

Epson Europe's Sustainability Report 2021/2022

EPSON®
EXCEED YOUR VISION



Contents

Introduction		Textile printing	40
Message from our President and CEO	05	Display Solutions	41
Key highlights	06	Moverio augmented reality smart glasses	42
		Manufacturing Solutions	43
Our sustainability approach		Fulfil our social responsibility	
Profit with purpose	11	Working for a better future	46
Meet our sustainability team	12	Diversity and equal opportunities	48
Our global vision and strategy	14	Employee development	49
ESG materiality analysis	16	Employee wellbeing	49
Epson's commitment to the Sustainable Development Goals	17	Working conditions	50
Corporate certifications and recognitions	18	Contributing to communities	50
Climate change adaptation and mitigation		Strengthen our governance	
Reducing our emissions	22	Epson's European commitment to sustainable governance	56
Closing the resource loop	26	Corporate ethics and due diligence	57
Sustainability in our supply chain	28	Respecting human rights	59
Optimisation initiatives at our Central Distribution Centre	30	Safeguarding against corruption and bribery	59
Advance the frontiers of the industry		Looking ahead	
More sustainable technologies for the future	34	No-one should be left behind	62
Heat-Free inkjet	36	Appendix	
PaperLab	37	Sustainability objectives and progress report	63
EcoTank	38	The Oberhausen Gasometer	66
On-demand labelling	39	Methodologies	67

Epson 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.

Message from our President and CEO, Yoshiro Nagafusa

Epson is a story of survival, adaptation and growth. Eighty years on from our modest beginnings in rural Japan, we are now a global enterprise, employing 80,000 people across the world, with sustainability at our core.

Born from the very best of Japanese traditions, in the knowledge that the Earth's resources are both precious and finite, Epson has refined and mastered the art of efficient, high-precision manufacturing. Our business has continuously adapted and grown alongside the communities we have served. As we face new challenges, we will always draw on the strength of our past.

Following the pandemic, the demand for more sustainable solutions has never been stronger. World events are causing people and organisations to take stock of what is important in their lives – in the realisation that it is necessary and desirable to enrich ourselves, the world and our environment.

We have re-focused our business with a progressive programme of decarbonisation supported by a €770 million investment that impacts all our operations. Our 2025 Vision has been revised to include vital goals such as 'achieving sustainability in a circular economy' and 'improving quality of life'. We have revised our 2050 Environmental Vision by adjusting our long-term business plan and sustainable actions to help the planet to achieve an outcome of no more than 1.5°C temperature rise this century.

New research conducted this year has shown that a worldwide switch to Epson Heat-Free inkjet printing technology could help the printing industry achieve its pathway to net zero. Our proprietary Piezo inkjet printing technology is up to 83% more energy efficient than laser.¹

We have achieved so much this year. Epson has been named in the CDP's prestigious 'A' List after attaining the highest scores in climate preservation and water security categories. We have gained EcoVadis Platinum for the third consecutive year. By 2023, all operations will run on

renewable energy, and we are committed to becoming underground resource free by 2050.

Epson is a signatory to the UN Global Compact, which sets out 10 basic principles covering human rights, labour, environment and anti-corruption. We are committed to achieving the UN SDGs (United Nations Sustainable Development Goals) and we are aligning and measuring our operations against all 17 goals.

Epson is a member of the Responsible Business Alliance (RBA) – a global coalition dedicated to corporate social responsibility, preservation of human rights and due diligence in global supply chains – with multiple Epson manufacturing sites earning platinum status in RBA audits.

We continue to work with our stakeholders to accelerate our efforts to enrich the communities we serve. We are committed to achieving a more sustainable future. With the unknown challenges ahead, we know we have the people, skills, imagination and technology to adapt, grow and succeed.

We have achieved so much, and we will continue to work hard to deliver further improvements.

永島義朗

"With the unknown challenges ahead, we know we have the people, skills, imagination and technology to adapt, grow and succeed."

Yoshiro Nagafusa,
President and CEO, Epson EMEAR



Environmental
Vision 2050



Epson 25
Renewed

¹ Based on Epson calculations, the Epson WorkForce Pro WF-C8190DW uses 83% less energy than the HP Color LaserJet Enterprise M750dn, the highest-selling model in the A3 colour single-function 21-30ppm printer segment (IDC, Quarterly Hardcopy Peripherals Tracker, Q4 2015 to Q3 2019 shipments, published Q2 2020). Methodology based on 'Typical Energy Consumption', defined under and/or simulated with reference to the ENERGY STAR test procedure and presented in kWh per year. CO₂ saving calculated as being proportional to energy saving, based on a per-territory average generation of kg CO₂ per kWh electricity used.

Key highlights



Supply chain decarbonisation



We are working towards a solution for calculating the carbon footprint of our EMEAR shipments, considering all modes of transport and attributing carbon consumption based on weight, volume and destination.

Reducing packing material



We have invested in technology to recycle cardboard packaging, which is now shredded and used as filling for B2C parcels. We are no longer disposing of 12 tonnes of waste cardboard each year, and we avoid the need to purchase new filling material.

Pallet optimisation to reduce emissions



We have worked with our customers to increase maximum pallet fill, achieving a 9.9% increase in cubic metre transported per pallet from FY20 to FY21.

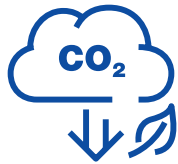
Switching from air to sea freight



Opening our new warehouse in South Africa means we have avoided transporting 757,318kg of goods by air. Switching to sea freight has saved over 6.8 million kg CO₂.¹

¹ Calculation: 9.14 kg carbon per kg flown from Asia to South Africa. By air: 9.14 x 757,318 = 6,921,886 kg CO₂. By sea: 9,950.6kg/container x 27 containers = 26,866 kg CO₂.

Reducing car fleet emissions



We have achieved our FY21 target to reduce our average emissions per fleet car to below 105 gCO₂/km by upgrading our fleet to hybrid, electric and lower emission vehicles.

Hybrid home and office working



Reduced travel is beneficial to our employees, the community and the environment. Following employee feedback, we launched agile working trials to enable hybrid home and office working on a long-term basis.

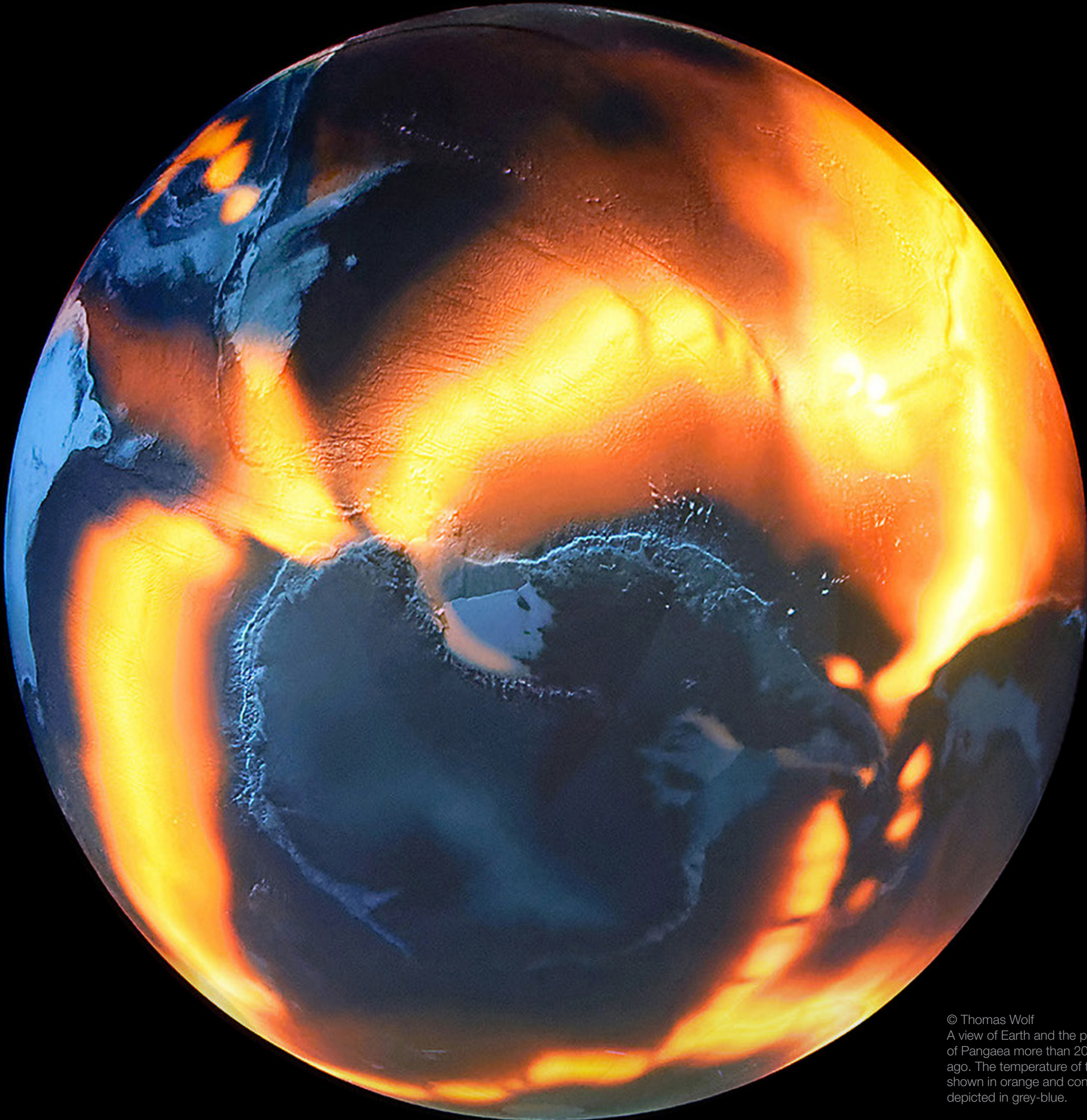
EcoVadis Platinum



We have been awarded a Platinum rating for overall sustainability by independent platform EcoVadis for the third consecutive year. Seiko Epson Corporation (Group) is in the top 1% of companies rated by EcoVadis in the manufacture of computers and peripheral equipment industry.

Our sustainability approach

Profit with purpose	11
Meet our sustainability team	12
Our global vision and strategy	14
ESG materiality analysis	16
Epson's commitment to the Sustainable Development Goals	17
Corporate certifications and recognitions	18



© Thomas Wolf
A view of Earth and the primeval continent of Pangaea more than 200 million years ago. The temperature of the Earth is shown in orange and continents are depicted in grey-blue.

"Profit for its own sake is pointless. If we cannot contribute to society or provide a sustainable future that gives back more than we consume, then we serve no good purpose."

Henning Ohlsson
Director of Sustainability, Epson EMEAR



Profit with purpose

What is our purpose? This is the question every responsible company needs to keep asking itself.

The truth is that now, more than ever, businesses cannot exist for the sole purpose of profit, nor can we separate our business objectives from the needs of the societies we live in or the environments that sustain us. The nature of our relationships with stakeholders – employees, customers, suppliers, shareholders, communities and the natural world – is what will earn us trust and ensure our success and longevity.

Profit for its own sake is pointless. If we cannot contribute to society or provide a sustainable future that gives back more than we consume, then we serve no good purpose.

As a global technology company, Epson exists to enrich lives, improve society and create new and improved opportunities for more sustainable growth. This is how we must measure our success.

To this end, the UN SDGs have provided Epson with a clear compass and means to measure our activities and impact on the world.

Epson is fully committed to the SDGs. All operations and activities are aligned to its goals. They are integrated into our mid to long-term plans, and set the direction for all sustainability actions.

We are particularly focused on four key SDGs most relevant to our business:



SDG 4 Quality Education



SDG 8 Decent Work and Economic Growth



SDG 12 Responsible Consumption and Production



SDG 13 Climate Action

It is not enough to say we are committed – we need verifiable and measurable evidence of our commitment and to show, in a material way, how our activities impact on things, people and the planet.

This year, our commitment to SDGs has been audited and certified according to the SDG Standard created by Bureau Veritas. This means that we are the first company in our industry to have been recognised by a certified body as an organisation that fully integrates the UN SDGs into its business activities.

Moving forward, we will continue to invest in a better and more sustainable future 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.

Above all, our purpose must be 'planet before profit'.

Meet our sustainability team

Sustainability is integrated into decisions at every level of our organisation. Epson Europe’s president and senior management board take an active role in driving sustainability policies, assisted by dedicated sustainability managers in France, Germany, Italy, the Netherlands, Norway, Portugal, Spain and the UK.

This team is responsible for ensuring that we meet our CSR and ESG commitments. They follow sustainability-related legal developments to verify that we comply with current and upcoming obligations. The team contributes to delivering sustainability value creation for our employees, customers and partners and, ultimately, our commitment to society.



Boris Manev

Head of Sustainability and Government Affairs

“I am proud to be part of a company that couples business growth and sustainability, and I’m excited to support Epson on its journey to achieve carbon negativity and to close the resource loop.”



Estelle Augarde

Corporate Sustainability Manager, Europe

“As a woman who had the chance to receive an education, I feel that it’s my duty to help children and young people who have not had the same opportunity. I am glad to work for a company that supports several NGOs with actions on education and promoting women. We all have a role to play in creating a fairer world.”



Luca Cassani

Corporate Sustainability Manager, Italy

“While trekking in the Alps I witnessed how global warming is affecting the glaciers. As a company, we are doing a lot to mitigate the climate crisis thanks to our innovative products and we can do more by involving our partners and customers. We believe that innovation enables sustainability; and for this reason I refer to ‘innovability’. Engaging with young people on these topics is what I am most passionate about in my work.”



Tuyen Doan

Corporate Sustainability Manager, France

“In France, a new regulatory framework to fight waste and promote the development of a circular economy is being implemented and raises awareness on the challenges of repair, reuse and recycling. As a sustainability manager, I have a duty not only to ensure the application of these new requirements, but to anticipate and go beyond to make Epson a responsible company that aims to protect our resources and move the date of Earth overshoot day later every year.”



Joan Escoté

Corporate Sustainability Manager, Spain and Portugal

“As never before, we have the obligation to guide our behaviour towards greater sustainability both on a personal level and through actions of our companies. We have a responsibility to work with our local communities and to be transparent in everything we do. That is why Epson Iberica is audited by the demanding EMAS regulations and we have had our certification revalidated for a third year.”



Amélie Girard

Corporate Sustainability Manager, Europe

“The climate crisis, combined with the ever-growing population and increases in consumption, requires companies to utilise the Earth’s limited resources sustainably, and to design and produce more resource-efficient products. As a technology company, we must provide current customers and future generations with more sustainable technology solutions. As consumers, we must choose clean technologies.”



Leonie Sterk

Corporate Sustainability Manager, Germany

“The world is changing and the issues we are facing can only be solved together. I am glad that as a sustainability manager I get to play a part in Epson’s journey toward a better and sustainable future, for example by aligning our corporate activities with the United Nation’s Sustainable Development Goals.”



Gwendoline Verkaik

Corporate Sustainability Administrator, Europe

“Being consistently reminded of the consequences of taking from the Earth is, unfortunately, the only way we decide to wake up and act. I am comforted by the knowledge that there are so many passionate, courageous and inspiring individuals rising up to fight for a more sustainable, just and healthy world.”

Our global vision and strategy

This year, Epson marked its 80th year in business. We have always exercised creativity and challenged ourselves to deliver products and services that exceed the expectations of our customers and we are committed to achieving sustainability through our efficient, compact, precision technologies.

Our vision is to create sustainable value to enrich our lives and our planet and we have set out our commitment to becoming carbon negative and underground resource free by 2050.

2008

Established our global Environmental Vision 2050

We established our global Environmental Vision 2050, which set our environmental goals out to the year 2050.

2018

Revised Environmental Vision 2050

The world changed as global efforts to address climate change accelerated. The UN adopted the SDGs, and the Paris Agreement was charting a course towards decarbonisation. We revised our Environmental Vision 2050 to include setting goals that reflect our strong commitment to addressing these major societal issues.

2023

Commitment to using 100% renewable electricity

We are committed to using 100% renewable electricity across the entire global Epson Group by 2023.

