



Epson Europe's Sustainability Report 2022/2023

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Highlights

Pallet optimisation to reduce emissions

We have increased our container utilisation by 9% in the FY2022, by increasing the m³ shipped on all outbound pallets.



Reduced GHG emissions

Between FY17 and FY22 we have reduced our natural gas consumption and emissions in our European offices by 51%.



Decarbonisation in our offices

Our German head office has relocated to a new building in Düsseldorf, where our energy consumption is 75% lower per m² than our previous office.



100% renewable electricity

We have met our target in our European sites to meet electricity needs from 100% renewable energy sources, and are on track to meet this globally by the end of 2023.



Diversity, equity and inclusion

We have further strengthened our commitment to DE&I by establishing our strategy for the development of our DE&I goals, metrics and governance.



EcoVadis

During FY22 we were awarded a Platinum rating for overall sustainability by independent platform EcoVadis for the third consecutive year.



Message from our President



Yoshiro Nagafusa
President,
Epson Europe B.V.

There was a time when people believed that the size or number of material goods was a measure of affluence and abundance, determining that “more is better”. This way of thinking has had a disastrous environmental consequence. In contrast, we believe in taking a “less is more” approach, achieving our goals by pursuing simplicity.

Last September, we established our global corporate purpose, a statement that encapsulates our reason to be, and our aspirations:

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

For us, it’s important to define “efficient, compact and precise” as a concept referring to more than just technology. It is an approach to reducing environmental impacts, enriching the environment and lives by eliminating waste and making things leaner, smaller, more efficient, and more precise. It also means offering products and services that our customers can use for many years.

Commitment to our people

To deliver our vision, we are committed to developing a corporate culture in which diversity, equity and inclusion (DE&I) are central. We aim to enable all employees to harness their abilities, enjoy their work, and to participate in discussions as equals, regardless of background. We strongly believe that diversity of thought is important.

The ancient Japanese tradition of Monozukuri has always been at the heart of our innovation and manufacturing. Our focus, however, is not solely on the tools we require for continuous improvement, but also on the corresponding culture. By practising Monozukuri, we encourage empowerment for all employees to help deal with different situations and to develop a sense of ownership.

Monozukuri is a continuous process, through which we constantly challenge ourselves to do better, and so, we have embarked on a journey to review and enhance our DE&I commitment. In this report, we have established our FY23 development areas, and we will, henceforth, be accountable and transparent when reporting our goals and metrics, as our governance and policies develop.

Meeting our 100% renewable electricity target

In 2021, we committed to ensuring our worldwide Group sites would meet their electricity needs from 100% renewable electricity sources by 2023; the first Japanese manufacturer to do so. I am incredibly proud that we have met this target in our European sites, and are on track to meet this target globally by the end of 2023.

Embedded in our Japanese culture is the need to conserve the planet’s precious resources, and so, we have honoured our founder’s pledge to protect our environment for over 80 years, working with our various stakeholders to help solve societal issues, strive for sustainability, and improve quality of life, worldwide. When facing future challenges, we will remain true to our guiding values.

Yoshiro Nagafusa

Our purpose framework

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.

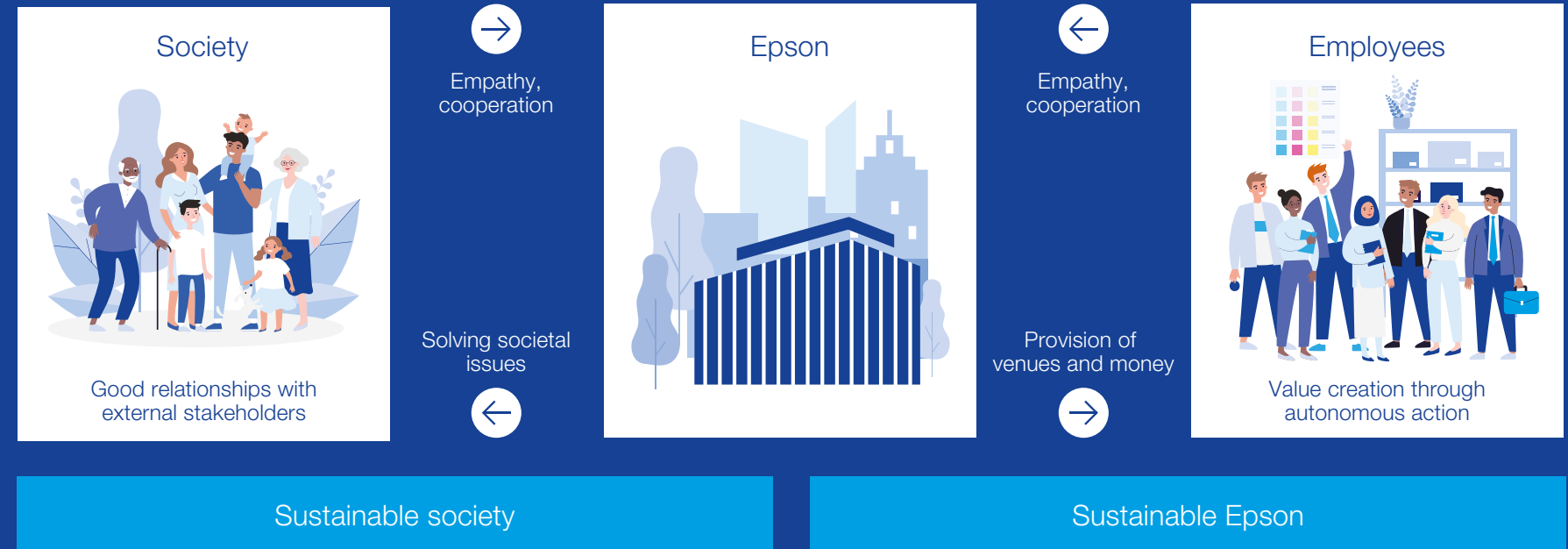
Our ambition is to collaborate with our customers and partners to achieve this goal.

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 81 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



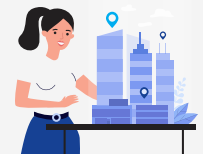
This Sustainability Report details progress of the sustainability commitments and initiatives of Epson Europe for the financial year 2022 (FY22) period, (April 2022–March 2023) and was guided by the proposal for a European directive relating to corporate sustainability reporting (Directive (EU) 2022/2464) 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>9.5bn EUR Revenue (as of March 2023)</p> 	<p>79,906 employees worldwide</p> 	<p>79 Epson companies globally</p> 	<p>Global headquarters Seiko Epson Corporation, Suwa-Shi, Nagano, Japan</p>
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Our EMEA presence

<p>Epson Europe B.V is a subsidiary of Seiko Epson Corporation</p> 	<p>1.9bn EUR Revenue (as of March 2023)</p> 	<p>1,902 employees</p> 	<p>44 offices</p> 
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Leading the way

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



CDP A List

The international non-profit CDP has, for the third consecutive year, placed us on the prestigious A List for leadership in tackling climate change, and awarded us a position on the Supplier Engagement leaderboard for engaging our supply chain on climate change, again for the third year.



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 factories in Indonesia, Malaysia and the Philippines have achieved platinum status, the highest level of recognition.



EcoVadis

During FY22 we were awarded a platinum rating for overall sustainability by independent platform EcoVadis for the third consecutive year. Seiko Epson Corporation (Group) is in the top 1% of companies rated by EcoVadis in the manufacture of computers and peripheral equipment industry.



FTSE4Good

For the 20th 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. We have committed to all Group sites meeting their electricity needs from 100% renewable energy sources by 2023.

Corporate certifications and recognitions continued



DataMaster Award

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



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.

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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 [epson.co.uk/heat-free](https://www.epson.co.uk/heat-free).



Manufacturing solutions

We are the world's leading manufacturer of SCARA robots. The pandemic highlighted European dependency on Far East production. As economies across Europe rebuild and grow, increased demand for localised automation (reshoring) is reducing 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 uses refillable bottles instead of cartridges, eliminating cartridge production, shipping, and end-of-life disposal. To date, we have sold over 80 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

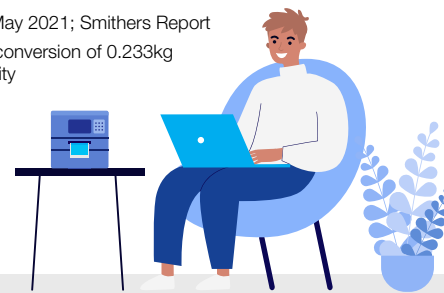
We've developed the world's smallest, high lumens range of projectors, benefiting the environment by using, lower power consumption, fewer manufacturing resources and, given its compact technology, reducing packaging requirements. Our ultra-short-throw projectors and visualisers support virtual teaching and are improving classroom accessibility. Epson Moverio Augmented Reality smart glasses are enabling remote assistance in industrial applications, reducing travel needs and associated CO₂ emissions.



Label printing

We are the world's leading manufacturer of receipt and label printers. Independent research¹ 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 CO₂².

- ¹ Sustainability in Labelling, May 2021; Smithers Report
- ² Calculated using standard conversion of 0.233kg of CO₂e per kWh of electricity



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.



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

Climate change is irreversible and offsetting is not a long-term solution, so governments, companies, and society should be focusing on planet regeneration. We should invest in planet healing communities and initiatives.

Amélie Girard
Corporate Sustainability Compliance Manager,
Europe



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

For the best chance of preserving the planet for the next generation it's essential that we have more ambitious goals and accelerate our global efforts.

Boris Manev
Head of Sustainability and Government Affairs



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

Climate change is real, and water management is a vital part of the solution, from maintaining biodiversity, to the CO₂ capture from oceans. This topic needs to be on the political agenda.

