



# Epson Europe's Sustainability Report 2023/2024

**EPSON**<sup>®</sup>



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# Highlights

## Delivery optimisation to reduce emissions

By delivering to customers direct from our Asia factories instead of via our central warehouse we anticipate potential future CO<sub>2</sub> emission reductions of up to 10-50% per container<sup>1</sup>.



## Reduced business travel emissions

We have reduced our business travel emissions by 19% from FY22 to FY23.



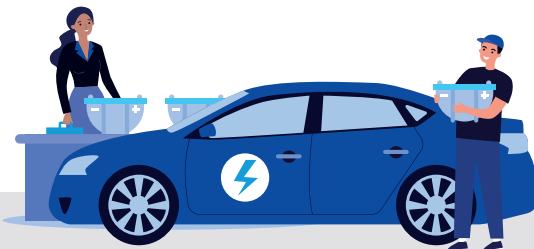
## 100% plastic-free POS marketing materials

Our FY23 goal was to make 90% of our POS (point-of-sale) marketing materials plastic-free. We exceeded this target, achieving 100% plastic-free materials.



## Reduced car fleet emissions

We have reduced our average emissions per company car from 95.5gCO<sub>2</sub>/km to 92.2gCO<sub>2</sub>/km<sup>2</sup> by phasing into low carbon emission vehicles.



## Diversity, equity and inclusion

We have strengthened our commitment by implementing in-person DE&I manager training and DE&I eLearning for all employees.



## MSCI ESG rating

In FY23, MSCI (Morgan Stanley Capital International) assigned us the highest AAA ESG rating. This global ESG (Environmental, Social and Governance) investment index informs the world's leading investors.





# Message from our President



**Takanori Inaho**  
President,  
Epson Europe B.V.

## In an era of crucial environmental consciousness, we are dedicated to turning our visionary goals into tangible actions.

Our sustainability journey is defined by a steadfast commitment to integrating environmental principles and ethical practices across all aspects of our organisation. We recognise that sustainability requires a multifaceted approach that goes beyond the simplistic or superficial.

*“For us, sustainability is an ongoing journey, not a destination.”*

Our sustainability vision, rooted in our corporate philosophy of environmental harmony, sees business success and sustainability as mutually reinforcing. This vision is encapsulated in our Environmental Vision 2050, which aims to significantly reduce our impact across product life cycles and operations.

Our journey from vision to action encompasses a broad spectrum of initiatives, from product design to manufacturing process. We acknowledge the complexity of the environmental challenges we face, and we approach them, as we have always done, according to the Japanese philosophy of Sho-Sho-Sei, which embodies our ethos for developing efficient, compact, and precise technologies.

More than just a design principle, Sho-Sho-Sei is a holistic approach that forms the cornerstone of our sustainability efforts. It represents a commitment to continuous improvement to ensure that our products and services not only enhance quality of life but also protect the world we share.

## Maximising the lifespan of our products

At the heart of our sustainability strategy lies our commitment to the circular economy, which emphasises the principles of use, reuse, recycle. We actively design products for longevity, low power consumption, small footprints, and high reliability. By minimising moving parts, facilitating easy replacements, and ensuring efficient recycling at the end of a product's life, we reduce waste and conserve resources, aligning with global sustainability goals.

We have transitioned all our global sites<sup>3</sup> to 100% renewable electricity, underscoring our dedication to reducing our environmental footprint. Our commitment extends beyond our own products and operations to include partnerships, collaborations, and investments in innovative technologies for meaningful change.

## A considered perspective

Our investment in sustainable technologies reflects our understanding that true progress requires looking beyond the obvious. By prioritising long-term impacts, we ensure our products go beyond mere functionality to positively benefit society and the environment. This perspective is evident in our dedication to transparency, ethical practices, and exceeding industry standards.

As we continue this journey, we remain committed to fostering innovation, and championing sustainability. By integrating these values into our core, we not only enhance our business success but also contribute to a healthier, more sustainable world for future generations.

A handwritten signature in blue ink that reads "Takanori Inaho".

**Takanori Inaho**



# Our purpose

**We have always exercised creativity, challenging ourselves to deliver products and services that exceed customer expectations by drawing on the efficient, compact, and precise technologies we have developed since our formation.**

As people have sought to enrich their lives, focus was placed on material and economic wealth, and we believe that the drive to enrich only ourselves potentially caused many of today's societal issues. We feel everyone should be seeking to enrich the entire planet, not the individual.

Our pursuit of ever greater efficiency, compactness, and precision goes well beyond technology, encompassing a philosophy for eliminating waste, reducing dimensions, and increasing precision. We believe that this approach can enable us to create even greater social value.

We will continue to adhere to our unique philosophy of efficient, compact, and precise innovation; take advantage of the tremendous value that those innovations yield to overcome global environmental and societal issues; and work together to enrich people's lives, making a better world.

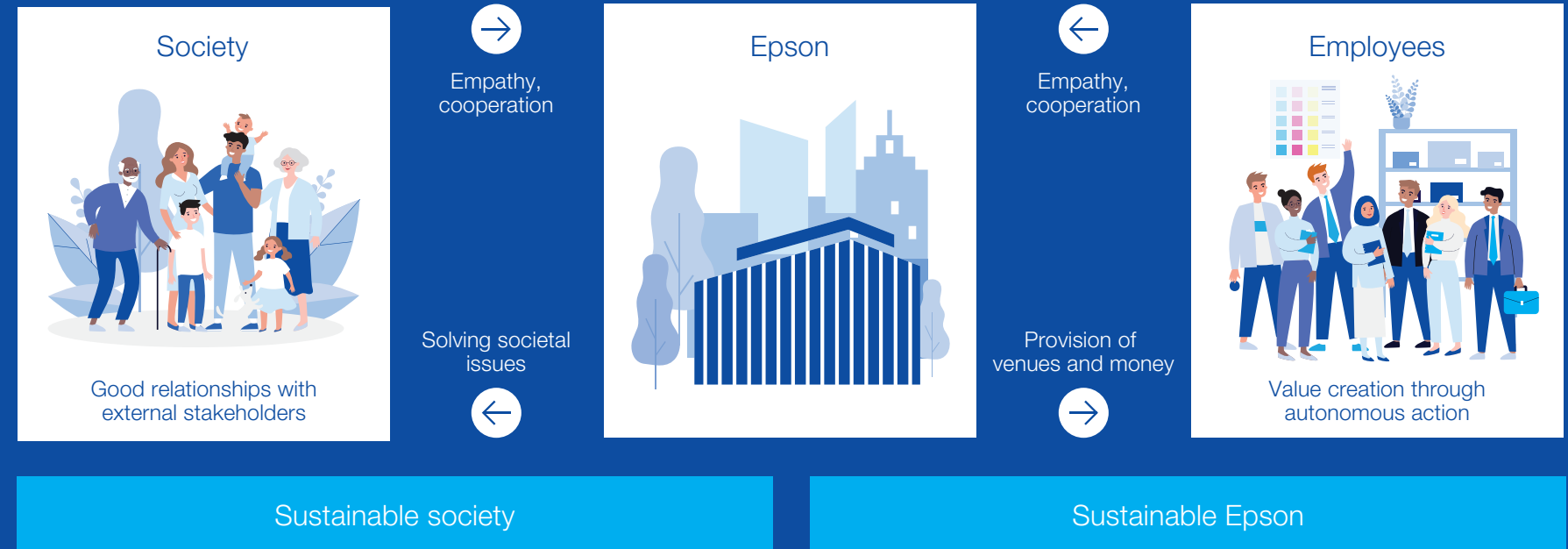
Our ambition is to collaborate with our customers and partners to achieve this goal.

## Our 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 we are committed to delivering unique value through innovative and creative solutions.

## Our corporate purpose

Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.





# Epson at a glance

## About Epson

Our story began more than 80 years ago, near the shores of Lake Suwa in Japan. The company grew, surrounded by the Yatsugatake Mountains' natural beauty, and our determination to exist in harmony with nature has been inherited by generations; it's in our DNA. Our founder, Hisao Yamazaki, pledged to never pollute Lake Suwa, but to preserve its beauty, and eight decades later we continue to dedicate ourselves to the development of innovative products, contributing to a thriving environment.


From printers and projectors, to robots and wearables, our unique, efficient, compact, and precision technologies represent this philosophy. Our history of creativity and challenges originated from assembling watch components, which led to the development of technologies responsible for many world-first products.

## About this report

This Sustainability Report details progress of the sustainability commitments and initiatives of Epson Europe for the financial year 2023 (FY23) period, (April 2023–March 2024) and was guided by the European directive relating to corporate sustainability reporting (Directive (EU) 2022/2464) and the Bureau Veritas sustainable development goals certification standard.

The data in this report relates primarily to Epson European regional sales headquarters in France, Germany, Italy, the Netherlands, Spain and the UK, where scope of activities includes sales, marketing, distribution and after-sales of Epson products and services (our EU6 markets). EU6 information and data was verified by Bureau Veritas in accordance with the Bureau Veritas sustainable development goals certification standard.

## Our global presence

<p><b>€8.5bn</b> global revenue (as of March 2024)<sup>4</sup></p> 	<p><b>over 74,000</b> employees worldwide<sup>5</sup></p> 	<p><b>82</b> Epson companies globally</p> 	<p><b>Global headquarters</b> Seiko Epson Corporation, Suwa-Shi, Nagano, Japan</p>
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## Our EMEA presence

<p><b>Epson Europe B.V</b> is a subsidiary of Seiko Epson Corporation</p> 	<p><b>€1.76bn</b> EMEA revenue (as of March 2024)<sup>6</sup></p> 	<p><b>over 1,800</b> employees</p> 	<p><b>46</b> offices</p> 
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## Leading the way

<p>No.1 global projector manufacturer<sup>7</sup></p> 	<p>No.1 global ink tank printer manufacturer<sup>8</sup></p> 	<p>No.1 global dot matrix printer manufacturer<sup>9</sup></p>	<p>No.1 SCARA robot global market share leader for 12 successive years<sup>10</sup></p>	<p>No.1 POS printer manufacturer in Western Europe<sup>11</sup></p>
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# Corporate certifications and recognitions



## CDP A List

The international non-profit CDP has once again placed us on the prestigious A List for both climate change and water security.



## RBA

Epson is a member of the Responsible Business Alliance (RBA) – an international coalition promoting corporate social responsibility (CSR) in global supply chains. We have adopted the RBA's code of conduct and methodologies into our management practices. Our main Epson product manufacturing sites have been audited under the RBA Validated Assessment Program (VAP). Our factory in Indonesia has achieved platinum status, the highest level of recognition.



## MSCI

In FY23 we were awarded the highest AAA rating from MSCI ESG ratings. MSCI analyses a company's response to ESG-related risks and assigns a rating in its global ESG investment index. This index is a key reference for major ESG investors worldwide.



## EcoVadis

During FY23 we were awarded a Gold rating for overall sustainability by EcoVadis. Seiko Epson Corporation (Group) is in the top 1% of companies rated by EcoVadis in the manufacture of computers and peripheral equipment industry.



## FTSE4Good

For the 21st year, we have 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 solving environmental and societal issues, being recognised as a sustainable company.



## RE100

In April 2021, we joined the RE100 – a global initiative bringing together the world's most influential businesses, driving the transition to 100% renewable electricity. In FY23 we met our commitment for all Group owned sites globally to meet their electricity needs from 100% renewable energy resources.



# Corporate certifications and recognitions continued



## DataMaster Award

DataMaster, an independent European laboratory and expert in professional document imaging solutions, awarded us the 2023 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.



## 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.



## ISO 9001 and 14001 standards

We operate our quality and environmental management system in compliance with the ISO 9001 and ISO 14001 international standards and implement a planning and control cycle to effect continuous improvement. All our sales companies are certified with both ISO standards.



## Science-based targets

The Science Based Targets initiative (SBTi) has recognised and approved our global greenhouse gas (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.



## Type 1 ecolabel, in accordance with ISO 14024

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



## Bureau Veritas certification

We are the first technology company to gain an international certification for the alignment of our CSR management systems to the UN Sustainable Development Goals (SDGs). This is validated by the leading global certification organisation, Bureau Veritas.



# Our sustainability approach

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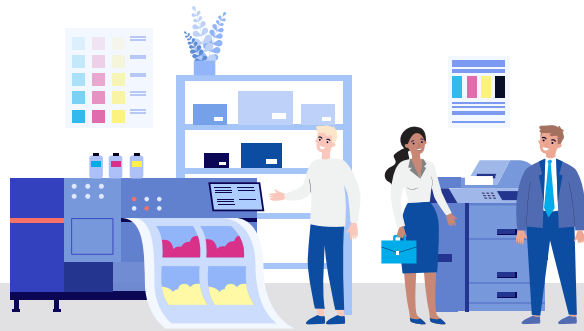
# Technology innovation

## How Epson is addressing sustainability through technology innovation

We are committed to developing more sustainable technologies aimed at solving societal issues and enriching communities. We are addressing sustainability across some of our core technology areas.

### Office printing

Epson Heat-Free inkjet printing technology is helping businesses to reduce energy usage. In comparison to laser technology, Epson inkjet printers use low power consumption, saving energy and costs [www.epson.com/heat-free](http://www.epson.com/heat-free).



### Manufacturing solutions

We are the world's leading manufacturer of SCARA robots. As European economies expand, there's growing recognition of the benefits of localised manufacturing (reshoring) to reduce reliance on carbon-heavy offshore production. We have developed robotic manufacturing solution software to help smaller companies establish localised production lines.



### Home printing

Our cartridge-free EcoTank printer range features refillable ink tanks instead of cartridges, eliminating cartridge production, shipping, and end-of-life disposal. To date, we have sold over 100 million EcoTank printers worldwide.



### Textile printing

Digital textile printing is playing a key role in the sustainable transformation of the fashion industry. 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.





# Technology innovation continued

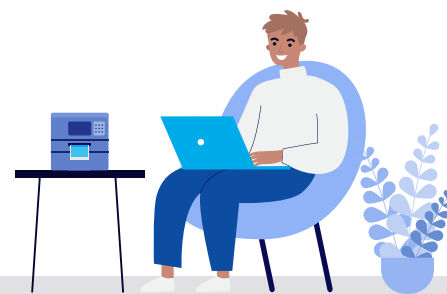
## Visual communications

We've developed the world's smallest, high lumens range of projectors<sup>12</sup>, benefiting the environment by using lower power consumption, fewer manufacturing resources and, given its compact technology, reducing packaging requirements. Our ultra-short-throw projectors and visualisers support virtual teaching and are improving classroom accessibility. Epson Moverio Augmented Reality smart glasses are enabling remote assistance in industrial applications, reducing travel needs and associated CO<sub>2</sub> emissions.



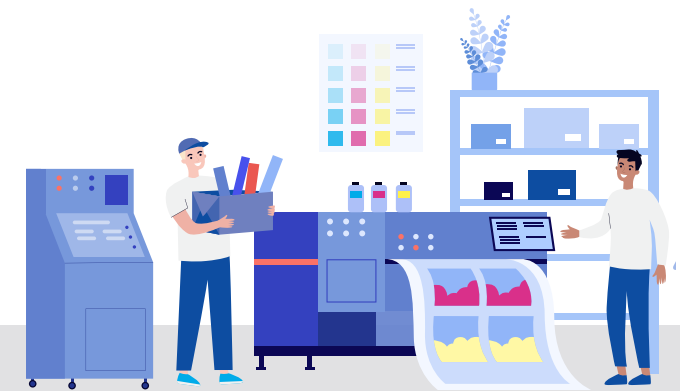
## Label printing

We are the world's leading manufacturer of receipt and label printers. Independent research<sup>13</sup> suggests that if businesses switched to on-demand inkjet labelling, energy savings of 28.7 million kWh could be achieved each year – equal to a 6.7 million tonnes reduction of CO<sub>2</sub>.<sup>14</sup>



## PaperLab

PaperLab is the world's first in-office water-free secure paper recycler, enabling organisations to recycle and upcycle paper in one process, offering a truly circular solution significantly reducing paper, water usage and carbon emissions. Based on our innovative Dry Fiber Technology, PaperLab can produce up to 720 A4 or 360 A3 sheets of paper each hour. This provides an onsite solution, often required with paper waste, to remove or destroy sensitive information.