2025

Epson 2025 Renewed Environmental Vision

To achieve our 2050 goals, we set 2025 mid-term target milestones using the backcasting process – a planning technique where we envisioned our desired 2050 outcome and identified scenarios required to reach that outcome. In 2021, we revised this corporate vision – Epson 2025 Renewed.

As part of Epson 2025 Renewed, we have set aside JPY100 billion (€770 million) over the next 10 years with a focus on decarbonisation, resource recycling and an accelerated programme to develop environmental technologies. We have set a target to reduce our direct emissions by 34% (Scopes 1 and 2) and indirect emissions (Scope 3) by 44% before the end of 2025.

By 2025, we will ensure all our major suppliers are ranked low risk in terms of CSR and our products will be conflict mineral free at a global level.

By 2030

Reduce the total emissions of our products and services

We have pledged to reduce our total emissions in line with the 1.5°C scenario. We will achieve this through reduction of the environmental impacts of our products and services, and in our supply chains.

We have aligned our operations and activities to the 17 SDGs. As we work towards 2030, we have aligned our materialities to the SDGs with clear, measurable targets and metrics that show how we are performing against each goal.

By 2050

Become carbon neutral

We aim to become carbon neutral, moving to greenhouse gas (GHG)-free manufacturing and then removing even more carbon.

This includes the utilisation of renewable energy, reduction of the energy consumption of equipment and facilities, greenhouse gas removal, and carbon-free logistics. Initially, we will minimise our energy use associated with production and products, and switch to renewable energy sources. We also aim to reduce our customers' GHG emissions by providing products that have a smaller environmental footprint and by moving to carbon-free logistics. In addition, Epson will start investigating/developing technologies and practical applications to remove and capture GHG from the atmosphere, for example by storing carbon in biomaterials and using them semi-permanently in various applications.

We will dramatically change the way we use the world's natural capital. We will become underground resource free by 2050; instead, utilising recycled metals, plastics and other previously mined minerals as above-ground resources, and renewable energy sources such as solar, wind, water, geothermal heat, wood and biomass resources.

ESG materiality analysis

When we established our Epson 25 Renewed corporate vision in 2021, we evaluated the societal issues and sustainability initiatives that align with our management philosophy. We identified the high-priority issues (materialities) that we believe are most critical for us to address in our operations.

When conducting our materiality analysis for our European operations, we looked specifically at two materiality criteria, as defined by the Global Reporting Initiative (GRI):

- 1. **The impact on the business** – Reflects a reporting organisation’s significant economic, environmental and social impacts.
- 2. **The importance for internal and external stakeholders** – Substantively influences the assessments and decisions of stakeholders.

Our approach

Having established the criteria for our materiality analysis, we considered the upcoming EU Corporate Sustainability Reporting Directive and other sources, such as the EU Taxonomy Regulation, GRI Standards and Epson’s Global Sustainability Report.

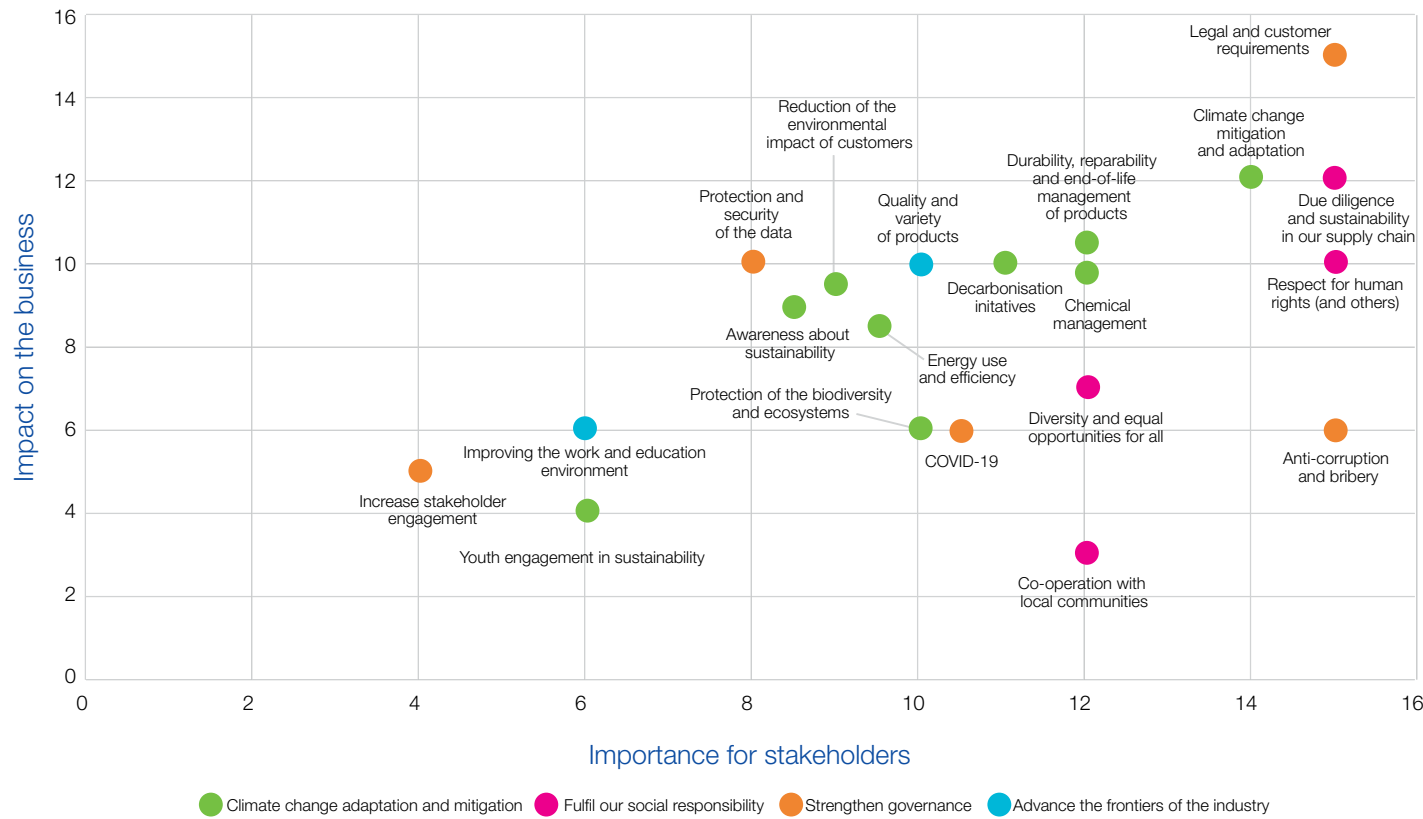
From this, we identified 81 sustainability topics, which we grouped into four key materiality categories:

- Climate change adaptation and mitigation
- Fulfill our social responsibility
- Strengthen governance
- Advance the frontiers of industry

Of the shortlisted topics, we evaluated each from an Epson and social perspective, and prioritised 20 topics that we consider to be the most critical to achieving our goals and where our focus will create the largest impact.

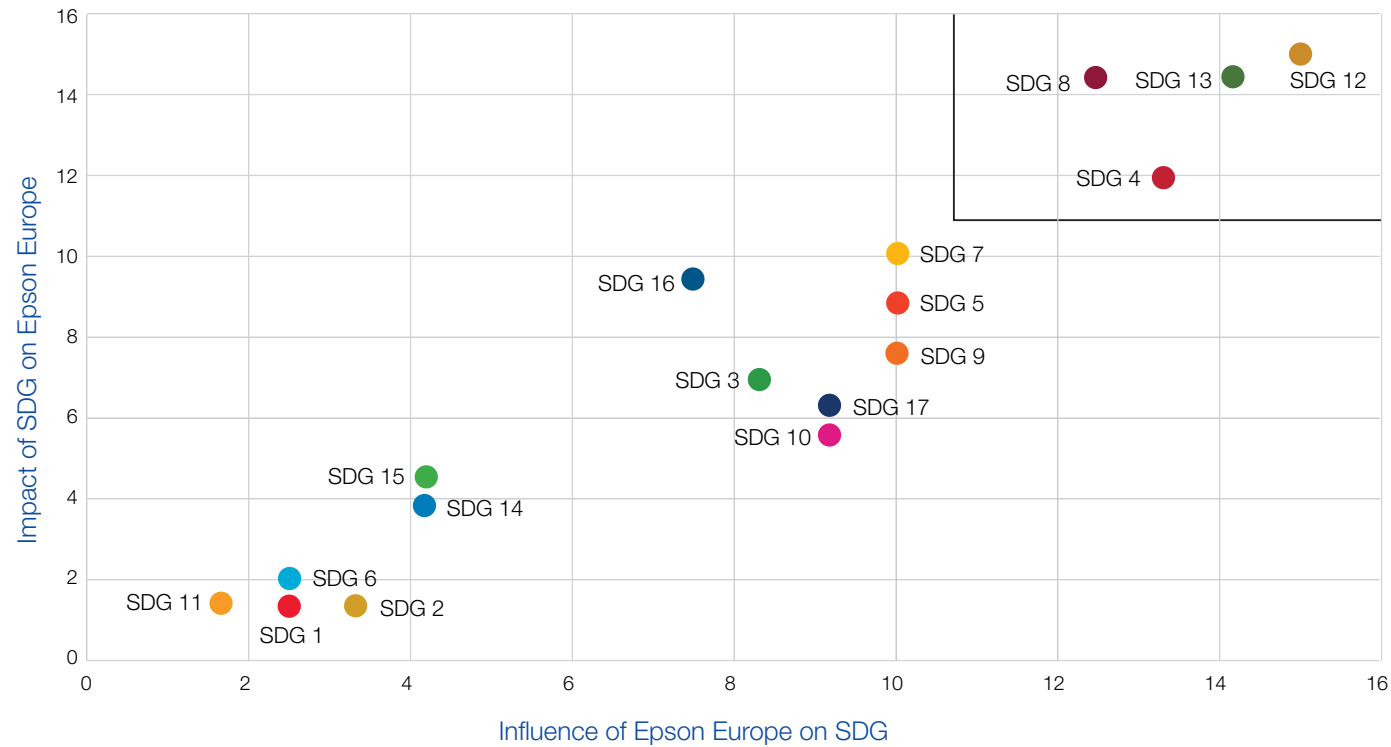
Our materiality analysis matrix below outlines these key topics, and this sustainability report details how Epson is directly addressing each of them, split across the four key materiality categories. In addition, we examined the relevance of each of the 17 SDGs for Epson based on the impact they have on our organisation, the influence we have on them and their importance to our stakeholders.

Materiality analysis



Epson’s commitment to the Sustainable Development Goals

Relevance of SDGs for Epson Europe



While Epson’s European regional sales headquarters support all 17 goals, we have identified four SDGs that are most relevant, both in terms of the impact they have on Epson and the influence we have on them. SDGs 5 (Gender Equality) and 10 (Reduced Inequalities) are becoming increasingly important and we will focus more on them in the future. For the mapping of all SDGs, please see the graph above.

SDG 4 Quality Education

We believe that education is key to promoting sustainable development and we are committed to raising awareness for sustainability inside our organisation, among our business partners and suppliers, and across wider society. We provide regular training on environmental and social responsibility for our employees and partners, and we seek to engage young people from primary school to university on important sustainability topics.

SDG 8 Decent Work and Economic Growth

Our employees are the cornerstone of our success. We are committed to their physical, mental, social and financial wellbeing, and delivering the best working conditions for everyone. Epson recognises the importance of equality, diversity and inclusion, and we are serious about keeping all forms of discrimination and unfair practice out of our operations.

SDG 12 Responsible Consumption and Production

Epson’s long-term environmental vision is to achieve more sustainability in a circular economy. When it comes to closing the resource loop, we will achieve this through the effective use of resources – including reducing the size and weight of materials, utilising recycled materials, minimising production losses, extending product service life, and refurbishing and reusing products. Through our technology innovations, we seek to minimise the environmental impacts incurred by our customers when using Epson products.

SDG 13 Climate Action

To support Epson’s global commitment to reduce carbon emissions in line with the 1.5°C scenario by 2030, and become carbon neutral by 2050, Epson Europe is taking action to reduce its environmental impact. We are working to reduce the direct and indirect emissions associated with our business and production activities (Scopes 1 and 2); for example, by using 100% renewable electricity at all European regional sales headquarters and our UK production site.

For a detailed overview of Epson’s sustainability objectives and progress report see pages 63-65.

Corporate certifications and recognitions



CDP A List

For the second consecutive year, Epson has been placed on the prestigious A List for both climate change and water security by international, environmental non-profit CDP, for leadership in tackling climate change and water stewardship. CDP also awarded Epson with a position on the Supplier Engagement Leader board, for the third consecutive year, for engaging our supply chain on climate change.



EcoVadis

Epson has been awarded a Platinum rating for overall sustainability by independent platform EcoVadis for the third consecutive year. Seiko Epson Corporation (Group) is in the top 1% of companies rated by EcoVadis in the manufacture of computers and peripheral equipment industry.



RBA

Epson is a member of the Responsible Business Alliance (RBA) – an international coalition that promotes CSR in global supply chains. We have adopted the RBA's code of conduct and methodologies into our management practices. Our main sites that manufacture Epson products have been audited under the RBA Validated Assessment Program (VAP). Our factory in Shenzhen, China, has achieved platinum status for industry-leading levels of corporate social responsibility.



Science Based Targets

The Science Based Targets initiative (SBTi) has recognised and approved Epson's global GHG reduction targets as being science-based and in line with keeping a global temperature rise this century to 1.5°C – a central aim of the Paris Agreement.



FTSE4Good

FTSE4Good Index Series

For the 19th year, Epson has been included in the FTSE4Good Index Series, which measures the performance of companies that demonstrate strong environmental, social and governance (ESG) practices. Selection for this index indicates that we have been independently appraised for our efforts towards the environment and in solving societal issues, and have been recognised as a sustainable company.

Sustainability Yearbook Member 2021

S&P Global

S&P Global Sustainability Yearbook 2021

Seiko Epson qualified for inclusion in the S&P Global Sustainability Yearbook 2021, achieving a score on the S&P Global Corporate Sustainability Assessment that put us in the top 15% in our industry (computers, peripherals and office electronics). Of the 64 companies assessed in the industry, only nine earned membership.



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. We have made a commitment that all worldwide Group sites will meet their electricity needs from 100% renewable energy sources by 2023.



DataMaster Award

DataMaster is an independent European laboratory and expert in professional document imaging solutions. Epson has won the 2022 DataMaster Lab GREEN Award in recognition of the environmental benefits afforded by our Heat-Free PrecisionCore inkjet printers and the sustainability measures we employ as part of their development, production and distribution.



ISO 9001 and 14001 standards

Epson operates its quality and environmental management system in compliance with the ISO 9001 and ISO 14001 international standards and implements a planning and control cycle to effect continuous improvement. All of Epson's European sales companies are certified with both ISO standards.



Type 1 ecolabel, in accordance with ISO 14024

Epson is working to comply with the labelling requirements in major global countries. We particularly value the Type 1 ecolabel, which indicates products have met the sustainability criteria set by a certified third-party organisation. In Europe, the majority of our projectors are TCO certified, and business inkjet printers are Blue Angel certified.



EMAS

The EU Eco-Management and Audit Scheme (EMAS) is developed by the European Commission for organisations to evaluate, report and improve their environmental performance. Our Epson Spain office is EMAS certified.

Climate change adaptation and mitigation

Reducing our emissions	22
Closing the resource loop	26
Sustainability in our supply chain	28
Optimisation initiatives at our Central Distribution Centre	30



© Dirk Böttger
Satellite images over time are aggregated here to show a view of the Earth as night turns into day. Areas of increased night-time light indicate countries with increased energy consumption.

Reducing our emissions



Epson’s initiatives to mitigate global warming focus on reducing CO₂ emissions by conserving energy and reducing other greenhouse gas (GHG) emissions. Our European facilities play an important role in reaching these goals, as we strive to minimise our consumption and emissions. In our offices, employee engagement in energy, water and waste reduction makes a significant contribution to overall figures.

The data presented in the following sections is for the main offices of Epson Europe’s key markets in France, Germany, Italy, the Netherlands, Spain, and the UK. This is referred to throughout this report as our EU6 markets.