Estelle Augarde
Corporate Sustainability Chemical Compliance
Manager, Europe

Sustainability framework and team continued



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

The most urgent climate issue is ethical consumption, addressing environmental problems, while challenging the constant desire for more, and promoting sustainable habits, reducing emissions, and fostering eco-friendly practices. It's crucial for everyone to focus on this to combat the climate crisis.

Gwendoline Verkaik
Corporate Sustainability Specialist, Europe



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

Effective climate action requires functioning institutions, strong policies and ambitious binding commitments from governments and businesses alike. We need to focus on taking responsibility, scaling up climate change mitigation contributions and promoting decarbonisation solutions.

Leonie Sterk
Senior Corporate Sustainability Manager,
Europe and Germany



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

It is not so much about identifying the most urgent climate issue, but a question of a change of approach. We must put aside self-interest in favour of a commitment to the common good.

Luca Cassani
Corporate Sustainability Manager, Italy



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

The way we produce, distribute, and consume food is greatly impacting the environment. The agricultural industry is one of the greatest greenhouse gas emissions production contributors impacting the overall climate. By transitioning to more sustainable food production, we can reduce this impact and simultaneously reduce food waste/loss, increasing global food security.

Maria Paula De Mey
Chemical Compliance Specialist

Sustainability framework and team continued



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

As the primary driver of global warming, greenhouse gas emissions are the most urgent climate issue. There is no specific or serious action being taken by governments, or attention being paid to it by many companies or individuals.

Nastaran Jafari
Corporate Sustainability Coordinator, Europe



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

Climate change is a reality that is causing serious effects on the planet and all life forms. There is an urgent need to focus on sustainable production and consumption, as well as using renewable energy sources.

Pilar Codina
Corporate Sustainability Manager, Spain and Portugal



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

Adapting to a changing world is paramount. Increasing our climate resilience as a community and investing in sustainable innovation will allow us to reinvent outdated systems to put the world first now, and for years to come.

Taran Rai
Corporate Sustainability Manager, UK



What do you think is the most urgent climate issue governments, companies and people around the world should be focusing on?

As we experience new heat records every year around the planet, mitigating climate change requires immediate action and a radical economic patterns transformation. Shifting from a product-based economy to a service-based economy where production of goods and consumption decreases.

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 are committed to using 100% renewable electricity across our entire global Group by 2023.

2025

Epson 2025 Renewed Environmental Vision

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

As part of Epson 2025 Renewed, we 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.

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 neutral

We aim to become carbon neutral, moving to greenhouse gas (GHG)-free manufacturing, 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.

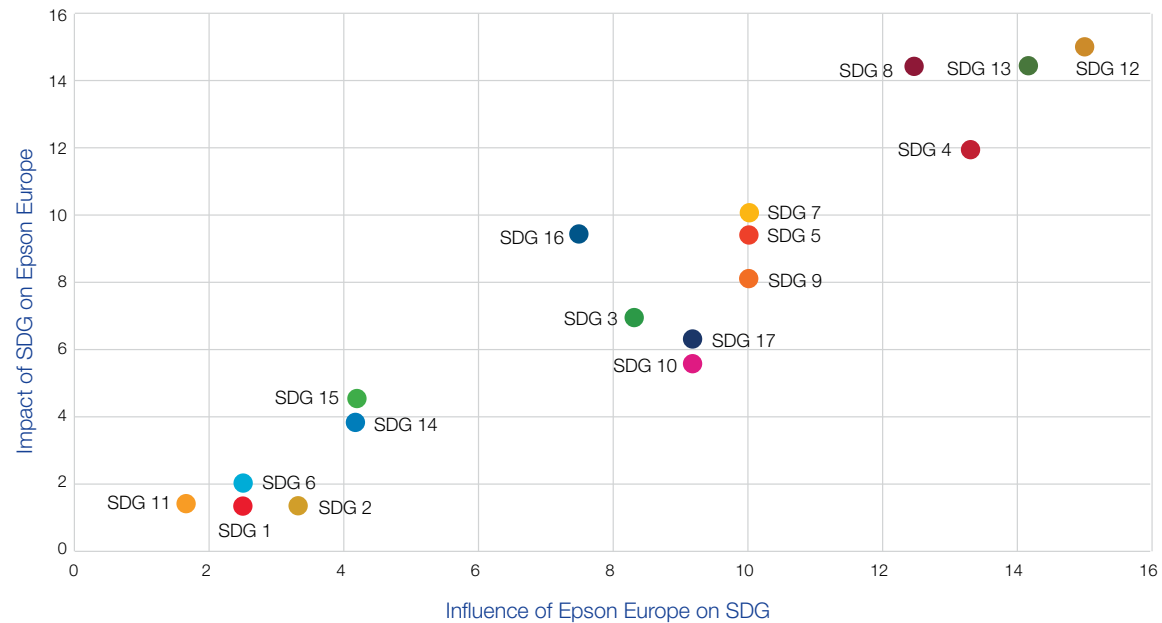
Focus areas	Targets	Progress made
<p>Achieve more sustainability in a decarbonised economy</p> <p>Preserving the natural environment is one of our core corporate principles, along with our commitment to helping create a more sustainable world through our technologies.</p>  	<p>Reduce Scope 1 emissions by 10% compared to FY17.</p> <hr/> <p>Reduce average emissions per company car across Europe below 100g CO₂/km.</p> <hr/> <p>Start reporting selected Scope 3 emissions (such as commuting, business travel).</p> <hr/> <p>Install capability to accurately measure the carbon footprint of all inbound containers and outbound deliveries to customers.</p> <hr/> <p>Increase the m³ shipped on all outbound pallets:</p> <ul style="list-style-type: none"> - Shipped pallet type from euro to block. - Increasing the accepted shippable pallet height. - Consolidation of customer orders; more volume per shipment. <hr/> <p>Increase share of point-of-sale (POS) materials made from more sustainable materials by 90% by the end of FY23.</p>	<p>Our ambition was to compare our full Scope 1 emissions (natural gas consumption plus company car fuel consumption) from FY17–FY22. An absence of available data for company car fuel consumption for FY17–FY20 means that we have been unable to calculate this full Scope. Therefore, we cannot determine if the 10% emissions reduction was achieved. However, from FY17–FY22, we have significantly reduced our natural gas consumption and associated emissions. In future, FY21 will act as our base year for measuring full Scope 1 emissions.</p> <hr/> <p>The average emissions per car across Europe during FY22 were 98.4g CO₂/ km.</p> <hr/> <p>We have started reporting on Scope 3 categories, 4. Upstream transportation and distribution, 6. Business travel and 9. Downstream transportation and distribution.</p> <hr/> <p>Software to track containers has been installed, however, we will not have capability to measure carbon footprint until our provider fully develops the solution. In the meantime, to meet our needs, we have installed new software to allow us to measure and report total inbound and outbound transportation emissions (GHG Scope 3 categories 4 and 9).</p> <hr/> <p>Container utilisation has been increased by 9% from FY21. Our top 20 customers have now adopted block pallets and increased height restrictions. In August, September and October 2022 pallet utilisation rose to 1.56 m³ with an average utilisation rate of 1.51 m³ across FY22.</p> <hr/> <p>Percentage increased to 88% during FY22 (FY21: 86%) through the introduction of polypropylene wobblers.</p>
<p>Advance the frontiers of industry</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>  	<p>Promote Heat-Free printing technology by using the optimisation tool to calculate individual electricity and emissions saving potential for customers.</p>	<p>Our EU6 markets were set targets for generating reports. To date, we have achieved these in four markets, with one at almost achieved, and one missing achievement due to unforeseen technical issues. Report generation using our tool is growing as our partners adopt the technology.</p>

Our sustainability strategy continued

Focus areas	Targets	Progress made
<p>Fulfil our social responsibility</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 1,500 young people per year in Europe on sustainability topics (EU6).</p>	<p>During FY22, 10,696 students participated in our New Horizons programme.</p>
	<p>Collect data on youth engagement by level of education (primary, secondary, tertiary).</p>	<p>During FY22, we engaged 7,060 primary school students, 2,595 secondary school students and 1,031 university students.</p>
	<p>Raise awareness for sustainability among our employees by organising internal training sessions (EU6).</p>	<p>Nineteen sessions took place for a total of 1,696 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>
	<p>Commitment to Diversity, Equality and Inclusion (DE&I) through reviewing and refreshing Epson's DE&I policy and agreeing on DE&I goals and metrics.</p>	<p>During FY22, we undertook data collection and desktop surveys of all communications and initiatives, interviews with senior executives, DE&I training for our leadership team, talent flow analysis, and a DE&I employee survey and focus groups. These activities have enabled us to identify areas for development and agree our commitments and governance model. In FY23, we will refresh our policy, and set goals and metrics accordingly.</p>
	<p>Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme.</p>	<p>In FY22 the number of mentees participating in the programme increased to 17 from 12 in FY21.</p>
	<p>Implementation of an agile working policy to improve employee wellbeing by providing more freedom and flexibility in working arrangements.</p>	<p>Agile working has been implemented in Africa, Central and Eastern Europe, Greece, Israel, Italy, Middle East, Serbia and the UK. Trials are in progress in France, Germany, the Netherlands, Nordics, Portugal, and Spain.</p>
<p>Strengthen our governance</p> <p>We are committed to ongoing transparency, fairness and development of our corporate sustainability governance and management decision making.</p> 	<p>Raise awareness for sustainability among our business partners and resellers (EU5).</p>	<p>During FY22, we held 54 reseller visits and webinars to distribute our sustainability strategy and discuss any sustainability topics.</p>
	<p>Introduce annual sustainability surveys for suppliers as part of Epson Procurement Regulation.</p>	<p>This was achieved, with a total of 54 surveys during FY22.</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.