# Sustainability framework and team

## Meet our sustainability team

**Sustainability is integrated into decisions at every level of our organisation. Our European 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, by following sustainability-related legal developments, substantiating our compliance with current and upcoming obligations.

The team contributes to delivering sustainability value creation for our employees, customers, and partners and, ultimately, our societal commitment.

Each member of the sustainability team was asked the following question:

**Europe wants to be the first climate-neutral continent by 2050. What do you believe is the most crucial for it to be successful?**



Achieving this objective depends on two key aspects: embracing a circular economy and fostering advanced technologies. Progress in renewable energy, clean manufacturing and carbon capture will be essential. This combination of a closed-loop system and innovation is crucial for a sustainable future in Europe.

**Amélie Girard**  
Corporate Sustainability Compliance Manager,  
Europe



To achieve this ambitious goal, innovation will be essential but not sufficient. Politicians and companies must propose affordable solutions for the European population, which may require a new economic model. Additionally, Europe needs to consider the global picture and the potential impact of its decisions on other regions. Climate change is a worldwide challenge, not just a European one.

**Estelle Augarde**  
Corporate Sustainability Chemical  
Compliance Manager, Europe



To achieve climate neutrality, it is crucial to adopt a holistic approach that considers the entire system, rather than focusing on a single source of emissions. A successful net-zero transition will require effective actions to decarbonise energy, mobility, buildings, industry, agriculture, and waste management. It's vital for all stakeholders to work together and embrace a mindset of change.

**Leonie Sterk**  
Senior Corporate Sustainability Manager,  
Europe and Germany



# Sustainability framework and team continued



Instead of focusing solely on renewable energy, the circular economy, or abandoning intensive livestock farming, the emphasis should be on innovation. Innovation can be the enabling factor across all these areas, driving us toward a more sustainable and climate-neutral world. Bold choices are necessary, moving away from short-term plans and goals, and aligning our thinking with nature's timing. Companies must invest more in research and development, and governments should encourage and facilitate these activities for the long term.

**Luca Cassani**  
Corporate Sustainability Manager, Italy



Europe must prioritise investing in renewable energy, promoting a circular economy, and reducing overconsumption. Expanding renewable energy sources like wind and solar, modernising the energy grid and fostering innovation are essential steps. Embracing a circular economy through sustainable product design, efficient resource use, and effective waste management will minimise waste and resource consumption. Additionally, sustainable lifestyles and regulating single-use products are crucial for cutting emissions. Supporting innovative companies will inspire further initiatives and set the tone for future business models.

**Maria Paula De Mey**  
Chemical Compliance Specialist



Achieving the goal of becoming the first climate-neutral continent by 2050 hinges significantly on adopting a circular economy. This approach minimises waste, reduces material consumption, and enhances sustainable production. Public support is indispensable to ensure sustainable and equitable progress in this endeavour.

**Nastaran Jafari**  
Corporate Sustainability Coordinator, Europe



To achieve the climate-neutral goal, it is important to continue investing in renewable energy, energy efficiency, and other clean, low-carbon technologies. Research in these fields is crucial, as is encouraging and raising awareness among citizens and companies about the necessity of reaching this objective on time. This is not an option but a necessity.

**Pilar Codina**  
Corporate Sustainability Manager,  
Spain and Portugal

# Sustainability framework and team continued



To achieve the climate-neutral target by 2050, there must be large-scale investment in sustainable technologies for recycling, improving, and increasing product durability, thereby reducing consumption. Manufacturers need to deviate from existing revenue models, reduce commodity fetishism, and focus on solutions that secure a liveable future for future generations.

**Shahid Ahmad**  
Corporate Compliance Manager, Europe



The energy transition is the most crucial goal in achieving climate neutrality. The adoption of renewable energy across many continents demonstrates that change is possible, but meeting the 2050 target will require increased investment in innovation for alternative fuels. This investment will provide industries and countries, particularly those with larger carbon impacts, the opportunity to mitigate their environmental footprint.

**Taran Rai**  
Corporate Sustainability Manager, UK



This goal requires the involvement of all stakeholders: citizens, private companies, investors, and public institutions. Ambitious legislation is essential for everyone to contribute to the climate transition. Without a strong regulatory framework, collective and significant changes are impossible. However, specific European regulations may impact economic competitiveness compared to regions with more flexible rules. Influencing internationally is crucial to make the transition a shared global target, not just a European initiative.

**Tuyen Doan**  
Corporate Sustainability Manager, France



# Our global sustainability vision

As a global organisation, we aspire to contribute to achieving more sustainability and enriching communities. Achieving this goal requires us to address societal issues, driving transformational change in the way things are done. Our Environmental Vision 2050 was conceived, not from a what we can or cannot achieve perspective, but from what we must achieve as a global manufacturer. Our Environmental Vision sets 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, setting out our environmental goals to the year 2050 – a vision of a sustainable future, drawing on our core values as a manufacturer.

## 2018

### Revised Environmental Vision 2050

The world changed as global efforts to address climate change accelerated. The UN adopted the Sustainable Development Goals (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 achieved our goal for 100% renewable electricity to be used across all Epson Group owned sites 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 set aside JP¥100 billion (€770 million) over 10 years with a focus on decarbonisation, resource recycling and an accelerated programme to develop environmental technologies. We have set targets for a 34% reduction in direct emissions (Scopes 1 and 2) and a 44% reduction in indirect emissions (Scope 3) before the end of 2025.<sup>15</sup>

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, and as we work towards 2030, we have aligned our materialities to the SDGs with clear, measurable targets and metrics, showing our performance against each goal.

## By 2050

### Become carbon negative

We aim to become carbon negative, limiting all GHG emissions from our business activities to reach zero, and then removing more carbon.

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

We will dramatically change the way we use the world's natural capital by becoming underground resource free by 2050. We will utilise recycled metals, plastics and other previously mined minerals as above-ground and renewable energy sources.



# Our sustainability strategy

## Overview

Under Epson 25 Renewed, the 2021 revised corporate vision, we identified the four material issues that we believe are the most critical for Epson Europe to address in its operations to resolve societal issues:

- 1 Achieve more sustainability in a decarbonised economy
- 2 Advancing the frontiers of industry
- 3 Fulfil our social responsibility
- 4 Strengthen our governance

Here, you can find an overview of those four focus areas, and further information can be found in our materiality analysis and matrix on **page 19**.

## Our core focus areas

### Achieve more sustainability in a decarbonised economy

A priority for our business is achieving more sustainability and a decarbonisation approach. Economic systems that continue to consume the Earth's finite resources and generate waste have dire consequences for the environment and society. It is necessary to transition to economic activities with a low environmental impact to achieve a sustainable society.

There are still unknowns about the concrete shape a circular economy will take and how to achieve it, but there is no doubt that decarbonisation and a closed resource loop are essential components. Preserving the natural environment is one of our core corporate principles, along with our commitment to helping create a more sustainable world through our technologies.

### Advance the frontiers of industry

Our ambition is to decouple economic growth from environmental impact, by using technology to accelerate the pace of digitisation and automation. This includes transforming manufacturing by providing automated solutions that save energy and space, and accurately perform complicated precision tasks. This reduces environmental impact, while meeting market needs, alleviating labour shortages, enabling short-run production and faster turnaround times, and increasing productivity.

By combining our strengths with those of partners with expertise in other fields, we can utilise our core proprietary technology innovations to advance the frontiers of industry at a high level.

### Fulfil our social responsibility

We aim to fulfil our social responsibility by leveraging our strengths to tackle social issues through co-creation with our customers and partners. For issues that we cannot fully address through business activity alone, we contribute to society through social support activities in our local communities.

We are committed to strengthening our stakeholder dialogue, promoting respect for human rights, equity, diversity and inclusion, and taking responsibility for our supply chain and the materials in the products that we provide to our customers.

### Strengthen our governance





We are committed to continuously improving our corporate governance structure by ensuring the transparency and fairness of our management decision-making, improving our risk management systems, reinforcing our compliance management platform, and strengthening information security.

We operate under general corporate governance principles, including: respecting the rights of, and constructively engaging with, stakeholders; disclosing company information as appropriate to ensure transparency; ensuring directors, executive officers, and special audit and supervisory officers are aware of their fiduciary responsibilities and fulfil the roles and responsibilities expected of them; and keeping the interests of shareholders, customers, communities, business partners, employees and other stakeholders in mind and working cooperatively with them.





# Our sustainability strategy continued

Our four key focus areas create a structure for our sustainability goals. Against these, we set out targets for each area, measure our progress and consider the appropriate SDGs, as outlined in the following table.

Focus areas	Targets	Progress made
<p><b>Achieve more sustainability in a decarbonised economy</b></p> <p>Preserving the natural environment is one of our core corporate principles, along with our commitment to helping create a more sustainable world through our technologies.</p>  	Review our GHG emissions data management to improve emissions reporting	We undertook and completed mapping the GHG data available for Epson Europe. Based on the results, the scope of our GHG reporting will be extended in FY24
	Include additional selected Scope 3 emissions in our GHG reporting	We completed an evaluation of Scope 3 categories and their relevance to Epson Europe. In FY24 we plan to extend our reporting scope to include reporting on categories such as 3 and 7
	Install solar panels at our UK distribution centre	The company operating the distribution centre on our behalf has agreed to install solar panels. Installation will be completed in FY24. Additionally, solar panels will be installed at our distribution centre in Germany
	Revise and improve Epson's cartridge recycling programme	Revision to our cartridge recycling programme is ongoing and expected to be completed in FY24
	Roll out our EcoTank refurbishment programme to France, Italy and Spain	The rollout is ongoing. We anticipate including retail returns from Italy, France and Spain into the programme in FY24
	Increase the m <sup>3</sup> shipped on all outbound pallets: <ul style="list-style-type: none"> <li>– Increasing the accepted shippable pallet height</li> <li>– Consolidation of customer orders; more volume per shipment</li> </ul>	Our top 20 customers have adopted block pallets and agreed to maximise the height of full pallets. This allowed us to increase the cargo volume per truck and reduce the number of deliveries for these customers. The average block pallet utilisation rate increased from 1.51m <sup>3</sup> in FY22 to 1.7m <sup>3</sup>
	Achieve a target of 90% of our POS (point-of-sale) marketing materials to be plastic-free by the end of FY23	We exceeded this target, achieving 100% plastic-free materials
<p><b>Advance the frontiers of industry</b></p> <p>Digitalisation and automation can transform manufacturing and so it's our aim to advance our core proprietary technology innovations to advance the frontiers of industry.</p>  	Raise awareness of Epson's sustainability strategy and achievements with our business partners and resellers (EU6)	During FY23, we held 53 reseller visits and webinars to raise awareness of our sustainability strategy and to discuss sustainability topics



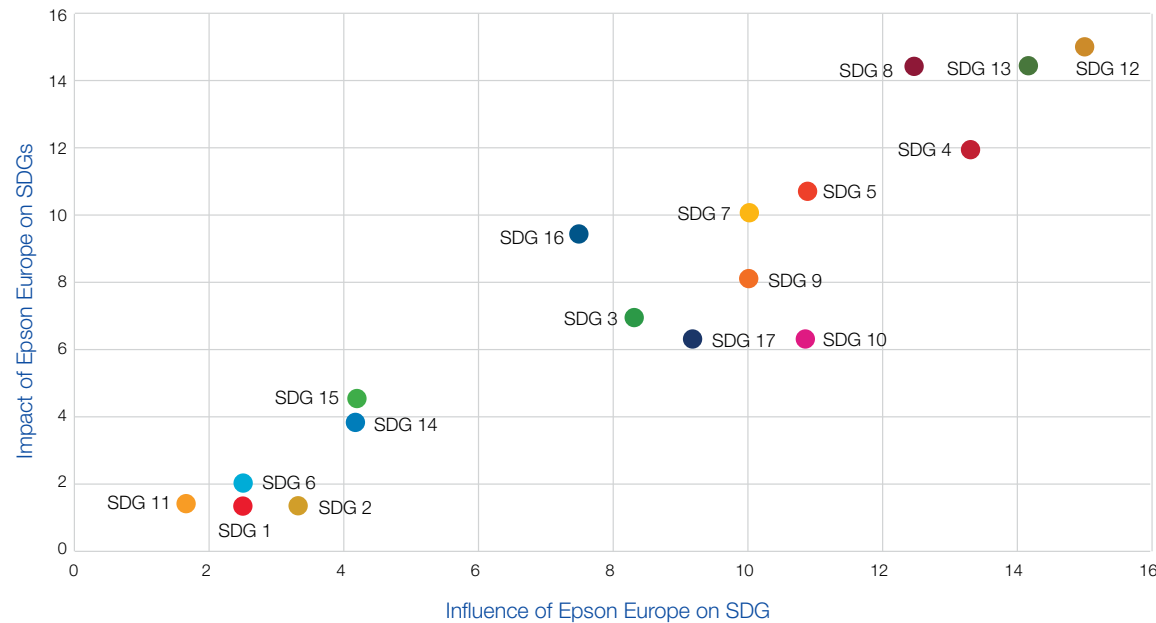
# Our sustainability strategy continued

Focus areas	Targets	Progress made
<p><b>Fulfil our social responsibility</b></p> <p>By collaborating with stakeholders, local communities and society, we are actively promoting human rights, equity, diversity and inclusion, and taking responsibility for our supply chain.</p> 	<p>New Horizons: Engage at least 5,000 young people per year in Europe on sustainability topics (EU6)</p> <hr/> <p>Roll out our Diversity, Equity, Inclusion training to managers to support Epson's DE&amp;I strategy</p> <hr/> <p>Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme</p> <hr/> <p>Provide an opportunity for employee feedback through delivery of an annual employee opinion survey and subsequent action plans and initiatives</p>	<p>During FY23, 4,197 students participated in our New Horizons programme. We engaged 1,427 primary school students, 2,367 secondary school students and 403 university students</p> <hr/> <p>During FY23, we developed bespoke DE&amp;I manager training and delivered this across Europe, with a completion rate of 93%. We also launched a refreshed DE&amp;I eLearning in readiness for all employee DE&amp;I workshops to take place in FY24</p> <hr/> <p>In FY23 the number of mentees participating in the programme increased to 20 from 17 in FY22</p> <hr/> <p>The employee opinion survey was rolled out to all eligible employees. Our engagement and enablement scores were maintained in comparison to previous years and are both higher than the general industry and technology company benchmarks. Based on the results of the surveys, action plans have been defined that will be implemented in FY24</p>
<p><b>Strengthen our governance</b></p> <p>We are committed to ongoing transparency, fairness and development of our corporate sustainability governance and management.</p> 	<p>Raise awareness for sustainability among our employees by organising internal training sessions (EU6)</p>	<p>Thirty-six sessions took place for a total of 2,365 employees. Training included presentation of our Sustainability Report, our ISO and SDG management systems, and an introduction to sustainability at Epson for new joiners</p>



# Commitment to the SDGs

## SDG matrix

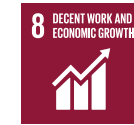


We are committed to the 17 SDGs. Our operations are aligned to the goals and they are integrated into our mid to long-term plans. Each year, we assess the relevance of the SDGs based on the impact they have on our organisation, the influence we have on them, and their importance to our stakeholders. We have identified four SDGs that are the most relevant for our business. You can see details of these here, and our full assessment mapping in the chart above.



### SDG 4 Quality Education

For us, education is key to promoting sustainable development and we are committed to raising sustainability awareness inside our organisation, among our business partners and suppliers, and across wider society. We provide regular environmental and social responsibility training for our employees and partners, and we seek to engage young people, from primary schools to universities, 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. We recognise the importance of equity, diversity and inclusion, and are serious about keeping all forms of discrimination and unfair practice out of our operations.



