



The Green Choice

Epson Europe's Sustainability
Report 2018

Epson Management Philosophy

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

Epson is proud to have featured a selection of stunning images by photographer Fabiano Ventura to illustrate our 2018 Green Choice Report.

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Stimulating sustainability with customer priorities in mind

A lot of progress has been made globally and here in Europe in the last year to support a brighter future. One that each of us at Epson is playing a role in progressing within our industry and alongside our customers. I'm encouraged by the steps that we've taken but even more excited about shaping that brighter future further.

"Epson is driving changes to sustain our shared future. It is both my duty and my pleasure to be at the forefront of this transition in Europe and to lead by example."

A big part of that will require listening to each other. This is a mindset I live by in my role as President of Epson Europe. Listening to our customers' priorities and ensuring that our products and services not only meet their needs, but exceed them, is important.

It is because of this that we pride ourselves on developing long-term, trusting relationships that ensure we continue to create value for our partners, customers and society. Our customers want the products they use to reflect their sustainability priorities.

We are immensely proud to be a partner in these efforts and in providing green technology to many different sectors, so our customers are one step closer to their sustainability goals.

Our Japanese roots keep us focused. They are a reminder of the importance of respecting the environment around us and this has always been part of Epson's DNA. That is why I am especially pleased to present the 'Green Choice 2018', the second edition of our European Sustainability Report, which follows Epson along the path to greater sustainability, outlining our goals and ambitions for the future, and tracking our progress to date.

As a company, Epson strives to enrich lives and contribute to a happier world guided by our Management Philosophy. This philosophy, our heritage and our commitment to putting the customer first remains at the heart of everything we do so we can continue to provide unique value through innovative and creative solutions.

I do hope that you enjoy reading more about our progress and activities around Europe, from our local employee commitments, to our pan-European projects, as we work together towards a more sustainable future.

"We are immensely proud to be a partner in our customers' efforts and to provide green solutions such as our energy and CO₂ saving technologies, so they are one step closer to their sustainability goals."



Kazuyoshi Yamamoto
President, Epson Europe



Epson's global commitment to the SDGs

Epson is using its original efficient, compact and precision technologies and initiatives as vehicles to drive innovations that will enrich the world and make it a better place. Our goals are the same as those of the Sustainable Development Goals (SDGs) adopted by the United Nations.

Epson is creating new value by looking hard at solutions to social issues, understanding the expectations that society has of us, and then providing products and services that exceed those expectations. We are committed to the development of sustainable societies through efficient, compact and precision technologies in printing, visual communications, wearables, robotics and micro devices.

Epson examined the relationship between its initiatives and the 169 targets of the 17 SDGs to identify the SDGs that intersect with current business initiatives, and where Epson can have the most impact. Epson confirmed that its initiatives support the achievement of the 14 SDGs below.

Corporate and social responsibility

At Epson, Corporate Social Responsibility (CSR) is all about creating value: for our employees, for our customers, for society and for our environment through our products, services and structures. From removing single-use plastics in our European offices to increasing the amount of recycled materials included in our packaging, we are committed to supporting and encouraging change across all areas of our supply chain.

As a company, we have always prided ourselves on exceeding the visions of those we work with. Today, we're even more focused on bringing the most value to our customers and the planet wherever possible. Our commitment to creating and promoting more environmentally-friendly products and our vision to be an indispensable company goes further than just providing our customers with cost savings – it is about passing on and encouraging real change.

Since last year, we have made strides towards a more sustainable future. The second edition of Epson's 'Green Choice' report, our dedicated European Sustainability Report, speaks of the holistic approach we are taking, the progress we are making and the steps we still need to take as an organisation.



From vision to action – Epson and the environment

Epson Europe’s sustainability journey went from strength to strength in 2018 and as CSR Director for Europe, I am proud of the changes we have implemented. Ranging from the smallest details such as coffee stirrers, to energy savings in our largest warehouses. Building upon the groundswell of employee and corporate support seen in the past year, our company has truly integrated the mindset that to deliver on the UN SDGs, every part of the organisation has a role to play.

In 2008 Epson established its Environmental Vision 2050. Work began on achieving that vision but as the landscape has changed, we haven’t been afraid to redefine our trajectory. The UN Global Compact, and more recently the SDGs, have always been the driving force behind our goals, and with the engagement of our leadership team, we have critically analysed our areas of impact as a business to best direct our efforts, policies and environmental vision.

It is clear to me that sustainability can and will lead to business success, and as a leader it is my responsibility to share that message. As awareness of the need to work together to protect our environment grows, the CSR team in Epson Europe is setting forth its own ambitions. These concrete goals will drive our actions and have set us on a strong path towards a sustainable future.

“We cannot preach water while we continue to drink wine. If we call for change we must lead by example.”

Our Japanese roots remain a leading influence in our approach. As a resource restricted nation Japan has always worked within a circular economy mindset, striving for sustainable manufacturing: reducing waste, lowering consumption and ensuring safe working environments. Epson’s President, Minoru Usui, has long recognised that the main focus of a company shouldn’t be on sales and profit.

If you are a trustworthy company, sales and profit will come. It is this holistic and collaborative approach to environmental protection and CSR that I hope you will see reflected throughout this report. We will only deliver on the SDGs and the Paris Agreement if we can address both our environmental footprint, and engage with the social aspects of manufacturing, business and resource management. Collecting more non-financial data than ever before, we are holding ourselves to the same high standards as in our financial reporting to track our efforts. We have made great strides this year and are committed to continued action.

We all have a responsibility to instigate, encourage, and lead change by example. Together, I believe we can exceed expectations.



Henning Ohlsson
CSR Director, Epson Europe

Environmental sustainability – a global commitment

As a global organisation, Epson is committed to improving its environmental engagement in all geographies across the world. In the past year, we have made strides to increase our positive actions and set meaningful targets in all countries and regions in which we operate.

In 2018, the Science Based Targets initiative (SBTi) approved Epson’s global greenhouse gas (GHG) reduction targets. The initiative, which is a joint project between the CDP (formerly the Carbon Disclosure Project), United Nations Global Compact (UNGC), World Resources Institute (WRI), and World Wide Fund for Nature (WWF), is working to recognise companies whose GHG reduction targets are in line with keeping a global temperature rise this century to well below two degrees Celsius, a central aim of the Paris Agreement. Epson’s newly approved targets (the baseline year being the financial year that ended 31 March 2018) are to:

- Reduce scope 1 and 2 GHG emissions by 19% by the 2025 fiscal year
- Reduce scope 3 (categories 1 and 11)* GHG emissions as a percentage of value added by 44% by the 2025 fiscal year

¹ The GHG Protocol (internationally recognised standards for accounting and reporting greenhouse gas emissions) defines three scopes for accounting for greenhouse gas emissions:

Scope 1: Direct emissions from sources that are owned or controlled by the organisation

Globally in the financial year 2018, we already demonstrated progress in some of our most important areas of development, based on our previous benchmark year of 2017¹.