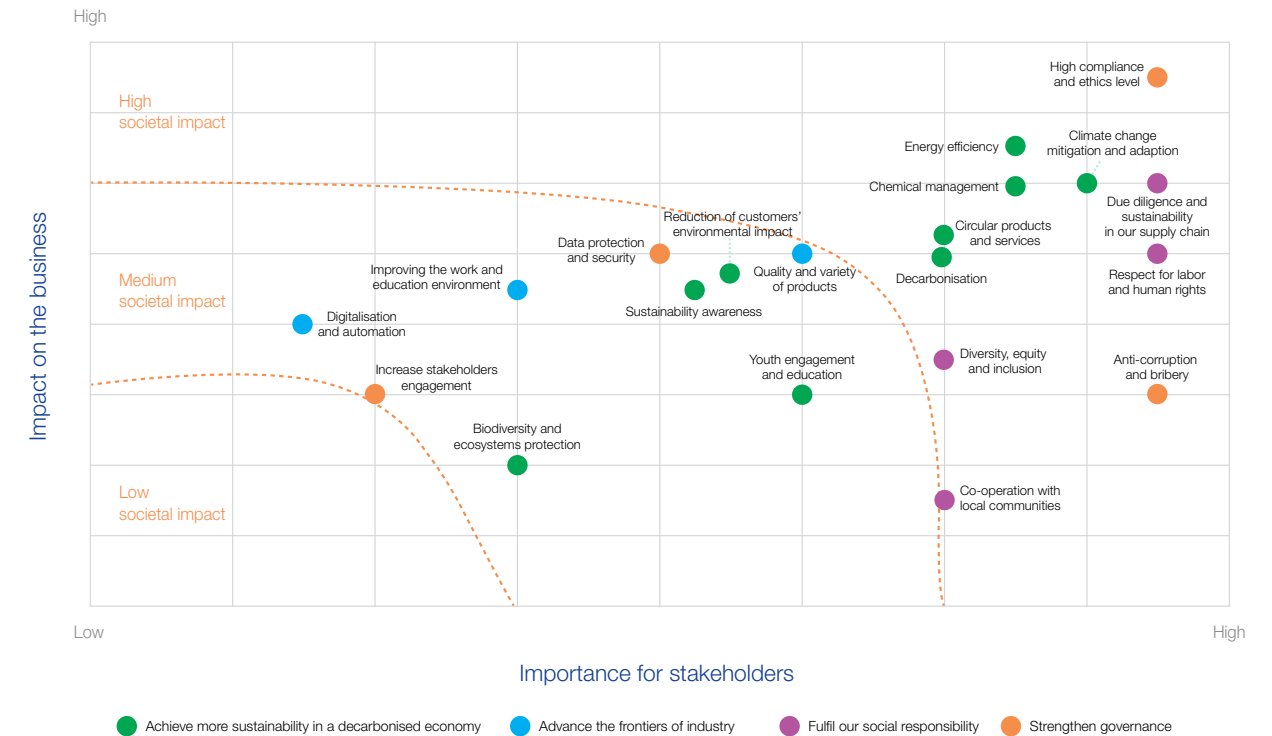
After evaluating each from an Epson and social perspective, 20 topics were prioritised, determined as, for us, the most critical to achieving our goals and where our focus will create the largest impact.

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

Reducing our emissions	23
Closing the resource loop	28
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Optimisation initiatives at our Central Distribution Centre	34
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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 Scopes 1 and 2 GHG emissions by 34% by FY25 compared to FY17
Scope 2	(updated to be in line with 1.5°C in November 2021)
Scope 3	Reduce Scope 3 emissions (categories 1 and 11) ¹ as a percentage of value added (business profit) by 44% by FY25 compared to FY17
	¹ Category 1: Purchased goods and services Category 11: Use of sold products

Scope 1: Direct GHG emissions from the use of fuels, etc.

Scope 2: Indirect GHG emissions from purchased energy, etc.

Scope 3: Indirect GHG emissions of the entire value chain.

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



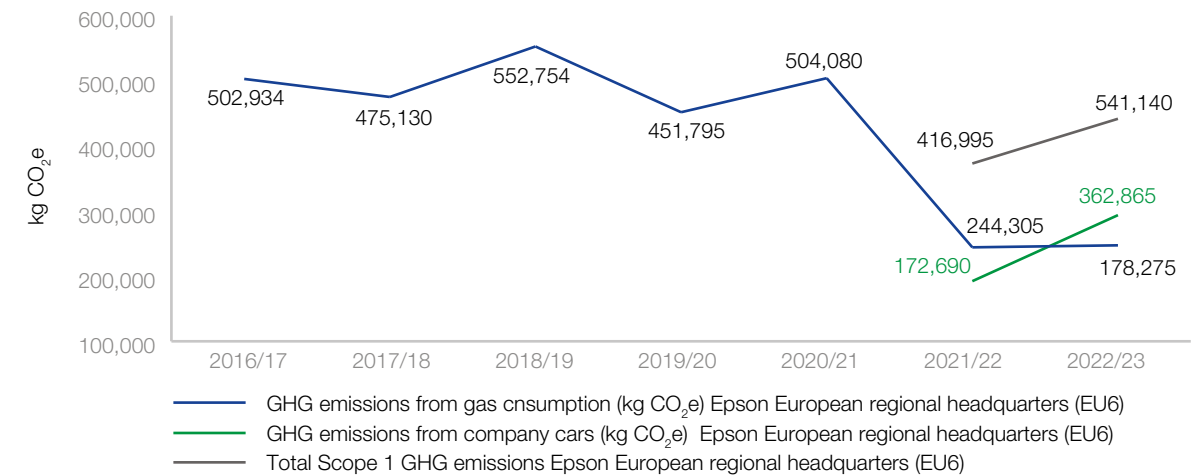
Measuring our European emissions

For our European offices, we measure Scope 1 and 2 emissions. For Scope 3, we currently only measure emissions related to categories 4 and 9 Inbound and outbound transportation, and category 6 Business travel.

SDG	Objective	KPI	Result
	Reduce Scope 1 emissions by 10% compared to FY17	GHG emissions in kg CO ₂ e	Our ambition was to compare our full Scope 1 emissions (natural gas consumption plus company car fuel consumption) from FY17–FY22. An absence of available data for company car fuel consumption for FY17–FY20 means that we have been unable to calculate this full Scope. Therefore, we cannot determine if the 10% emissions reduction was achieved. However, from FY17–FY22, we have significantly reduced our natural gas consumption and associated emissions by 51% through a combination of reduction in office sizes, milder winters and more efficient heating methods. In future, FY21 will act as our base year for measuring full Scope 1 emissions. We are now reviewing our Environmental, Social and Governance (ESG) data management systems to improve our CO ₂ emissions reporting, and also our mid-term emission targets for FY25 to accelerate our efforts in this area.

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

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



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

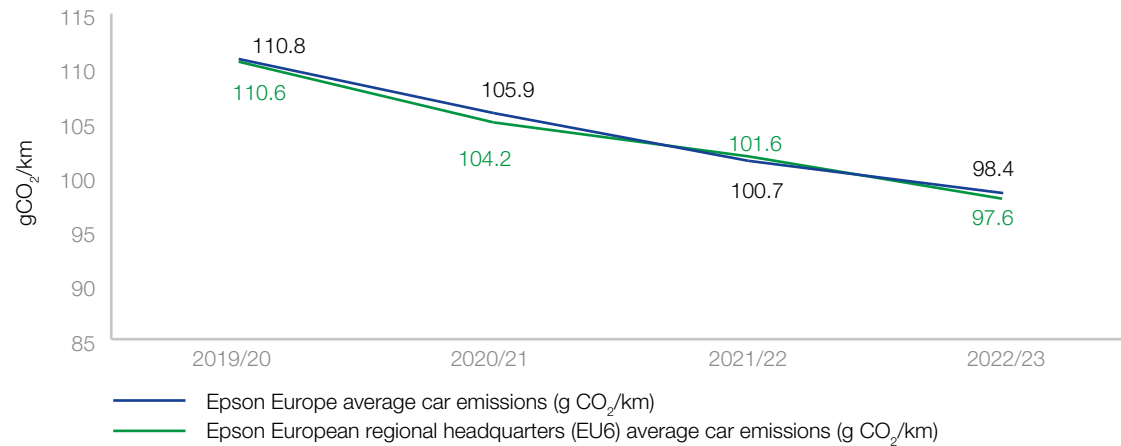
Reducing our emissions continued



Car fleet emissions

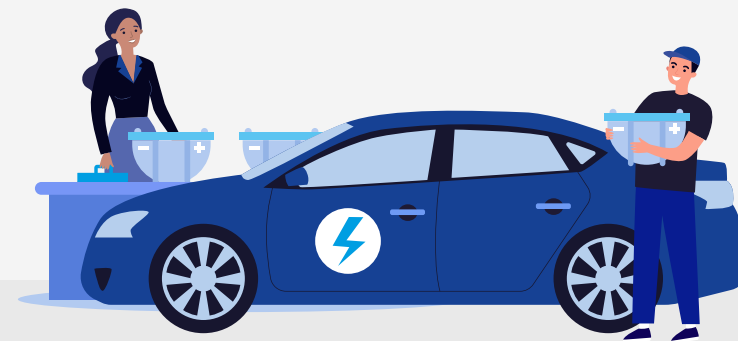
As part of our efforts to reduce our Scope 1 emissions, we are upgrading our vehicle fleet to hybrid, electric and lower emission ratio vehicles as our leasing contracts expire.

Average car fleet emissions rate

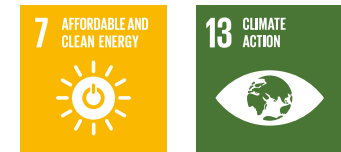


As this graph shows, we have achieved our FY22 target through a reduction in the number of diesel cars in our fleet. We measure average emissions for Europe, and separately for our EU6 sales markets, and values are based on emission factors provided by manufacturers.