### SDG 12 Responsible Consumption and Production

Our long-term vision is to achieve further sustainability in a decarbonised economy. To close the resource loop, we will ensure resource use is effective. This includes, reducing the size and weight of materials, utilising recycled materials, minimising production losses, extending product service life, and refurbishing and reusing products. We seek to minimise customer environmental impacts when using our products through our technological innovation.



### SDG 13 Climate Action

We are taking action to reduce our environmental impact and to support our global commitment to reduce carbon emissions in line with the 1.5°C scenario by 2030, and becoming carbon neutral by 2050. We are working to reduce the direct and indirect emissions associated with our business and production activities (Scopes 1, 2 and 3).



# Materiality analysis and matrix

**In order to identify our four key focus areas, and set specific targets to reach our global sustainability vision, we undertook an evaluation of societal issues and megatrends from both a company and social perspective. We identified the high-priority issues (materialities) for us to address in relation to solving societal issues.**

Building on this materiality analysis, we identified high-priority topics within those materialities that we believe are most critical to address in our European operations.

We focused on two criteria, as defined by the Global Reporting Initiative (GRI):

- 1 The impact on our business.
- 2 The importance for our internal and external stakeholders.

We also considered the upcoming EU Corporate Sustainability Reporting Directive and other sources (the EU Taxonomy Regulation; GRI Standards; and Epson's Global Sustainability Report), as well as considering the impact of our activities on society.

We identified 81 sustainability topics, which we grouped into four key materiality categories, which form our strategy (see **pages 15 to 17**):

- 1 Achieve more sustainability in a decarbonised economy.
- 2 Fulfil our social responsibility.
- 3 Strengthen governance.
- 4 Advance the frontiers of industry.

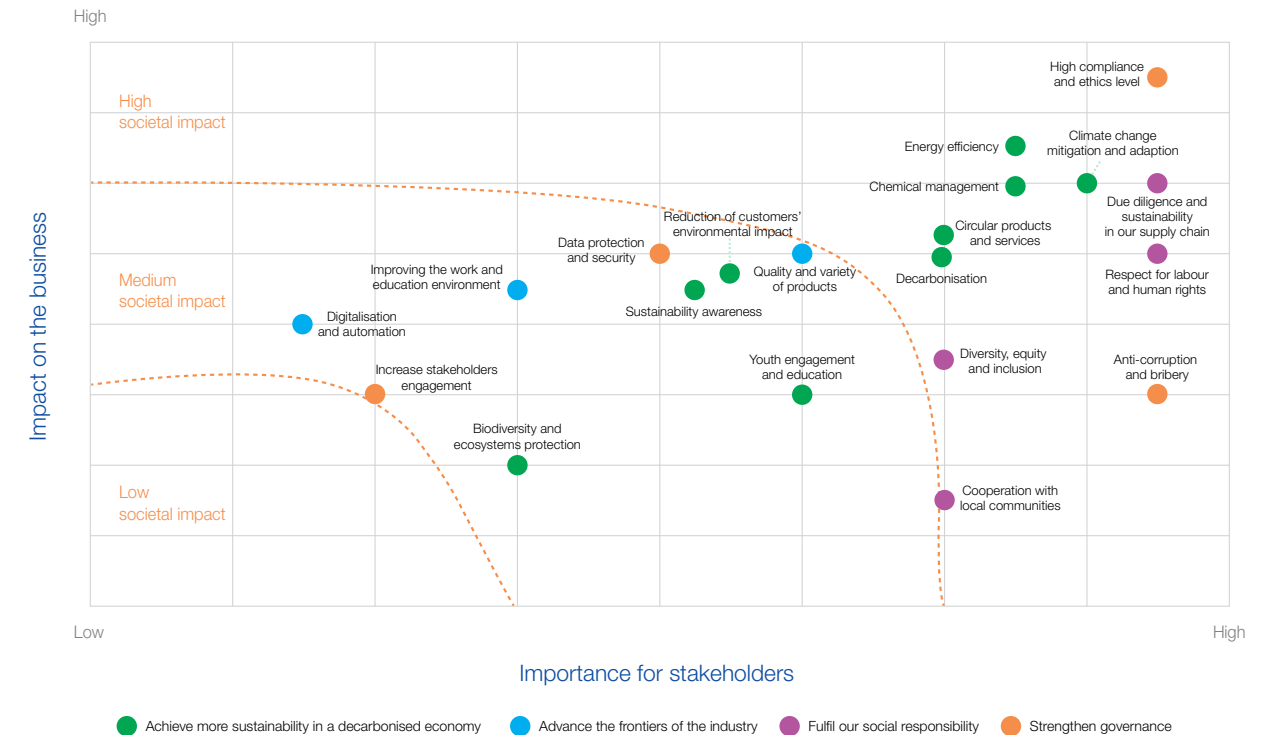
After evaluating each from an Epson and social perspective, 20 topics were prioritised, determined as, for us, the most critical to achieving our goals and where our focus will create the largest impact.

When assessing each topic we also looked at its societal impact and categorised them into high, medium or low impact. To achieve this, we considered the synergy between society and the company and how they impact each other.

These 20 topics are shown in our materiality matrix.

This Sustainability Report details how we are directly addressing each topic, split across our four key materiality categories.

## Materiality analysis



# Stakeholder engagement

Our materiality prioritises our commitments based on their impact on our business and their stakeholder importance.

We aim to understand our stakeholders' expectations as we strive to create competitiveness in a sustainable way and company resilience, building relationships based on trust.

## Our stakeholder engagement objectives

### NGO/International organisations

Engage in value creation activities to contribute to social responsibility.



### Business partners

Solving social issues and achieving more sustainability requires collaboration with partners who have their own fields of expertise. We are strengthening co-creation and building broad partnerships.



### Local communities

In addition to traditional donations and support, we are involved in collaboration with local communities, in programmes that lead to sustainable coexistence.



### Stakeholders and investors

We proactively engage our investors and individual shareholders to build strong communication, which leads to sound business operations and investment decisions.





# Stakeholder engagement continued

## Customers

We create products and services that delight customers, earning their trust. We aim to create value by strengthening communication and working jointly with our customers towards further improvement.



## Suppliers

We seek to maintain mutually beneficial, trusting relationships with our suppliers, as they are essential partners in realising our management philosophy. We evaluate our suppliers every year, supporting their efforts to help fulfil our societal responsibility.



## Employees

Our employees underpin everything we do. We are affecting organisational culture changes to create a fair and bias-free environment in which individuals of all backgrounds enjoy work, conduct themselves as responsible members of society, and continue driving innovation by taking on challenges and growing alongside the company.



## Public authorities

We collaborate with public authorities to ensure legislative compliance at European, national and regional levels, and we engage on issues that directly affect Epson. We are also members of industry associations focused on issues relating to our business.





# Achieve more sustainability in a decarbonised economy

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Protection of ecosystems and chemical management	35



# Reducing our emissions



**The 2015 Paris Agreement set a goal of keeping the increase in average global temperature to well below 2°C above pre-industrial levels, with that figure later updated to limit the temperature increase to 1.5°C by the end of this century. As part of our Epson 25 renewed goals, we set global targets for reducing our greenhouse gas (GHG) emissions. The Science Based Targets initiative (SBTi) has recognised and approved our reduction targets as being consistent with climate change science and in line with keeping a global temperature rise to 1.5°C.**

Our European facilities play an important role in reaching these goals, with a focus on minimising energy consumption and reducing water, waste and GHG emissions. Employee engagement in these areas contributes significantly to our overall results. 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.

## Global GHG reduction targets

**Scope 1** Reduce Scope 1 and 2 GHG emissions by 34% by FY25 compared to FY17 (updated to be in line with 1.5°C in November 2021)  
**Scope 2**

**Scope 3** Reduce Scope 3 emissions (categories 1 and 11)<sup>16</sup> as a percentage of value added (business profit) by 44% by FY25 compared to FY17

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 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.

## Scope 3

At a 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.

# Reducing our emissions continued

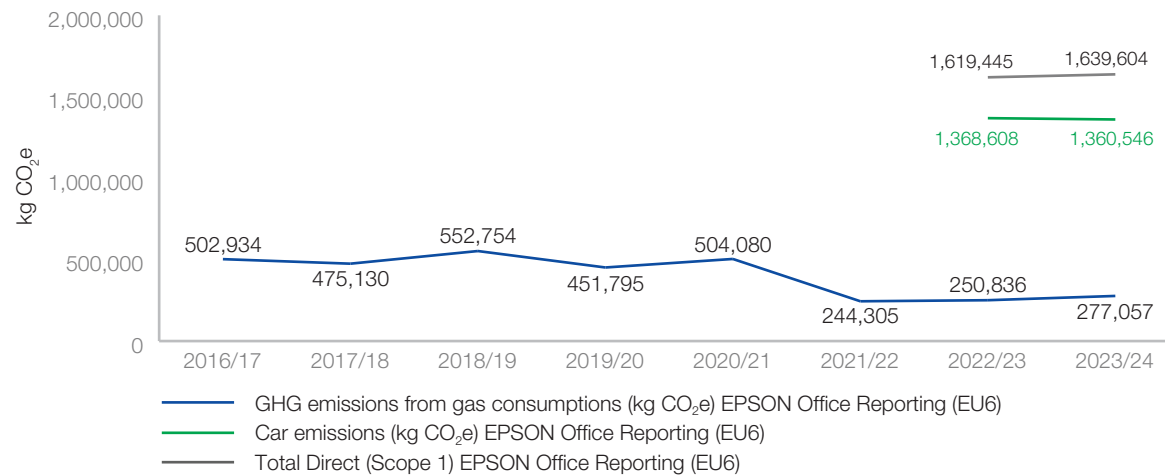


## Measuring our European emissions

For our European offices, we measure Scope 1 and 2 emissions. We currently measure Scope 3 emissions for inbound and outbound transportation (categories 4 and 9) and business travel (category 6) only.

### Scope 1: Direct GHG emissions (kg CO<sub>2</sub>e) from sources owned or controlled by the organisation for Epson European regional headquarters (EU6)

This graph shows emissions from gas consumption. From 2022/23 it includes company car fuel consumption as company emissions data is not available prior to this.



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

Car emission and Scope 1 data for FY21 and FY22 has been recalculated for FY23 using more accurate information now available.





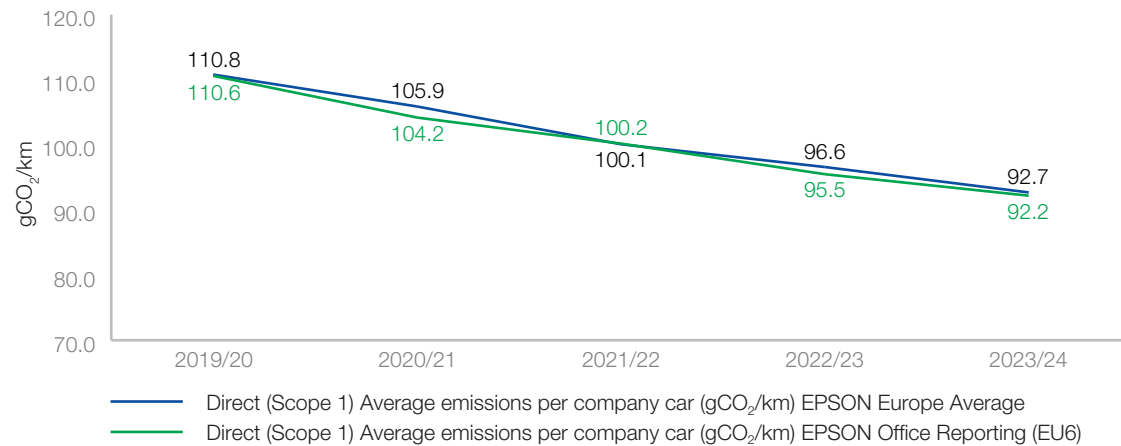
# Reducing our emissions continued



## Car fleet emissions

As part of our efforts to reduce our Scope 1 emissions, we are continuously working to improve the accuracy of our car fleet emissions data. This includes refining data from previous fiscal years in order to effectively track our progress in reducing the average emissions per car.

### Average car fleet emissions rate



We measure average emissions for Europe, and separately for our EU6 sales markets, and values are based on Worldwide Harmonised Light Vehicle Test Procedure (WLTP).

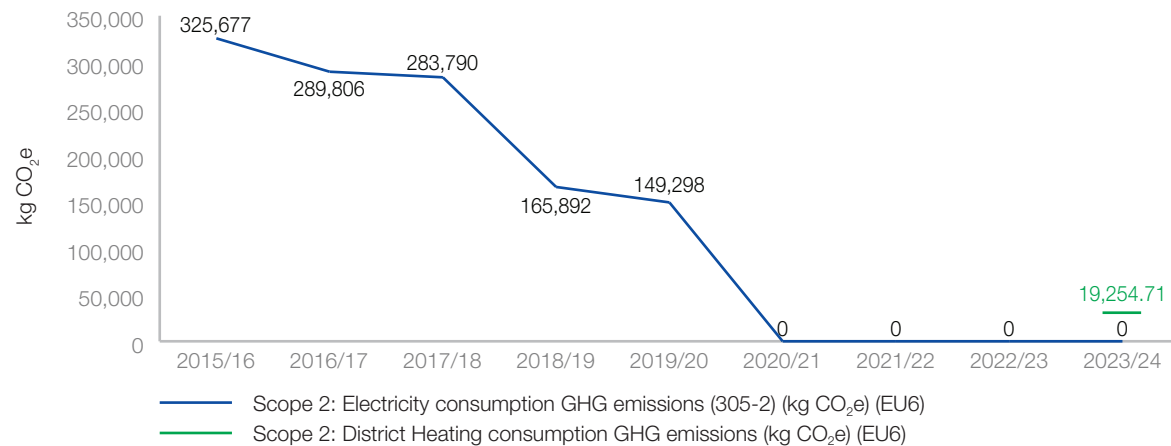
SDG	Objective	KPI	Result
	Review GHG emissions data management to improve emissions reporting	GHG emissions in kg CO <sub>2</sub>	Completed mapping of GHG data available for Epson Europe. Based on this, our GHG reporting scope will be extended in FY24
	Add additional selected Scope 3 emissions to GHG reporting	GHG emissions in kg CO <sub>2</sub> e	Evaluation of Scope 3 categories and their relevance to Epson Europe was completed. In FY24 we expect to extend the reporting scope and include for example, reporting on categories 3 and 7

# Reducing our emissions continued



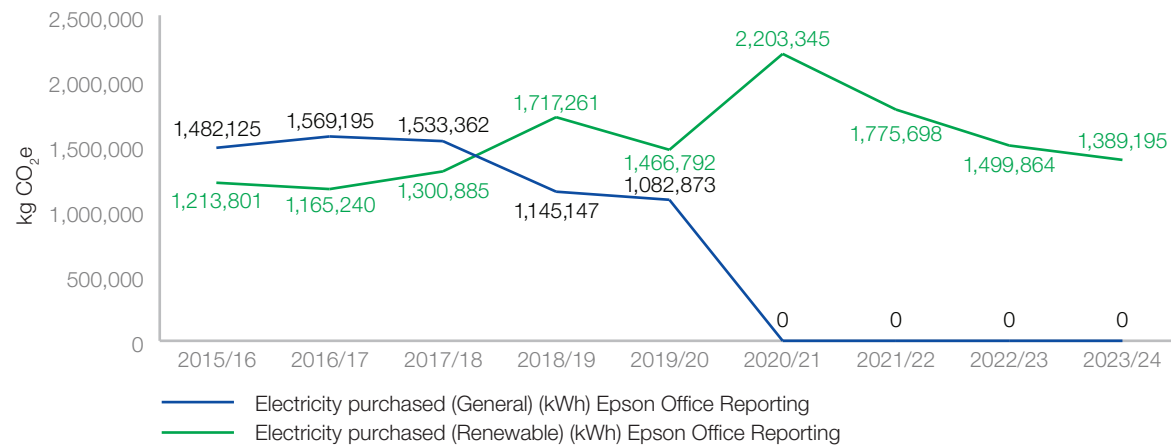
## Scope 2: Indirect GHG emissions (kg CO<sub>2</sub>e) from the consumption of purchased sources of energy for Epson European regional headquarters (EU6)

In FY23, our Epson Germany head office relocated to a building with district heating, which is now included in our Scope 2 emissions.