- Scope 1 and 2 emissions reduced by 15%
- Scope 3 emissions increased by 6.5% as a percent of business profit (categories 1, 11)
- PRTR (Pollutant Release and Transfer Register) emissions reduced by 43%
- VOC (Volatile Organic Compounds) emissions reduced by 8.8%
- Water usage increased by 0.3%
- Waste emissions reduced by 1.4%



Scope 2: Indirect emissions from the consumption of purchased sources of energy

Scope 3: Emissions from an organisation’s value chain
* – Category 1: Purchased goods and services
* – Category 11: Use of sold products

Environmental sustainability – European action

Epson Europe took practical steps in 2018, both to contribute to Epson's global Science Based Targets initiative as well as to further reduce its local environmental impact where possible.

Epson Europe outlined a set of local environmental goals:

100% renewable energy use in all Epson-owned buildings by 1 April 2020	No single-use plastics in Epson buildings by 1 April 2019	Adding e-cars and hybrid cars to the car policy by 1 April 2019	19% reduction of business flights by 1 April 2025 (compared to benchmark financial year 2017)
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As Epson's European footprint is mainly corporate, employee participation has been a key element of such changes. Epson Europe takes its commitment to reduce greenhouse gas (GHG) emissions very seriously, and has taken steps to reduce both Scope 1 and Scope 2 emissions, in line with the Science Based Targets (SBTs) set.



100% renewable electricity – Germany, Italy, Spain (since September 2018), the Netherlands. 100% LED lighting – Germany, France, the Netherlands, Italy, Spain, U.K. (aim by end of FY19). Light sensors – Spain, U.K., the Netherlands, Germany (in hallways and bathrooms), Italy (in bathrooms). Producing energy – Germany, Italy. Electric vehicle charging – Spain, Germany, the Netherlands, Italy, U.K.

The path away from single-use plastics

By April 2019, Epson Europe's goal was to remove all single-use plastics in its offices. Without question, many have succeeded. All offices have made considered efforts to find the best solutions possible for their situation and are on their way to a single-use plastic-free future.

One example includes Epson's European head office in Amsterdam that is using paper cups, wooden stirrers and recycled plastic garbage can liners. Unfortunately, it has not fully diminished single-use plastics in its vending machines, which are managed by an external service provider. However, the team is working to replace the water bottles in the machine.

Another example of how single-use plastic is being phased out is in the French office, where water fountains will be located on every floor for easy access, and by 2020, the coffee machines will be cup-free and require mugs.

The restaurant in the Epson UK office has started using composting as an alternative to using plastic packing and catering options.

VegWare offers compostable packing and catering options, and as of 15 June Epson UK has been working alongside a local recycling and waste management centre to implement the new composting solutions.



Epson's European footprint – facts and figures

Our European facilities play an important role in reducing our environmental impact, as we strive to minimise our consumption and emissions.

In our offices, employee engagement in energy, water and waste reduction makes an equally important contribution to our overall figures.

Water in our offices

Did you know?
Globally, Epson works with Aqueduct, a project of the World Resources Institute (WRI), as a global standard to assess water related risk faced by our production sites. None of our sites are in a region where the overall water risk is extremely high based on the physical availability of water resources, water quality risk, and regulatory and reputational risk.

Water 12% reduction
7,076m³ of water was used in 2018 across our European offices, 12% less than in 2017

Energy in our offices

More than 55% of all electricity used in 2018 was either self-generated or purchased renewable energy

Overview of self-generated renewable electricity FY18 (SDG 7 & SDG 13)

- Supply to others – electricity sold [kWh]
- Self-used renewable electricity [kWh]

Our offices are now supplied by majority renewable energy

Renewable electricity vs. Grid mix FY15-FY18 (SDG 7 & SDG 13)

2020 goal: 100% renewable electricity use in all Epson-owned buildings by 1 April

In 2018, Epson purchased 20.1% more renewable energy than in 2017. We also decreased grid electricity by 15.6%.

- Electricity purchased (general) [kWh], Epson office reporting
- Electricity purchased (renewable) [kWh], Epson office reporting

Year	General [kWh]	Renewable [kWh]
2015/2016	1,482	1,213
2016/2017	1,569 (+5.87%)	1,165 [-4.00%]
2017/2018	1,533 [-2.28%]	1,300 [+11.6%]
2018/2019	1,294 [-15.6%]	1,562 [+20.1%]

2% Less gas consumed
190,271m³ of gas consumed, a reduction of 2%

0.8% Increase in overall electricity consumption
compared to 2017

23.3% Decrease in electricity emissions per employee

i Our overall consumption figures for electricity rose in 2018, but we also expanded our employee base in Europe. The electricity used per employee decreased significantly.

GHG Emissions in Epson offices²

Scope 1 emissions

=

2%
Reduction in scope 1 GHG emissions overall

6.44%
Reduction in direct CO₂ emissions per employee

Scope 2 emissions

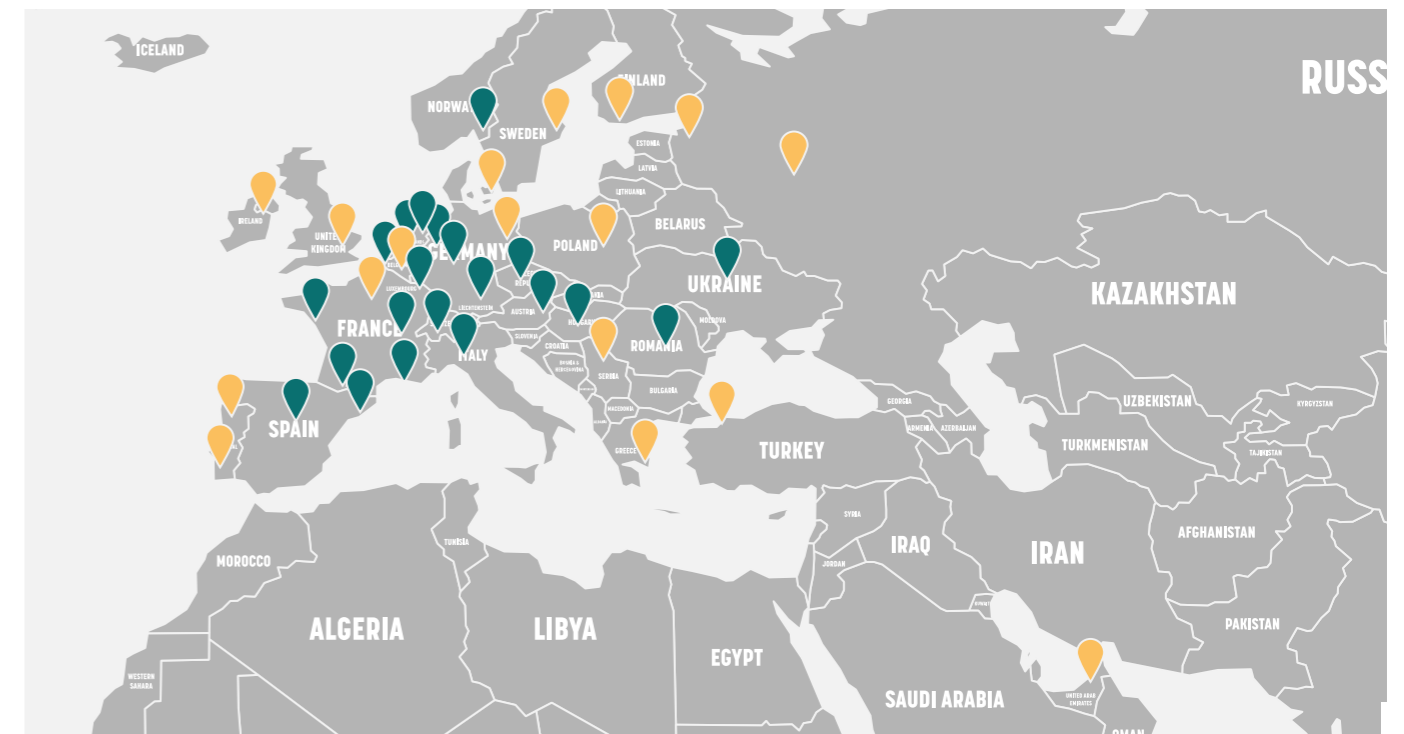
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19.7%
Reduction in scope 2 GHG emissions overall