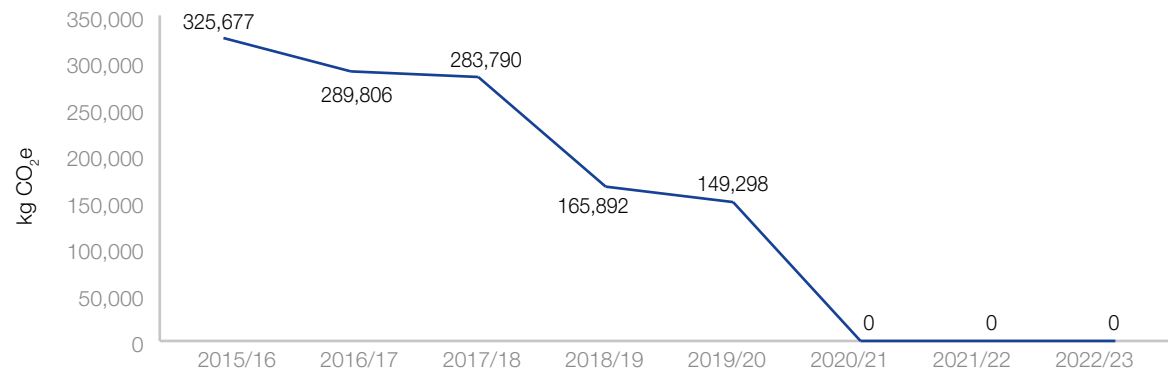
SDG	Objective	KPI	Result
	Reduce average emissions per company car across Europe below 100 g CO ₂ /km	GHG emissions in g CO ₂	Average emissions reduced to 98.4g CO ₂ /km. Number of hybrid cars in fleet also increased by 45% (April 22: 193 hybrid cars; April 23: 280 hybrid cars)
	Start reporting selected Scope 3 emissions (such as commuting, business travel)	GHG emissions in kg CO ₂ e	We began reporting on categories 4. Upstream transportation and distribution, 6. Business travel, 9. Downstream transportation and distribution



Reducing our emissions continued

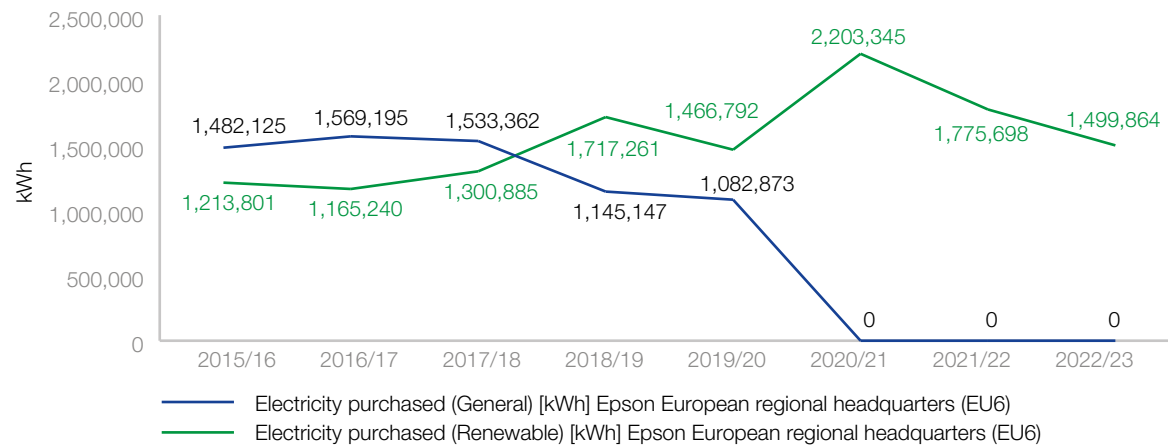


Scope 2: Indirect GHG emissions (kg CO₂e) from the consumption of purchased sources of energy for Epson European regional headquarters (EU6)



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

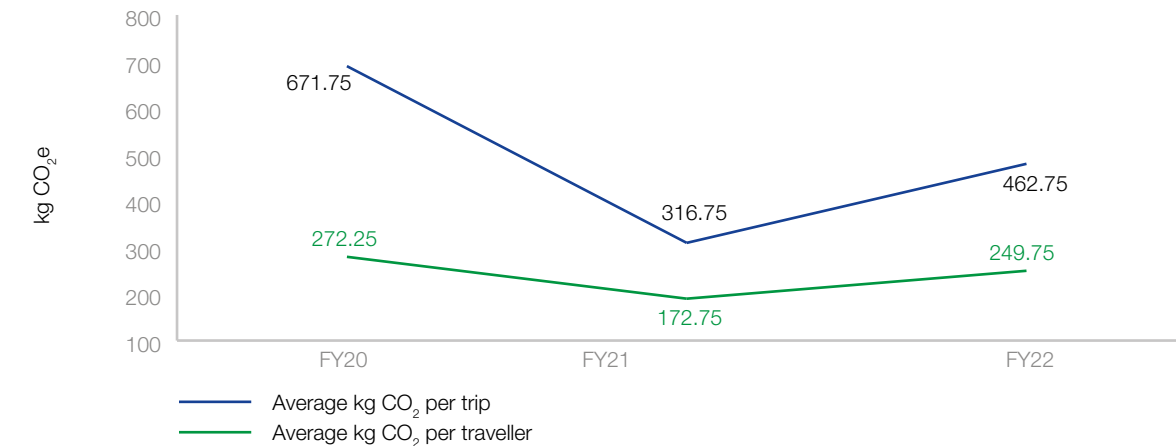
From FY20, when our EU6 offices switched to 100% renewable electricity, our total electricity consumption reduced.



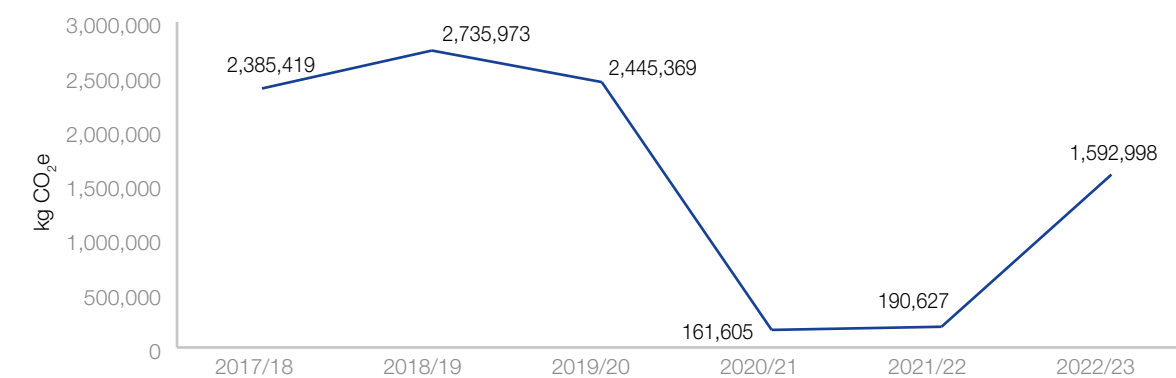
Business travel emissions

During FY22, our average emissions per business trip was 249.75 kg CO₂e. Our total Scope 3 Category 6 emissions (Business travel emissions) was 2.267.000 kg CO₂e (excluding taxi and rental cars).

Scope 3: Average business travel emissions for Epson Europe (kg CO₂e)



Scope 3: Business flight travel emissions for Epson Europe (kg CO₂e)



Reducing our emissions continued

Decarbonisation initiatives in our European offices

We continuously seek to reduce CO₂ emissions within our European offices, which includes reviewing the sustainability of our office buildings.

