regulations and methodology outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2018.



Michelle Taylor
HR Director EMEAR



Robert Clark
Senior Vice President