23.3%
Reduction in indirect CO₂ emissions per employee

Scope 1: Direct emissions from sources that are owned or controlled by the organisation
Scope 2: Indirect emissions from the consumption of purchased sources of energy

Renewable energy footprint



● Already using renewable energy ● Working with property owners to migrate to renewable

² Epson Europe contributes to the reduction of the globally approved SBTs (Science Based Targets) target emissions (Scope 1 – Fuel combustion; Scope 2 – Purchased electricity and Scope 3 – Category 4 Upstream transport and distribution). However, as a European sales organisation we are also trying to reduce all Scope 1, 2 and 3 emissions. Therefore, in the context of this report, the utilisation of the terms Scope 1, 2 and 3 emissions is not necessarily linked to the global Seiko Epson approved targets.

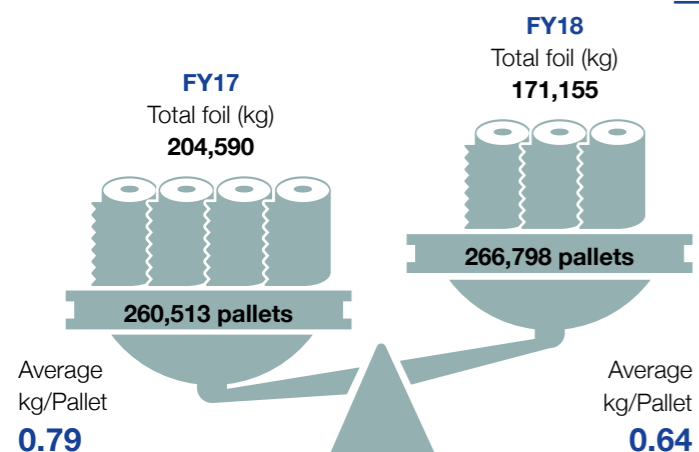
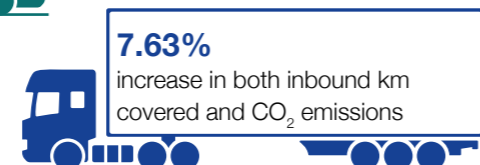
Our supply chain in Europe: warehouses and transportation

In our warehouses

Despite increasing the footprint of our warehouses by 37%, thanks to our new energy efficient premises, our GHG emissions (scope 1 & 2 combined) have fallen by 17.8% compared to last year



Epson Europe chooses carriers with clear environmental programmes and CO₂ emissions target reductions.



The introduction of a new stretch hooder wrapping machine for pallets in our warehouse, allowed us to reduce the plastic foil which is wrapped around pallets by **-18%** from FY17 to FY18, in turn reducing the weight of each pallet by **150g**.

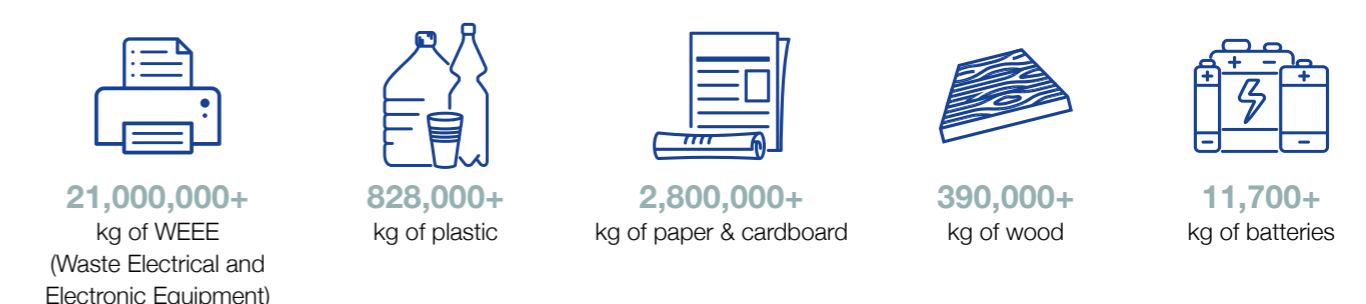


The new stretch hooder was introduced to our European warehouses by Mario Holden, Head of Supply Chain EMEAR and Guus van Beek, Senior Manager Supply Chain EMEAR.



Recycling

To conserve valuable environmental resources and reduce waste, Epson aims to collect and recycle as many products and supplies as possible. In 2018, we recycled³



In 2018, Epson recycled 146,645kg of cartridges

Social responsible manufacturing

Epson joined the Responsible Business Alliance (RBA)⁴ in April 2019 and is fully committed to collaborating with the RBA to improve working and environmental conditions through leading standards and practices.

The Epson Supplier Code of Conduct, which is stipulated in detail within the Epson Group Procurement Guidelines, prescribes requirements in the areas of labour, health and safety, environmental conservation, management and ethics, as well as seven additional requirements that Epson defines as important measures, including export control and ensuring security in the supply chain.

In 2018, we briefed key suppliers about the Epson Supplier Code of Conduct (based on RBA) and asked them to observe it, implementing a supplier self-assessment questionnaire and conflict minerals surveys. On-site verification of key suppliers took place, with corrective action implemented as needed.⁵

Environmental risk management

We have Group-wide standards for pollution control, ensuring that all members are aware of and understand the ideas and laws of environmental risk management. We use ISO 14001, which specifies the requirements for an environmental management system, to identify and assess the risk of failing to meet standards, experiencing environmental complaints, or related incidents in an effort to mitigate such risks.

Corporate certifications

Epson has been awarded the Gold rating for sustainability by independent platform EcoVadis for the second year in a row. The rating, which reflects Epson's commitment to achieving the highest possible international CSR standards, also acknowledges Epson as being "outstanding" in both the Environment and Sustainable Procurement categories, placing Epson in the top 5% of companies for sustainability.



³ Sum of amount actually collected and expected to be collected
⁴ https://global.epson.com/newsroom/2019/news_20190425.html
⁵ https://global.epson.com/SR/report/2018/pdf/epson_sr2018_all_e.pdf



Epson as a technology leader: a global company with a European commitment

Epson was the world's first company to announce a complete phase out of CFCs and we have been publicly tracking our environmental progress for 20 years. Today, sustainability is vital; for our business and the planet. We are trusted by our customers to provide leading business solutions that are both environmentally and socially conscious.

We are halfway through our 2025 business plan, and during this second phase, we are focusing on sustainable growth and value creation. Sustainability has now become a vital force and accelerator of our innovation.