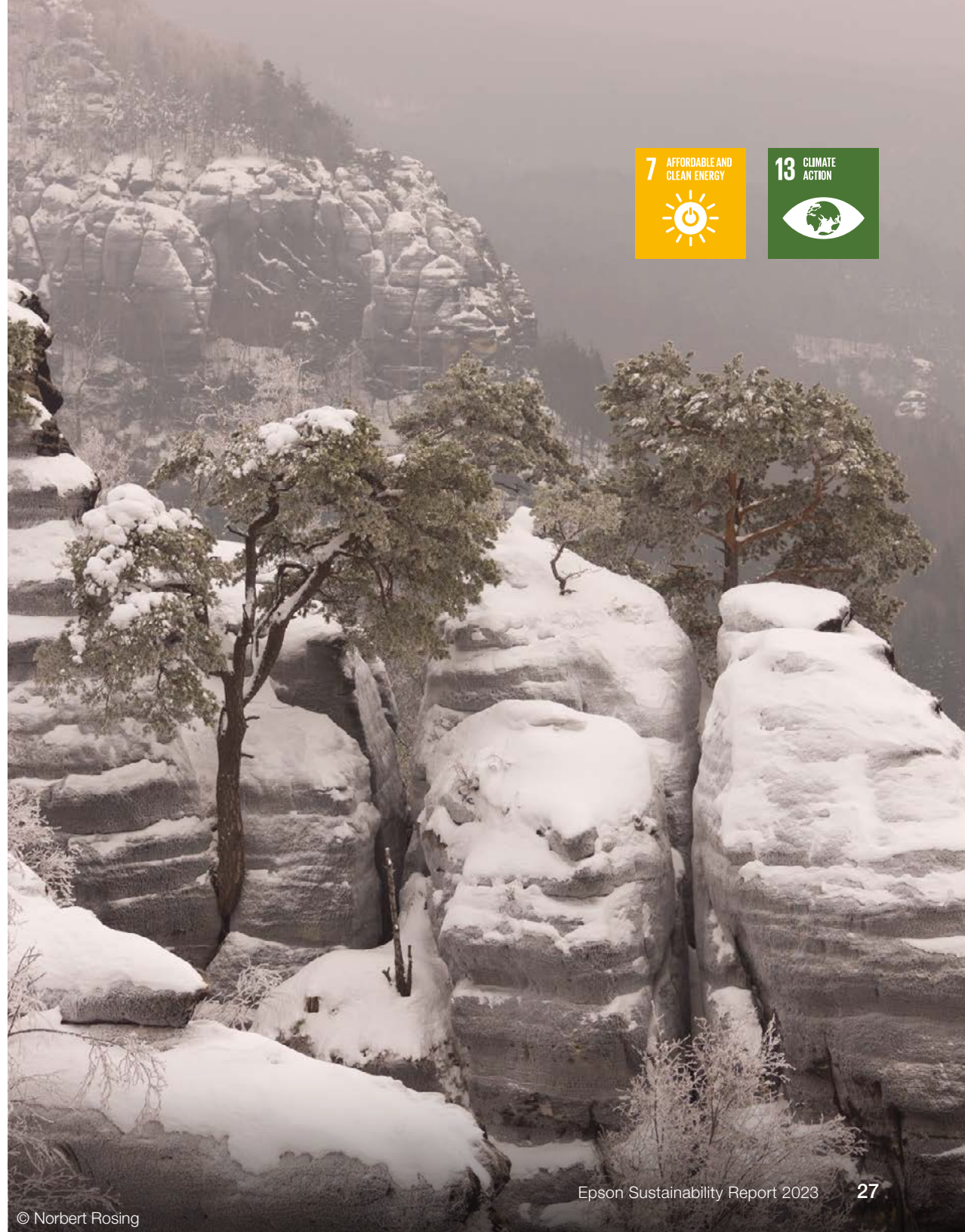
Epson France

In 2023, our French head office is moving to a new building, which has been specifically selected to meet the highest environmental standard, with accreditations such as BREEAM, BiodiverCity®, silver WiredScore, and WELL silver certification. In addition, the use of this building will reduce the square footage we occupy as well as our overall energy consumption.



Epson Germany

In June 2023 our head office relocated from Meerbusch to Düsseldorf, where our energy consumption is 75% lower per m² than our previous office. There is a 50% green/living rooftop, and the building is in the process of becoming certified according to gold level DGNB, a sustainability certificate for buildings based on assessing ecological aspects and examining the building's entire lifecycle.



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, minimising product loss, 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 fibers 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 nonwoven fabric.

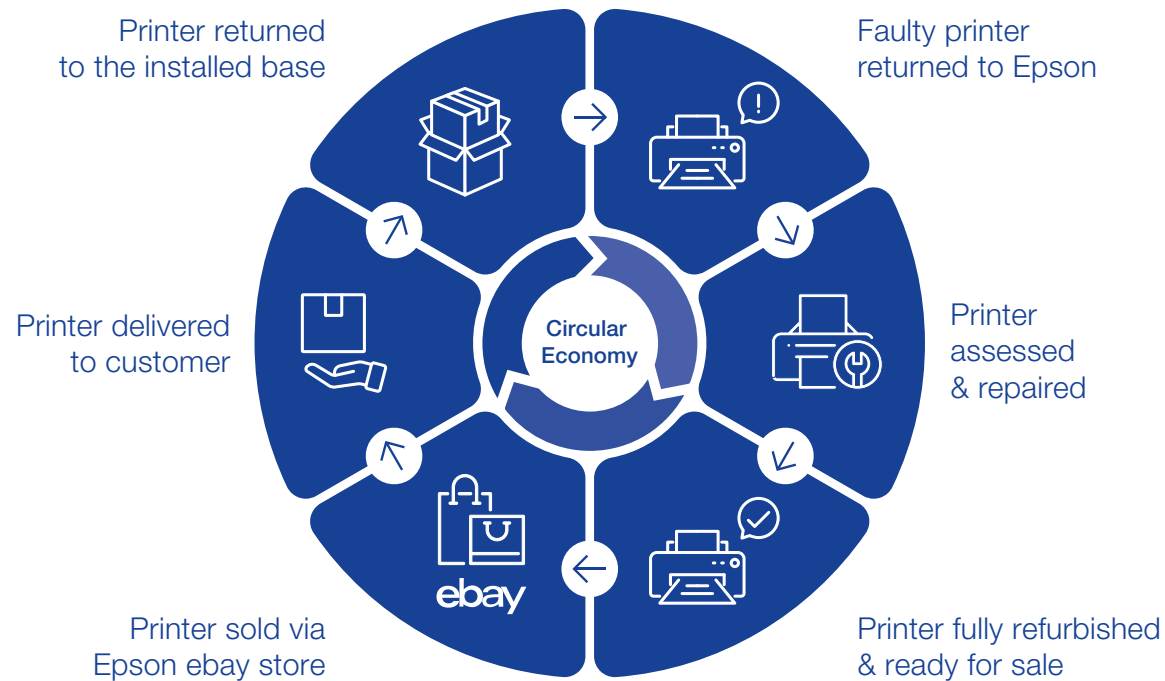
In addition to our own research and development, we work with partners to co-create innovative technologies, for example, working as part of a collaborative consortium to explore the development of a new form of bioplastic derived from the Euglena algae. Biomass plastic can be produced by extracting 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 are trialling 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. On successful completion of the trial, we anticipate additional market roll out.

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.

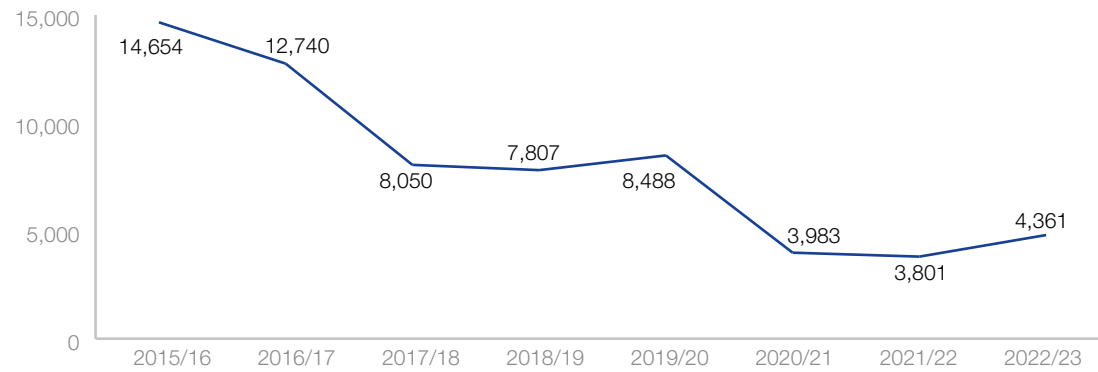
Closing the resource loop continued



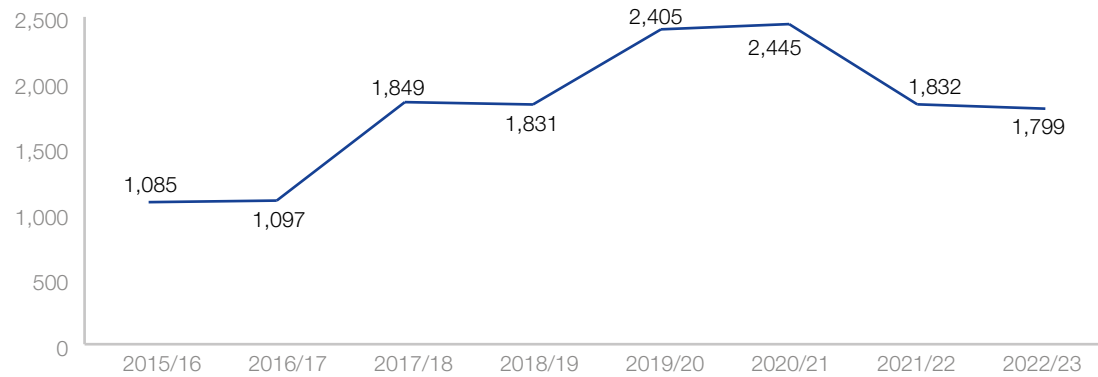
Water conservation

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 (metres³) in our Epson European regional headquarters (EU6)



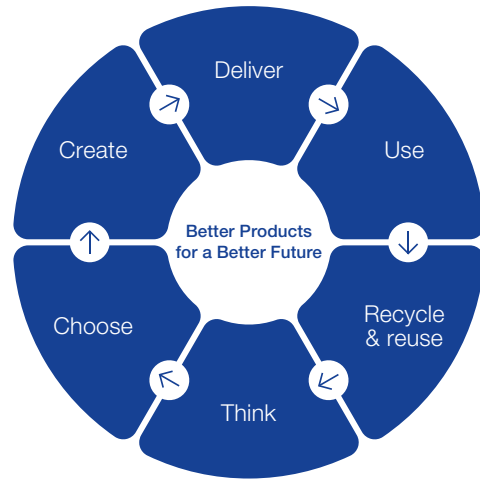
Water consumption (metres³) in Epson Europe's Central Distribution Centre



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 lifecycle at the procurement stage.



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.