## Renewable electricity vs grid mix FY15–22 for Epson European regional headquarters (EU6)

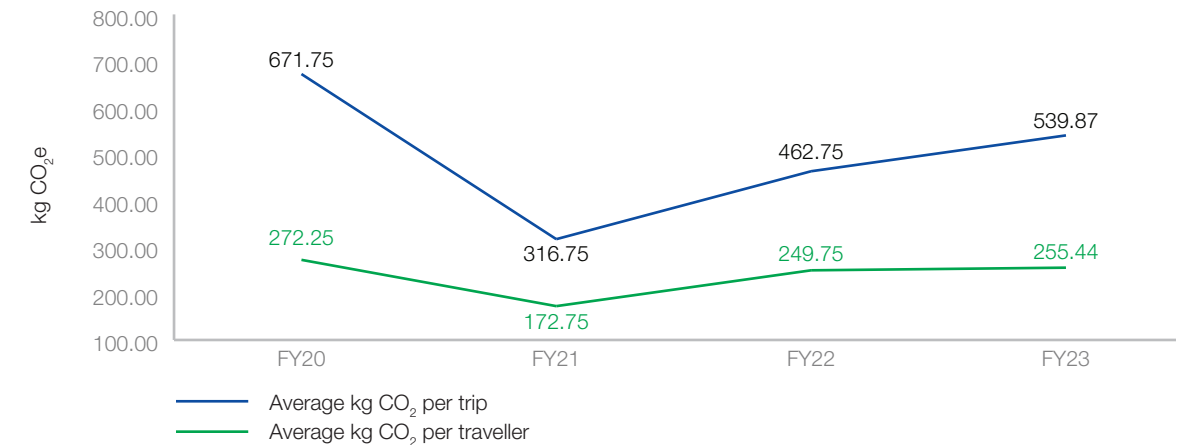
In FY23, our electricity consumption decreased by 7% primarily due to our France and Germany offices moving to smaller, more energy-efficient buildings.



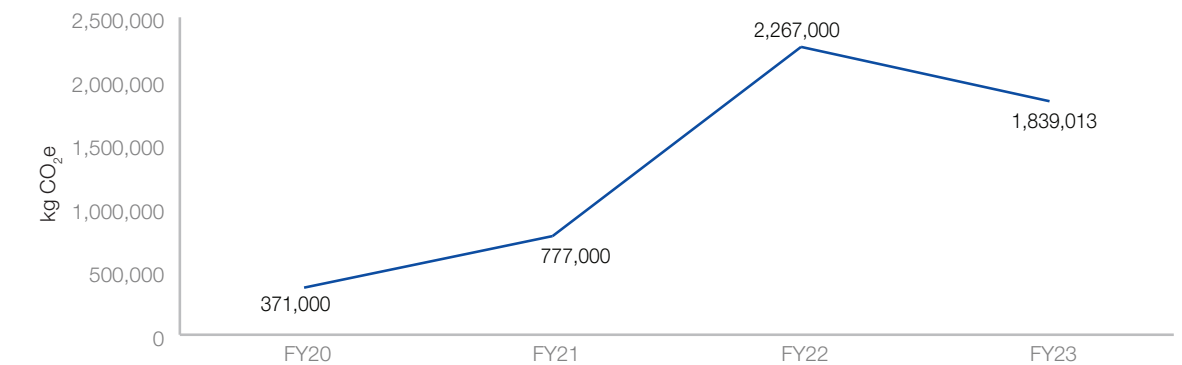
## Business travel emissions

During FY23, average emissions per trip increased as a result of long-distance journeys, however, total business travel was reduced leading to an emissions reduction of 19%.

### Scope 3: Average business travel emissions for Epson Europe (kg CO<sub>2</sub>e)



### Epson Europe business travel CO<sub>2</sub> emissions (kg CO<sub>2</sub>e)





# Closing the resource loop



## Our approach to circular business

To contribute to the formation of a circular economy in which waste is minimised, there are four main areas, identified in our 2025 Renewed Vision and our materiality matrix, that we are focused on:

### 1 Decarbonisation initiatives

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

### 2 Closed resource loop initiatives

Using resources more effectively and ensuring longer use of products through reuse and refurbishment programmes.

### 3 Reducing the environmental impact of customers

Reducing power consumption, extending service life (providing long-term corrective maintenance) and scaling down production equipment.

### 4 Environmental technology development

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

## Closing the resource loop

To contribute to the formation of a circular economy in which waste is minimised, we are working to reduce emissions and preserve water resources in our production processes. We employ our Japanese tradition of Sho-Sho-Sei (compact, efficient, precise) in our approach to more sustainable manufacturing, promoting the efficient use of limited resources to make products smaller and lighter.

Our approach also includes collecting and recycling end-of-life products and developing digital inkjet printing solutions. An example of this is our cartridge-free EcoTank printer for home use, and our Replaceable Ink Pack (RIP) printers for large businesses. With refillable alternatives, we avoid placing large amounts of plastic waste into circulation.

Our Dry Fiber Technology, which was originally used to transform used paper back to its raw material state for reuse, is being developed to give value to other things that were once disposed of as waste. Working towards low-impact manufacturing, Epson factories use these fibres from wastepaper to produce the absorbent ink pads that are used in our printers, for machine noise, sound dampeners and in cushioning for product packaging and shock absorption. Dry Fiber Technology now has the potential to offer the fashion industry a more sustainable future by recycling waste material from landfill into new non-woven fabric.

In FY23, we established a partnership with HKRITA (The Hong Kong Research Institute of Textiles and Apparel Limited), which specialises in the development of innovative solutions for the textile and fashion industry.

Our collaboration aims to meet the growing global need for textile recycling. The most commonly used technology is currently unable to separate fibres in tightly woven fabrics used for dress shirts, sheets and elastic blended fabrics. We seek to solve this through the use of our Dry Fiber Technology.

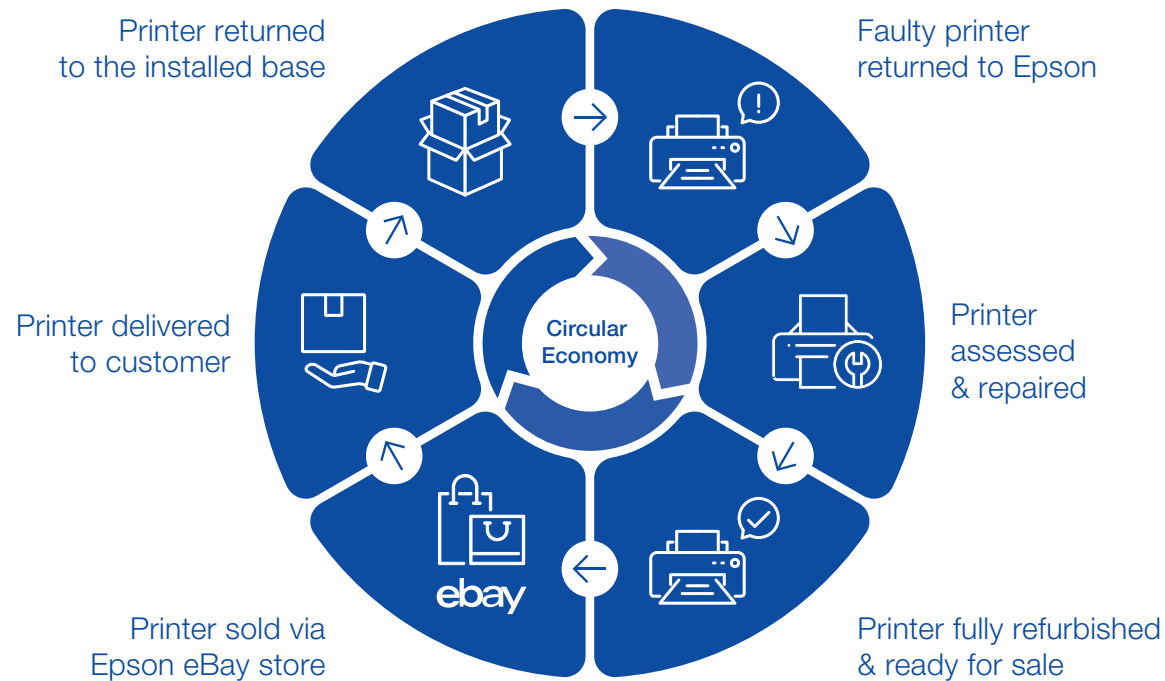
In addition to our own research and development, we work with partners to co-create innovative technologies, for example, working as part of a collaborative consortium to explore the development of a new form of bioplastic derived from the Euglena algae. Biomass plastic can be produced by extracting the sugar crystals of Euglena, and this, in turn, will reduce use of petroleum-derived plastics.



# Closing the resource loop continued

## Use and reuse

We are committed to reducing e-waste and extending the life of our products through our refurbishment and resale programmes across Epson Europe, which include:



## EcoTank refurbishment

We continue to trial the refurbishment and resale of EcoTank printers in Epson Germany and the UK. Working in partnership with our main service providers, the trial refurbishes retail returns, which are then sold to customers directly through our eBay stores or via our service partners. We are pleased to have achieved eBay official certified refurbishment partner status and a certificate of refurbished excellence for our dedication to driving growth in the refurbishment category throughout 2023 on eBay UK. We anticipate including retail returns from Italy, Spain and France in the programme in FY24.

## Projector refurbishment

Our Epson France ReStart programme launched at the end of 2022, refurbishing returned projectors for online resale. A similar refurbishment programme is running in Epson Spain.

## Recycling programme

We offer a free cartridge collection and recycling programme, where customers can return empty cartridges in either single return (via postal) or bulk return (with box collection). The collected cartridges are consolidated at a hub and sent to a certified recycling facility in Belgium. On average, 90% of the materials are recycled and reused, and the remaining goes to waste-to-energy.



SDG	Objective	KPI	Result
	Revise and improve Epson's recycling programme for cartridges	Launch of improved programme including web portal	The revision of the programme is ongoing and expected to be completed in FY24
	Roll out the EcoTank refurbishment programme in France, Italy and Spain	Launch of the programme in France, Italy and Spain	The roll out is ongoing. We anticipate including retail returns from Italy, Spain and France in the programme in FY24



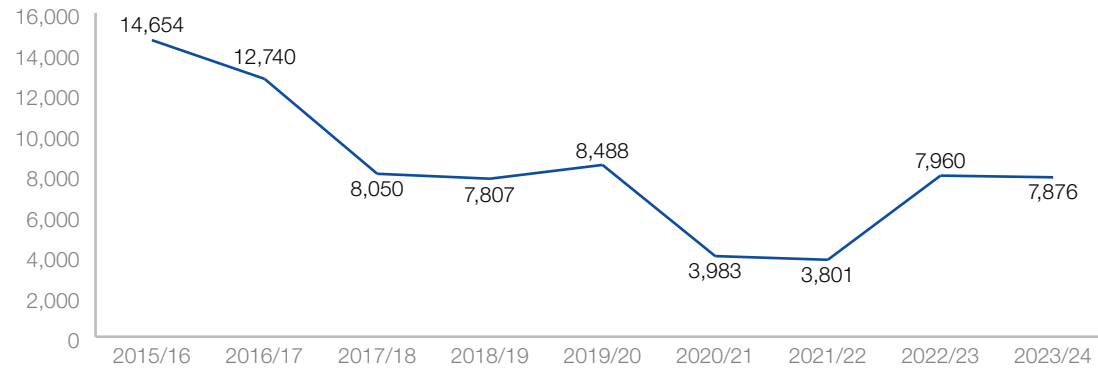
# Closing the resource loop continued



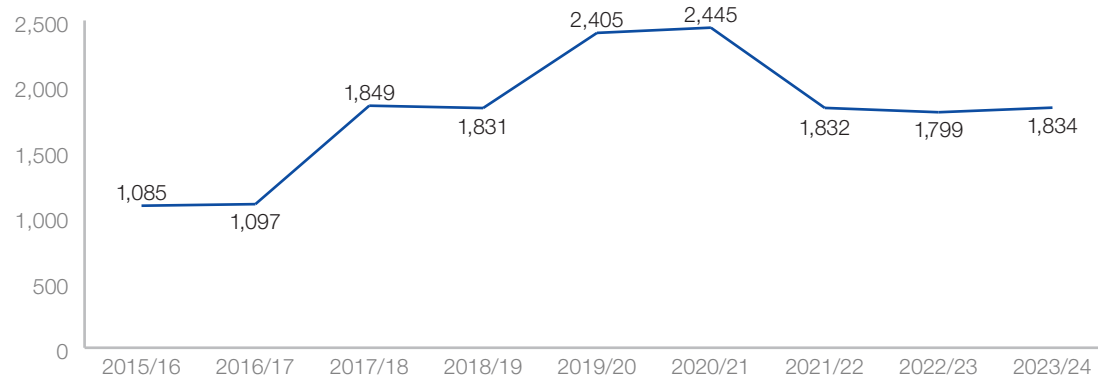
## Water conservation

As well as reducing our emissions, we are working to preserve water resources within our European operations. This includes our European sales offices and our Central Distribution Centre.

### Water consumption (metres<sup>3</sup>) in our Epson European regional headquarters (EU6)



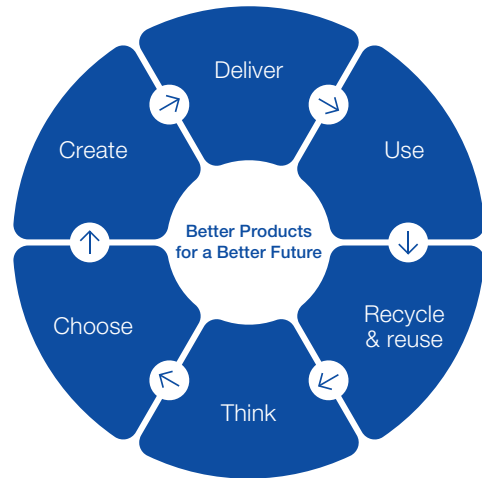
### Water consumption (metres<sup>3</sup>) in Epson Europe's Central Distribution Centre





# 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 life cycle at the procurement stage.



We seek to build mutually beneficial relationships with our business partners and suppliers. As a Responsible Business Alliance (RBA) member, Seiko Epson Corporation asks our suppliers to adhere to the same high ethical standards as us, while also respecting their autonomy and independence.

We believe that, through collaboration, we can help to address societal challenges and sustainability.

Recently, challenges such as the pandemic, logistics disruptions, and chip and electronic parts shortages, have highlighted the need for stronger supply chain business continuity programmes, and we are working closely with our suppliers to strengthen ours.