Our engineers focus on compact, efficient products, reducing waste at every step of the process. Our factories are all Epson-owned, with the highest labour and welfare standards.

This is not a new approach, but a long-term commitment that we reinforce year on year.

One example is moving our focus away from the traditional role of hardware sales, to an integrated model of providing services and solutions to our customers. In addition, I am proud to say that Epson is also consciously transitioning away from a business model that is reliant on consumables. We will be accelerating the promotion of high-capacity ink models as an economic, efficient and environmentally friendly alternative to laser printers.

I am confident that Epson Europe will continue to prove its commitment to the environment, people and society in the coming years, while still maintaining our focus on delivering top-quality, innovative and sustainable products to our customers.

“With materials, design, transportation and performance all taken into consideration, our products provide environmental benefits in homes and offices globally.”



Rob Clark
Senior Vice President, Epson Europe

Technology vision: bringing the full product lifecycle into workplace innovation

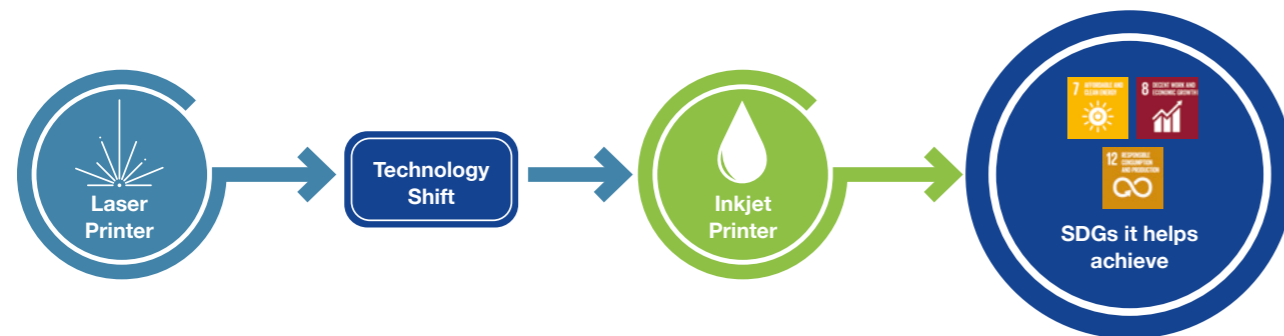
We consider the full product lifecycle in our design and development. To make a greater contribution, we seek to drive work process innovations by minimising the environmental impacts incurred by our customers when using Epson products and by raising operational efficiency and productivity. Achieving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

Epson's inkjet printers are simple, non-contact systems that deposit ink droplets on media without heating the ink, so they are durable, require only infrequent parts replacement, and produce little waste. The fact that they do not use heat also means that they consume little energy. These characteristics translate into a lower environmental impact and a lower total cost of ownership (TCO).

Epson worked with TÜV Rheinland to independently validate and calculate actual saving in energy costs and carbon emissions from businesses choosing inkjet technology versus laser technology.



Based on products sold in 2018, the savings generated over a four year cycle could total up to €15.4 million in cost and 37,573 tonnes of CO₂⁶.



⁶ Calculated on Epson business inkjets sold in CY18 for customers in our Western Europe markets (UK, Ireland, Germany, Austria, Switzerland, France, Italy, Spain, Portugal, Netherlands, Belgium, Denmark, Sweden, Finland and Norway), over an average usage for the products for four years. Calculation methodology is verified by TÜV Rheinland.

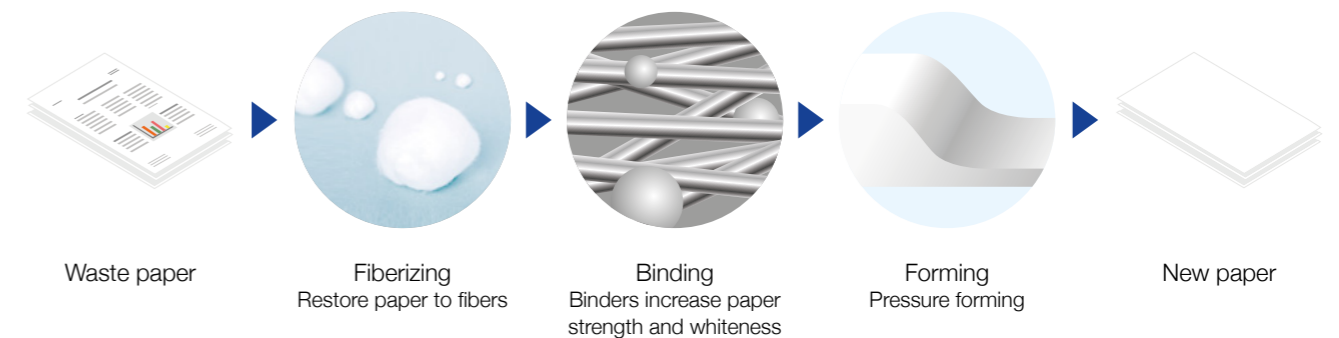
Bringing ground-breaking technology to market

Epson has developed the first ever in-office paper recycling machine. PaperLab is powered by Dry Fiber Technology, a combination of three processes that turn used paper into new paper: defibration, binding and forming. The processes remove inks and toners, reducing the printed sheets to their naked paper fibres and saving the trouble of shredding documents. Capable of producing 6,720 sheets of recycled paper in an 8-hour work day, the machine also allows you to adjust the thickness and size of the paper you want to produce.

PaperLab can recycle waste paper in the office using a dry process⁷, therefore creating an office 'eco-system' that reduces CO₂ emissions, increases savings on collection, disposal and logistics, ensures secure disposal of confidential documents and saves water, which is used in huge volumes in traditional recycling processes.



Innovative dry process – making it possible to produce new paper from old paper in a small, localised cycle.



⁷ A small amount of water is used to maintain a certain level of humidity inside the system which takes used documents and turns them into clean, white, blank sheets, in just 3 minutes.

Our products and solutions – sustainable by design

Epson defines an environmentally-conscious product as one for which environmental impacts are considered at every phase of the lifecycle, from design and manufacturing to transport, usage and recycling.

We set size and weight targets for products, since reducing these helps to significantly mitigate environmental impacts, not only because fewer materials are consumed but also because products can be transported and warehoused more efficiently. We also make every effort to design products to minimise waste at the customer's end.

However, we also have a duty to go further than what is asked of us. Our engineers hold the expertise to innovate with the environment in mind.

Reducing consumables

Epson is consciously transitioning away from a business model that is reliant on consumables, and will be accelerating the promotion of high-capacity ink models as an economic, efficient and more environmentally friendly alternative to laser printers.

Greater output, reduced waste

This is the amount of cartridges and packaging waste required to print 2,100 pages (1,500 mono, 600 colour) per month over 5 years with a laser printer*. Just 9 Epson ink packs produce the equivalent output as 44 toner cartridges used in a competitor's laser printer.

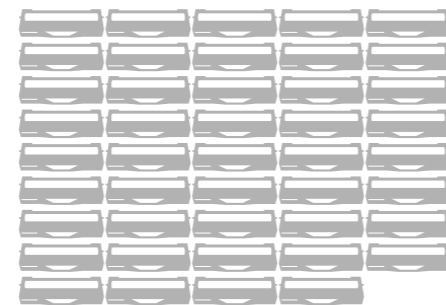


Business Inkjet



x9
ink pack

Laser



x44
toner
cartridges

* HP Colour LaserJet Pro M477dw based on manufacturer's published ink yield data.