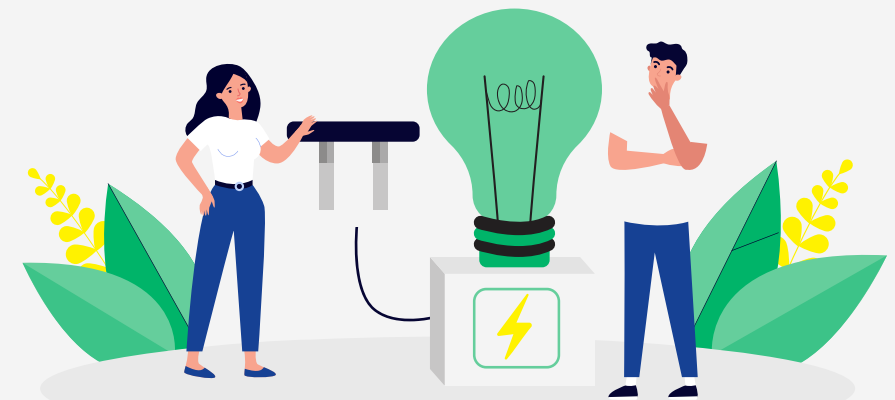
At a global level, and in line with our commitment to SDGs, we have set two overarching targets for our supply chain:

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



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

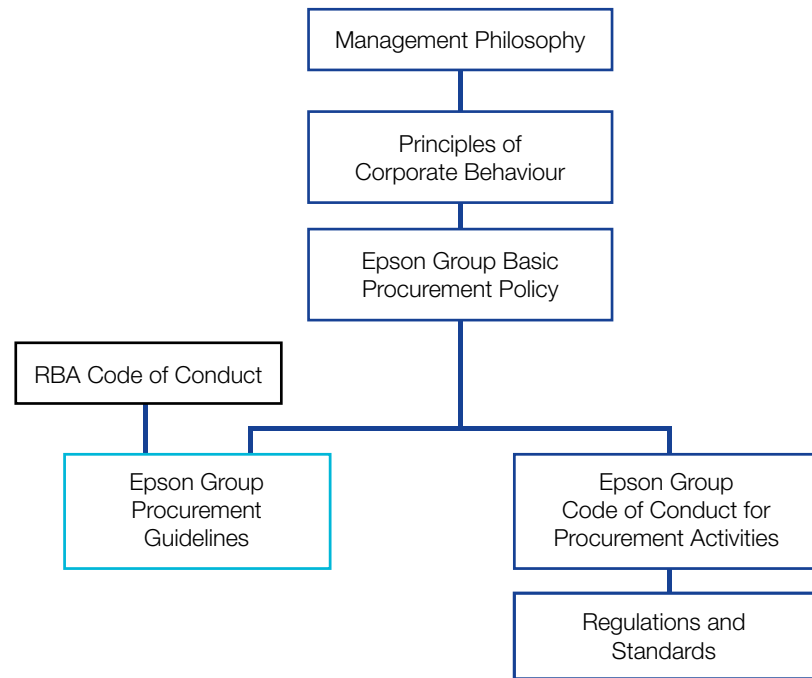
SDG	Objective	KPI	Result
	Raise awareness for sustainability among our business partners and resellers (EU6)	Number of business partners and resellers reached	We held 54 reseller visits and webinars to distribute our sustainability strategy and discuss any sustainability topics
	Introduce annual sustainability surveys for suppliers as part of Epson Procurement Regulation	Number of supplier surveys completed	This was achieved, with a total of 54 surveys during FY22



Sustainability in our supply chain continued

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 CO₂ 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
	Increase share of POS materials made from more sustainable materials 90% by the end of FY23	Percentage of POS materials made from more sustainable materials	On track. Percentage increased to 88% during FY22 (FY21: 86%) through the introduction of polypropylene wobblers

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.

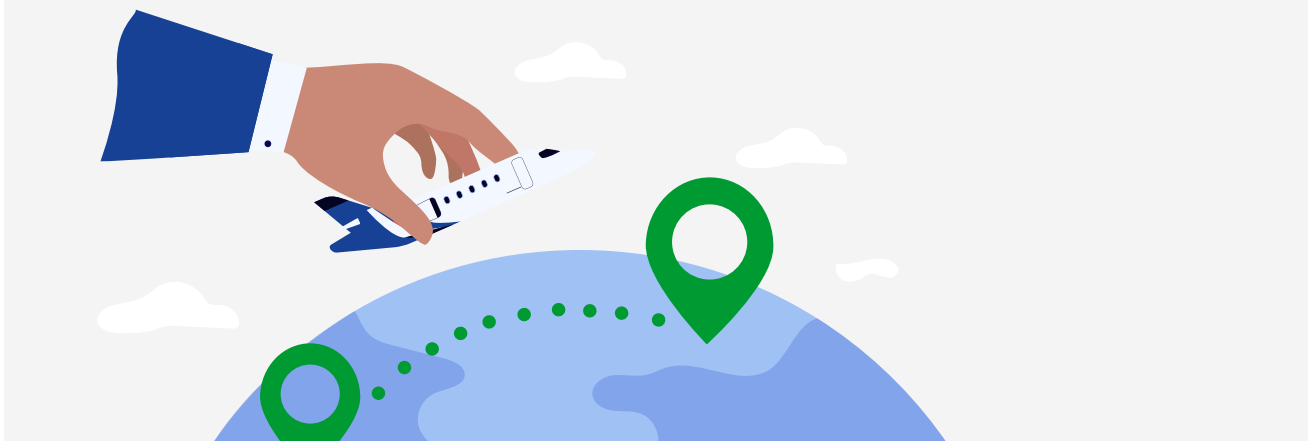
We are committed to ensuring that the minerals used in our products meet our policy standards, and we utilise supplier procurement briefings to promote understanding of our policies and share prioritised minerals response trends with our production facility sites worldwide.

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 have set a 90% target for our point of sale (POS) materials to be made from more sustainable materials by the end of FY23, and we are on track to achieve this, with 88% of POS manufactured from more sustainable materials during FY22.

We attend many exhibitions and trade shows across Europe and have been reusing product stands and furniture for 13 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 CO₂ emissions for our inbound and outbound transportation.

FY22 Highlights

Renewable electricity

Our European Central Distribution Centre has been running on 100% renewable energy since April 2021.



Reduction in plastic

We have completed our first test trials on new film options for pallet wrapping, which contain recycled material, requiring less raw material. We are currently adjusting for our next round of test trials, which will include testing standard wrapping film containing recycled content.



Reduction in cardboard waste

We have reduced the amount of cardboard we send for recycling by 16 tonnes by investing in technology to shred cardboard for use as packaging filler for shipping new products.



Recycled cardboard

Of the cardboard we purchased, 60% consisted of 30% grass content and 70% recycled cardboard. The remaining 40% of cardboard we purchased contained 80% recycled cardboard.



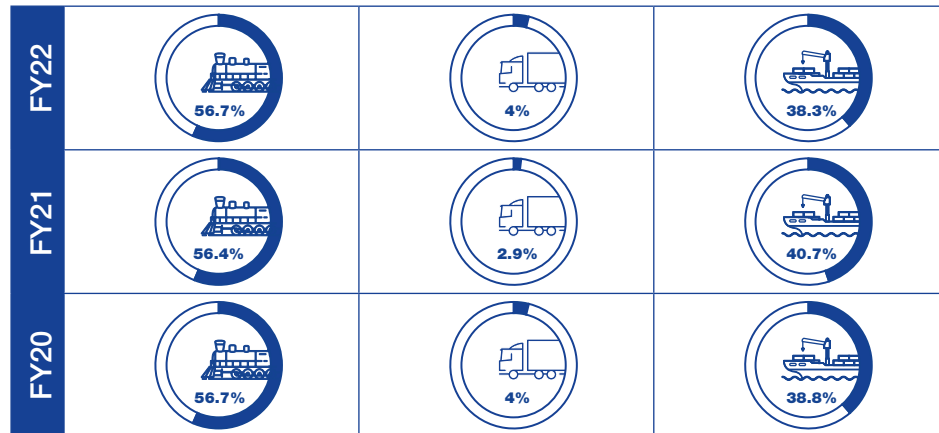
Optimisation initiatives at our Central Distribution Centre continued



Optimising our transportation

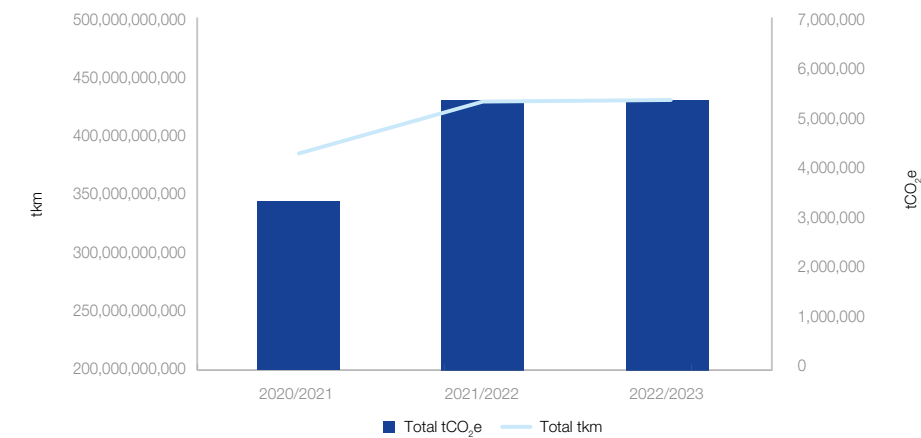
In FY22, we began reporting on our Scope 3 emissions for categories 4 (Upstream transportation and distribution) and 9 (Downstream transportation and distribution). These relate to transportation of our product from Asia to warehouses and suppliers Europe (see the upstream graph), and transporting products 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. However, in FY22, the rail disruptions and low water levels impacted this, and we saw an increased use of trucks.



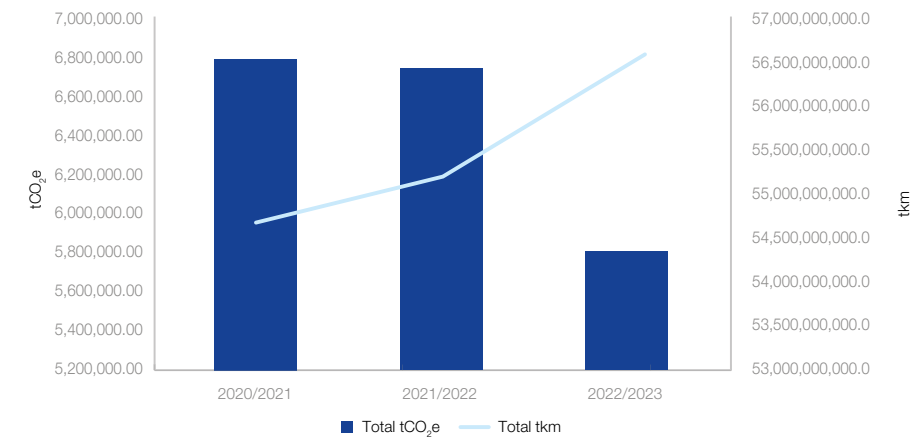
Upstream (inbound) transportation FY20-22

Emissions related to transportation from our factories in Asia to our warehouse.