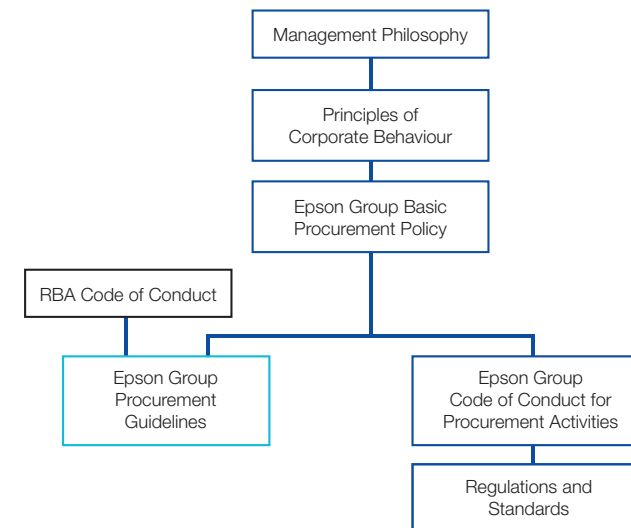
At a global level, and in line with our commitment to SDGs, we have set two overarching targets for our supply chain:

- 1 To ensure worker rights and safety
- 2 To realise a sustainable society



## Procurement policies

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



- Compliance requirements applying to suppliers
- Internal standards



## Supplier risk assessment

To establish a risk level, suppliers are asked to complete a self-assessment questionnaire. We then 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 our procurement spend, conduct detailed CSR evaluations and request reports on their water, electricity, gas and other CO<sub>2</sub> emission sources for the parts we purchase. We collaborate with the supplier to improve production lines, the environmental impact of transportation, and to reduce resource use.


## Supplier code of conduct

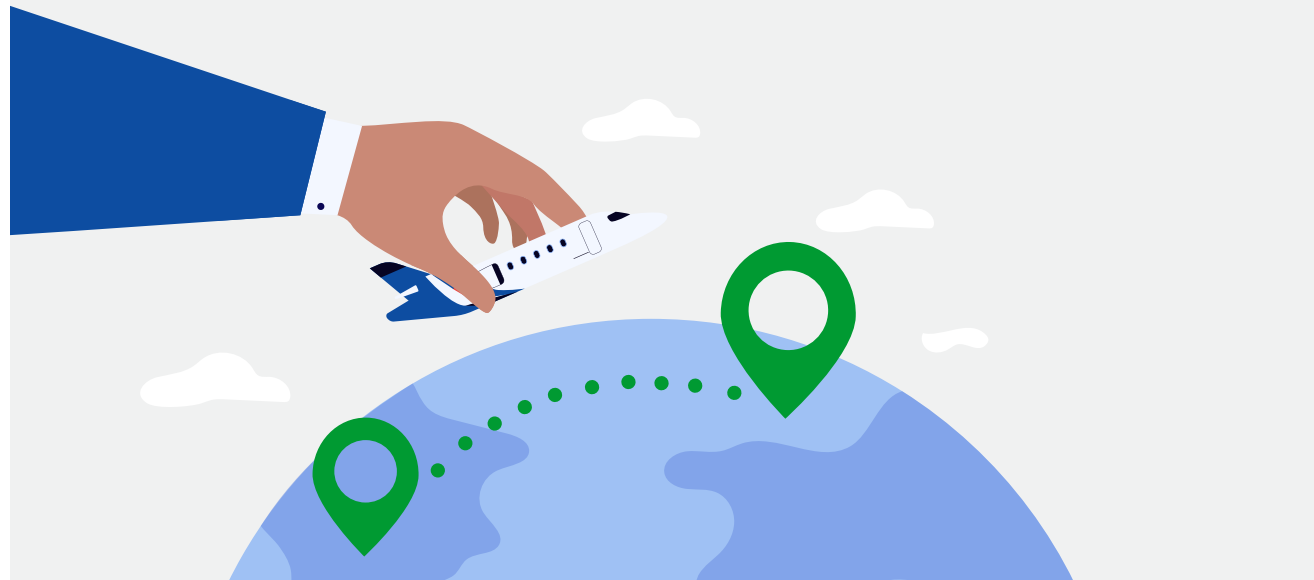
Our Epson Group supplier guidelines include a code of conduct, which sets out our expectation for our suppliers in terms of labour, health and safety, environment, ethics and management systems. It is based on the RBA Code of Conduct, and all of our suppliers are expected to adhere to it.



# Sustainability in our supply chain continued



SDG	Objective	KPI	Result
	Achieve target for 90% of POS marketing materials to be plastic-free by the end of FY23	Percentage of POS materials made from plastic-free materials	We exceeded our target by achieving 100% plastic-free POS marketing materials by the end of FY23



## Responsible minerals

The Epson Group Responsible Minerals Procedures Standard is a global internal survey programme conducted throughout our supply chain, ensuring that our 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 – identifying upstream suppliers of cobalt and conflict minerals (tin, tantalum, tungsten, gold – 3TG), and 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 our policy standards, and we utilise supplier procurement briefings to promote understanding of our policies and share prioritised minerals response trends with our production facility sites worldwide.

## More sustainable procurement for our marketing

Our European marketing department is committed to working with partners and suppliers that share our sustainability vision. For promotional gifting, our products are sourced from an EcoVadis Platinum-accredited company. We avoid plastic packaging and single-use gifting items, instead sourcing products that are made from recycled materials, wood and biodegradable plastic.

Across Europe, our printed marketing materials use FSC-certified paper and card. We set a 90% target for our point-of-sale (POS) materials to be made from plastic-free materials by the end of FY23. We exceeded this, with 100% POS marketing materials manufactured from plastic-free materials.

We attend many exhibitions and trade shows across Europe and have been reusing product stands and furniture for 14 years. Additional furniture requirements are hired from local suppliers, and wooden wall panels are recycled as support flooring for new projects.

# 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 warehouse operation sustainability initiatives, and in minimising CO<sub>2</sub> emissions for our inbound and outbound transportation.

## FY23 Highlights

### Asia Direct initiative

We reduced our CO<sub>2</sub> emissions by optimising delivery routes. We can now deliver directly from our Asia factories to customers, rather than via our central warehouse. We anticipate a potential opportunity for future CO<sub>2</sub> emission reductions up to 300 tonnes per year, with reductions up to 10–50% CO<sub>2</sub>e per container<sup>17</sup>.



### Pallet optimisation

We have converted 100% of our top 20 customers to allow maximum height and block pallets. The result is 80% of our trucks are now full by volume compared to an average of 45% where truck volume was reduced by half to accommodate these customers.



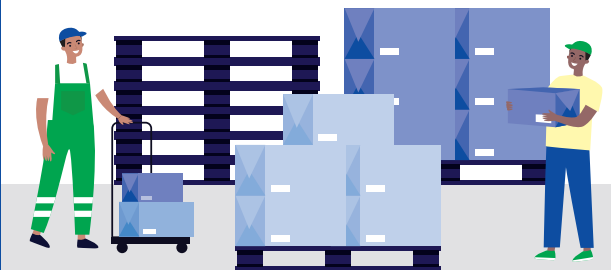
### Old cartons as filling material

We launched an initiative to substitute purchased filler material for parcel shipments with our own filler material produced by recycling old or damaged boxes.



### Paper pallets for micrologistics

We have been investigating the use of paper pallets for micrologistics. In comparison to wooden pallets, they are 100% recyclable, and they are lighter, which translates to less fuel consumption during transportation, leading to lower CO<sub>2</sub> emissions.





# Optimisation initiatives at our Central Distribution Centre continued



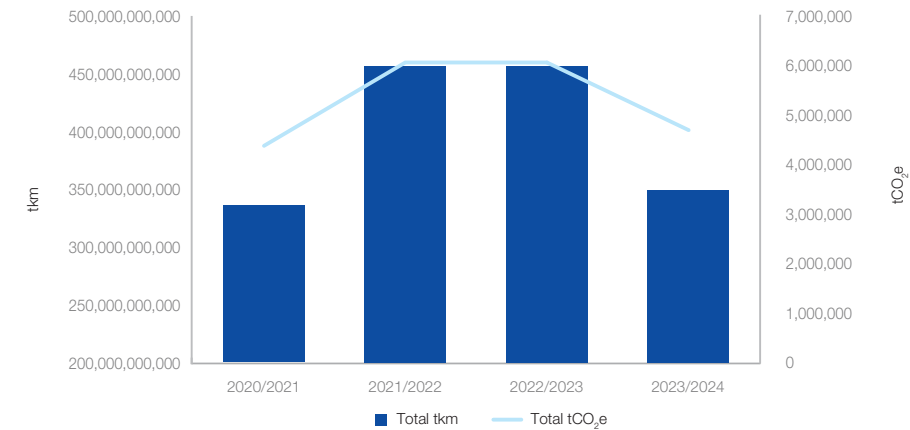
## Optimising our transportation

In FY22, we began reporting on our Scope 3 emissions for categories 4 (Upstream transportation and distribution) and 9 (Downstream transportation and distribution). These relate to transportation of our product from Asia to warehouses and suppliers in Europe (see the upstream graph), and transporting products from our warehouse to customers (see the downstream graph) where we have reduced emissions through the optimisation of pallets.

Our products are transported to our Central Distribution Centre by truck, rail and barge, and we aim to minimise the transportation of our products by truck. In FY23 we successfully reduced truck usage, with a significant increase in rail transportation.

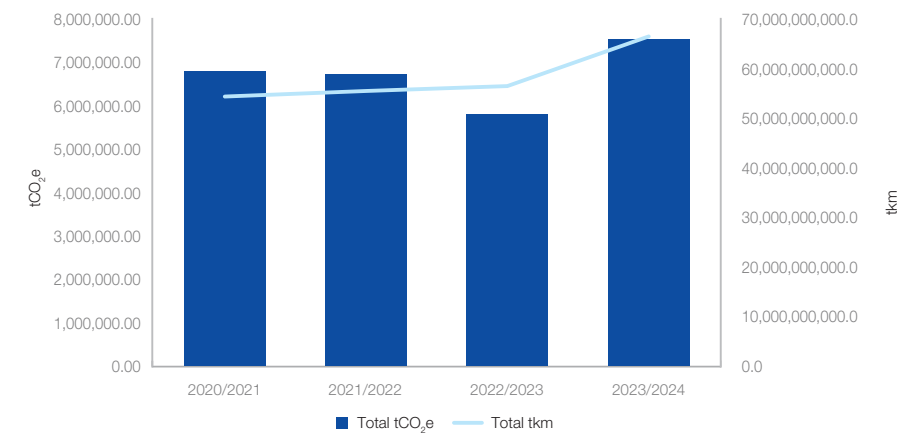
	72.4%	0.5%	27.1%
FY23			
FY22	56.7%	4%	38.3%
FY21	56.4%	2.9%	40.7%

## Upstream (inbound) transportation FY20–23



Emissions related to transportation from our factories in Asia to our warehouse. The decrease is due to lighter-weight products and optimised shipments.

## Downstream (outbound) transportation FY20–23



Emissions related to transportation from our warehouse to our customers. The rise in CO<sub>2</sub> emissions can be attributed to an increase in products sold and shipped.

# Optimisation initiatives at our Central Distribution Centre continued

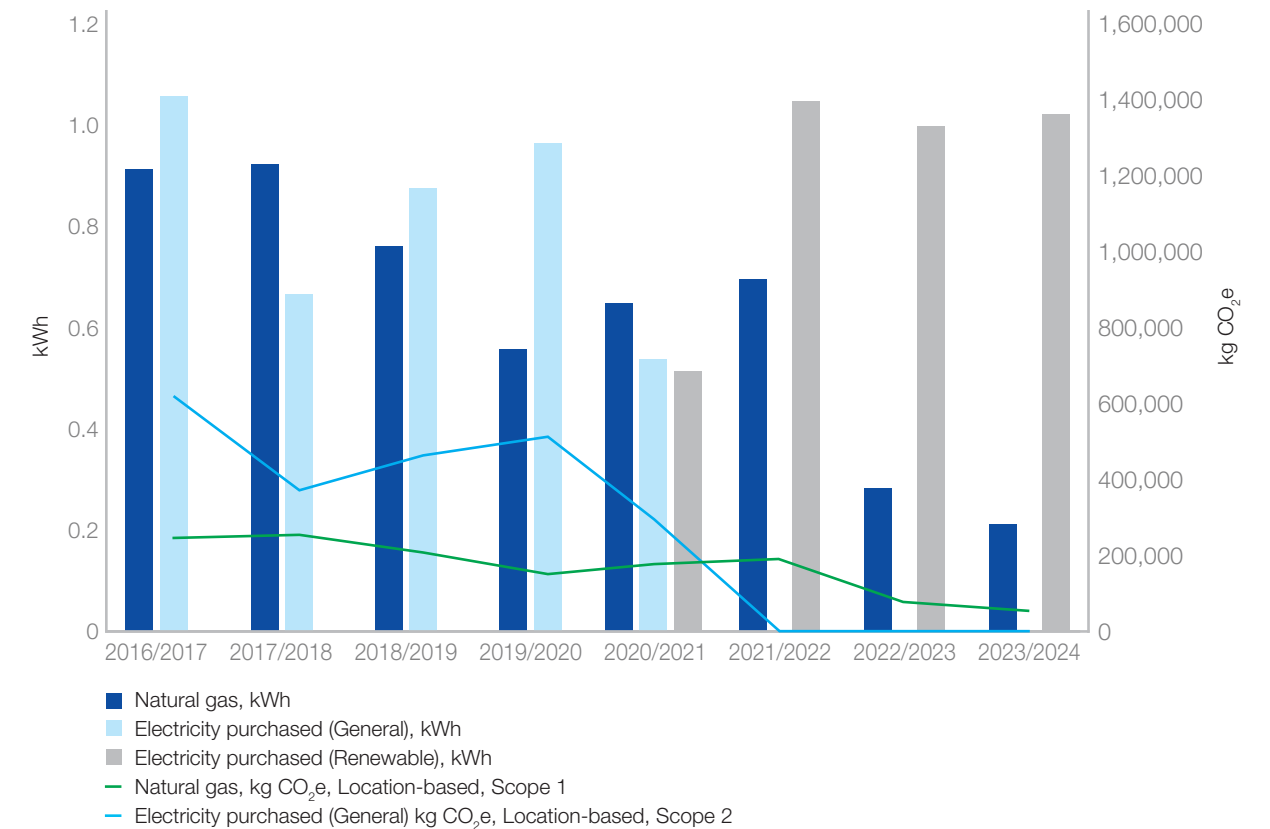


SDG	Objective	KPI	Result
	Install solar panels to the UK Distribution Centre operated by NX	Install solar panels by the end of FY23	The company operating the distribution centre on Epson's behalf has agreed to install solar panels. Installation will be completed in FY24. In addition, solar panels will also be installed at our distribution centre in Germany
	Increase the m <sup>3</sup> shipped on all outbound pallets: <ul style="list-style-type: none"> <li>Increasing the accepted shippable pallet height</li> <li>Consolidation of customer orders; move volume per shipment</li> </ul>	m <sup>3</sup> shipped on outbound pallets	Our top 20 customers have adopted block pallets and agreed to maximise the height of full pallets. This allowed us to increase the cargo volume per truck and reduce the number of deliveries for these customers. The average block pallet utilisation rate increased from 1.51m <sup>3</sup> in FY22 to 1.7m <sup>3</sup>

## Central Distribution Centre electricity and natural gas consumption

These graphs provide an overview of the electricity and natural gas consumption in our central European warehouse. They highlight an overall decrease in consumption as a result of energy efficiency measures, switching to 100% renewable electricity in FY21, and lowering temperature thermostat settings.

### Warehouse – Electricity and Gas Consumption and Emissions FY15 – FY23





# Protection of ecosystems and chemical management

**To minimise our environmental impact, we are working to control substances of concern in our products, managing chemicals used in production processes, while assessing their environmental risk.**

With chemicals, we seek solutions for the optimal balance between technical properties, safety and environmental impact. This principle applies to all products manufactured by us and through our supply chains.

Our R&D and sustainability teams ensure our products are designed with non-hazardous substances, considering technical properties, compliance with local legislation, manufacturing process and product-use emissions.

We prefer lower-impact alternatives when selecting components and raw materials for our products. During this process, if a substance is identified as concerning, we assess its presence throughout the supply chain and explore substitutions.

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



## How our Epson Europe teams are supporting biodiversity in their local communities

### Recovering a community forest

The Forest of Marston Vale is a 61 square mile Community Forest in Bedfordshire, UK.

Previously, it was a different space, where enormous pits had been dug throughout to supply clay for a brickworks. Subsequently, these pits became landfill sites, with just 3% tree cover.