Focusing on solutions

By refocusing our efforts on solutions, we will both drive sustainable growth and boost relationships with our partners, allowing us to better serve our customers. Developing this offering across our four core innovation areas (inkjet, wearables, visuals and robotics) is vital to our goal of becoming a solution partner rather than solely a technology vendor.

Minimising the impact of packaging

Beyond our own operations, we are continually evolving the sustainability of our packaging materials. We have several ongoing material improvement projects resulting in CO₂ emission savings and replacing of plastics, such as using recycled Fillpak paper as a filling material in parcel deliveries and hoober wrapping which has reduced film consumption by 24%. From 2014 to 2019, we also increased the recycled content of cardboard boxes from 33% to 71%.

In 2018, by applying recycled PET material for our retail packaging, we avoided 198 tonnes of virgin PET being placed on the market.



Inkjet innovation

Vision

Refine Micro Piezo technology, and expand into high-productivity segments, improve environmental performance and create a sustainable printing ecosystem.

Value creation



Smart technologies – Reduce costs, time, and trouble in printing, and create new possibilities for digital printing.



Environment – Mitigate environmental impacts and risks caused by the use of resources, electricity, and chemicals in traditional printing.



Performance – Contribute to higher customer productivity with high-speed, high-quality prints on a range of media of various sizes.

Printers

Epson's inkjet systems and printers are designed to reduce environmental impact, resource and energy consumption as well as increase production thanks to our proprietary Micro Piezo technology.

Epson printers have seen a 67% reduction in sleep energy usage over the past five years, now using less than 1W of energy⁸. Our 2017 lifecycle assessment studied our printers' environmental impact from production to disposal and found an 18% reduction in total CO₂ emissions from 2012 to 2017⁹. Our newer printer model is also approximately 10% smaller and 7% lighter than the previous model.

Epson high-capacity ink tank printers reduce resource consumption even further by reducing consumables and packaging. The CO₂ emissions from ink tank consumables are only about 1/5th of those of a conventional cartridge model¹⁰.

In textile printing, the inkjet process saves resources and is more environmentally conscious than analogue processes because there are no films, screens, or plates to produce, wash, or store. Since the digital textile printing process is also shorter, it uses less energy and water than a traditional analogue process and wastes far less ink.

⁸ Based on XP-8500, when compared with 2012 model XP-750.

⁹ A lifecycle Assessment was used to calculate the global warming impacts of the product at each phase of its assumed 3-year life cycle and express this as a CO₂ equivalent. The lifecycle includes material & product manufacturing, distribution, use by customer, and disposal/recycling of end-of-life products. Calculated assuming five A4-size colour documents per day, per month (with 20 working days a month). Comparisons in Japan specification between the EP-880A (known as the XP-8500) and its conventional 2012 model. The unit indicator by the Japan Ship Technology Research Association is used for calculating emissions during sea transport. Global warming impacts will vary according to the customer's printer usage conditions.

¹⁰ Compares CO₂ emissions from raw materials and parts manufacturing for consumables to print 300 pages (A4, color) per month/18,000 pages in 5 years with models EW-M770T and PX-M650F. CO₂ emissions calculated based on Epson's evaluation conditions and will vary depending on customer printer use. Results based on calculation method used in Japan. Evaluated: Cartridge model: ink cartridges, packaging. High-capacity ink tank model: ink bottles, packaging.

Visual innovation

Vision Refine original microdisplay and projection technologies and create outstanding visual experiences and a natural visual communications environment for every aspect of business and lifestyles.

Value creation

- Smart technologies** – Enrich communication through the ubiquitous rendering of images.
- Environment** – Use realistic augmented reality (AR) and virtual reality (VR) images to reduce environmental impact associated with the movement of people and things.
- Performance** – Use high-quality images to enrich lives and enhance customer productivity



Display solutions
We launched the EV-100 and EV-105, accent lighting projectors with a long-lasting laser-light source, helping reduce the energy footprint left. Our large-scale laser projectors integrate a long-lasting laser-light source, which lasts up to an estimated 20,000 hours.

Our interactive projectors such as the EB-1460Ui support easy remote collaboration and reduce the need for travel, helping to reduce your environmental footprint. Power consumption can be reduced by as much as 23% using ECO mode.



Moverio
Epson's Moverio smart glasses are compact and lightweight with unique silicon-based Si-OLED (organic light emitting diode) digital display technology. They deliver 3D content with a long battery life, and can visually detect items using a high-resolution, five-megapixel stereo camera. The glasses are being used across Europe in a range of commercial applications including healthcare, dentistry, remote maintenance, drone-piloting, as well as for many visitor and cultural attractions.



OXSIGHT is a leader in image interpretation technology and has developed a range of low vision glasses for people with sight loss. OXSIGHT partnered with Epson to develop their smart glasses to help people with peripheral vision loss, also known as 'tunnel vision'.

The smart glasses use augmented reality and image interpretation software technology to enhance users' remaining vision. They are controlled via a hand-held console and fitted with a camera which streams a live-feed into two high-resolution video displays. These screens are placed directly in front of the wearer's eyes and the images produced are manipulated to fit into the user's area of useable vision. The Moverio smart glasses are perfectly suited to this task; more suitable for the role than a VR headset, as they're smaller, lighter and more socially-acceptable to wear.



Robotics innovation

Vision Combine our core technologies with sensing and smart technologies in manufacturing, expand applications, and create a future in which robots support people in a wide variety of situations and lifestyles.

Value creation

- Smart technologies** – By providing solutions with robots that see, sense, think, and work, and by enabling anyone to easily use our robots, we will free people from performing work they don't want to do and work that employers don't want them to do, thus allowing them to shift into higher added value jobs that are more creative.
- Environment** – Mitigate environmental impacts with compact, slim, lightweight robots that are energy-efficient.
- Performance** – Using original robotics and sensing technologies, we will achieve robots that move accurately, at high speed, and with low vibration, thereby providing solutions that exceed customer expectations and increase their productivity

Robots
Epson's industrial robots have led the industry for over 30 years thanks to their innovation and reliability, and Epson has maintained the top share of the global market for SCARA robots for eight consecutive years¹¹.

Our T-series robots have a built-in controller and battery-free motors. The T3 is 30% more energy-efficient than conventional SCARA robots¹². Because they do not use batteries, you do not have to replace them every year-and-a-half as you would a traditional SCARA robot. Thanks to its built-in controller, there will be less waste produced from disposing of multiple parts, and it also runs on 100 V, so it can be used in facilities where a large power supply is not available.

¹¹ Market shares based on revenue and unit sales of industrial SCARA robots, 2011-2018. (Source: Fuji Keizai "2012 – 2019 Reality and Future Outlook of Worldwide Robot Market").
¹² Compared with an Epson LS3 SCARA robot.

Circularity in action – B·SEArctular



Our Spanish team has partnered with the global upcycle platform Seaqual and LCI Barcelona, a higher education fashion and design school. The initiative, called B·SEArctular, starts with Seaqual, who collect plastic from the Mediterranean Sea and work with partner Antex to make plastic filament that can be altered and used as a textile fabric.