In line with our Epson 25 Renewed strategy, all our regional head offices are powered by renewable sources of electricity, and we are actively working with the landlords of our other European branch sales offices on moving to renewable electricity.

Setting science-based targets to reduce GHG emissions

The Science Based Targets initiative (SBTi) has recognised and approved our global 2025 GHG reduction targets as being in line with keeping a global temperature rise this century to 1.5°C – a central aim of the Paris Agreement.

Scope 1 and 2

Globally, we measure Scope 1 (direct emission from sources that are owned or controlled by the organisation) and Scope 2 (indirect emissions from the consumption of purchased sources or energy) emissions. We are working to reduce the direct and indirect emissions associated with our Scope 1 and 2 business and production activities.

Global GHG reduction targets

Scope 1 Scope 2	Reduce Scope 1 and 2 GHG emissions by 34% by FY2025 updated to be in line with 1.5°C in November 2022 compared to FY2017.
Scope 3	Reduce Scope 3 (categories 1 and 11)*1 GHG emissions as a percentage of value added (business profit) by 44% by FY2025 compared to FY2017 <small>*1 Category 1: Purchased goods and services Category 11: Use of sold products</small>

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.

Scope 3

Also at global level, we measure the indirect emissions that occur in the value chain (Scope 3 emissions), which account for most of Epson’s GHG emissions. The majority of Scope 3 emissions occur during the use of our products (category 11: use of sold products) and with the procurement of raw materials (category 1: purchased goods and services). Therefore, we have incorporated these two categories into our science-based targets.

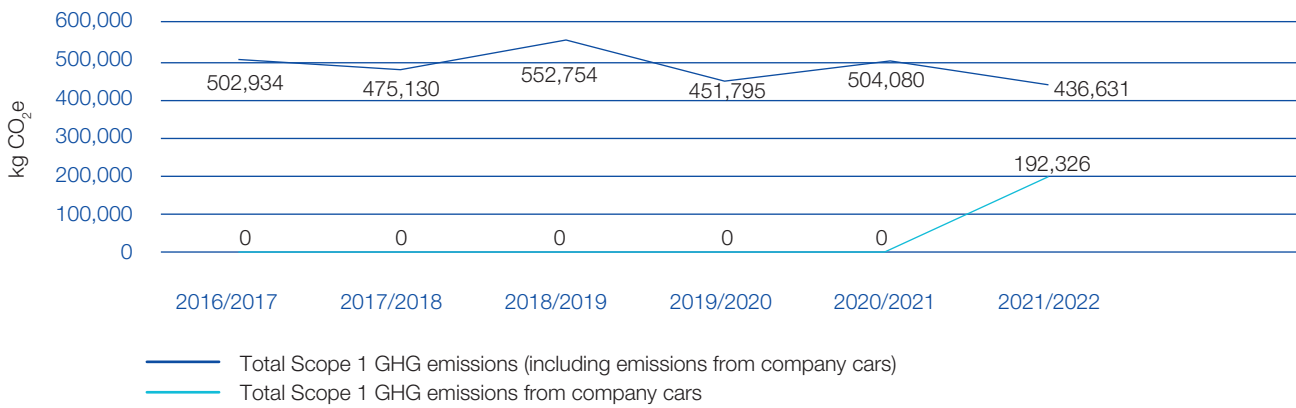
As the business grows, emissions are expected to increase. Therefore, to ensure that these indicators are useful, we are focused on reducing emissions as a percentage of business profit as we work to achieve growth and increase corporate value to 2025.

Measuring our European emissions

For our European sales offices, we measure Scope 1 and 2 emissions. For Scope 3, we currently only measure emissions related to business flights. Most other value chain emissions relate to our global business.

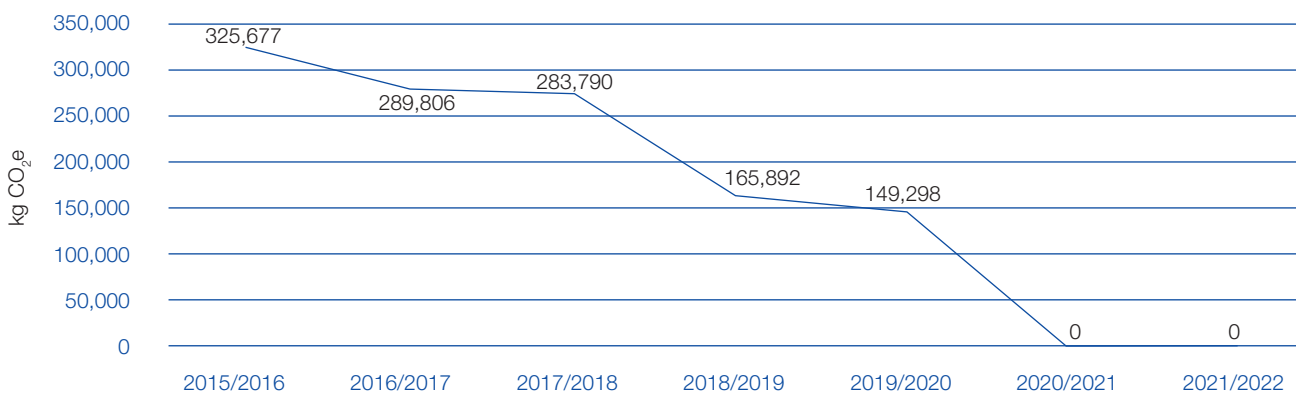
Scope 1: Direct GHG emissions [kg CO₂e] from sources owned or controlled by the organisation for Epson European regional headquarters (EU6)

This graph includes emissions from gas consumption up to 2020/21. For 2021/22 it includes emissions from gas consumption and fuel consumption of company cars. Company car emissions data is not available prior to 2021/22.



Calculations based on the ratio between year rented kilometres and the estimated percentage of business use

Scope 2: Indirect GHG emissions [kg CO₂e] from the consumption of purchased sources of energy for Epson European regional headquarters (EU6)

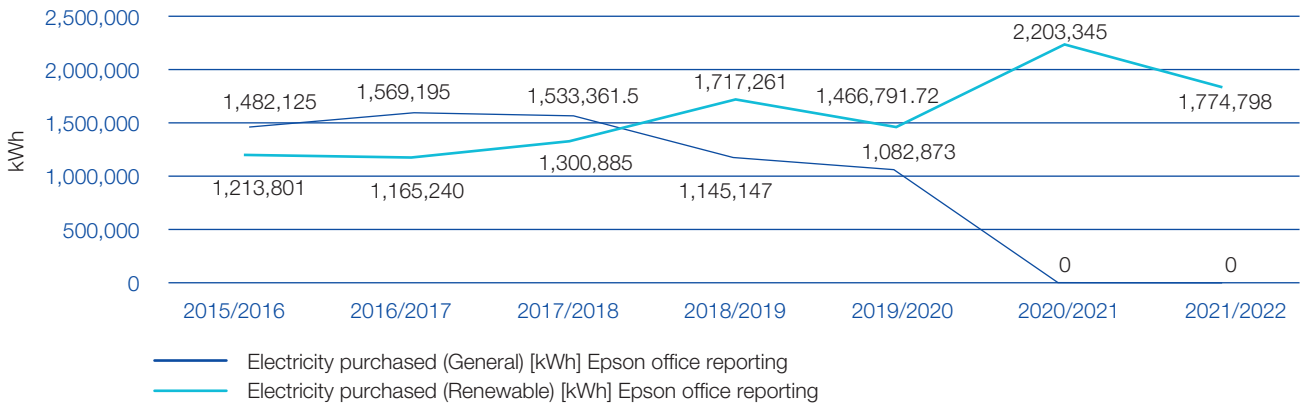


Reducing our emissions continued

Renewable energy vs grid mix FY15-21 in Epson’s European sales offices (EU6)

From FY21, when our EU6 offices switched to 100% renewable electricity, our total electricity consumption reduced.

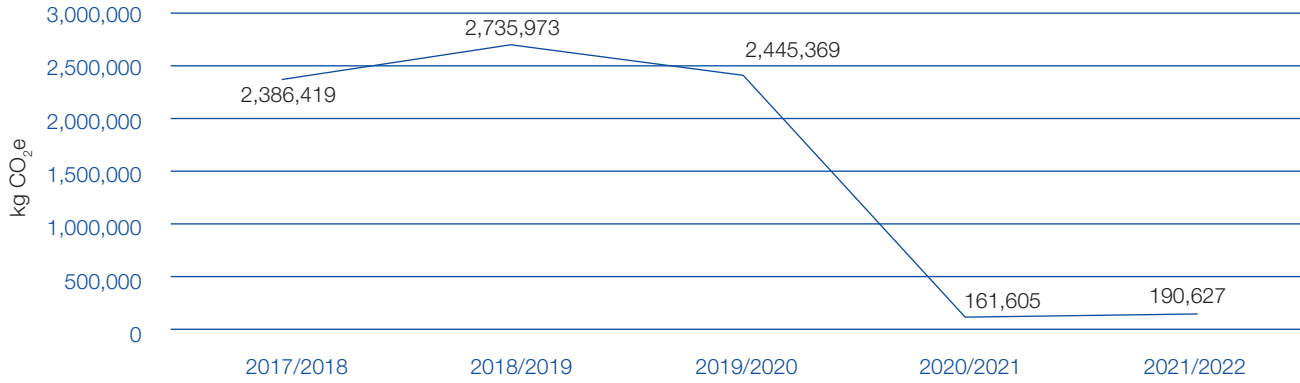
Renewable electricity vs grid mix FY15-21



Business travel emissions

This graph includes emissions from business flights

Epson Europe business travel (kg CO₂e)

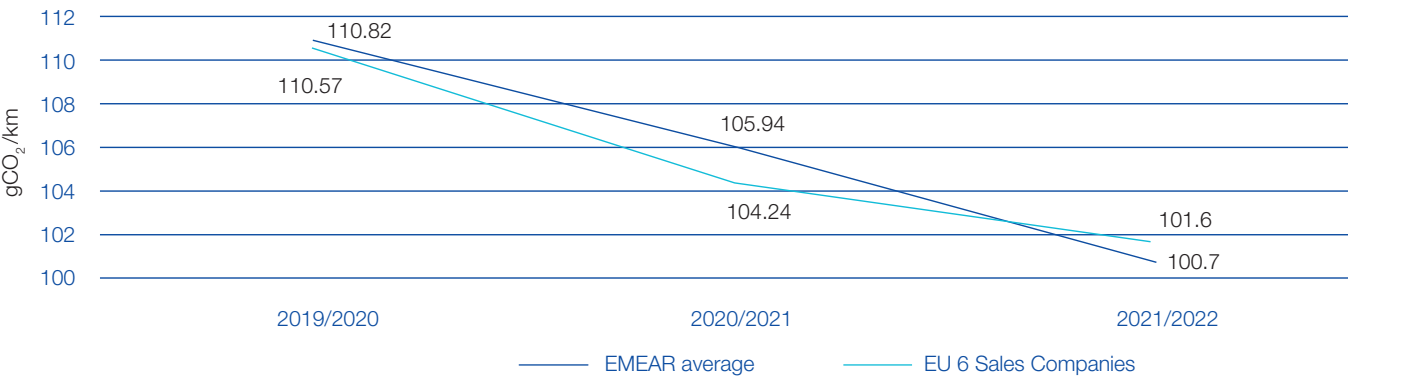


Car fleet emissions

As part of our efforts to reduce our Scope 1 emissions, we are upgrading our vehicle fleet to hybrid, electric and lower emission ratio vehicles as our leasing contracts expire. Our FY21 target was to reduce our average emissions per fleet car to below 105 gCO₂/km. These values are based on emission factors given by the manufacturers.

We measure average emissions for the EMEAR region overall and separately for our six key European sales markets (UK, France, Italy, Spain, Germany and the Netherlands). As this graph shows, we have achieved our FY21 target. Our EU6 emissions are slightly higher due to the well-documented issues in delivery of new vehicles caused by the pandemic and global component shortages. For FY22, we have set a target to reduce emissions to below 100 gCO₂/km.

Average car fleet emissions rate



Car emissions rates provided by car manufacturers.

Protection of ecosystems and chemical management

To minimise our environmental impact, we are working to control substances of concern in our products, managing the chemicals used in our production processes, and undertaking environmental risk management.

When it comes to substances including chemicals, we always seek solutions that offer the optimal balance between technical properties, safety, and environmental impact. This principle is applied to all products manufactured by Epson¹ and throughout our supply chains.

Our R&D and sustainability teams work closely together to ensure all Epson products are designed with non-hazardous substances. We consider technical properties, compliance with local legislation, manufacturing process and product-use emissions.

We prefer lower-impact alternatives when selecting components and raw materials to make up our products. During this process, if a substance is identified as being one of concern, we assess its presence throughout the supply chain, and implement a plan to substitute where necessary.

Several printing products are designed for sensitive markets such as food and beverage, and textiles. The inks we manufacture for these products, such as food labels and printed textiles, are compliant with international safety standards and regulations for chemical substances. We also work closely with our customers to train them on the safe use of our products.

Recycling

In line with our vision to conserve environmental resources, reduce waste and use 100% recycled resources, we aim to collect and recycle as many Epson products and supplies as possible, and we promote the efficient use of limited resources by collecting and recycling end-of-life products.

We have established collection and recycling programmes for cartridges that consist of either single returns (via post) or bulk returns (via box collection), and we encourage all customers to take advantage of this. Programmes vary across our European markets, according to local legislation and our recycling partners. In France, collection is managed by Conibi, in Spain we work with Recyclia via multi-brand box collection, in Portugal we work through the national collection scheme and in other markets we partner with Cycleon. Following collection, from most of the EU countries, all treatment and recycling is managed by CloseTheLoop in Belgium.

¹ Most Epson products are manufactured in Epson-owned factories in Asia.