Downstream (outbound) transportation FY20-22

Emissions related to transportation from our warehouse to our customers.



Optimisation initiatives at our Central Distribution Centre continued

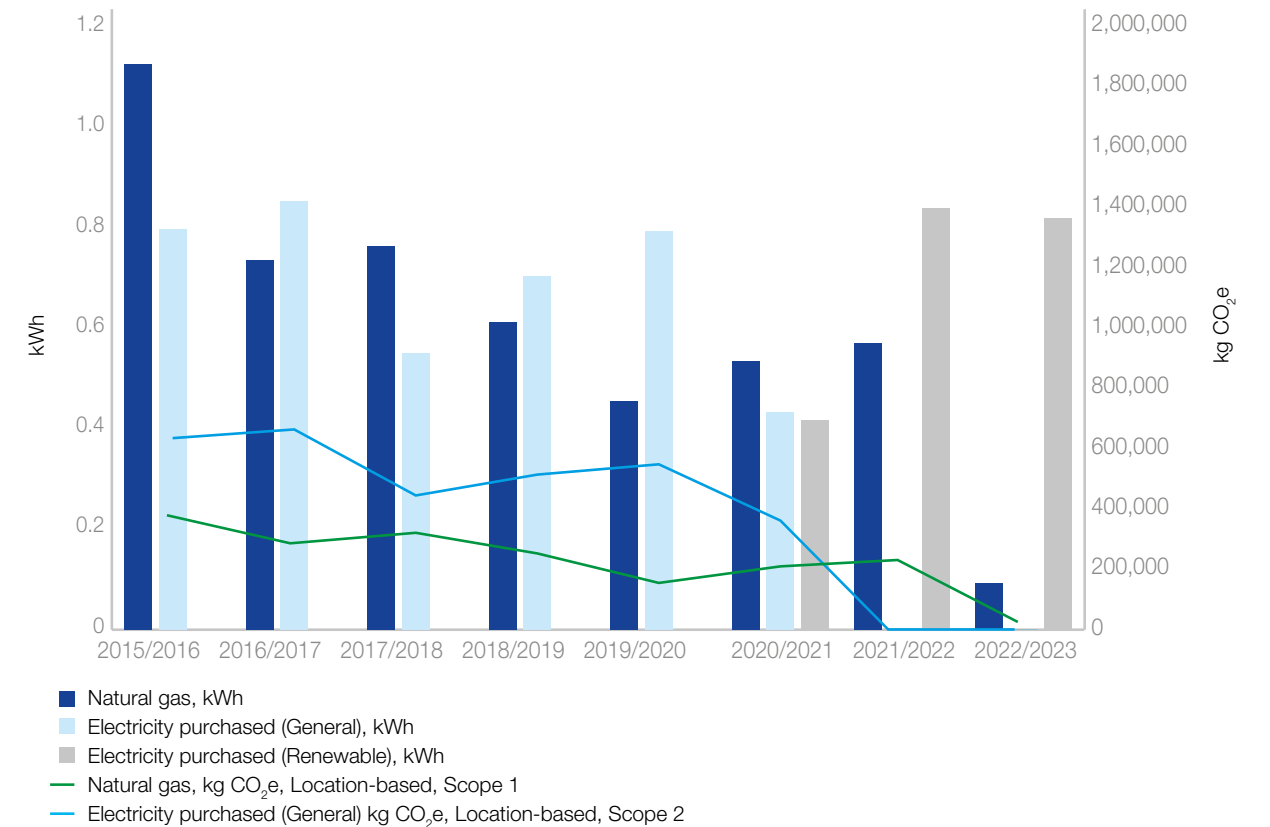


SDG	Objective	KPI	Result
	Install capability to accurately measure the carbon footprint of all inbound container and outbound deliveries to customers	Installation of relevant software	Software to track containers has been installed, however, we will not have capability to measure carbon footprint until our provider fully develops the solution. In the meantime, to meet our needs, we have installed new software to allow us to measure and report total inbound and outbound transportation emissions (GHG Scope 3 categories 4 and 9)
	Increase the m ³ shipped on all outbound pallets: <ul style="list-style-type: none"> Shipped pallet type from euro to block Increasing the accepted shipable pallet height Consolidation of customer orders; move volume per shipment 	m ³ shipped on outbound pallets	Container utilisation has been increased by 9% from FY21. Our top 20 customers have now adopted block pallets and increased height restrictions. In August, September and October 2022 pallet utilisation rose to 1.56 m ³ with an average utilisation rate of 1.51 m ³ across FY22

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 the overall decrease in consumption between 2015 and 2022, mainly due to energy efficiency measures and a switch to 100% renewable electricity in FY21.

Warehouse – Electricity and Gas Consumption and Emissions FY15 – FY22



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.

For customers to safely use Epson products, including consumable printer supplies such as cartridges, we publish Safety Data Sheets in 24 European languages, which describe a product's chemical content and how to operate, handle and store the product.



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 planting the first 250 trees as part of this sustainability initiative, supporting their local community.



Protection of ecosystems and chemical management continued



Tree planting in Spain and Portugal

In July 2022, a devastating forest fire in Torres Vedras in Lisbon, Portugal, destroyed 1.5 hectares. Our Epson Portugal team supported Quercus, an NGO dedicated to forest and biodiversity recovery, to begin reforestation of the damaged area by planting 500 trees. More than 60 volunteers took part from the municipality, a local school and Epson Portugal. This tree planting represents around 23 tonnes of CO₂ absorption capacity.

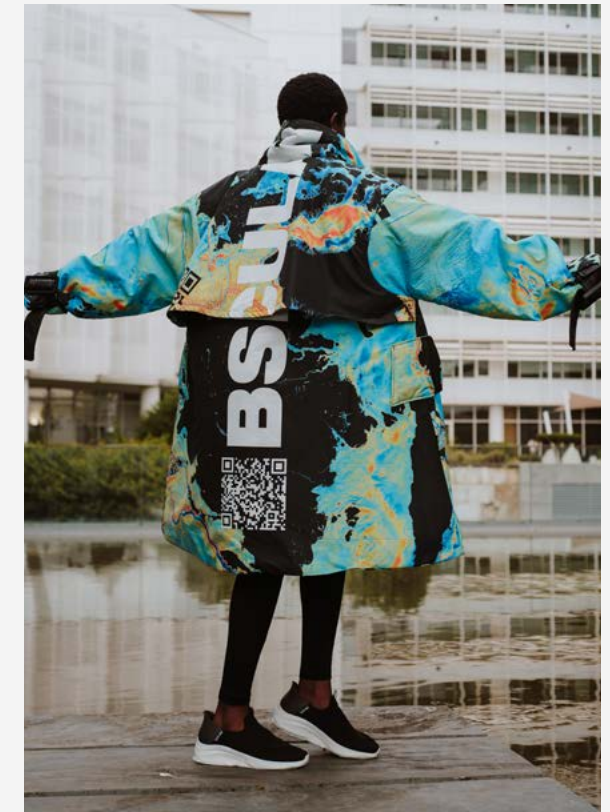
Our Epson Spain team continued its support of the Epson Forest in Pinto, Madrid this year, planting 100 trees alongside the Eulen Group. This is an annual activity, spearheaded by our Corporate Sustainability Manager several years ago, and which continues to be enthusiastically supported by our Spanish employees. Trees planted in 2022 are equivalent to 4.57 tonnes of CO₂ absorption.



Transforming marine plastic into more sustainable fashion

B-SEArcular is a circular economy initiative, transforming plastic marine litter found in the Mediterranean Sea into polyester fabric. The latest phase of the B-SEArcular project took place in Portugal in 2022, with a partnership between Lisbon School of Design (LSD), A Sampaio & Filhos, Lemar, INEDIT Studio, Seaqual and Epson.

Fashion students at LSD were challenged to create six garments using SEAQUAL® YARN (upcycled polyester) from retrieved marine plastics and Epson's dye sublimation print technology. This digital textile printing technology is 80% more energy efficient than analogue printing and consumes 60% less water, considerably reducing production process associated waste. Once the useful life of the garments are over, they can be recycled back into polyester thread, closing the project circle.



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 organisations¹. 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.

¹ 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)

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 free² by 2050.

² Non-renewable resources such as oil and metals <https://corporate.epson/en/news/2022/220720-2.html>

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, nonwoven fabrics, and suede.

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](#).

A more sustainable future for fashion

To use our technology to contribute to solving societal issues, and meet our commitment to use collaboration to drive innovation, we have partnered with the renowned Japanese fashion designer, Yuima Nakazato.

Based in Paris, Yuima Nakazato's vision is to create garments that enhance the life of the wearer, while seeking to improve the environmental impact of the fashion industry.

In partnership with us, the fashion house has manufactured ground-breaking garments, taking waste material from African landfill and recycling it into new, nonwoven fabric, using our Dry Fiber Technology. These reimagined garments were shown as part of the designer's collection at Paris Fashion Week, January 2023.

Although in its early stages, we believe our Dry Fiber Technology, combined with pigment ink digital printing, could offer the fashion industry a more sustainable future, significantly reducing water use, while still allowing designers creative freedom.