As demonstrated in this project, creating a circular economy in Europe will rely on collaboration at all stages of the production and consumption cycle. We are proud that Epson's technology can be an enabler of positive societal change.

Joan Escoté, CSR Manager for Epson Spain, highlights that "B·SEArctular know that this is just the beginning; to mitigate climate change, while helping to improve life below water we must develop more strong alliances such as these. But the main driver of sustainability – and that has been the key for this partnership – is to empower long-term change through education, as we have done with this initiative. We are very proud of this action and hope to see it grow and become a real-world example of a new way to create and consolidate circular economy models."

Joan Escoté
CSR Manager, Epson Spain



Sustainable Development Goal (SDG) 13, Climate Action, is a goal Epson Europe is well placed to support. From our products to our processes, we are committed to reducing energy consumption and lowering GHG emissions for us and our customers.

The next step is Epson that provides LCI Barcelona with its SureColor digital textile printers, a high-tech printing option that provides considerable savings in water and energy consumption compared to traditional printing techniques. Students then use both the recycled textile fabric and Epson's SureColor digital printers to create new clothing designs in a sustainable way.



Protecting water is in Epson's DNA – working with The SeaCleaners



Epson's roots lie firmly in the 'Japanese Alps', which may appear to contrast with the idea that protecting water is deep within the company's DNA. In fact, Seiko Epson Corporation's predecessor, Daiwa Kogyo Ltd., was founded in 1942 near Lake Suwa, a lake in the Kiso Mountains of Nagano Prefecture.

The company soon realised that the lake was quite polluted from the industrial development in the area and set to work helping to clean it up. To this day the lake is clean, and Epson is committed to making sure it remains unpolluted in the future.

In Europe, Epson is continuing the tradition, and has partnered with skipper and environmental speaker Yvan Bourgnon and his project The SeaCleaners to go one step further.

The SeaCleaners have been fighting plastic pollution since September 2016 and are designing a 70-metre revolutionary factory ship called the "Manta" to remove plastic waste from the water. Fully powered by renewables, when it launches in 2023 it will collect, compact and store up to 250 tonnes of floating plastic macro-waste to bring back to land for recycling and recovery.

Epson France is working alongside The SeaCleaners, as they build up to launching the Manta. Lending their support in the promotion of the nascent project, Epson will campaign alongside The SeaCleaners and support them with products to aid their communications and awareness raising activities. Nine million tonnes of plastic are dumped in the ocean every year. Both Epson and The SeaCleaners share one core message – the best waste is that which is not created.

"This partnership came naturally to us. Both of our organisations are working hard to reduce waste in our environment – at different ends of the ecosystem. Ground-breaking projects such as The SeaCleaners are an inspiration to us all, and something we are proud to support."



Thierry Bagnaschino
Marketing Manager, Epson France



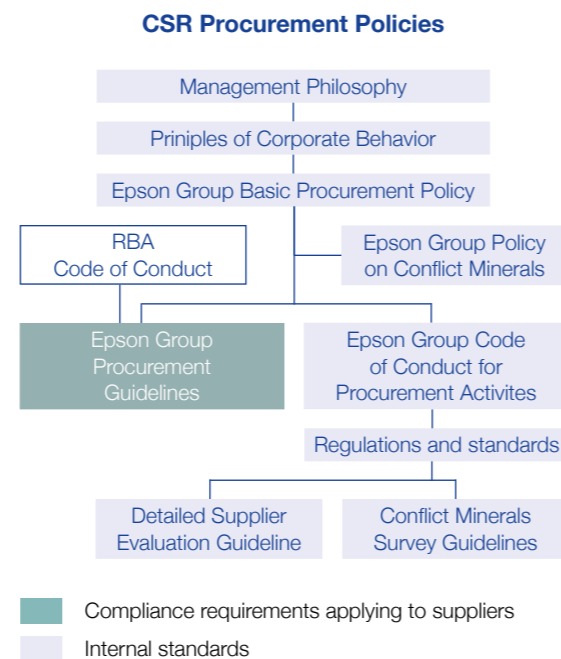
Our commitment to people

Epson Group employs 76,647 people worldwide¹³ and is committed to delivering the best working conditions for each and every one of them.

Our People commitment

Epson joined the Responsible Business Alliance in 2019 and commits to complying with its Code of Conduct, outlining a clear set of social, environmental and ethical industry standards. The standards set out in the Code of Conduct reference international norms and standards including the Universal Declaration of Human Rights, ILO International Labour Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards, and many more.

The Code covers five key sections, including: standards for Labour, Health and Safety, the Environment, Business Ethics and the elements of an acceptable system to manage conformity to the Code itself.



¹³ Numbers correct as of March 31, 2019

In our factories

Epson wholly owns and manages all factories that produce its products and technologies, and is committed to delivering the best working conditions for all employees regardless of where they work.

In January 2017, a European delegation, which included customers and representatives from the public sector, retailers, and non-governmental organisations (NGOs), travelled to Seiko Epson manufacturing plants in China and Indonesia and saw first-hand the excellent working conditions, transparency, and standards that exceed ILO guidelines.

Contracts: every employee has a contract with regulated working hours with overtime opportunities

Recruitment: hiring people over 18 (ILO standard is 16), fairly and with transparency

Remuneration: paying above average wages

Termination: never terminating employees based on unfair or unethical reasons

Partnerships: requiring our suppliers to follow the Supplier Code of Conduct and treat their employees with similar dignity and respect

Health & Safety: ensuring employees have safety, health and fire or disaster prevention training through our Safety & Health programme

Emergency measures: having a system in place so that in a crisis situation, employees can report that they are safe

Freedom: respecting freedom of association to join a union Work Councils: having work councils in each country and a European Works Council within the company

Reporting: providing services for employees to report abuses of any kind



We aim to achieve a 100% completion rate of our CSR training program across our European business by 2019.

Employee development

Epson invests continuously in employee development, and in 2018 increased the number of training days and types of training available to employees in Europe. Our goal is to support our people in their development and provide greater opportunities for growth within the organisation. We are committed to providing training that is adapted to our employees' roles and goals, ranging from management and sales excellence programmes, aspiring manager development programmes to bespoke training workshops

for individuals and teams. As a company we also provide financial support for personal and professional development. Full-time employees spend on average 11 hours on training and development per year.

Across our European business, over 340 people have completed our new CSR training programme.

Diversity at Epson

Respect for diversity is a cornerstone of Epson's Management Philosophy, and our personnel policies reflect it. Company-wide, Epson has set a target of achieving 5% (40 people) of management positions and 7% (350 people) of leadership roles (equivalent to assistant manager) represented by female employees by FY2022¹⁴.

At Epson we recognise the importance of equality, diversity and inclusion. We operate in a diverse environment across EMEAR and we are committed to creating an environment in which every employee is able to fulfill their potential and maximise their contribution. We recognise and value the creative potential that individuals of different backgrounds and abilities bring to their work. Epson believes that everyone has the right to be treated with dignity and respect in the workplace.