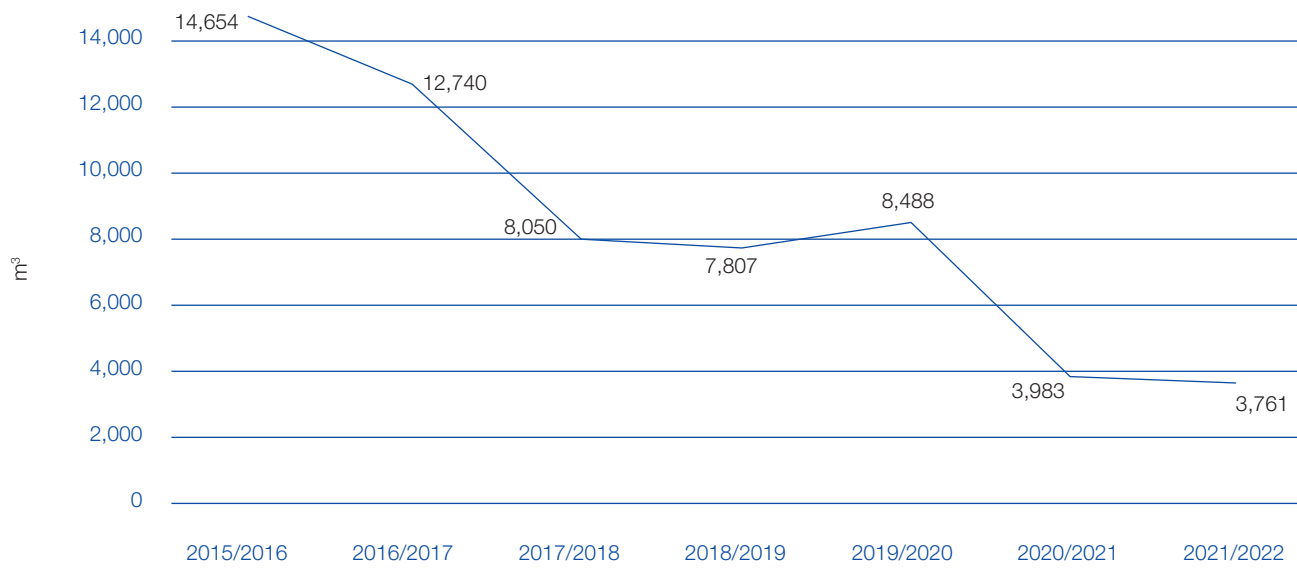
Closing the resource loop



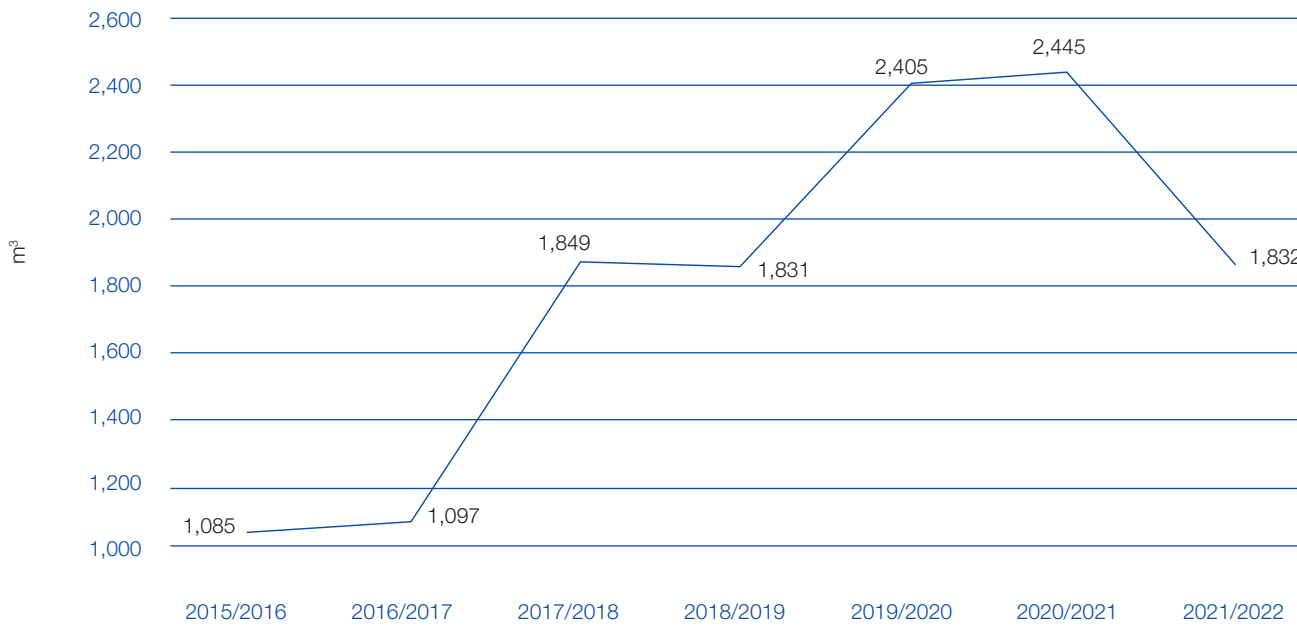
Water conservation

During FY21, our employees began returning to our European offices, moving from full-time home working during FY20, to agile, flexible working. Despite this move, we have reduced water consumption by 4.1% in our European regional sales headquarters, and by 500 metres³ in our central distribution warehouse compared to FY20 amid the pandemic.

Water consumption (metres³) in our European regional sales headquarters (EU6)



Water consumption in Epson’s European Central Distribution Centre



Our approach to circular business

As part of our most important materialities, and included in our 2025 Renewed Vision, Epson aims to achieve more sustainability in a circular economy through four main areas:

Decarbonisation initiatives – Using renewable energy and energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers and pursuing carbon-free logistics.

Closed resource loop initiatives – Using resources more effectively, minimising product loss, ensuring longer use of products through reuse and refurbishment programmes.

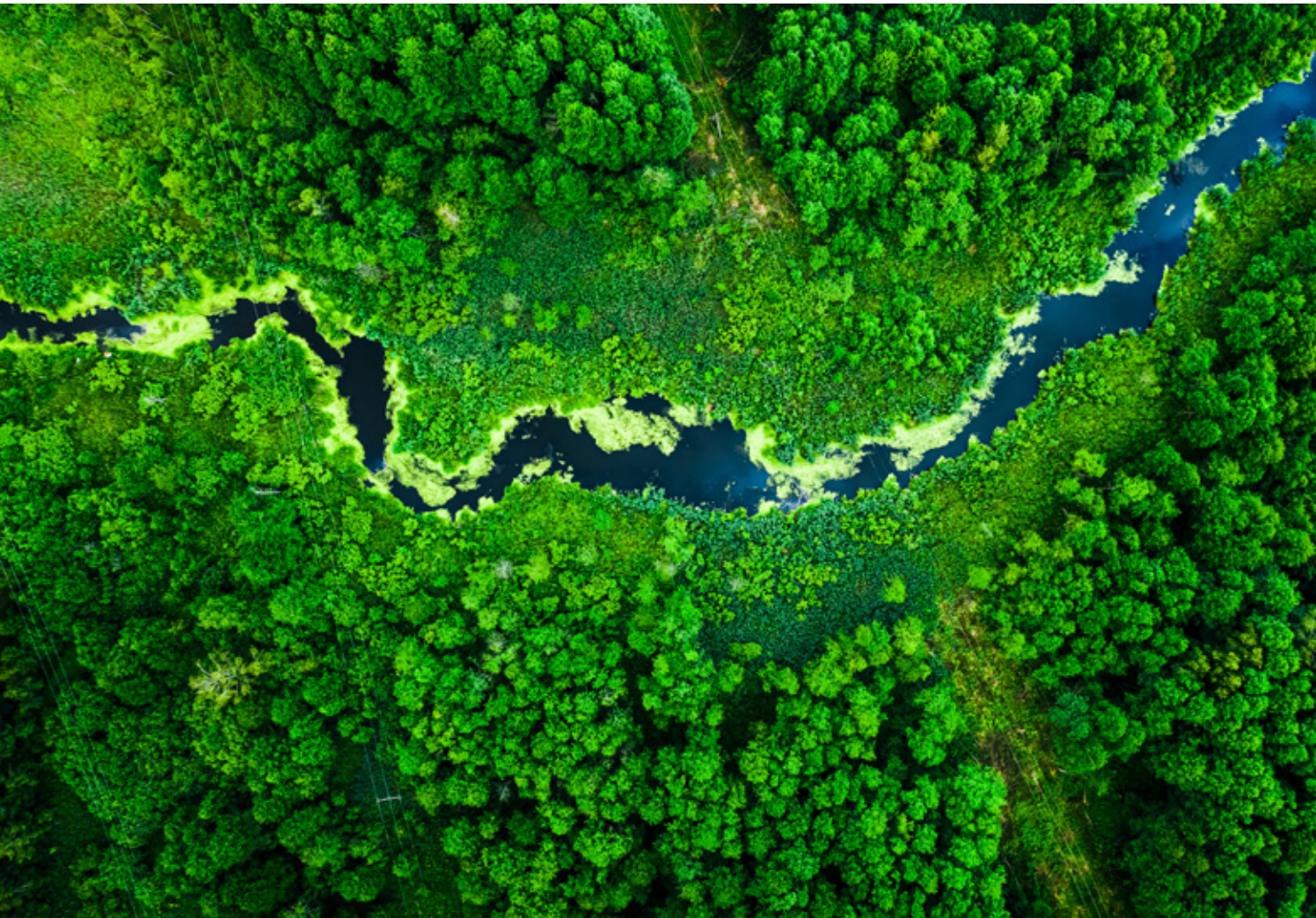
Reducing the environmental impact of customers – Reducing power consumption, extending service life (providing long-term corrective maintenance) and scaling down production equipment.

Environmental technology development – Applying Dry Fiber Technology, using naturally derived (plastic-free) materials, and recycling raw materials such as metals and paper.

By closing the resource loop, we are aiming to transform how we produce and use our products. Our Japanese tradition of sho sho sei (compact, efficient, precise) has been a guiding principle in our approach to more sustainable manufacturing and means we have always looked to make the most out of our precious and finite resources. This includes reducing the size and weight of products, using recycled materials in manufacturing, minimising production losses, extending product service life and employing a ‘use, use and reuse’ approach to all our products.

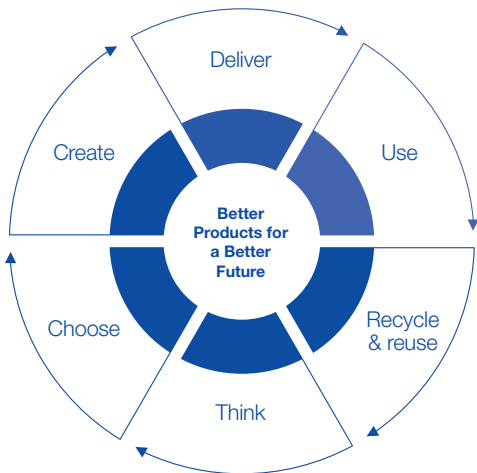
A good example of this is our cartridge-free EcoTank printer for consumers, and our Replaceable Ink Pack (RIP) printers for large businesses. With refillable alternatives, we avoid placing large amounts of plastic waste into circulation.

We are working with a range of organisations to develop more sustainable materials that can be used in the manufacturing and packaging of our products. We are deploying our Dry Fiber Technology to explore ways of developing biomass plastics by the cultivation of Euglena – separating paper into fine cellulose fibres through enzymatic decomposition. Biomass plastic can be produced by extracting the sugar crystals of Euglena, which will reduce use of petroleum-derived plastics.



Sustainability in our supply chain

As a global organisation, we are seeking to decarbonise, close the resource loop, develop environmental technologies, and provide products and services that reduce environmental impacts. We endeavour to reduce this impact early in the lifecycle at the procurement stage.



We seek to build mutually beneficial relationships with our business partners and suppliers. We ask them to uphold the highest standards of integrity and ethics but, at the same time, we respect their autonomy and independence. We believe that, through collaboration, we can help to address societal challenges and sustainability.

At a global level, and in line with our commitment to the SDGs, we have set two overarching targets for our supply chain:

- to ensure worker rights and safety; and
- to realise a sustainable society.

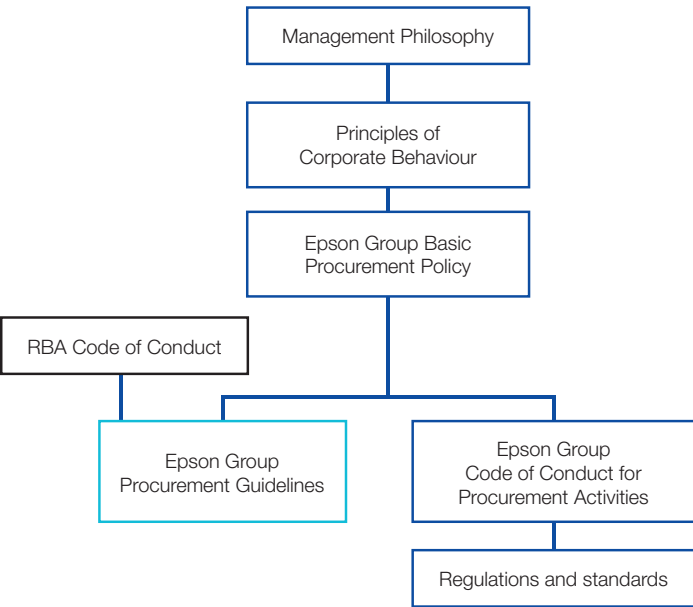


Socially responsible procurement

Procurement policies

At a global level, we have established policies to ensure more sustainable procurement. Epson's Basic Procurement Policy requires adherence to high ethical standards and strict compliance in all supply chain operations, and outlines our commitment to reducing the environmental impact of our procurement activities.

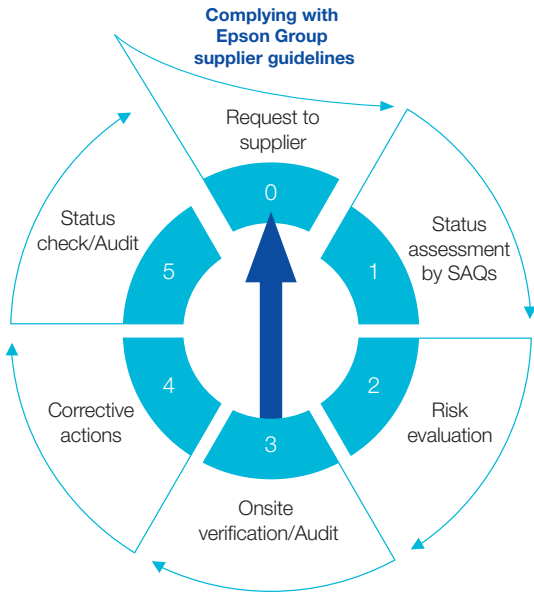
CSR procurement policies



Supplier risk assessment

Globally, we ask suppliers to complete a self-assessment questionnaire, and we analyse their risk level based on their score and feedback on results. We engage with high-risk suppliers to help them improve through onsite verification and audits.

To encourage the pursuit of sustainability, we identify the suppliers that account for 80% of the value of Epson's procurement spend, conduct a detailed CSR evaluation, and ask them to report on their water, electricity and gas, and other sources of CO₂ emissions for the parts Epson purchases from them. We then work with them to improve production lines, and reduce resources used and the environmental impact of their transportation.



Supplier code of conduct

Our Epson Group supplier guidelines include a code of conduct, which sets out our expectation for our suppliers in terms of labour, health and safety, environment, ethics and management systems. It is based on the Responsible Business Alliance (RBA) Code of Conduct, and all Epson Europe suppliers are expected to adhere to it.

Responsible minerals

The Epson Group Responsible Minerals Procedures Standard is a global internal survey programme conducted throughout our supply chain to ensure that Epson products contain responsibly sourced minerals. It is based on the due diligence guidance for conflict-affected and high-risk areas issued by the Organisation for Economic Co-operation and Development (OECD).

We conduct annual surveys using the Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT) provided by the Responsible Minerals Initiative – to identify upstream suppliers of cobalt and conflict minerals (tin, tantalum, tungsten, gold – 3TG), and to identify the smelters and refiners in the supply chain. We assess the status of supplier improvement programmes related to prioritised minerals and implement measures based on risk level.

We are committed to ensuring that the minerals used in our products meet the standards set out in our policy, and we take advantage of supplier procurement briefings to promote understanding of our policies and share prioritised minerals response trends with our production facility sites around the world.

Sustainable procurement for our marketing

Our European marketing department is committed to working with partners and suppliers that share our sustainability vision. The company we source our promotional gifting items from has EcoVadis Platinum accreditation. We avoid plastic packaging and gifting that is single use, and we aim to source products that are made from recycled materials, wood or biodegradable plastic.

Across Europe our printed marketing materials use FSC-certified paper and card, and 86% of our POS assets are manufactured from sustainable materials.

We attend many exhibitions and trade shows across Europe and have been reusing product stands and furniture for 12 years. Additional furniture requirements are hired from local suppliers, and wooden wall panels from previous projects are recycled as support flooring for new ones.

Optimisation initiatives at our Central Distribution Centre

Our main European Central Distribution Centre is in Bedburg, Germany, and manages the import and export of goods. We are focused on sustainability initiatives within our warehouse operation and in minimising the CO₂ emissions for our inbound and outbound transportation.

Recycling and reducing packing material

We have invested in technology to recycle cardboard packaging, which is now shredded and used as filling for business to consumer (B2C) parcels. We are no longer disposing of 12 tonnes of waste cardboard each year, and we are avoiding the need to purchase new filling material.

We constantly review new opportunities to maximise sustainability within our warehouse. We are working on initiatives to reduce the materials used to package our products for transportation, without compromising on packaging quality. In FY22, we plan to reduce the number of corner protectors used and remove the need for anti-slip sheets between layers of products. We are also trialling the use of cardboard pallets.

Inbound transportation mode from Rotterdam Port to Epson Central Distribution Centre



Carbon calculator

We are working towards a solution for calculating the carbon footprint of our EMEAR shipments, considering all modes of transport and attributing carbon consumption based on weight, volume and destination. The solution will be certified to industry standard and will be reported on as part of our annual statement from FY22.