To aid recovery, the government designated the area a Community Forest, one of 12 in the UK, and they are now aiming for 30% tree cover to improve life for local people, wildlife and the planet.

Our Epson UK team partnered with one of its customers, Electronic Reading Systems Ltd (ERS) to support the initiative. ERS pledged to plant a tree for every Epson ColorWorks printer sold, with Epson UK pledging to match the commitment.

Members of the Epson UK and ERS teams are pictured here. To date they have planted 948 trees, which are actively contributing to enhancing biodiversity including the black hairstreak butterfly population.



# Protection of ecosystems and chemical management continued



## Urban reforestation

Our Epson Italy team has collaborated for several years with sustainability NGO, Rete Clima on urban reforestation and carbon offsetting. In addition to CO<sub>2</sub> absorption, urban reforestation helps to reduce urban heatwaves, maintains biodiversity and improves air quality. It also enhances townscapes by revitalising abandoned areas.

In FY23 the team took part in a carbon compensation project, which included planting in Nova Milanese near to our office. They planted 120 trees and shrubs, which are expected to absorb around 36 tonnes of CO<sub>2</sub>. The team has now supported 11 climate protection projects with Rete Clima, planting 900 trees in Italy and establishing 2,100m<sup>2</sup> of new forest in three countries, which will cumulatively absorb 875 tonnes of CO<sub>2</sub> at full maturity.



## Rethinking interior design in a circular economy

Rethink Your Style is a circular economy initiative in collaboration with ibis Styles hotels. It's focused on creating interior design using recycled and upcycled materials printed with Epson's SureColor technology.

Working with three leading design schools, students have been challenged to rethink and redesign spaces in three Ibis Styles hotels in Barcelona, Madrid and Lisbon.

Leveraging Epson's advanced dye sublimation, UV printing and digital textile printing technologies, they are exploring sustainable production models in interior design, textiles, and the personalisation of spaces and products. The final results of their innovative work will be unveiled at the end of 2024.





# Advance the frontiers of industry

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# Investing in innovative technology to solve societal issues



**We have always, primarily, been a vertically integrated company, with the ability to control everything from our technology development to our sales. We realise, however, that there is a limit to how much we can do alone to solve societal issues around the globe.**

In 2020, we launched Epson X Investment Corporation (EXI), a dedicated venture capital innovation fund designed to accelerate collaboration and open innovation. Our aim is to co-create with partners, including global start-ups, merging our core efficient, compact, precise technologies with partner ideas and technologies to collectively inspire action, bringing about change.

## Biomass plastics

Demonstrating the practical benefits of open innovation, we have contributed to the development of a new form of bioplastic (plastics derived from biological sources) as part of a collaborative consortium of organisations<sup>19</sup>. Pararesin is a promising new biomass plastic that uses paramylon, a stored polysaccharide in Euglena algae. The consortium aims to have the capacity to supply approximately 200,000 tonnes of the marine-degradable, biomass-derived plastic annually by 2030; a viable alternative to conventional plastics.

## Powdered recycled metals

We are working through our subsidiary company, Epson Atmix, to build a circular manufacturing infrastructure, creating products for 3D moulding using metal powders refined from waste metals that can be used to create components including car and electrical parts. In 2022, Epson Atmix purchased new factory land in Japan, which will recycle used metal for metal powders, a step towards our global vision to become underground resource free<sup>19</sup> by 2050.

## Space robotics

EXI has invested in GITAI Japan Inc, a start-up working to provide safe, affordable labour in space, with a goal to develop and sell versatile space robots. These robots will serve as a workforce at space stations, in Earth's orbit, as well as on the Moon and Mars. This aligns with our Epson 2025 Renewed Corporate Vision to drive manufacturing innovation by co-creating production systems that reduce environmental impacts.

## High-performance conductive textiles


Conductive textiles are used as materials for automotive parts and wearable devices in applications such as biological measurement and electrical muscle stimulation. However, conductive resistance has presented challenges to sensing accuracy. EXI has invested in AI Silk, a start-up spun out of Tohoku University, which has developed LEAD SKIN®, a high-performance conductive textile. AI Silk has succeeded in making various materials conductive, including silk, polyester, non-woven fabrics and suede.

## International Space Station

The Japan Aerospace Exploration Agency has chosen to use Epson technology on “Kibo”, the Japanese Experiment module on the International Space Station (ISS). The inertial measurement unit (IMU) from our M-G370 series is being used in a mobile camera robot named Int-Ball2. This onboard drone is operated remotely by ground control, and can fly around the ISS, taking pictures and videos of the astronauts as they conduct various experiments – sharing them instantly back on Earth.

## Brain-computer interface technology

Neurable is a start-up developing brain-computer interface (BCI) technology. It connects the brain to external devices and was initially used in areas of medical treatment and rehabilitation. Neurable is using its advanced algorithms and hardware to measure brain activity and provide actionable insights that everyone, everywhere, can use in their everyday lives. We have long sought to improve mental and physical health through our biosensing technologies, and EXI's investment was made based on the potential of Neurable's algorithms and hardware technology to create a world without physical or mental limitations.

 Further information about EXI can be found [here](#).



# Pioneering the future of fashion

**Our partnership with fashion designer Yuima Nakazato is an example of our commitment to using technology to address societal issues and foster innovation.**

We have collaborated with Yuima Nakazato in recent years to adapt our Dry Fiber Technology for recycling used clothing into new, non-woven fabric. The designer has featured the technology in his Paris Fashion Week couture collections.

Our latest advancement is with Spiber Inc, a Japanese biotech company creating Brewed Protein™, a new material using microbial fermentation. Nakazato's latest Paris collection featured a fabric of 70% cotton and 30% Brewed Protein™, printed with an Epson Monna Lisa digital textile printer and our pigment inks. Traditional analogue printing cannot achieve this on mixed or novel fabrics due to dye ink limitations.

Epson pigment inks reduce water consumption by 96%<sup>20</sup> and offer expanded creative possibilities for designers, and overcome these limitations, offering designers expanded creative possibilities for bringing their vision to life in a more sustainable way.





# Helping our customers mitigate their environmental impact

Our unique Heat-Free inkjet technology is helping businesses to reduce energy usage. In comparison to laser technology, Epson inkjet printers use lower power consumption, saving energy and costs<sup>21</sup>.

## Optimisation tool demonstrates benefits of inkjet vs laser

To provide our customers transparent data on our Heat-Free technology's energy efficiency, and allow them to directly compare this with laser printers, we developed and launched our Optimisation Tool. This allows our resellers to input a customer's existing print fleet and demonstrate the achievable emissions reduction created by switching to Epson Heat-Free models. By generating these reports, we strive to raise awareness among our customers on how they can improve the energy efficiency of their business.

Independent testing house DataMaster Lab has extensively reviewed the tool, and supports our objective to create products and services that minimise environmental impacts, while increasing operational efficiency and productivity.

SDG	Objective	KPI	Result
 	Raise awareness for sustainability among our business partners and resellers (EU6)	Number of business partners and resellers reached	During FY23, we held 53 reseller visits and webinars to drive awareness of our sustainability strategy and discuss sustainability topics

## Examples of customer energy, cost and waste savings

Dundee Rep and Scottish Dance Theatre in the UK has a cafe, restaurant, outreach office, full-time ensemble and dance companies with high-volume print demands for scripts, production plans, menus, and office printing. To reduce its carbon footprint, the business targeted its energy-heavy legacy laser print estate.

“Research led us to Epson, whose technology offered a revolutionary drop in energy consumption. Our Epson optimisation report showed a potential 80% reduction in energy use across our print estate. We chose Epson inkjet printers for their electricity-saving benefits and their comparable quality to laser printers without the heat and noise.”

**Adam McCall**  
IT and Digital Resource Manager

Interflora is a global network of 55,000 florists across 175 countries, delivering around 32 million bouquets annually. It was seeking new technology for its stores in Denmark to print personalised cards to send out with flowers and gifts.

“We have ambitious Net Zero targets, so we chose Epson inkjet printers for their energy efficiency. The solution we implemented includes 270 Epson WorkForce Pro WF-C529R printers which will save us 130,664 kWh over the contract period compared to our previous solution. As well as reducing our environmental impact, it's a substantial cost saving.”

**Bo Henrik Andersen**  
Florist and Logistics Manager, Interflora Denmark

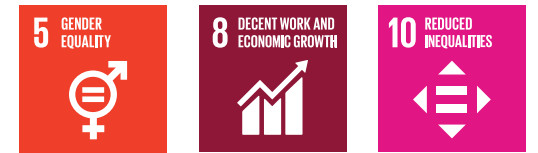


# Fulfil our social responsibility




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# Diversity, equity and inclusion



Alongside our corporate purpose and management philosophy, diversity, equity and inclusion (DE&I) live at the core of our corporate culture. We are committed to developing an environment where all employees are encouraged to make the most of their abilities, enjoy their work and participate in discussions as equals. We believe that the foundations for creating a free and open workplace are mutual respect and a commitment to DE&I.

SDG	Objective	KPI	Results
  	Rollout of DE&I training to managers to support Epson's DE&I strategy	Delivery of first phase of project: rollout of inclusive manager programme to all managers within Epson Europe	<p>During FY23 we have undertaken the following:</p> <ul style="list-style-type: none"> <li>- Rolled out DE&amp;I face-to-face manager training across Europe</li> <li>- Launched DE&amp;I eLearning for all employees</li> </ul> <p>We also implemented a DE&amp;I survey for all employees to obtain feedback on our DE&amp;I progress. Results of the survey include:</p> <ul style="list-style-type: none"> <li>- 5% increase in overall response rate in FY23 vs FY22</li> <li>- Increased DE&amp;I awareness, with a 14% increase in favourable rating relating to communication of our DE&amp;I strategy, and improved perception of senior leader and manager commitment and accountability for DE&amp;I goals</li> </ul> <p>The outcomes of these activities are being used to develop our strategy, identify development areas and agree our commitments and governance model</p>







# Female mentoring programme

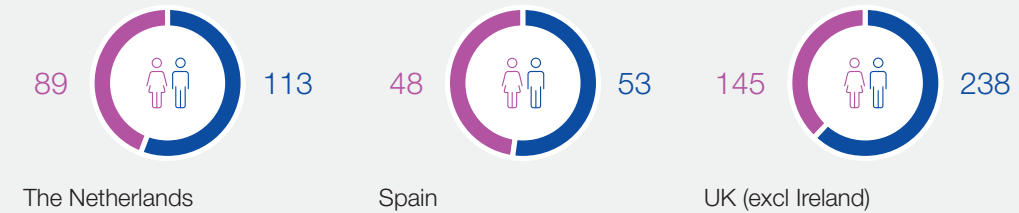
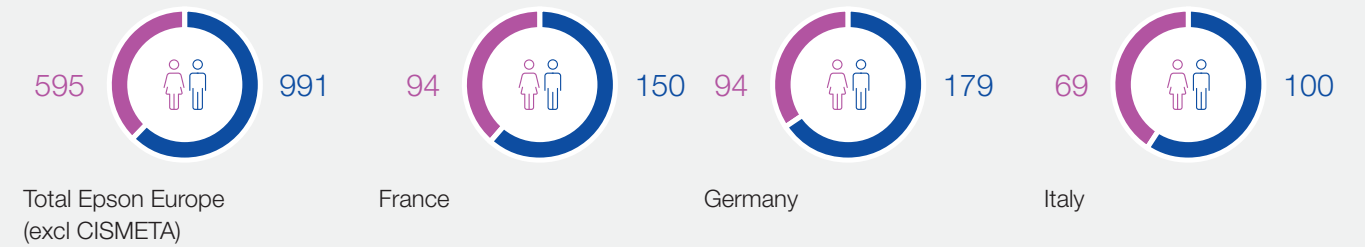
As part of our enhancing female career progression initiative, we work with Mission Gender Equity, whose global mission is to champion broader diversity strands within the workplace, build the pipeline and achieve parity of women in leadership and board roles. Year on year, we have increased the countries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

Once mentees have completed the nine-month programme, they are encouraged to pursue follow-up conversations with their managers around career development. To facilitate this, all mentees are offered an insights profile and debrief, a career coaching session and a personal development plan coaching session.

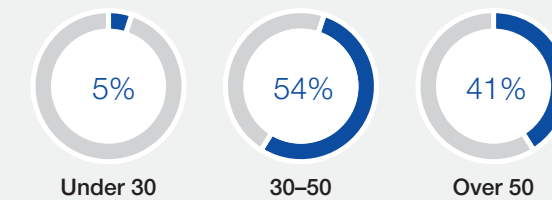
SDG	Objective	KPI	Result
 	Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme	Number of participants in Mission Gender Equity mentoring scheme	Twenty mentees participated in the FY23 programme from Italy, the Netherlands, Spain and the UK (up from 17 mentees in FY22)



Total number of full-time equivalent (FTE) employees as of 31 March 2024, where Epson has 50 or more employees



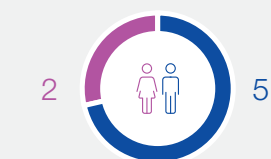
Age range of employees



Distribution of employees by age group in Europe.

Data as of 31 March 2024

Top management




Number of male and female employees at top management level

# Employee development

**The world in which we operate has changed in many ways post pandemic. It has affected our people, our strategy, the environment, our customers and the learning and skills expectations of our employees.**

This, combined with our philosophy of continuous improvement, means that as part of our employee development strategy in FY23 we have focused on the redesign, development and launch of our “Personal Sales Enhancement Programme”, which focuses on the skills required to excel in a sales environment.

“Development” was highlighted in our FY23 Employee Opinion Survey. To support this, our focus in FY23, alongside our existing development programme, was on building a foundation of supporting and developing an inclusive workforce through DE&I training. Face-to face training was rolled out to managers, with all employees receiving eLearning. The training was positively received, with attendance rates across Europe at 93% for manager face-to-face training and 99% completion rate for all employee eLearning.

SDG	Objective	KPI	Result
	Raise sustainability awareness among our employees by organising internal training sessions	Number of training sessions	We held 36 sustainability training sessions for a total of 2,365 employees. Training included presentation of our Sustainability Report, our ISO and SDG management systems, and an introduction to sustainability at Epson as part of our corporate induction



## Training and skills

94%

Percentage of employees that participated in regular performance and career development reviews

14.4

Average number of training hours per person for employees, by employee

99%

Percentage of employees that participated in compliance training

88%

Percentage of employees that participated in GDPR training

99%

Percentage of employees that participated in Diversity, Equity & Inclusion-related training



# Employee wellbeing



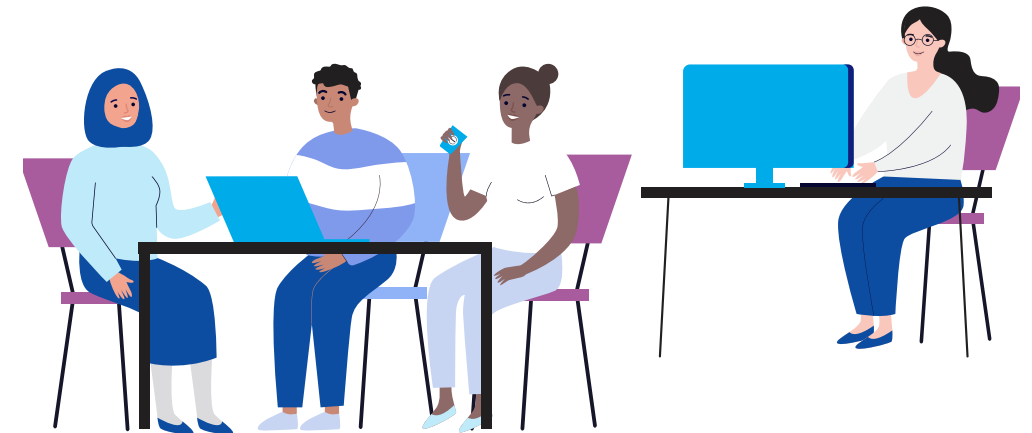
**We are committed to investing in our employees' physical, mental, social and financial wellbeing. With this in mind, we have an employee assistance programme available to all employees, and those who live with them, ensuring they are supported with their financial wellbeing, mental health and emotional difficulties. They also have access to confidential support, resources, and information 24/7.**

We have also committed to the following targeted actions to mitigate health and wellbeing risks where possible:

- Offered gym discounts
- Delivered fitness classes and onsite massage
- Online physical wellbeing challenges
- In-person social events and connectivity
- Held webinars with medical insurers detailing wellbeing support
- Regular pension workshops
- Held webinars with external providers to increase financial awareness and wellbeing
- Display screen equipment (DSE) assessments
- Bike leasing schemes
- Flu vaccines
- Nutrition initiatives and education

Our agile working policy provides employees with more freedom and flexibility in working arrangements, supporting their wellbeing with a greater work life balance, as well as a reduction in commuting costs.