We are proud to state that globally we employ a high number of people with disabilities and are committed to ensuring that no assumptions are made about ability based on an individual's disability whether visible or non-visible. Across Europe we have been working with organisations like Sant Martí in Spain and the Werkstatt für angepasste Arbeit (WfaA) in Germany to pro-actively identify people with a physical or mental disability to work at Epson.

In Europe, our people manager positions are:



132 female
(32.1%)



279 male
(67.9%)



The Werkstatt für angepasste Arbeit (WfaA) is an accredited sheltered workshop, offering employment to physically and mentally disabled people and people with learning disabilities. Epson Germany has been working with WfaA for more than 30 years. WfaA employees manage for example the distribution of all product and company brochures and point of sale materials to partners and customers, including preparing content for Epson events. Through contracts with corporations such as Epson, WfaA has been able to increase their level of self-financing, and today only part of their activities are funded through public funds.



Volunteering at Epson

Our local offices are already actively engaged in their local communities. To expand these programmes and allow our employees to dedicate their time to causes of their choosing, our aim from 2019 is to offer all employees the opportunity to volunteer for a charity or community cause one day every year, local legislation and country market practice permitting.

Reducing our environmental impact

Our employees are committed to environmental sustainability and we want to support their personal commitment in the way we support their role within the company.

Despite our growing team in Europe, the changes we have brought in to our workplaces have reduced direct CO₂ emissions per employee by 6.44% compared to last year, and indirect CO₂ emissions per employee were reduced by 23.3%.

Business travel is another source of CO₂ emissions, which is why we have committed to reduce business flights by 19% by 01 April 2025 (as compared to benchmark financial year 2017).



Promoting women and girls in STEAM
Epson has a long-standing commitment to promoting women and girls in STEAM (science, technology, engineering, arts and mathematics). From supporting the education of young girls with Plan International, to working alongside Rêv'Elles to encourage young women to consider technology careers in France, Epson takes its role as a technology company seriously.

¹⁴ https://global.epson.com/SR/report/2018/pdf/epson_sr2018_all_e.pdf (p.92)

Building a fairer future with the leaders of tomorrow



Our French team partners with the association Rêv'Elles, which aims to promote equal opportunities for and professional integration of women and girls in the workplace. This project is strengthening Epson France's commitment to equality at the national level. Equal opportunity is very important to our organisation, and we are proud to work with an association such as Rêv'Elles to build courses specific to removing psychosocial barriers women may experience and support their professional career goals.

Focused on supporting girls and women from underprivileged backgrounds, Epson is able to provide insights and career guidance for the IT industry, a traditionally male dominated sector. Alongside Rêv'Elles, Epson has organised workshops to prepare attendees for future interviews; supporting the organisation's goals of building self-confidence, empowering young people to pursue their goals and exposing them to a wide range of professional possibilities. By contributing to this programme, Epson Europe is able to continue to practically improve the opportunities of women professionally in all sectors and trades.

"Equal opportunities for all is a subject that is particularly important to us, and we are proud to contribute to the Rêv'Elles programme. It is a strong way to convey the message that women can professionally succeed in all industries, while acting concretely, at our level, in favour of two of the UN Sustainable Development Goals, Gender equality and Reducing inequalities".

At Epson Europe, we believe in creating an inclusive, diverse and positive working environment, and hope that through our partnerships we can support the development of opportunities for disadvantaged groups within society.

Béregère Gazagnes
CSR Manager, Epson France



Strong societies make for stronger businesses

In April 2017, our President, Minoru Usui, added the phrase "Epson aspires to be an indispensable company" to Epson's Management Philosophy.

Having worked at Epson for some time, I have always valued the company's history of supporting initiatives both locally and globally to advance education and support communities. But I do believe that the power of these words becoming part of the company philosophy have prompted an era of increased commitment within the company.

This year, Epson Europe announced its own CSR targets for the first time and also committed to directly support the education of 10,000 students each year from 2019. The Epson's young people programme: New Horizons,

has been rolled out across Europe and will build on many of the activities Epson already supports and grow them to reach more students of all ages each year.

Sustainable education and sustainability education are both equally important. As a technology company, we want to ensure that we take equal care of both.

In an increasingly digitised world, the IT industry is perfectly positioned to support education; as workplaces and learning environments are changing, supporting teachers and schools through their digital transformation is something that we at Epson are very passionate about. The sustainability conversation is moving faster than ever before, and as companies we need to understand where we can add real value, sharing our expertise and supporting the education of generations of environmentally engaged citizens.

Boris Manev
Head of CSR and Government Affairs, Epson Europe



Engaging with the local community – Epson employees give back



Epson Europe's employees volunteer their time, products and services to their local communities for a variety of different causes, from environmental conservation to community support services and the promotion of gender equality.

Environmental projects

In both Italy and Germany, Epson employees have volunteered their time and energy to support tree planting and environmental awareness in their local areas. In Italy, our office has been partnering with ReteClima and Parco Nord Milano since 2017, with 220 employees from the office taking time out of work to plant 350 new trees and other plants across the park.

Employees of Epson Germany have been supporting a beekeeping initiative at a local school since 2016 by sponsoring a bee colony and beekeeping equipment, as well as providing the students with an Epson label maker, so they can create labels for their finished product and sell it to the local community.



Beekeeping, Germany



Tree planting, Italy

Energy efficiency and paper recycling classes, Germany



Epson's young people programme: New Horizons

As part of Epson's Global Corporate Citizenship programme and in co-operation with non-governmental organisations, Epson Europe aims to reach 10,000 young people (from young children to university students) in the European, Middle Eastern and African regions through its "New Horizons" programme in 2019.

These educational activities are covering topics linked to the sustainability benefits originating from Epson's core technologies including energy efficiency, CO₂ emissions reduction, paper recycling, water and waste management and upcycling. New Horizons aims to inspire young people's creativity and increase their understanding and awareness of environmental issues that will impact the future of society.

In Germany, we have already engaged 1,700 students in the local area, with a focus on sustainability. Epson Germany partners with Deutsche Umwelt-Aktion, which provides environmental education for primary and secondary school children in Meerbusch providing hands on classes about paper recycling as well as energy efficiency.

The programme is linked to the 17 UN Sustainable Development Goals, with a strong focus on:



EDU2030, Spain

Educational projects

Epson Spain is currently working on a "green school project" called EDU2030, through which they will promote sustainable technology to be used in schools. Starting with a pilot school in Barcelona, more than 400 students between the ages of 3 and 11 have benefited from the installation of Epson's printing and projection technology, as well as the introduction of biodiversity conservation areas near the school.

Epson UK partners with several schools, from supporting interview preparation and work experience days for local schools, to long-term partnerships with higher education institutes such as Central St Martins. This partnership includes the latest Epson textile printing and scanning equipment, allowing around 1,250 students across fashion, textiles and jewellery courses to have access to the latest technology to support their education. For many years, Epson UK has sponsored The Royal Academy Schools, a world-renowned art institution of contemporary fine art. Epson has donated large format printers and projectors to help support the school, which now has an Epson Digital Printing Suite and two digital print tutors.



The Epson Suite, UK



DENS, UK



DENS, UK

Community projects

Epson is always looking for new opportunities to partner with local communities in different ways. Teaming up with the Association des Paralysés de France (AFP), an organisation that promotes the employment of people with disabilities by outsourcing repair work to its repair team, Epson France has enabled AFP to recruit multiple new employees. Coming from areas where the unemployment rate is above the national average, this collaboration is supporting the future of employees with disabilities.