Optimising our inbound shipments

Once inbound shipments reach Rotterdam port, the deep-sea containers with products for Europe and Northern Africa are moved on to our Central Distribution Centre by truck, rail and barge. While we aim to minimise transporting containers by truck, our usage in FY21 increased slightly due to merging our spare parts business into our central warehouse. The operational nature of this business requires additional road transportation; some urgent orders, which were affected by pandemic-related supply constraints, have been fulfilled by truck.

We managed to increase our barge usage in FY21 from FY20, when water levels in the River Rhine were unusually high or low, which negatively impacted barge capacity.



Outbound pallet optimisation

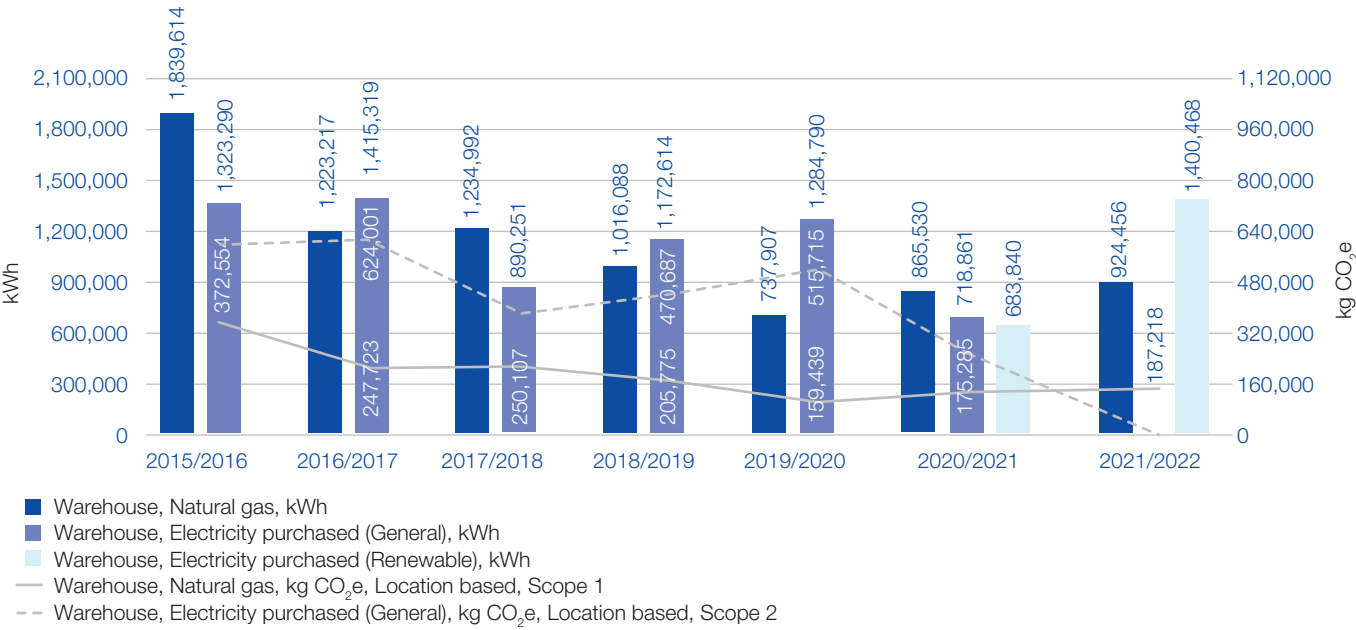
By working with our customers to increase maximum pallet fill – including pallet height and type of pallet accepted by their distribution centres – we achieved a 9.9% improvement in cubic metre (m³) transported per pallet from FY20 (1.15m³) to FY21 (1.26m³).

New South Africa warehouse enables switch from air to sea freight

Southern Africa is one of our key markets, and transportation of goods to the region has historically been necessary via air freight. In FY21, we opened an Epson warehouse in South Africa, which enabled us to avoid transporting 757,318kg of goods by air. By switching to sea freight, we have saved 6,895,021kg CO₂¹.

Central Distribution Centre electricity and natural gas consumption

This graph provides an overview of our central European warehouse electricity and natural gas consumption. It highlights the overall decrease in natural gas and electricity consumption between 2015 and 2021, mainly due to energy efficiency measures in the warehouse and a switch for FY21 to 100% renewable electricity.

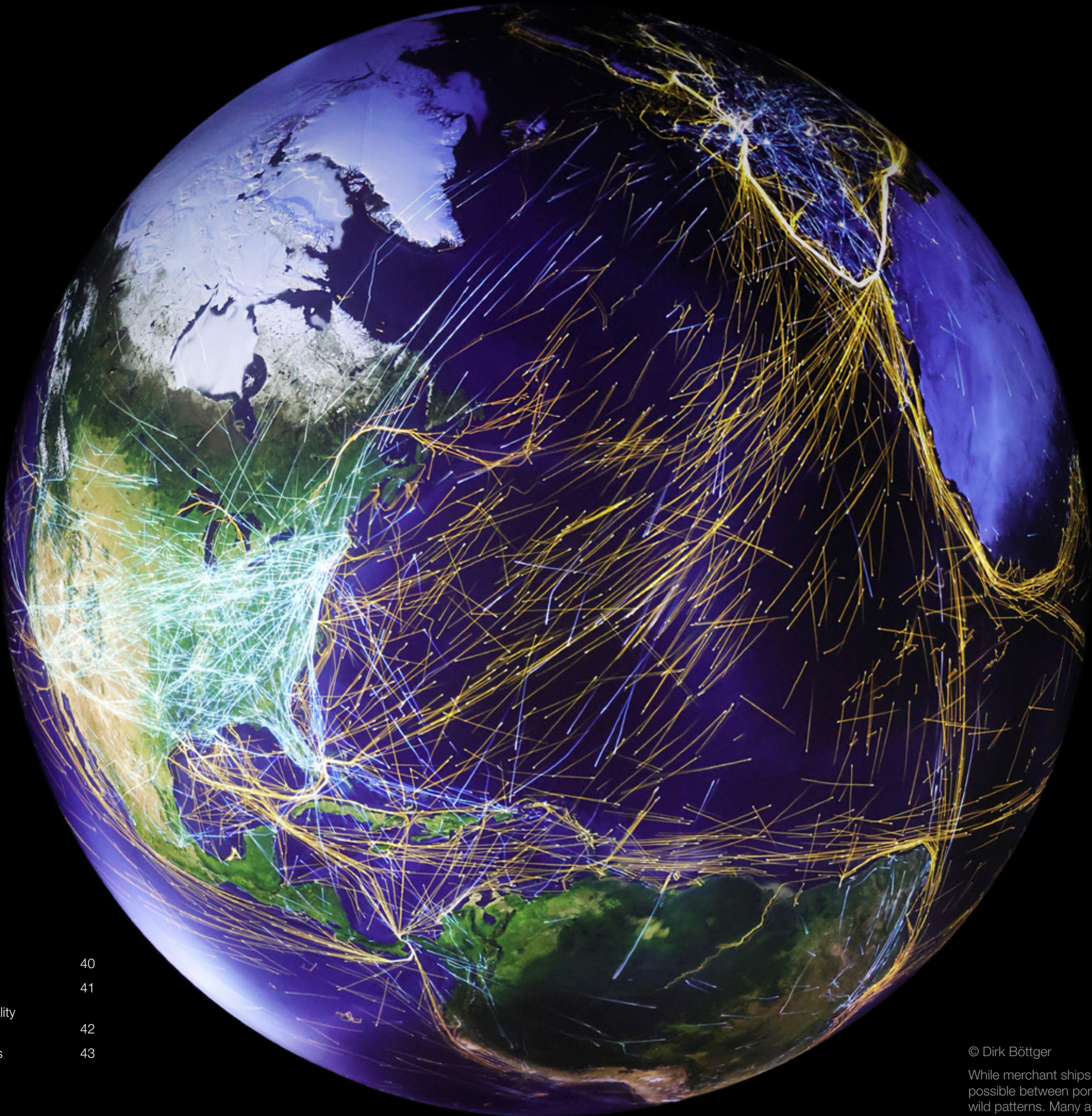


¹ Calculation: 9.14kg carbon per kg flown from Asia to South Africa. By air: 9.14 × 757,318 = 6,921,886kg CO₂.
By sea: 9,950.6kg/container × 27 containers = 26,866kg CO₂

Advance the frontiers of the industry

More sustainable technologies for the future	34
Heat-Free inkjet	36
PaperLab	37
EcoTank	38
On-demand labelling	39

Textile printing	40
Display Solutions	41
Moverio augmented reality smart glasses	42
Manufacturing Solutions	43



© Dirk Böttger
While merchant ships travel as straight as possible between ports, other ships show wild patterns. Many are fishing fleets that go fishing in international waters.



"Epson is committed to developing technologies that help customers achieve their sustainability goals and reduce carbon impact."

Rob Clark
Senior Vice President, Epson EMEAR

More sustainable technologies for the future

Following the pandemic, new opportunities have emerged for Epson's more sustainable technologies in core areas of printing, visual communications and manufacturing solutions.

Printing

More businesses are trying to reduce costs and environmental impact. One way this can be achieved is by focusing on reducing the typical 10% of energy used on printing. By switching to a sustainable printing solution, energy usage can be reduced

dramatically, cutting CO₂ emissions, saving money and increasing productivity.

Epson's unique Heat-Free Micro Piezo inkjet technology can reduce energy use and carbon emissions. Inkjet technology can be up to 83% more energy efficient than laser technology, and a worldwide switch from laser to inkjet printers could significantly cut energy emissions, saving over 1.3 million metric tonnes CO₂¹ each year. To achieve a net zero carbon future, according to the IEA, energy consumed globally by all appliances must fall dramatically with a reduction on 2020 levels of 25% by 2030, and to 40% by 2050. A worldwide switch to inkjet

technology could help the printing sector achieve this net zero future.

The pandemic created a demand for home printing solutions due to the necessity of working and learning from home. Homeworking is, for some part, here to stay. Epson's cartridge-free EcoTank printer range is the more sustainable solution for home printing. It uses refillable bottles instead of cartridges – eliminating cartridge production, shipping and end-of-life disposal. To date, we have sold over 70 million EcoTank printers worldwide, contributing to a significant reduction in the use of plastic, which is one of the main components of ink cartridges.

With commercial printing, Epson is in the vanguard of more sustainable solutions for the fashion industry with direct-to-fabric printers, which provide significant environmental benefits. Localising fashion using in-house, on-demand digital textile printing means a big reduction in CO₂ per item, as they are no longer shipped long distances and manufacturers avoid environmental issues associated with traditional dyeing processes.

Epson's on-demand label and receipt printers have experienced strong growth in the last two years, with the rise in demand for takeaway food, click and collect services and retail home deliveries. As the world's leading manufacturer of receipt and label printers, Epson has been developing eco-friendly solutions, such as liner-free label printers, that eliminate plastic waste from labels. Using a label printer increases operational efficiency, reduces misdirected goods and means information like delivery address and food contents are all clearly displayed. Independent research² suggests that if businesses switched to using on-demand inkjet labelling, energy savings of 28.7 million kWh could be achieved each year – equal to a reduction of 6.7 million tonnes of CO₂.³

Visual communications

For over 20 years, Epson has held the position as the world's leading manufacturer of projectors. With more remote working, we have seen an increase in demand for projectors in video conferencing and education settings. Our ultra-short throw projectors are improving accessibility in the classroom, while our visualisers support new virtual teaching methods.

As part of the visual communications product range, Epson has also developed the world's smallest and lightest high lumens range of projectors. These offer significant environmental benefits including much lower power consumption, significantly reduced packaging requirements with lower carbon footprint: the reduced weight and size means the projectors are easier to store, transport and install, saving on warehouse space, and labour and delivery costs.



Epson's Moverio augmented reality (AR) smart glasses are conducting business in a virtual workplace, with a rise in demand for new industrial applications in remote assistance, workflow guidance and training. These applications significantly reduce the need for long-distance travel and face-to-face contact, with additional benefits such as faster response times, higher first-time fix rates, increased productivity, reduced travel costs and associated CO₂ emissions, and a much better work experience with increased customer satisfaction.⁴

Manufacturing Solutions

Epson's robotic manufacturing solutions have gained traction in the last couple of years. The pandemic highlighted European dependency on Far East production. As economies across Europe now rebuild and grow, increased demand for more localised automation (reshoring) is reducing reliance on carbon-heavy offshore production. As the world's leading manufacturer of SCARA robots, Epson has seen significant demand by SMEs based in EMEAR and, to support this demand, we have been developing simpler software to support smaller companies in setting localised production lines.

Looking ahead, Epson is committed to developing technologies to help customers achieve their sustainability goals and reduce carbon impact. Epson's printing technology is helping the industry on its pathway to net zero, and we are committed to taking our stakeholders on the same more sustainable journey.

We are well placed for these new challenges. Sustainability is in our DNA. Our Japanese roots are embedded in a strong tradition of making exceptional products from finite resources, and we are committed to creating a more sustainable future for generations to come.

¹ 'Lower the Heat' report, Tim Forman, Cambridge University, 2022.

² Sustainability in Labelling, May 2021; Smithers Report.

³ Calculated using standard conversion of 0.233kg of CO₂e per kWh of electricity.

⁴ Case examples of Moverio smart glasses used in remote assistance, demonstrating business benefits, include applications in pharmaceuticals (Marchesini), rubber manufacturing (Saargummi), food and drink (Lavazza), and packaging (Comexi).



Heat-Free inkjet

Sustainability: the main criteria for printing infrastructure tender

Grafschaft Bentheim is a district of Lower Saxony, Germany. The district administration employs around 880 people and, as well as its head office, it operates branch offices of municipal companies including waste management, the ice rink and community college.

It recently launched a Europe-wide tender for its printing infrastructure, which was won by Epson, due to our energy-efficient WorkForce Enterprise printers using Heat-Free inkjet technology. The administration's annual print run is about four million pages; more than three million pages is now managed by Epson WorkForce Enterprise printers, with the rest relying on Epson WorkForce Pro Business inkjets.

A realistic simulation of the CO₂ emissions of the 139 Epson inkjet printers used across this estate over five years of operation showed that emissions are likely to be reduced by about 50 tonnes compared to comparable laser printers. This is accompanied by a reduction in electricity consumption of around 50%, which, in addition to more sustainability, brings a noticeable reduction in costs.

"Sustainable digitisation has been of high priority to us as sustainability and climate protection are crucial to us. We attach great importance to the energy and resource efficiency of the equipment we purchase, and, for the first time, these issues were the top decision criteria in the tender for our printing infrastructure."

Uwe Fietzek
District Administrator, District of Grafschaft Bentheim



PaperLab



The sustainable way to securely destroy, recycle and produce paper

Offices are giving rise to growing volumes of paper waste, which represents over 50% of a business's total waste, and comes with an increasing carbon footprint. It is estimated that paper accounts for over a quarter of total waste at landfills and around 42% of global wood harvest.

PaperLab is the world's first in-office water-free secure paper recycler, which enables organisations to recycle and upcycle paper in one process. It offers a truly circular solution that significantly reduces paper, water usage and carbon emissions.

Based on Epson's innovative Dry Fiber Technology, PaperLab can produce up to 720 A4 or 360 A3 sheets of paper each hour. It also provides an onsite solution to removing or destroying sensitive information, which is often contained on paper waste. Carrying out this process offsite can result in risks, higher costs and carbon output – all can be sidestepped once genuine circular principles are implemented.

"Epson embraces sustainability that enriches communities. As we transform our own business, we innovate technologies that empower other companies to become truly sustainable by re-aligning to the circular economy and pursuing targets such as the UN SDGs."

Yasunori Ogawa
Epson Global President

Leading Italian luxury fashion brand, Brunello Cucinelli uses Epson's PaperLab, an innovative and sustainable paper recycling system, to close its resource loop and embrace a circular paper economy.



EcoTank

Realising our vision with EcoTank

EcoTank was born out of our vision to offer our customers a more sustainable option for home printing. We were the first to bring ink tank technology to market and we have sold over 70 million EcoTank printers worldwide – contributing to a significant reduction in the use of plastic; one of the main components of ink cartridges.