During FY24, we will undertake a review of employee benefits within Europe to ensure they continue to contribute towards improving the wellbeing of all employees.




# Working conditions



**The introduction of our agile working policy has allowed us to reduce office space in Europe, relocating our offices in Germany and France, with a planned UK office move for FY24. These new office spaces better support our sustainability vision and provide improved working environments.**

We prioritise inclusive recruitment and accessible workplaces, ensuring appropriate equipment and technology is provided for people with disabilities. We are raising disability awareness, introducing Mental Health First Aiders, and assisting employees access state benefits. In preparation for our UK office move, we have created an accessibility forum to ensure disability requirements are fed into our design planning.

SDG	Objective	KPI	Result
	Provide an opportunity for employee feedback through delivery of an annual employee opinion survey and the creation of subsequent action plans and initiatives	Response rate employee survey and number of action plans and initiatives	Our FY23 employee opinion survey took place, including all eligible employees. We maintained our engagement and enablement scores in comparison to previous years, and both scores are higher than the general industry and technology company benchmarks. Based on the results of the survey, action plans have been defined that will be implemented in FY24

## Social protection

All of our employees in France, Germany, Italy, the Netherlands, Spain and the UK are covered by social protection against loss of income due to any of the following major life events: sickness, employment injury, acquired disability, maternity leave and retirement. This is through legally required social protection or benefits that we offer. Our employees in the UK receive paid sick leave after successful completion of a three-month probationary period. Prior to this, they may receive statutory sick pay or use holiday entitlement.

## Health and safety

**0**  
Number of fatalities due to work-related injuries and work-related ill health

**2**  
Number of occupational accidents

**57**  
Number of days lost to work-related injuries/accidents

## Epson factories achieve RBA Platinum status

Working conditions are a global priority for Epson. Our Indonesian factories employ over 13,000 people, producing a range of our business and consumer inkjet printers. The factories achieved RBA Platinum status in 2020, 2022 and again in 2023, for industry-leading levels of socially responsible manufacturing.

The platinum standard is the highest level and provides customer and stakeholder reassurance that an Epson product has been made to meticulous standards, from manufacturing and distribution to use of resources and the wellbeing of our people.







# Contributing to communities



**Our vision is to leverage our technology and innovation to create social value and contribute to solving societal issues. Where, through business activities alone, we are unable to address societal issues, we are committed to engaging directly in our local communities, through humanitarian donations and activities that create environmental and economic value.**

## New Horizons

Our New Horizons programme was introduced in 2019 as part of our strategy to engage young people across Europe, from primary school to university, with sustainability awareness and education.

SDG	Objective	KPI	Result
 	New Horizons: Engage at least 5,000 young people per year in Europe on sustainability topics (EU6)	Number of young people that participated in New Horizon activities split by level of education	During FY23, 4,197 students participated in our New Horizons programme. We engaged 1,427 primary school students, 2,367 secondary school students, and 403 university students

## Examples of New Horizons projects

### School collaboration

Epson Portugal collaborated with the environmental NGO Quercus to engage students in an educational initiative focused on climate change.

The programme aimed to deepen their understanding of climate change, its causes and effects, and to emphasise the significance of individual and collective actions in addressing this global issue. Sixty students, aged 6–12, from local schools participated in themed sessions that covered topics such as water resources, renewable energy, biodiversity, sustainable consumption, the circular economy and pollinators.



### Nature-based education

Epson Germany partnered with the NGO Querwaldein e.V. to provide nature camps during school holidays for urban children. As part of the “NRW State Network for Education for Sustainable Development”, the camps emphasise the importance of nature, biodiversity, and environmental protection. Epson’s donations helped fund counsellors for the camps.

“We aim to help children experience nature and become more aware of biodiversity in their immediate living environment. Epson has made a valuable contribution to our activities that teach them about nature conservation and ecological relationships through engaging and playful activities.”

### Florian Schwinge

Member of the Executive Board, Querwaldein e.V.

# Contributing to communities continued



## Community projects

A key part of our strategy to advance our commitment to SDG 4 is our involvement in community projects aimed at enabling opportunity for all, and enriching education through technology.

### Academy for Women Entrepreneurs

Epson Spain has been supporting the “Academy for Women Entrepreneurs”, an initiative by Foment del Treball and the US Consulate in Barcelona. The programme coaches and assists women with innovative business ideas, from start-ups to developing new projects. It provides enterprising women with the knowledge, networks, and access to launch and scale successful businesses.

Epson contributes expertise in technology and sustainability to help women enhance their business ideas, awarding two outstanding projects with Epson technologies and training.



“AWE exemplifies the success of public-private collaboration, particularly in learning and training, and significantly promotes women’s leadership.”

**Josep Sánchez Llibre**  
President, Foment del Treball

### Providing access to knowledge

Bibliothèques Sans Frontières (Libraries Without Borders) is an international humanitarian NGO providing access to books and digital resources. Operating in over 50 countries, it supports under-resourced communities and expands library services and training in post-emergency situations.

Epson France employees volunteered at its Paris warehouse, sorting, referencing and arranging over 9,000 of the one million donated books. These efforts support projects for war survivors and education in rural areas, facilitating equal access to information and knowledge.

“Volunteer days provide significant assistance to the NGO, which possesses a large collection of books but lacks the resources to organise them effectively.”

**Tuyen Doan**  
Corporate Sustainability Manager, Epson France





# Taking action together



## Earth Hour's first international partner

In FY23, we were proud to become Earth Hour's first ever international corporate partner. Known for its "lights off" moment, Earth Hour is a worldwide environmental movement that aims to raise awareness of nature loss and the climate crisis.

Our partnership is part of Earth Hour's Biggest Hour for Earth movement and, together, our objective is to inspire millions of people to take energy-saving action for the benefit of the planet.

Our employees across Europe took part in a range of activities to raise awareness of Earth Hour; from energy-saving lunches to sustainability quizzes and pledges to reduce energy consumption and give an hour for Earth.



At our UK head office, 100 of our Epson Europe and UK employees took part in a sustainability event. We welcomed Jo Goddard, the founder and CEO of Green & Good Consulting for an interactive session focused on further developing how we integrate sustainability into our day-to-day roles.



## Connected Against Hunger

Action Against Hunger is a global humanitarian organisation leading the fight against global hunger. One of its annual activities is Connected Against Hunger, a virtual experience that combines fitness challenges with raising awareness on humanitarian issues.

In FY23, over 100 Epson employees in 10 countries took part in the challenge, which was focused on how the climate crisis is strongly impacting food security and the livelihoods of millions of people in the world.

Our employees completed fitness activities to earn points for their team, and were able to step into the shoes of humanitarian specialists to learn about issues related to climate change. Together, the teams ran 5,250km, walked 17,841km and cycled 13,138km.

Action Against Hunger raised a total of €555,780 through the 2023 challenge, with a total of 7,653 participants across 52 companies in 29 countries.



# Strengthen our governance

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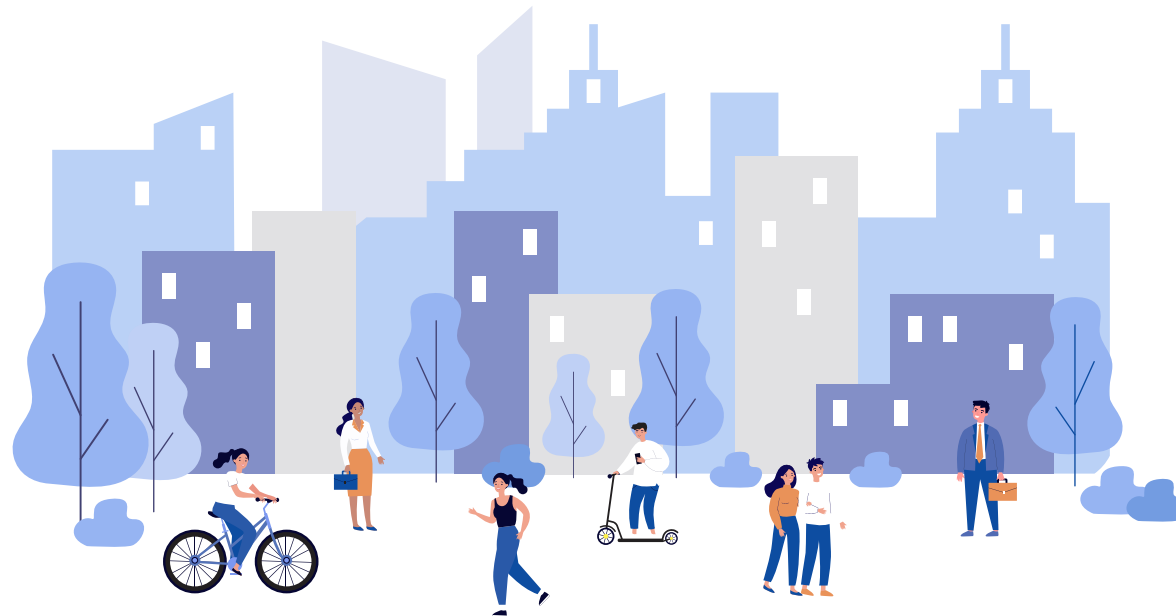


# Epson's European commitment to sustainable governance

**Governance is more than just a framework. As a responsible business, all our actions are underpinned by our global governance strategy.**

Fulfilling our social responsibility drives our corporate governance. This means increasing stakeholder engagement, delivering responsible supply chains, respecting human rights, promoting diversity, equity and inclusion, 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, we have established a Sustainability Strategy Committee that reports directly to the president. The new office is headed by an executive officer, responsible for more sustainable growth based on societal needs. The Sustainability Strategy Committee, which is made up of executive officers and other executive management members, serves as an advisory body to the president, responsible for investigating and deciding the strategies and direction of sustainability activities across the Group.



## Key highlights

### Zero

Number of significant fines (higher than 300K EUR)

### Zero

Number of cases involving bribery/corruption-related penalties or dismissal

### Zero

Number of information security breaches

### 64%

Percentage of the total workforce who received training on business ethics issues

### 96%

Percentage of the total workforce who received training on information security

### 95%

Percentage of employees trained in anti-corruption and bribery prevention

# Epson's European commitment to sustainable governance continued

## Aligning our business to the SDGs

We were committed to the SDGs as early as 2017, but in FY22 we took our commitment a step further, organising our sustainability management to completely align with the SDGs based on the SDG Management System Standard developed by Bureau Veritas.

We felt strongly that it wasn't enough just to say we are committed to the SDGs. We wanted to actively influence change with verifiable and measurable evidence of our commitment and to show, materially, how our activities impact on things, people and the planet.

We are committed to:

- Contributing to the achievement of a more sustainable future as envisioned by the SDGs by using our efficient, compact, and precision and digital technologies.
- Aligning our operations and activities to the goals and integrating them into our mid and long-term plans.

Our SDG Management System has been externally certified by Bureau Veritas, making us the first technology company to be recognised by a certified body as one that fully integrates the SDGs into its business activities. We are committed to ongoing Bureau Veritas accreditation, which means annual audits to hold us accountable for our commitment to SDG alignment and our goals to work towards enriching lives, improving society, and creating new, improved opportunities for more sustainable growth.

## Our SDG Management System

The management system aims are to improve our sustainability performance, control risks and opportunities related to sustainability, and promote stakeholder confidence in our sustainability positioning and messaging. We use this system to create and manage policies, procedures and processes, and to instil SDG best practice into our ways of working, allowing continuous improvement. Wherever possible, the SDG Management System was integrated into our ISO 9001 quality and ISO 14001 environmental management systems, drawing on existing procedures, documents and reports that were updated in line with the requirements of the SDG standard.

Our SDG standard follows the "plan-do-check-act cycle" as per the SDG standard, as well as ISO 14001 and ISO 9001 standards.

### Key elements of the SDG Management System:

- SDG policy
- Identification of most relevant SDGs
- Objectives and action plans
- Regulatory compliance
- Training
- Communication
- Documentation/records
- Emergency management
- Monitoring (internal and external audits, management review)
- Non-conformities and continuous improvement
- Reporting (verification sustainability report)

## Our SDG policy

Our SDG policy is a key management system element, connecting our purpose, mission and strategic direction to the SDGs for our employees. It sets out the actions that we, as individuals, are expected to take to align our everyday activities to the SDGs – for we believe that every employee is responsible for embedding our SDG policies into everything we do. It's available in our six main Epson Europe languages (English, French, German, Italian, Portuguese, Spanish) and is widely promoted and displayed in our offices and publicly on our website.





# Corporate ethics and due diligence



**Ethical behaviour and compliance are our foundations and are essential to 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 Corporate Behaviour Principles that underpin our management philosophy. These principles signal our commitment to ethical corporate behaviour, serving as a trust-based declaration for employees to comply with. Principle 5 specifically ensures that we institute effective corporate governance and internal controls, and 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 ethical conduct standards.

## Compliance

We define 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, a global event every October, features educational programmes and training for all employees on our Business Code of Ethics and Compliance.

## Ethics violation reporting

We take compliance violations extremely seriously and 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 provide a whistleblowing platform for employees to report any ethical or compliance concerns in several languages.

## 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 head office supervises our Group-level corporate functions. This structure enables us to streamline operations Group-wide 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 southeast 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 FY23, all employees completed a mandatory online course on information security, with additional GDPR training for employees who, within their role, handle personal data.

## Public policy and political engagement

We seek 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, ensuring we stay ahead of developing legal requirements. In doing so, we can ensure our compliance with all European standards and requirements.

## Our Principles of Corporate Behaviour

Our corporate legal and internal audit teams manage our compliance and ethics structure, ensuring 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 Creating a safe, healthy and fair work environment in which human rights are respected
-  5 Ensuring effective governance and compliance
-  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 us to be consistent in mitigating risk and accounting for any potential challenges.



# Respecting human rights

**We are serious about keeping our global operations free from discrimination and unfair practices.**

This is reflected in our participation in the UN Global Compact since 2004, and our Group policies regarding human rights and labour standards, which articulate our convictions in areas such as respect for human rights, prevention of harassment and discrimination, respect for local culture and customs, prohibition of child and forced labour and maintenance of positive labour-management relations. Among other channels, we have a helpline for the reporting of harassment, long working hours or any other human rights and discrimination concerns.





# 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. J-SOX compliance provides us with an internal control framework that ensures reliable and accurate financial information, and detects against fraud. All employees are provided with annual training to ensure widespread understanding of our processes.

As an extra protection layer, we audit internal controls, ensuring the reliability of our financial reporting. Under our implementation system, all 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 all partner and vendor contracts. Our online partner portal includes anti-bribery and competition law guidelines for business partners, and competition law regulations for employees are published in our EMEA procedures guide.

Our legal team participates in regular training to ensure they are up to date with this area of law. All employees undertake anti-bribery and competition law training biennially (annually for sales teams).

## Incidents of bribery and corruption during FY23

Epson Europe B.V. has not been involved in corruption or bribery lawsuits and incidents in the last three years.