For several years, our German office has been supporting fiftyfifty, a non-profit organisation, that supports homeless people in the Düsseldorf region. Fundraising in Germany has supported their "gutenachtbus" or "good night bus", a bus that provides food, medical care and transportation in emergencies for the homeless and poor during the night, as well as their "Underdog" project, supporting care for the pets of the homeless.

In September 2018, Epson Netherlands organised a Bike-2-Work challenge encouraging employees to travel to work by bike, leaving their cars at home as much as possible for a full month. The challenge was a great success and employees cycled over 3500 km as a team. For each kilometre cycled, Epson donated one Euro to the "Zero Waste Lab" project of local NGO, De Gezonde Stad, to support its local, sustainable projects in and around Amsterdam.

Epson UK and Ireland donated 216.7 kilos of food to the Waterford food bank this year, and are also working with DENS, a local vulnerable people charity helping rebuild lives in the area and get people and families back on their feet. Epson employees have been using their volunteering days to work in their foodbank, sorting, labelling and packaging crates.

Bike2Work Challenge, the Netherlands



Association des Paralysés de France (AFP), France



Plan International, Germany

International projects

Epson has been working with Plan International for a number of years, sponsoring girls between the ages of 4 and 16 years old from Sierra Leone, India, Rwanda and Honduras. Epson is committed to supporting Plan International, and its goal to reach the 124 million children across the world who are out of school. Plan International advances children's rights and equality for girls in over 70 countries.

Plan International has also replaced most of its laser printers with Epson inkjet printers. They use Epson's high-speed linehead inkjet multifunction printers for high-volume print jobs in order to maximise speed, quality and efficiency. Lower energy costs are an added benefit, as are a cooler office environment and better indoor air quality, since inkjets do not heat up a room.

In Italy, Epson worked with Amref Health Africa (African Medical and Research Foundation) to provide Christmas gifts to partners and customers. An NGO founded in 1957, it works to improve health conditions in Africa involving local communities and is one of the main medical NGOs in the region.



Amref Health Africa, Italy





Epson Win-A-Robot contest – supporting skills and education for the future

Through the Sustainable Development Goals (SDGs), corporations around the world are encouraged to be more environmentally sustainable and at the same time be more committed to social improvements. SDG 4, which promotes inclusive and equitable quality education and lifelong learning opportunities for all, is a benchmark against which Epson has set out to improve its activities to provide a strong and sustainable education for students in Europe.



Remaining technologically up-to-date in today's world can prove challenging. This challenge is magnified for young people who are learning to apply knowledge from university to the world of work. In the robotics industry although university students may learn how to code and programme a robot, they rarely get a chance to put this knowledge to immediate use. Considering this, Epson Europe launched its first ever Win-A-Robot contest in September 2018, designed to reward university students who have an innovative idea with an Epson robot to implement their idea in real life.

In its initial stage, students and researchers from universities and research institutions from across the EMEAR region were invited to submit a project idea that included use of an Epson robot. We expected the applications would be innovative, provide future education opportunities, demonstrate sustainability, allow skills development in the field of automation and demonstrate unique robot usage – pushing the boundaries of what it means to use automation technology in a business setting.

In the end, we received 56 brilliant applications and decided to reward six universities with T-series robots to support the vision of making hands-on robotics and automation education more accessible to students in Europe.

From using augmented reality to control a robot, supporting hydroponic agriculture or programming a robotic arm to decorate a cake with 3D printed chocolate, each of the winning projects had unique qualities. These highly advanced solutions will continue to progress as the research teams grow and develop to support the future of the European robotics industry. Introducing the technology at this early stage is critical in providing future generations with the experience and skills they need to open opportunities in the future and transform workplaces for the better.

This contest has allowed Epson Europe to ensure quality and life-long learning opportunities for students all over Europe as well as strengthen their skills and employability.

“One of the core purposes of this contest was to encourage young people to take up technical jobs. Ensuring that students of today are prepared and excited to take on the challenge of automation is of incredible importance, and Epson looks forward to working alongside the talents of tomorrow to grow and develop their skills and projects in that direction.”



Volker Spanier
Head of Robotics Solutions, Epson Europe



“My photography seeks to show, rather than tell, the story of the changes in our environment. Human existence has always been regulated by the climate and our natural surroundings, it is an emotional connection. My project “On the Trail of the Glaciers” is a poignant illustration of the current imbalance in this relationship. We live in a delicate equilibrium with nature, and to preserve it is to preserve our own humanity. I am delighted to have an environmentally committed partner in Epson, and to see my photos illustrate their European Green Choice Report.”



Fabiano Ventura
On the Trail of the Glaciers
Photographer and Project Leader

Epson is proud to have featured a selection of stunning images by photographer Fabiano Ventura to illustrate the 2018 Green Choice Report.

On the Trail of the Glaciers is a photographic/scientific project that combines the work of photographers and scientists by linking comparative photography with scientific research. The overarching aim of the project is to understand the effects of climate change by gauging variations of glacial ice masses over time.

Over a period of ten years, six expeditions to the planet’s principal mountain glaciers have been measuring glacial ice mass and taking shots from the same spot where explorer-photographers had taken photographs in the late 19th and early 20th centuries.

The power of comparative photography to get a message across, backed with scientific research data, will contribute to bringing about greater awareness of the impact of human activities on the climate. The dissemination of data gathered in this way will serve to increase public awareness of the need to protect natural resources for future generations.

To find out more: <http://onthetrailoftheglaciers.com/the-project>

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

- CO₂ emissions from Air Travel: DEFRA Emission Factors (Version 1.01, Updated 2018-06-08)
- CO₂ emissions from Transportation: GHG Protocol Emission Factors (IPCC 2006 Guidelines for National Greenhouse Gas Inventories)
- CO₂ emissions from Warehouse Electricity: OECD/IEA 2018 License Emission Factors (indirect location based emissions)
- CO₂ emissions from Warehouse Gas: GHG Protocol Emission Factors (IPCC 2006 Guidelines for National Greenhouse Gas Inventories)
- CO₂ emissions from Office Electricity: OECD/IEA 2018 License Emission Factors (indirect location based emissions)
- CO₂ emissions from Office Gas: GHG Protocol Emission Factors (IPCC 2006 Guidelines for National Greenhouse Gas Inventories)

GRI reference:

This report is GRI-referenced
(GRI 101: Foundation 2016)

The report references the following disclosures

- GRI 305: Emissions 2016:**
- GRI 102: General Disclosures**
- Information on employees and other workers (102-8)
- GRI 300 Environmental**
- 302: Energy**
- Energy consumption within the organisation (302-1)
- Energy consumption outside of the organisation (302-2)
- 303: Water and Effluents**
- 305: Emissions**
- Direct (Scope 1) GHG emissions (305-1)
- Energy indirect (Scope 2 – location based) GHG emissions (305-2)
- Energy indirect (Scope 2 – market based) GHG emissions (305-2)
- Other indirect (Scope 3) GHG emissions (305-3)
- GHG emissions intensity (305-4)
- GRI 400 Social**
- 405: Diversity and Equal Opportunity**

For further information please contact your local Epson office or visit www.epson-europe.com

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