EcoTank printers are assembled using 100% renewable energy¹ – in line with our goal of transitioning all electricity to 100% renewable at all Epson sites by 2023.² Over 80% of the cardboard in our EcoTank packaging is recycled.

Compared with the first EcoTank, we have achieved a 16% improved³ transport efficiency with our latest generation of EcoTank models, and we are making energy-saving efforts such as minimising power consumption during sleep mode, which means EcoTank is now 50% more efficient than the ENERGYSTAR requirement.⁴

¹ Main assembly plant Philippines only.
² All sites referenced in this release exclude leased properties for sales offices etc, where the amount of electricity cannot be determined.
³ Comparison of the number of units that can be loaded per container between ET2720/L3160 series and ET2820/L3260 series.
⁴ Energy consumption during sleep mode comparison based on ENERGYSTAR programme requirements. For more information, visit www.energystar.gov.



On-demand labelling

On-demand labelling offers a sustainable solution for small businesses

Koala Picks is a small business based in Dubai, which makes healthy snacks for kids and families. The company was created when co-founder, Aya Assaf, grew frustrated that supermarkets were filled with products with excessive amounts of sugar or unknown ingredients.

A key differentiator of the Koala Picks brand is the customisation of its product labels – for example, the company makes small snack packs for children's birthday parties with labels customised with the child's name and celebration. Instead of having to bulk order in thousands of generic labels, Koala Picks uses an Epson ColorWorks printer to create bespoke labels on demand, in the exact quantities needed, as and when it needs them. With different snacks requiring different sized labels, it allows them the freedom to customise these exactly as required.

Printing labels in-house and on demand is a cost-efficient and sustainable solution for Koala Picks. There is no need for storage space for pre-printed labels and no wastage from bulk purchasing labels. Koala Picks has the option to change the sizes and designs of its labels at any time.

"I'm really happy to see large companies like Epson supporting small businesses. Being able to customise our products makes a huge difference in how we connect with our customers, and Epson ColorWorks has enabled us to do this in a more sustainable way."

Aya Assaf
Co-founder/operations and product development, Koala Picks





Textile printing

Texia commits to more sustainable fashion with Epson's Monna Lisa

Digital textile printing is playing a key role in the sustainable transformation of the fashion industry. When compared to traditional textile printing methods, digital printers such as Epson's Monna Lisa drastically reduce water consumption, meaning less wastewater is sent to treatment plants, and the amount of energy needed to heat water is reduced.

Committed to sustainable fashion production

Texia is a textile finishing factory in Barcelona, which has been a pioneer in printing and finishing fabrics for the fashion industry for 25 years. The company has a strong commitment to sustainability, and its activities are firmly anchored in the concept of circularity – using renewable energy, reducing CO₂ emissions and water consumption, recycling of materials and eliminating plastics.

As part of its digital transformation strategy, Texia chose to work with Epson as we both share a vision for more sustainable innovation and creativity. In partnership with Epson, Texia has been the

first transformation project in Catalonia to secure European Next Generation funding for its transition to more environmentally sustainable digital textile printing.

Sustainable solutions offering quality results

Texia was looking for a solution that would provide the maximum brightness of colours, especially reds, blues and yellows, and the correct reproduction of blacks. They chose Monna Lisa as it offered the opportunity to work with Epson's high-density pigment Genesta inks, which are GOTS approved by ECOCERT to meet globally recognised standards for more environmentally conscious textile printing.

Switching to direct digital printing also allowed Texia to avoid the need to use expensive cylinders to make fabric drawings, which allowed them to optimise space as they no longer needed to store the cylinders.



“With digital printing, 100% of the pigment is deposited directly onto the fabric, which is key to reducing environmental impact, as it doesn't require washing or generate residual dyes. As a result, all costs associated with water purification are avoided and water usage in subsequent washing processes is considerably reduced. We are also able to produce short runs, meaning we don't accumulate fabric stocks that require storage space – something that is not possible with traditional rotary printing.”

Marcos Guasch
CEO, Texia

Display Solutions



Reducing the environmental impact of large-scale projection

LANG is a leading global distributor of visual presentation technology, located in Germany, Switzerland, UK and Spain. It provides powerful video equipment for the rental and staging industry to create stunning visuals on a huge scale – such as large auditoriums, live events, concerts and conference rooms.

These kinds of installations can be required anywhere in the world – it is essential that the equipment is capable of producing outstanding image quality and is small and lightweight so it can be stored and transported.

Epson's EB-PU2220B is the world's smallest and lightest 20k lumens projector (it is 70% smaller and 50% lighter than its predecessor EB-L20000U) and it offers significant environmental benefits. Compared to previous Epson model (EB-L20000U), it has much lower power consumption¹ and a lower carbon footprint as the decreased weight and size² means the projectors have reduced packaging requirements. They are easier to store, transport and install, which saves on warehouse space, and labour and delivery costs.

¹ Power Consumption: PU2220B = 1,301 Watt, 899 Watt (economy), 0.4 Watt (standby), On mode power consumption as defined in JBMS-84 1,143 Watt.
L20000U = 1,860 Watt, 1,123 Watt (economy), 0.5 Watt (standby), On mode power consumption as defined in JBMS-84 1,743 Watt.
² Weight: PU2220B = 24.4 kg, L20000U = 49.6kg

“There's a growing demand for the kinds of immersive experiences that require high-lumens installation projection. There's also a real need for them to have lower power consumption and to be more lightweight and versatile. This helps us and our customers to achieve our own sustainability goals when using the projectors and transporting them around the world.”

Peter Mathia
CEO, LANG AG



Moverio augmented reality smart glasses

Moverio provides theatre captioning for hearing impaired

Over 14 million attendees walk through the doors of London’s West End every year, but deaf and hearing-impaired theatre fans can be neglected.

The National Theatre is one of London’s most prominent performing arts venues. It presents over 20 productions every year and provides captions at some performances on LED screens at the side of the stage. Their occurrence was limited, and the solution was difficult for hearing-impaired theatregoers to enjoy the experience due to constantly moving their line of sight between the stage and screens.

Dissatisfied with this, the National Theatre looked to new technologies to widen the

diversity of its audience. It collaborated with Epson to roll out Moverio BT-350 augmented reality smart glasses – designed specifically for cultural and entertainment venues – combined with a software application developed with Accenture and Stagetext to allow hearing-impaired customers to read subtitles in their field of vision from anywhere in the auditorium.

The technology utilises custom-built, voice-following software to track precisely where the show is in the script, with further guidance from the lighting, sound and video cues unique to the production.

“We’re committed to giving our entire audience the best experience that we can, which includes people who are hearing impaired. Moverio smart glasses allow us to deliver a theatre trip to be enjoyed by all, which is why we have paired with Epson on this initiative.”

Jonathon Suffolk
Technical Director, National Theatre



Reducing travel emissions with Moverio

Following the pandemic, we have seen a significant acceleration in the adoption of augmented reality (AR) applications by our European customers. Many are discovering the value of Epson Moverio AR smart glasses for remote assistance.

Where companies have previously relied on field engineers to diagnose and fix machinery issues either over the phone or by travelling to site, using Epson Moverio smart glasses means they can manage this remotely. The operator onsite wears the smart glasses and is connected to a remote engineer who can see everything and talk to the operator with live two-way communication to troubleshoot and resolve complex technical issues.

The operator onsite can work hands-free, showing the remote engineer what the problem is, and receiving verbal and visual guidance via the smart glasses to find a rapid, specific solution – even when they are unfamiliar with the machinery.

Therefore, companies have minimised the need to travel, which reduces travel costs and CO₂ emissions, and have responded much faster.



Manufacturing Solutions



By reshoring its manufacturing, Bender + Wirth has reduced its carbon footprint

The pandemic brought the debate about reshoring Europe’s manufacturing sites to the forefront of everyone’s minds. Companies that had shifted part of their production to the Far East were experiencing problems with the financial and environmental cost of transportation, with product availability and human rights issues in factories.

Bender + Wirth GmbH & Co is a medium-sized company that produces essential components for energy-saving LED lighting. Based in the Sauerland region of Germany, it is part of a growing trend for relocating manufacturing production back to Europe.

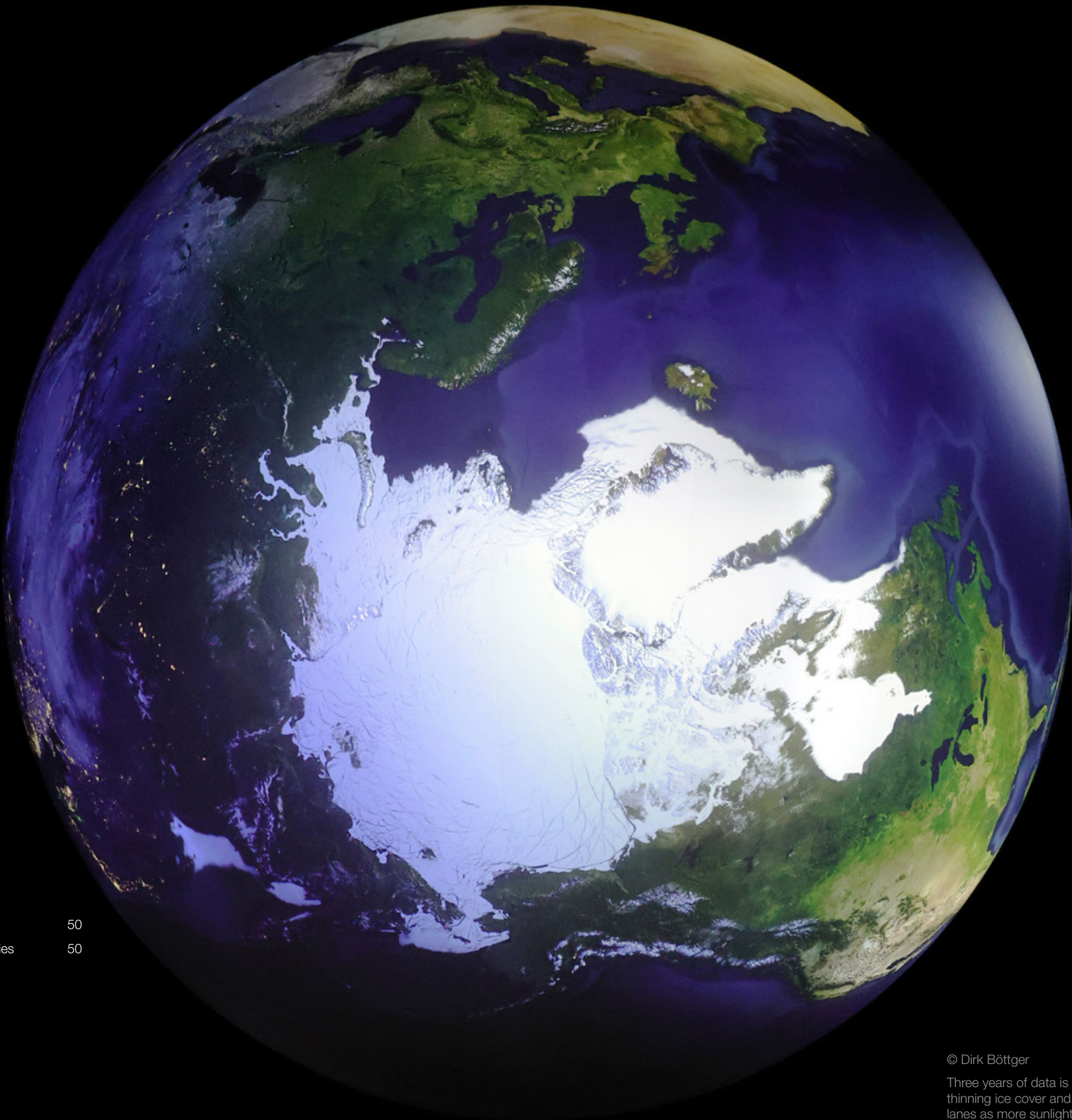
Bender + Wirth’s customers span a prolific selection of the international lighting industry, and its strength is its flexibility and the speed in which it responds to new specifications from the major lighting manufacturers. Orders are specific batch sizes with a vast number of component combinations that require an automated assembly process.

For Bender + Wirth, Epson’s smaller, more sustainable SCARA solutions are flexible, use fewer resources and allowed them to maintain their existing manufacturing structures with minimal interruption.

“By implementing a portfolio of Epson’s SCARA robot solutions, we are no longer dependent on offshore production, which has enabled us to reduce our carbon footprint. They also give us the agility and flexibility we need to fulfil complex, just-in-time manufacturing for our customer orders.”

Martin Bender
Managing Director, Bender + Wirth





Fulfil our social responsibility

Working for a better future	46	Working conditions	50
Diversity and equal opportunities	48	Contributing to communities	50
Employee development	49		
Employee wellbeing	49		

© Dirk Böttger
Three years of data is used to show thinning ice cover and the opening of sea lanes as more sunlight is absorbed by the dark water and even less ice forms.

“Respect for diversity is the cornerstone of our management philosophy. We believe that only with a diverse workforce with respect for each other can we create true customer value.”

Michelle Taylor
HR Director, Epson EMEAR



Working for a better future

In these challenging times, our main priority and focus has been to ensure our employees feel safe, stay healthy and can access the best support for themselves and their families.

During the pandemic, we extended our employee assistance programme throughout the EMEAR region to ensure that every employee and their dependants were supported with issues such as social isolation, mental health and emotional difficulties. We are also rolling out a new app to assist with physical and mental wellbeing at work.

Following the pandemic, our employees fed back that they would like to combine

home and office working on a long-term basis, so we have launched agile working trials to enable hybrid office and homeworking arrangements to suit each role.

We have been working with employees, managers, representative groups and works councils at local and EMEAR level to agree the best approaches to deliver successful trials for agile working, and to ensure the best fit for the company and its workforce. From a sustainability perspective, agile working is beneficial to employees and the community, resulting in less travel, so we are keen to achieve a successful programme that works for all parties.

Our employees have continued to be energised and motivated. We have

embraced the change from office to homeworking and have stayed connected due to the increased use of technology, online communities and ongoing virtual training.

Epson has assisted its employees with the challenge of transitioning from remote homeworking to an office environment and, as part of the transition, dealing with associated issues such as increased childcare obligations, financial disruptions and managing the impact on people who are important to them.

Diversity is our focus

Respect for diversity is the cornerstone of our management philosophy. We believe that only with a diverse workforce with respect for each other can we create true customer value.

The Epson executive leadership team is reviewing and refreshing our diversity policy as part of the ongoing focus on our future direction. Our global president has stated that diversity, equality and inclusion is of core importance, and that all employees should be afforded equal opportunities regardless of sex, gender, sexual orientation, race, nationality, disability, ethnic origin, religion or age. We have initiated a diversity and inclusion project for EMEAR, reporting directly to our president, with the aim of developing

our organisation and culture to be more diverse, valuing different ideas and building on these to enrich our local communities and achieve more sustainable growth.

Epson’s global president has stated that the purpose of our company is to contribute to society and ensure employee happiness. We believe that these are closely related – employees who feel valued and can see their contribution to the business bring confidence and pride and become the driving force behind further contributions to society.

Our role as an employer is to create an environment that is supportive and where our employees feel enriched and happy through their own achievements. Our employees are fundamental to our success and creating the Epson culture. This is why

we constantly consider ways to improve the lives of our employees, their families and our communities.

We will focus all our efforts to evolve our ways of working and to make Epson a diverse, equitable and truly happy place to work.

Diversity and equal opportunities



At Epson, we value the potential that individuals of different backgrounds, perspectives and abilities bring to our business, and we recognise the importance of equality, diversity and inclusion.

Our employee strategy, policies and procedures support us in ensuring that we maximise this diversity by having an inclusive environment for all – an environment where everyone is encouraged to share ideas and make their voices heard, working together co-operatively and harmoniously.

In 2021, we focused on two areas: greater understanding of diversity, inclusion and equality; and gender equality. While the balance of male and female managers remains unchanged from 2020, we remain focused on understanding why this is and on how to improve – from attraction and

selection, to development, promotion and retention. As part of our ongoing journey towards a diverse and inclusive work environment, we are developing our diversity, equality and inclusion goals, and the metrics for measuring each of these across our whole talent lifecycle.