# Message from our Sustainability Director



**Boris Manev**  
Sustainability Director,  
Epson Europe B.V.

## **With rising temperatures, frequent natural disasters and unprecedented ecosystem threats, immediate action has never been more pressing.**

We recognise our responsibility to not only acknowledge these challenges but to actively contribute to solutions. Our vision is clear: to address and mitigate the environmental impacts of our operations and to foster sustainable innovation.

## **Pioneering sustainable fashion practices**

The fashion industry has become a growing focus area for us in recent times. Notorious for its damaging environmental footprint, our innovation in this area is a testament to our belief that sustainability and business success are not mutually exclusive.

We recently partnered with the Hong Kong Research Institute of Textiles and Apparel (HKRITA) to advance sustainable fashion. Together, we are developing technology for textile recycling, including expanding our Dry Fiber Technology to recycle tightly woven fabric fibres that cannot currently be separated for recycling.

By integrating Dry Fiber Technology into the textile supply chain, we are setting a new standard for environmental manufacturing. This technology not only supports a circular economy but also offers a viable solution to the growing problem of textile waste, aligning with global sustainability goals.

Another of our partnerships is with Japanese couture designer Yuima Nakazato and Spiber Inc, a biotech company behind Brewed Protein™. Using microbial fermentation technology, Yuima Nakazato's latest collection utilised our advanced pigment inkjet printing on Brewed Protein™, something not possible with traditional analogue printing. This breakthrough expands creative possibilities for designers to adopt sustainable fashion practices.

## **Investing in practical, scalable solutions**

Earlier this year, we announced our plans for a new biomass plant, which represents a significant step towards our 2050 goal for a carbon-negative future. Using organic waste to produce energy, the plant will not only reduce our reliance on fossil fuels but provide a sustainable method for waste management. The initiative is part of our broader strategy to transition to renewable energy sources.

We are also advancing carbon capture technology as we pursue a carbon-negative future. We aim to offset our residual CO<sub>2</sub> emissions by developing high-efficiency, compact, low-energy CO<sub>2</sub> capture systems and biological CO<sub>2</sub> capture using microalgae. Our investment in this area highlights our commitment to scalable climate solutions.

Our journey from vision to action is characterised by impactful initiatives that address society's core issues. Our efforts in partnership with HKRITA, the development of our biomass plant and advancements in carbon capture technology are key to our sustainability roadmap and reflect our commitment to a thriving planet for future generations.

A handwritten signature in black ink, appearing to be 'B. Manev', written in a cursive style.

**Boris Manev**



# Appendix






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# Sustainability objectives and progress report

The following tables provide an overview of our key sustainability objectives for FY23




## Objectives 2023/24

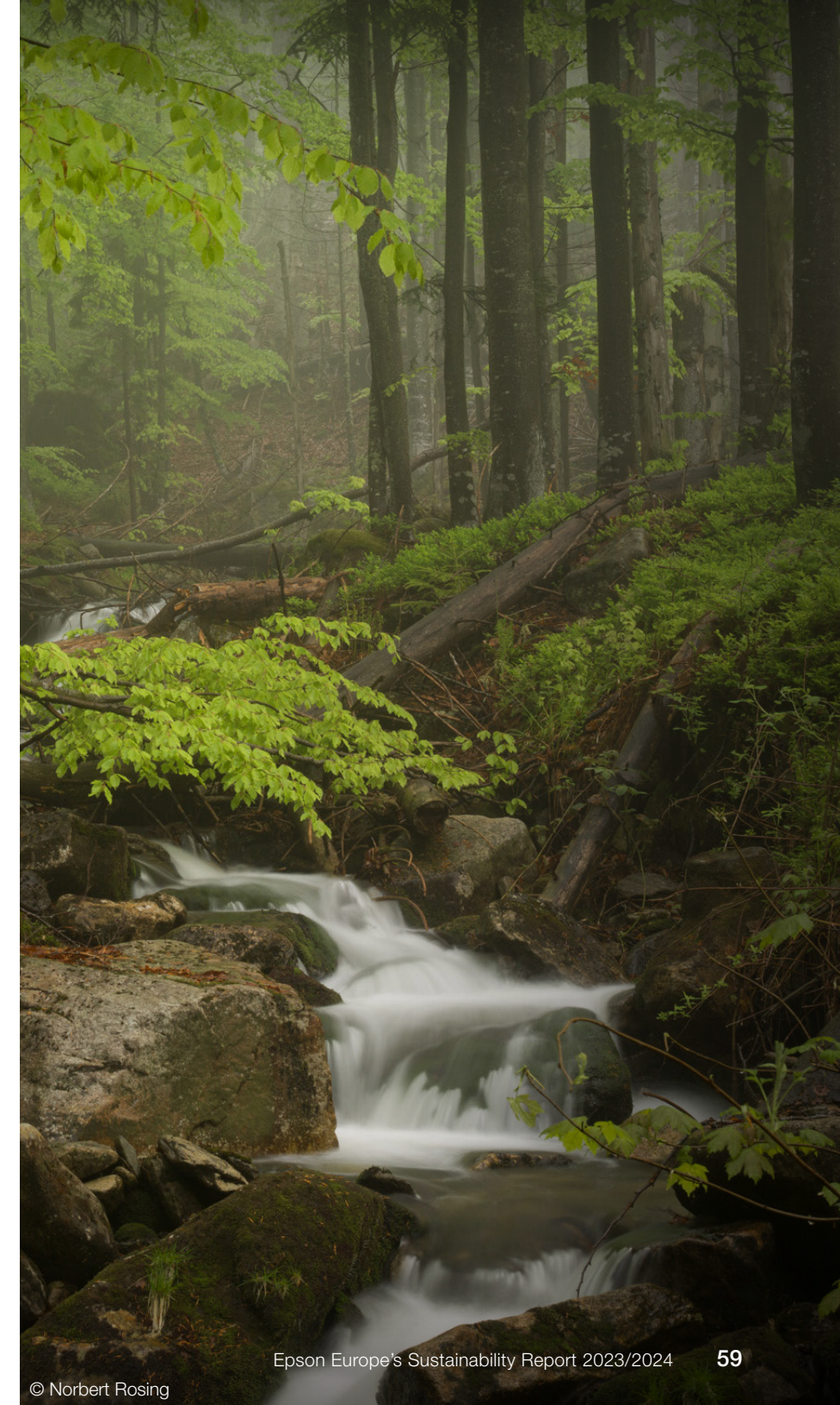
SDG	Objective	KPI	Status
	Engage with at least 5,000 young people per year in Europe on sustainability topics (EU6)	Number of young people that participated in New Horizon activities split by level of education	Almost achieved
	Raise awareness for sustainability among our business partners and resellers (EU6)	Number of business partners and resellers reached	Achieved
	Raise awareness for sustainability among Epson employees by organising internal training sessions (EU6)	Number of training sessions	Achieved
	Roll out of Diversity, Equity, and Inclusion (DE&I) training to managers to support Epson's DE&I strategy	Completion rate of training	Achieved
	Promote gender diversity, developing talent and encouraging women to realise their potential through increasing the number of mentees participating in the Mission Gender Equity scheme	Number of countries and participants in Mission Gender Equity mentoring programme	Achieved

SDG	Objective	KPI	Status
	Provide an opportunity for employee feedback through delivery of an annual employee survey and creation of subsequent action plans and initiatives	Response rate employee survey and number of action plans and initiatives	Achieved
	Increase percentage of POS marketing materials made from plastic-free materials to 90% by the end of FY23	Percentage of POS materials made from more sustainable materials	Achieved
	Revise and improve Epson's cartridge recycling programme	Launch of improved programme including web portal	Ongoing
	Roll out EcoTank refurbishment programme to France, Italy and Spain	Launch of the programme in France, Italy and Spain	Ongoing
	Review our GHG emissions data management to improve our emissions reporting	GHG emissions in kg CO <sub>2</sub> e	Achieved



# Sustainability objectives and progress report continued










SDG	Objective	KPI	Status
	Add additional selected Scope 3 emissions to our GHG reporting	GHG emissions in kg CO <sub>2</sub> e	Ongoing
	Install solar panels to the UK distribution centre operated by NX	Installation of solar panels by the end of FY23	Ongoing
	Increase the m <sup>3</sup> shipped on all outbound pallets: <ul style="list-style-type: none"> <li>- Increasing the accepted shippable pallet height</li> <li>- Consolidation of customer orders, more volume per shipment</li> </ul>	m <sup>3</sup> shipped on outbound pallets	Achieved



# Sustainability objectives and progress report continued



In the table below you will find an overview of Epson Europe's key sustainability objectives for FY24.

## Objectives 2024/25

SDG	Objective	KPI	SDG	Objective	KPI
	Revise and relaunch our New Horizons programme and engage with at least 5,000 young people in Europe on sustainability topics (EU6)	Launch of revised programme and number of young people that participate split by level of education		Provide an opportunity for employee feedback through delivery of an annual employee survey and creation of action plans and initiatives	Employee survey response and number of action plans and initiatives
	Raise awareness for sustainability among our business partners and resellers (EU6)	Number of business partners and resellers reached		Revise and improve Epson's cartridge recycling programme	Launch of improved programme including web portal
	Raise awareness for sustainability among Epson employees by organising internal training sessions (EU6)	Number of training sessions		Add additional selected Scope 3 emissions to our GHG reporting	GHG emissions in kg CO <sub>2</sub> e
	Roll out DE&I training to all employees to support our DE&I strategy	Completion rate of training		Install solar panels to our distribution centres in Germany and the UK	Installation of solar panels by the end of FY24
	Promote gender diversity, developing talent and encouraging women to realise their potential through participation in the FY24 Mission Gender Equity programme, and the establishment of a programme to support high-potential female development	Number of countries and participants in Mission Gender Equity mentoring programme and establishment of high-potential female development programme			



# Sustainability objectives and progress report continued

SDG	Objective	KPI
	<p>Increase the m<sup>3</sup> shipped on all outbound pallets:</p> <ul style="list-style-type: none"> <li>- Increase of the accepted shippable pallet height</li> <li>- Consolidation of customer orders, more volume per shipment</li> </ul>	m <sup>3</sup> shipped on outbound pallets
	<p>Undertake a double materiality analysis in accordance with the Corporate Sustainability Reporting Directive</p>	Completion of double materiality analysis





# Methodology

## Methodology

This report was guided by the European directive relating to corporate sustainability reporting (EU Directive 2022/2464) and the Bureau Veritas sustainable development goals certification standard. The data in this report relates primarily to Epson European regional sales headquarters, whose 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 EMEA. 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 which issues to include in the report, in addition to those identified by the relevant regulations. We set targets and report on them accordingly, therefore, we report on issues and topics beyond the Epson Environmental Vision that are of stakeholder interest.

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 19** 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 one and two, we reviewed themes adopted by our peers and clients, alongside best practice.

The identified 81 sustainability themes are grouped in four key categories, defined by our global headquarters and are the most important for us and society. The matrix on **page 19** 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 our Global Sustainability Report.





# Methodology continued

## Evaluation relevance of SDGs

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

- our impact on the SDG, and
- our influence on the SDG.

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

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

To determine each criterion's individual scores, several information sources are considered, including materiality analysis, regulatory databases and feedback from stakeholders. The graph on **page 18** shows the 2023/2024 assessment of the SDGs' relevance to us.

## Emission factors

The following emission factors were applied for the calculation of CO<sub>2</sub> emissions:

- CO<sub>2</sub> emissions from air travel: Defra v9.0 (09/2020)
- Emission factors (IPCC 2006 Guidelines for National Greenhouse Gas Inventories)
- CO<sub>2</sub> emissions from warehouse electricity: GHG protocol/IEA v14 (11/2020) – IEA 2020 (indirect location-based emissions)
- CO<sub>2</sub> emissions from warehouse gas: GHG protocol/IEA v14 (11/2020)
- IEA 2020
- CO<sub>2</sub> emissions from office electricity: GHG protocol/IEA v14 (11/2020)
- IEA 2020 (indirect location-based emissions)
- CO<sub>2</sub> 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 CO<sub>2</sub>e)
- Energy indirect (Scope 2 – location-based) GHG emissions (305–2) (kg CO<sub>2</sub>e)
- Energy indirect (Scope 2 – market-based) GHG emissions (305–2) (kg CO<sub>2</sub>e)
- Other indirect (Scope 3) GHG emissions (305–3)
- GRI 400: Social
- GRI 405: Diversity and Equal Opportunity



# Footnotes

- <sup>1</sup> Based on preliminary estimate using EcotransIT
- <sup>2</sup> Based on Worldwide Harmonised Light Vehicle Test Procedure (WLTP)
- <sup>3</sup> Excludes some sales sites and leased properties where the amount of electricity consumed cannot be determined.
- <sup>4</sup> FY2023 Global Revenue – €8.5 billion (JPY 1,313,998 millions X 155.03572 average rate JPY to EUR)
- <sup>5</sup> SEC Global Employees as of 31 March 2024 – 74,464
- <sup>6</sup> Figures based on financial year 2023
- <sup>7</sup> 2001 - 2023, 500-lumen and above, excluding screenless TVs, Futuresource Consulting – Quarterly Projector Market Insights – Worldwide Analyzer CY24Q1
- <sup>8</sup> IDC, Quarterly Hardcopy Peripherals Tracker, 2023 shipments, published Q1 2024
- <sup>9</sup> IDC, Quarterly Hardcopy Peripherals Tracker, 2023 shipments, published Q1 2024
- <sup>10</sup> Market share based on unit sales of industrial SCARA robots, 2011-2023. (Source: Fuji Keizai “2012 - 2024 Reality and Future Outlook of Worldwide Robot Market”)
- <sup>11</sup> IDC, POS Printer Market Appraisal Western Europe CY 2022 shipments, published May 23
- <sup>12</sup> The world’s smallest 20,000lm projector as of March 2023. Main unit including standard lens (ELPLM15). 20,000lm in accordance with ISO 21118.
- <sup>13</sup> Sustainability in Labelling, May 2021; Smithers Report
- <sup>14</sup> Calculated using UK standard conversion of 0.233kg of CO<sub>2</sub>e per kWh of electricity
- <sup>15</sup> See page 23 for details of Scopes 1, 2 and 3.
- <sup>16</sup> Category 1: Purchased goods and services  
Category 11: Use of sold products
- <sup>17</sup> Based on preliminary estimate using EcotransIT
- <sup>18</sup> The Pararesin Japan Consortium comprises: Euglena Co., Ltd. (representative managing company); Epson (leading research on the saccharification process for materials such as wastepaper); NEC (leading the standardisation and beneficial use of pararesin); and University of Tokyo, Professor Iwata (Special Adviser – advising on the consortium’s activities and co-ordinate advisers)
- <sup>19</sup> Non-renewable resources such as oil and metals  
<https://corporate.epson/en/news/2022/220720-2.html>
- <sup>20</sup> Fuluhashi Environmental Institute, 2021 “Report on Direct Water Input in Digital Textile Printing”
- <sup>21</sup> [www.epson.com/heat-free](http://www.epson.com/heat-free)





## Norbert Rosing Photography

We are proud to feature a selection of stunning European forest images from the world-renowned nature and wildlife photographer, Norbert Rosing, in this report.

Norbert grew up in Wettringen in the Münsterland area in Northwest Germany and has lived with his wife Elli in Grafrath near Munich since the mid-1970s.

His passion for nature photography has taken him all over the planet, and his ability to capture the essence of each unique vista allows the viewer to peek through his window on the world.

Norbert's imagery has featured in many international publications, including National Geographic worldwide, GEO, Terre Sauvage, and BBC Wildlife. He's also had over 20 illustrated books published, with the most

recent set of four: Wildnis, Verborgen, Wild West and ZEN: Magie des Augenblicks, all published by Tecklenborg Verlag. His images have even been used on a Wild Germany series of Post Office stamps.

In 2015, Norbert went back to his roots by photographing in black and white, using the Leica M Monochrom.

[www.rosing.de](http://www.rosing.de)





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[epson.com/sustainability-feedback](https://epson.com/sustainability-feedback).

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