Equality, diversity and inclusion training

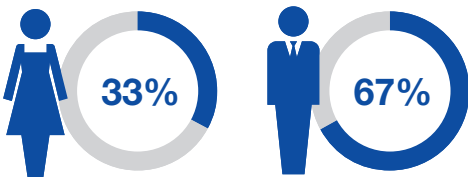
During 2021, all new EMEAR employees received our equality, diversity and inclusion e-learning course as part of their corporate induction. The training outlines the importance of an inclusive workplace, and the responsibilities we all have in promoting and maintaining an inclusive environment. It identifies how to recognise discrimination, harassment and victimisation, and how to become more aware of our own unconscious biases – providing tools to adjust automatic patterns of thought and actions.

Female mentoring programme

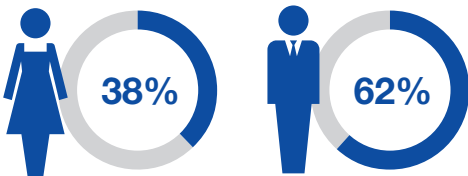
As part of our initiative to enhance female career progression, we work with Mission GENDER EQUITY, whose global mission is to champion broader diversity strands within the workplace, build the pipeline and achieve parity of women in leadership and board roles. Year on year, we have increased the countries where this is available to our employees, and the number of mentors and mentees taking part.

EMEAR FY21 Metrics

% of male and female managers:

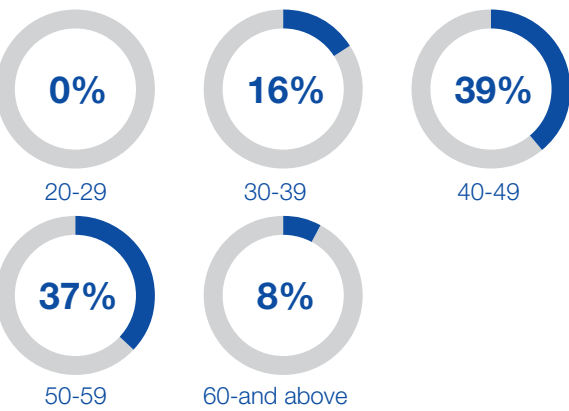


% of male and female employees:



Average age of managers in EMEAR: 48

Age ranges of all managers:



Employee development



We support the continuous development of our employees to help them exceed their own vision. By investing in their learning, we aim for employees to reach their full potential while contributing to our success, fulfilling individual needs for personal growth and job satisfaction.

We provide equal access to learning for all employees and provide training ranging from personal development, managerial and sales training, bespoke workshops for individuals and teams, and one-to-one coaching. In the past year, our employees have spent a total of 25,356 hours training.

Employee wellbeing



We continue to provide an employee assistance programme to ensure that all employees, and those who live with them, have access to confidential support, resources and information for all personal and work life issues 24/7. Through this programme, employees can get support with issues such as social isolation, mental health and emotional difficulties.

We are committed to investing in our employees' physical, mental, social and financial wellbeing. We have continued to focus our efforts to mitigate health and wellbeing risks, with targeted actions including online yoga and fitness classes, webinars led by medical insurers detailing support for mental and physical wellbeing, and mental health awareness week activities.

Additionally, we have provided dedicated wellbeing information hubs to ensure employees can access key information and resources quickly and easily, as well as publishing monthly wellbeing newsletters to all employees, and delivering monthly webinars on a wide range of topics including personal health, growth and financial planning.

Working conditions

Our employees are the cornerstone of our success. We employ over 2,000 people across EMEAR – without them, we wouldn’t be where we are today. We are committed to delivering the best working conditions for everyone.

Because of the global pandemic, many employees have worked from home for the past two years. IT equipment was provided to ensure employees could do their roles effectively, along with a monthly allowance to contribute to any additional homeworking costs. We have considered employee feedback and, as a result, have introduced a new hybrid policy to allow for flexible working.

Reducing our recruitment environmental impact

In the last year, 80% of our interviews took place virtually. A home-based interview process has resulted in our applicants reducing their carbon emissions and making a total saving of 919 hours of personal time. We are developing our recruitment practices by incorporating our sustainability goals into our interview process to ensure candidates understand Epson’s sustainability vision and how that translates to their area of expertise.

Compensation and benefits

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 robust processes and tools we use ensure consistent, competitive, efficient and fair processes are applied to all pay decisions and ensure our workforce is treated objectively and equally. Our benefits package includes pension schemes, medical plans, dental and vision coverage, and life, disability and accident insurance. Plans vary across markets and are provided according to local legislation and statutory provisions in each country.



Contributing to communities

Investing in education for children

Education for children is an investment in their future and we want to help ensure that every child, regardless of geographical location or financial situation, has an equal opportunity to learn.



Last year, Epson Europe began a partnership with Usain Bolt. As part of this, we have supported the Usain Bolt Foundation, which aims to create opportunities through education and cultural development, with a charitable donation of 100 EcoTank printers and 20 laser projectors for schools in Jamaica.

The printers and projectors, valued at over €100,000, were awarded at a special ceremony held at Usain Bolt’s former primary school in Jamaica, Waldensia Primary. We are already seeing the impact this has had on the children, teachers and local communities, and we will donate another 125 EcoTank printers to the Foundation in FY22 to help more schools across Jamaica.

We have expanded this programme across the MEA region; in our first wave of donations, we gave over 800 EcoTank printers to schools and medical schools across seven countries. In real terms, this equates to over 11 million printed pages to provide educational materials to children in rural and underprivileged communities. It will enable teachers to create tailored lesson planning and worksheets for children to take home. We are partnering with various charities, NGOs and governmental ministries to allow us to identify the schools in most need of our support.



“It’s incredibly important to us to be able to contribute to the MEA communities that we live and work in. We hope to help make a positive impact and support education at the start of the learning journey – inspiring the next generation and providing practical materials to help make education accessible.”

Maria Eagling
Director of Marketing, Epson EMEAR

New Horizons – inspiring young people

Our New Horizons programme was introduced in 2019 as part of our strategy to engage young people, from primary school to university, with sustainability awareness and education. Our target is to reach at least 10,000 students across Europe (EU6) annually.

We reduced this target to 1,500 during FY21 as the pandemic closed educational institutions, removing our ability to engage in many of our planned programmes. We just missed our target at 1,247, with a series of lectures and webinars for university students on sustainability, technology and innovation. Epson Italy also joined AISEC, a student organisation, for its pre-COP26 conference to address young people on critical environmental issues, and future prospects and actions.

Here are more details on two of our New Horizons activities:

Dedicating a day to ‘Turn Down the Heat’

As part of our partnership with National Geographic to raise awareness around how conserving heat is a great way to minimise our impact on the environment, Epson UK dedicated an entire day to ‘Turn Down the Heat’.

The online campaign, which took place in February 2022, appealed to homes and businesses to understand the contribution that domestic and office heating makes towards climate change, and for them to reduce their heating by 1°C for the day.

As part of our New Horizons programme and Turn Down the Heat Day, the local team visited six schools across the UK with Eden Project architect, Michael Pawlyn, to talk to pupils about climate change and to demonstrate the difference that, individually, we can make through our behaviour and technology choices – particularly the efficient use of electricity.

The team gave students the opportunity to ride a bicycle equipped with a generator. As they cycled, they generated sufficient power for an Epson printer using Heat-Free inkjet technology to print out factsheets for the class to take home. In comparison, the adult participants could not generate enough energy through the bike to power a heat-intensive laser printer to do the same.

“Our school visits were a great chance to educate students on the impacts humans are making on this planet and how Epson is addressing this through its product innovations. The technology sector has a huge role to play in addressing the climate crisis, and a key part of this is preparing future generations for changes we all need to be prepared to make.”

Charlie de la Haye
PR Manager, Epson UK



Contributing to communities continued

Planting a forever forest

In April 2022, a hectare of new forest appeared in central Poland, near to the Masovian village, Podolany. It was the result of a partnership between Epson Poland and Las na Zawse (Forever Forests), a charity foundation with a mission to restore the biological balance on Earth by planting forests.

Around 1,300 trees were planted to make up this forest, including oak, beech, hornbeam, maple, wild apple and hawthorn, with species specifically chosen to complement the natural biodiversity of the region, along with their ability to withstand long, dry spells and progressive climate change.

The foundation secured the land, transforming into a 'Forever Forest' that will absorb up to 40 tonnes of CO₂ per year.

"We took part in this project with thoughts of protecting the planet for our children and their future children, who we may never know, but who will breathe the oxygen produced by the trees that we have planted."

Ewa Pytlak
Marketing Co-ordinator, Epson Poland



Reforestation of the Geopark, Portugal

Each year, our Epson Portugal team is committed to offsetting the ecological footprint of their local office. This year, they took part in a project supporting reforestation in the Geopark in Torres Vedras. Supported by the NGO Quercus, municipal forestry technicians and students

from the Fernando Barros Leal Professional Agricultural School and the São Domingos de Carmões primary school, the team helped to plant around 600 native trees and shrubs with a forecast absorption of CO₂ equivalent to 17.8 tonnes.

Creating the Epson Forest, Madrid

Our Epson Spain team has been involved in the creation of the Epson Forest, in Pinto, Madrid, planting 115 native tree species. This reforestation initiative began in 2021 and is estimated to generate an absorption of CO₂ equivalent to 6.85 tonnes, as part of the Active Forests projects for companies promoted by EULEN Environment. The Epson Spain team has also planted 100 native tree species near to their offices in Sant Cugat to offset the carbon footprint of an event.

"Despite the organisational difficulties caused by the pandemic, we have not given up our commitment to plant trees to help absorb emissions and to collaborate with our local communities. This year together with organisations, customers, employees and schools we have planted trees in Portugal, Madrid and near to our office in Sant Cugat, Barcelona."

Joan Escote
Corporate Sustainability Manager, Epson Spain & Portugal



Sustainable fashion challenge

Epson Italy collaborated with the Aldo Galli Academy of Fine Arts, IED Network and pre-loved fashion community website, greenchic, to work with university students on a more sustainable fashion challenge.

The project 'Upcycling: fashion becomes sustainable' invited students to upcycle pre-loved garments provided by greenchic. Their challenge was to reinvent clothes using their own interpretation on sustainability. The students were asked to creatively express styles, stories or figures who represent a culture of respect for the planet.

The students put their creative flair and design skills to the test with the help of an Epson SureColor SC-F100 sublimation printer. The greenchic community then voted for the best creative idea and original creation.

The winning creation was the project DIGI-CRAFT, created by student, Atya Hader.

"It is essential that future fashion designers care about the environmental and social impact of their choices. The fashion of the third millennium must be designed to encourage reuse and recycling; this upcycling project is a perfect example of what can be done to extend the life of clothing."

David Erba
CEO and Co-founder, greenchic

"The dress I created is a representation of the ancient craft, Ajrak, from Pakistan. It's a traditional (and sustainable) block printing method that uses natural dyes such as henna, turmeric and indigo, and requires time and patience. A craftsman who kept this tradition alive, for me, would be a 'champion of sustainability'. I wanted to combine tradition and technology, sustainably creating an ancient print thanks to the Epson SureColor SC-F100."

Atya Hader
DIGI-CRAFT, Winning creation

A photograph of a woman with blonde hair, wearing a patterned dress, sitting at a desk. She is looking at a computer monitor that displays a digital design. An Epson SureColor SC-F100 sublimation printer is on the desk, and she is holding a printed piece of fabric. The background is a red wall.



Strengthen our governance

Epson's European commitment to sustainable governance	56
Corporate ethics and due diligence	57
Respecting human rights	59
Safeguarding against corruption and bribery	59

© Dirk Böttger
Numerous satellite images are combined to reveal the extent of ice cover, air pollution, the health of crops, arctic greening and the surface temperature of the oceans.

Corporate ethics and due diligence

Ethical behaviour and compliance are the foundations of Epson and are essential for our business success. Without these, we cannot create the customer value we strive for.

Our guiding principles

As a business, we observe a set of nine Principles of Corporate Behaviour that underpin our management philosophy. These principles signal our commitment to ethical corporate behaviour, and they serve as a trust-based declaration for all employees to comply with.

Principle 5 specifically ensures that we institute effective corporate governance and internal controls, and we observe laws, regulations and other rules to maintain the highest ethics in all activities.

Principle 7 requires that we ask our suppliers, sales channels, collaborators and business partners to live up to the highest standards of ethical conduct.

Compliance

Epson defines compliance as conduct that satisfies all legal, regulatory, internal and corporate ethical requirements, and means careful observance of all applicable laws and company regulations.

Compliance awareness and activities complement our everyday business operations. Compliance Month is a global event that takes place every October, featuring educational programmes and training for all employees on our Business Code of Ethics and Compliance.

Ethics violation reporting

Epson takes compliance violations extremely seriously and we are committed to ensuring that we remain an ethical and compliant company. Our ethics hotline process is in partnership with Navex Global, a specialist provider of compliance management services, who work with us to provide a whistleblowing platform for employees to report any ethical or compliance concerns in several languages.

Maiku Tonouchi
Executive Director, Corporate Governance, Epson EMEAR

Epson's European commitment to sustainable governance

Governance is more than just a framework. As a responsible business, all actions are underpinned by our global governance strategy and a management philosophy that is committed to sustainability and developing technology designed to solve societal issues.

The uncertainty created by the pandemic has increasingly shown us that sustainable action is critical and Epson will continue to be guided by the UN SDGs and long-term alignment with the European Union's 2030 agenda.

To this end, determining relevant materiality has been critical. When establishing the Epson 2025 Renewed corporate vision in 2021, we referenced the societal issues and megatrends described in ISO 26000 and other sources, evaluated them from a company and social perspective, and identified the highest priority materialities that we need to address to solve societal issues.

Fulfilling our social responsibility is what drives our corporate governance. This means increasing stakeholder engagement, delivering responsible supply chains, respecting human rights and promoting diversity, and strengthening governance by accelerating the transparency of management decision-

making, improving risk management, ensuring 100% compliance and strengthening information security.

As part of our commitment to sustainable governance, Epson has established a Sustainability Office and Strategy Council that reports directly to the president. The new office is headed by an executive officer who has responsibility and authority for more sustainable growth based on societal needs. The Sustainability Strategy Council, which is made up of executive officers and other members of executive management, serves as an advisory body to the president and is responsible for investigating and deciding the strategies and direction of sustainability activities across the whole Group.

Our Principles of Corporate Behaviour

Our corporate legal and internal audit teams manage Epson Europe's compliance and ethics structure.

They ensure that we fulfil our social responsibility by living up to our global Code of Conduct, and our Principles of Corporate Behaviour, which are:

-  1. Pursuing customer satisfaction
-  2. Preserving the natural environment
-  3. Fostering diverse values and teamwork
-  4. Ensuring effective governance and compliance
-  5. Creating a safe, healthy, and fair work environment in which human rights are respected
-  6. Ensuring the security of people, assets, and information
-  7. Working with business partners for mutual benefit
-  8. Prospering with the community
-  9. Initiating honest dialogue with our stakeholders

These nine principles allow Epson to be consistent in mitigating risk and accounting for any potential challenges that we may need to respond to.

Corporate ethics and due diligence continued

Risk management and internal control

Our internal checks and balances are based on a system of global-level responsibility. Our business operations division leaders take responsibility for the operations of our subsidiaries, while Epson head office supervises our Group-level corporate functions. This structure enables us to streamline operations throughout our Group and allows for consistent risk management.

As part of our risk management activities, we conduct regular internal audits through our global internal audit departments. To ensure effective Group governance, the audit office centrally oversees auditor-conducted audits at regional headquarters in Europe, the Americas, China and south-east Asia.

Data protection and security

Epson manages personal data protection in accordance with Regulation (EU) 2016/679 on the protection of natural persons regarding the processing of personal data and on the free movement of such data (GDPR).

During FY21, all employees completed a mandatory online course on information security, with additional GDPR training for employees who handle personal data as part of their role.

Public policy and political engagement

Epson Europe seeks proactive political engagement opportunities and partnerships with key European players that are making a difference in developing a more sustainable world. Our goal is to maintain strong relationships with governments and policy-making entities, allowing us to proactively monitor legislative developments and ensure we stay ahead of developing legal requirements. In doing so, we can ensure our compliance with all standards and requirements in Europe.

Respecting human rights

We are serious about keeping all forms of discrimination and unfair practices out of our global operations.

This is reflected in our participation in the UN Global Compact since 2004, and in the Epson Group policies regarding human rights and labour standards, which articulate Epson's strong convictions in areas such as respect for human rights, prevention of all forms of harassment and discrimination, respect for local culture and customs, prohibition of child and forced labour, and maintenance of positive labour-management relations.

We have set up a helpline among other channels, to be used to report harassment, long working hours and any other concerns connected to human rights and discrimination.

Safeguarding against corruption and bribery

Financial reporting and fraud controls

J-SOX is part of Japan's Financial Instruments and Exchange Act, which governs publicly listed companies like Epson. J-SOX compliance provides us with a framework of internal controls to ensure reliable and accurate financial information, and to detect against fraud. All employees are provided with annual training to ensure widespread understanding of our processes.

As an extra layer of protection, we audit internal controls to ensure the reliability of our financial reporting. Under our implementation system, all Epson internal stakeholders conduct a self-assessment

of their internal controls, while the J-SOX compliance department ensures the validity of their results. Operations divisions, subsidiaries and affiliates not subject to external audits are required to independently assess their internal controls and make improvements where necessary, to ensure compliance with our standards.

Anti-bribery and competition law

Anti-bribery and competition law is included within the terms of all contracts with our partners and vendors. Our online partner portal includes anti-bribery and competition law guidelines for business partners, and competition law regulations

for employees are published in our EMEAR procedures guide.

Our legal team participates in regular training to ensure they are up to date with this area of law. Biennial training on anti-bribery and competition law is mandatory for all employees, but is annual for all sales teams.





Looking ahead

No-one should be left behind

62

© Dirk Böttger
Two days' worth of flights illustrate how the cultural and economic centres of the world are connected. The interconnection between North America, Europe and Asia is also an indication of resource consumption.

No-one should be left behind



Henning Ohlsson
Director of Sustainability, Epson EMEAR

As a Japanese company, we have always valued our people above all else. People are our most precious resource, and the guiding principle has always been that no-one should be left behind.

Leave no-one behind is the central transformative promise of the 2030 Agenda for Sustainable Development and its SDGs. It represents the unequivocal commitment of all UN Member States to eradicate poverty in all forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and humanity.

However, as COP27 turns its attention to Africa, the reality is we are in danger of leaving too many people behind. The unpalatable truth is that those least able to do anything about the impact of climate change are those most affected by it.

We need to acknowledge the disproportionate impact our actions have on Africa and the world's least affluent communities. There can be no equal transition unless the wealthier economies take responsibility for their global footprint.

While we look to develop sustainable technologies, we will also work to ensure that the benefits of our innovation reach as many communities as possible.

By 2050, over a quarter of the world's population will live in Africa. Earlier this year, Epson and the Japan International Co-operation Agency (JICA) signed a comprehensive co-operation agreement aimed at assisting developing nations with solving societal issues and achieving the SDGs. Therefore, we have devised plans for widescale projects across Africa, which are aimed at using our visual and printing technologies to improve the quality of education.

Ensuring digital equity is crucial. We will be working to deliver the technology to ensure more individuals and communities have the means for full participation in our global society, democracy and economy. No-one should be left behind.

Both JICA and Epson have connectivity at the heart of our respective visions. By combining JICA's networks in developing nations with our printing and projection technologies, as two organisations, we aim to improve the quality of education, create better working environments and reduce the impact on the environment.

By promoting ICT education innovation and introducing digital technologies to connect an increasingly decentralised society, we aim to solve the issues caused by a lack of teachers, materials and educational infrastructure, and deficiencies in education services.

Looking towards the next 10 years, our vision is to connect the world with trust and technology. It is about sustainable growth, not profit for its own sake. By reducing our carbon footprint and improving the quality of life for all people and societies, we believe a transition is achievable by connecting people, things and information with our technology.

Above all else, we must all work together to ensure no-one is left behind.

Henning Ohlsson
Director of Sustainability, Epson EMEAR

Sustainability objectives and progress report













In the tables below you find an overview of Epson Europe's key sustainability objectives for FY21 and FY22.









Objectives 2021/22

SDG	Objective	Key Performance Indicators	Status
	New Horizons: Engage at least 1,500 young people per year in Europe on sustainability topics (EU6)	Number of young people that participated in New Horizons activities	Almost achieved
	Raise awareness for sustainability among our business partners and resellers (EU5)	Number of business partners and resellers reached	Achieved
	Raise awareness for sustainability among our employees by organising internal training sessions (EU6)	Number of training sessions	Achieved
	Commitment to Equality, Diversity and Inclusion (ED&I) through maximising employee diversity by having an inclusive environment for all	Completion rate of ED&I trainings	Achieved
	Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme	Number of participants in Mission Gender Equity mentoring scheme	Achieved
	Promote a healthy workplace culture by providing a wellbeing offering to support the mental, physical, social and financial wellbeing of all employees	Implementation of central and local wellbeing activities and resources	Achieved
	Drive awareness of sustainability through communications, highlighting sustainable technologies, achievements, and initiatives, and achieving greater awareness of our Sustainability Report	Coverage volumes, message delivery, sentiment, top-tier press inclusion, number of downloads of electronic sustainability report	Almost achieved
	Set up reporting for emissions from company car fleet and include in Scope 1 emissions reporting	Emissions in kg CO ₂ e	Achieved
	Reduce average emissions per company car across EMEAR below 105 gCO ₂ /km	Emissions in kg CO ₂ e	Achieved

Sustainability objectives and progress report continued

Objectives 2022/23

SDG	Objective	Key Performance Indicators
	New Horizons: Engage at least 1,500 young people per year in Europe on sustainability topics (EU6)	Number of young people that participate in New Horizons activities
	Collect data on youth engagement by level of education (primary, secondary, tertiary)	Number of young people that participate in New Horizons activities split by level of education
	Raise awareness for sustainability among our business partners and resellers (EU5)	Number of business partners and resellers reached
	Raise awareness for sustainability among our employees by organising internal training sessions (EU6)	Number of training sessions
	Promote Heat-Free printing technology by using the optimisation tool to calculate individual sustainability added value for customers	Number of reports generated
  	Commitment to Equality, Diversity & Inclusion (ED&I) through reviewing and refreshing Epson's ED&I policy and agreeing on diversity, equality and inclusion goals and metrics	Update of ED&I policy
 	Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme	Number of participants in Mission Gender Equity mentoring scheme
 	Implementation of an agile working policy to improve employee wellbeing by providing more freedom and flexibility in working arrangements.	Adoption of agile working policy in our sales companies

SDG	Objective	Key Performance Indicators
	Drive awareness of sustainability through communications, highlighting sustainable technologies, achievements, and initiatives, and achieving greater awareness of our Sustainability Report	Coverage volumes, message delivery, sentiment, top-tier press inclusion, number of downloads of electronic sustainability report
	Increase share of POS materials made from sustainable materials 90% by the end of 2023.	Percentage of POS materials made from sustainable materials
	Introduce annual sustainability surveys for suppliers as part of Epson Procurement Regulation	Number of supplier surveys completed
	Reduce Scope 1 emissions by 10% compared to FY17	Emissions in kg CO ₂ e
	Reduce average emissions per company car across EMEAR below 100 gCO ₂ /km	Emissions in kg CO ₂ e
	Start reporting selected Scope 3 emissions (such as commuting, business travel)	Emissions in kg CO ₂ e
	Install capability to accurately measure the carbon footprint of all inbound containers and outbound deliveries to customers	Installation of relevant software
	Increase the m ³ shipped on all outbound pallets: a. Shipped pallet type from euro to block b. Increasing the accepted shippable pallet height c. Consolidation of customer orders; more volume per shipment	m ³ shipped on outbound pallets

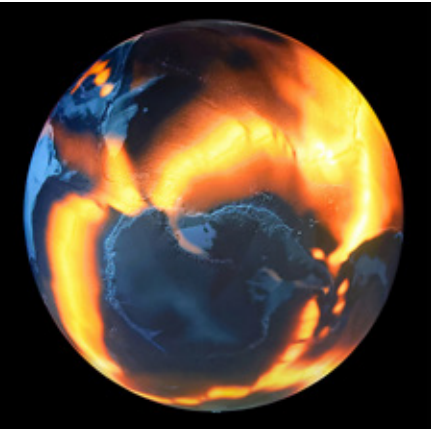
The Oberhausen Gasometer

The Gasometer is an important monument on the ‘European Route of Industrial Heritage’ — a tourist route that marks sites of exceptional historical importance in Europe’s industrial heritage.

Built in the 1920s, it was Europe’s largest gas tank and remains an impressive reminder of the heavy industry that shaped Germany’s Ruhr region. After being decommissioned 30 years ago, it developed into a symbol of the city of Oberhausen, now providing a unique setting for cultural experiences, such as theatre, music and exhibitions like The Fragile Paradise.

The Fragile Paradise

The photographs of Earth shown in this sustainability report are taken from the exhibition ‘The Fragile Paradise’, focusing on the beauty of nature and the influence of humankind on the environment. Visitors are taken on a stunning visual journey through the Earth’s turbulent climate history, and the highlight of the experience is a gigantic sculpture of the Earth onto which high-resolution satellite images from the German Aerospace Centre are projected.



The close interdependence and consumption of resources by the economic centres of North America, Europe and Asia can clearly be seen in satellite data showing night lights, shipping traffic and the carbon dioxide and nitrogen oxide content in the atmosphere.

Methodologies

Methodology

This report was guided by the proposal for a European directive relating to corporate sustainability reporting (COM 2021, 189 final) and the Bureau Veritas sustainable development goals certification standard. The data in this report relates primarily to Epson European regional sales headquarters, which scope of activities includes sales, marketing, distribution and after-sales of Epson products and services. These are referred to as EU6 and are in France, Germany, Italy, the Netherlands, Spain and the UK. Epson Europe is Epson Europe B.V. and refers to all Epson offices across EMEAR. EU6 information and data was verified by Bureau Veritas in accordance with the Bureau Veritas sustainable development goals certification standard.

Materiality analysis

We have conducted an in-depth analysis to determine the issues to include in the report in addition to those identified by the relevant regulations. Our materiality methodology is in line with the European Non-Financial Reporting Directive’s double materiality concept, as well as the upcoming EU Corporate Sustainability Reporting Directive. We set targets and report on them accordingly. Hence, we report on issues and topics beyond the Epson Environmental Vision that are of interest to our stakeholders. We specifically looked at two materiality criteria as defined by the Global Reporting Initiative (GRI):

- the impact on the business – the topic reflects a reporting organisation’s significant economic, environmental and social impacts; and
- the importance for internal and external stakeholders – the topic substantively influences the assessments and decisions of stakeholders.

The materiality matrix on page 16 is based on the following cross-disciplinary process, which is carried out in four stages:

1. Identification of key themes.
2. Scoring of these themes, considering their importance for stakeholders and the impact on the business. We considered the impact on business in the medium term after mitigation measures have been taken.
3. Grouping of the themes into key topics.
4. Prioritisation of the themes, and linking them with the relevant SDGs.

As part of steps 1 and 2, we reviewed themes adopted by our peers and clients, alongside best practice.

The identified 81 sustainability themes are grouped in four key categories, which are defined by our global headquarters, and considered to be the most important for us and society. The matrix on page 16 showcases 20 of the key sustainability themes, which were selected for their relevance for this report and its audience.

Disclaimer

We have used our best efforts to ensure our materiality analysis is aligned with the one carried out by our headquarters in Japan. However, given the difference in terms of activities (the entities in Europe are mainly sales companies) and the geographical scope, there are differences in the methodology used and the results of the materiality analysis carried out at European and global levels. More information on our materiality analysis can be seen in Epson’s Global Sustainability Report.

Evaluation relevance of SDGs

To identify the most relevant SDGs, we annually evaluate the SDGs and their relevance to Epson based on two aspects:

- impact of SDG on Epson; and
- influence of Epson on the SDG.

Each aspect is scored on several criteria and mapped in a graph to show the average score for each:

- Impact of SDG on Epson: legal requirements, severity of impacts, frequency and probability of impacts, range of stakeholders affected.
- Influence of Epson on the SDG: possibility to control the impact, scope of actions, costs of actions.

To determine the individual scores for each criterion, several information sources are considered, including the materiality analysis, regulatory database and feedback from internal and external stakeholders. The graph on page 17 shows the 2021/22 assessment of the SDGs’ relevance for Epson.

Emission factors

The following emission factors were applied for the calculation of CO₂ emissions:

- CO₂ emissions from air travel: Defra v9.0 (09/2020)
- Emission factors (IPCC 2006 Guidelines for National Greenhouse Gas Inventories)
- CO₂ emissions from warehouse electricity: GHG protocol/IEA v14 (11/2020) – IEA 2020 (indirect location-based emissions)
- CO₂ emissions from warehouse gas: GHG protocol/IEA v14 (11/2020) – IEA 2020
- CO₂ emissions from office electricity: GHG protocol/IEA v14 (11/2020) – IEA 2020 (indirect location-based emissions)
- CO₂ emissions from office gas: GHG protocol/IEA v14 (11/2020) – IEA 2020

GRI reference

This report is GRI-referenced (GRI 101: 2020).

The report references the following disclosures:

- GRI 102: General Disclosures
- Information on employees and other workers (102-8)
- GRI 300: Environmental
- GRI 302: Energy
- Energy consumption within the organisation (302-1)
- Energy consumption outside of the organisation (302-2)
- GRI 303: Water and Effluents
- GRI 305: Emissions
- Direct (Scope 1) GHG emissions (305-1) (kg CO₂e)
- Energy indirect (Scope 2 – location based) GHG emissions (305-2) (kg CO₂e)
- Energy indirect (Scope 2 – market based) GHG emissions (305-2) (kg CO₂e)
- Other indirect (Scope 3) GHG emissions (305-3)
- GRI 400: Social
- GRI 405: Diversity and Equal Opportunity

Get in touch

Epson is committed to openness and customer satisfaction, and your feedback is important to us. If you have any comments or suggestions on our sustainability report or activities, please get in touch with us at epson.co.uk/sustainability-feedback

This report has been verified by Bureau Veritas according to Bureau Veritas Sustainable Development Goals Standards



Signed by Luzdivina Contreras Sanchez on 3 November 2022 with a Valid Digital Certificate

For further information please contact your local Epson office or visit www.epson.eu/contact-us

Algeria +213 770 938 617 **Austria** 01 253 49 78 333 **Belgium** +32 (0)2 792 04 47 **Czech** +420 246 037 281
Denmark 44 50 85 85 **Ethiopia** +254700760366 **Finland** 0201 552 091 **France** 09 74 75 04 04 (Cost of local call, operator charges may apply) **Germany** +49 (0) 2159/92 79 500 **Greece** (0030) 211 198 62 12
Hungary 06900 147 83 **Ireland** 01 436 7742 **Israel** (+972)-3-5751833 **Italy** 02-660321 10 (0,12 €/min)
Kenya +254 207 904 566 **Luxembourg** +352 27860692 **Middle East** +9714 2677638 **Morocco** +212 520 134 040
Netherlands +31 (0)20 708 5099 **Norway** +47 67 11 37 00 **Poland** +48 22 295 37 25 (0,16 zł/min)
Portugal 707 222 111 **Romania** 0040 214025024 **Russia** (095) 777-03-55 **Slovakia** +421 232 786 682
Southern Africa +27 (0) 10 109 5320 **Spain** 93 582 15 00 **Sweden** +46 8 5051 3701 (Mobilsamtal – 0,99 kr/min, Lokala samtal – 0,30 kr/min, Utlandssamtal – 0,89 kr/min) **Switzerland** 022 592 7923 **Tanzania** +255 080 011 1014
Tunisia +216 9811 5564 **Turkey** (0212) 3360303 **Uganda** +256 205 491 148 **United Kingdom** 0871 42 37766 (+10p per minute plus network extras) **West Africa** +2349046648285

Trademarks and registered trademarks are the property of Seiko Epson Corporation or their respective owners.

Product information is subject to change without prior notice.

EPSON