Our Environmental Vision is committed to contributing to a circular economy, and this development could be one step towards achieving this. We will continue to collaborate with Yuima Nakazato on future technological research and development that reduces clothing production's environmental impact.



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 costs¹.

Optimisation tool demonstrates benefits of inkjet v 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 amongst our customers on how they can improve the energy efficiency of their business.

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

¹ epson.co.uk/heat-free

SDG	Objective	KPI	Results
 	Promote Heat-Free printing technology by using the optimisation tool to calculate individual electricity and emissions saving potential for customers	Number of reports generated	Our EU6 markets were set targets for generating reports. To date, we have achieved these in four markets, with one at almost achieved, and one missing achievement due to unforeseen technical issues. Report generation using our tool is growing as our partners adopt the technology

Examples of customer energy, cost, and waste savings

In FY22, we interviewed and surveyed several of our channel partners and users across Europe asking them about their biggest challenges in business printing. From IT professionals within companies, to service providers offering outsourced solutions, environmental concerns were named as a top priority. For many, this was being addressed positively by choosing Epson inkjet printers.

“We’ve saved customers 2.5 million kWh in energy, resulting in over £1 million in energy cost savings. This also represents a saving of 617,000kg of CO₂ emissions when compared to laser multifunctional printers and laser models.”

Andy Ratcliffe
Director at Key Digital, an award-winning IT managed services provider in the UK

“I’ve been able to demonstrate a 96% reduction in the weight of consumables used by my customers with inkjet printers, compared to those using laser printers. We’re impressed by the huge reduction in waste compared to laser printers.”

Maria Teresa Guerra
Aaron Technology in Italy

“Offering the right hardware can make a significant impact on a customer’s bottom line as well as their emissions. A grocery store within a chain we supply was able to save about SEK 100,000 (€8,477) on its electricity bill each year.”

Andreas Olsson
Telloprint in Sweden






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
  	Commitment to diversity, equality and inclusion through reviewing and refreshing our DE&I Policy and agreeing on diversity, equality and inclusion goals and metrics	Update of DE&I Policy	<p>During FY22, we have undertaken the following:</p> <ul style="list-style-type: none"> - Data collection and desktop survey of all our communications and initiatives. - Interviews with our senior executives. - DE&I training for our leadership team, which will now be expanded throughout our organisation. - Talent flow analysis (hiring, promotion and exit rates). - DE&I employee survey. - DE&I employee focus groups. <p>The outcomes of these activities have been fed into strategy and roadmap workshops to identify development areas, agree our commitments and governance model. A key deliverable will be our updated DE&I Policy, in 2023</p>



Female mentoring programme

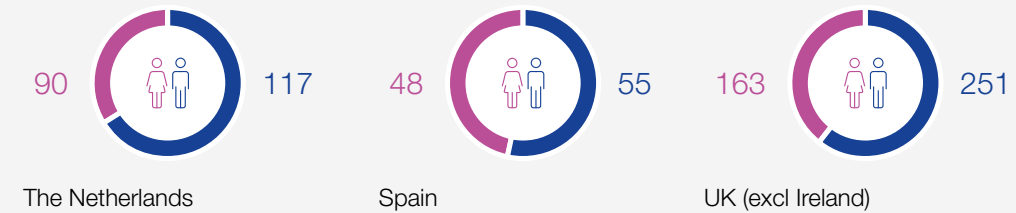
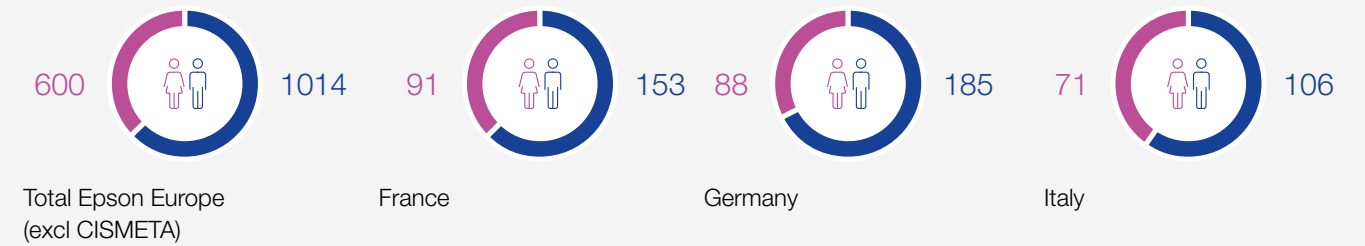
As part of our enhancing female career progression initiative, we work with Mission GENDER EQUITY, who's global mission is to champion broader diversity strands within the workplace, build the pipeline, and achieve parity of women in leadership and board roles. Year on year, we have increased the countries 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.

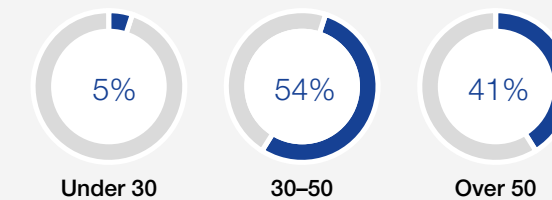
SDG	Objective	KPI	Results
 	Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission GENDER EQUITY mentoring scheme	Number of participants in Mission GENDER EQUITY mentoring scheme	Seventeen mentees participated in the FY22 programme from Finland, Germany, Italy, the Netherlands and the UK (up from 12 mentees in FY21)



Total number of full-time equivalent (FTE) employees as of 31 March 2022, where Epson has 50 or more employees



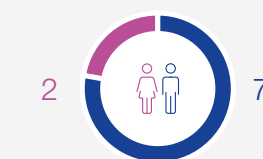
Age range of employees



Distribution of employees by age group in Europe.

Data as of 31 March 2022

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 we have focused on the redesign and development of some key programmes during FY22.

Since the inception of our “Sales Excellence Programme” in 2013, the skills required to excel in a sales environment have evolved. As a result, we have redesigned this programme, and our new “Personal Sales Enhancement Programme” will launch in FY23.

“Development” was highlighted in our Employee Opinion Survey and supporting this, we ran pilot sessions during our annual Learning Month. These sessions included “proactively managing your career”, “effective hybrid working”, and “presenting in a hybrid world”. A total of 78 employees attended these sessions.

Our new manager programme, “Developing People” will roll out in FY23. The programme focuses on ensuring our managers understand the importance of people development, recognise the significance of their role in this, and ensure that they are equipped to support team development.

Our executive leadership team have taken part in training sessions to support both the development of their personal skills and our revised DE&I strategy.



Training and skills

94%

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

25.2

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

93%


Percentage of employees that participated in compliance training

91%

Percentage of employees that participated in GDPR training

86%

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

SDG	Objective	KPI	Results
	Raise sustainability awareness among our employees by organising internal training sessions	Number of training sessions	Sustainability training forms part of our corporate induction, and was assigned to 228 employees in FY22. Of which, 194 (85.1%) completed sustainability training. In addition, we held 19 training sessions with 1,696 employees, content of which included presentations of our sustainability report and our ISO and SDG management systems

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.

Alongside this, we have also launched a new app to assist with physical and mental wellbeing at work for UK, Central and Eastern European (including Greek), Nordic, Dutch, Middle Eastern, Ukrainian, Kazakhstani and African employees. This will then roll out to our remaining EMEA employee locations in FY23.

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

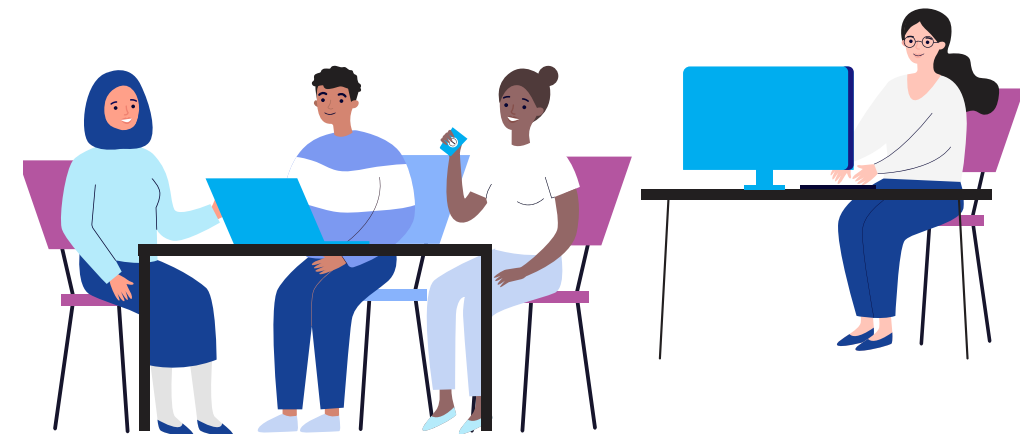
- Offered gym discounts
- Return of in-person social events and connectivity
- Regular pension workshops
- Held webinars with medical insurers detailing wellbeing support
- Display screen equipment (DSE) assessments
- Bike leasing schemes
- Flu vaccines
- Online physical wellbeing challenges
- Sophrology techniques
- 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.

ESG pension funds

To align with our sustainable procurement policy, we have begun the process of moving our UK employee pensions to a new ESG default fund. This means employee funds previously invested into diverse assets will be redirected to ESG funds from FY23. The fund screens for businesses with strong sustainability policies in the following areas:

- Targets to reduce GHG emissions, disclosure of data on water use and human waste
- Policies to prevent discrimination, child and forced labour, globally applicable human rights policy
- Commitments to improving gender and ethnic diversity across the business, with a particular focus at board and senior management level



Working conditions



Our employees are fundamental to the creation and success of our culture. We are committed to delivering the best working conditions for everyone.

SDG	Objective	KPI	Results
	Implementation of an agile working policy to improve employee wellbeing with freedom and flexibility in working arrangements	Adoption of agile working policy in our sales companies	<p>Since the pandemic, we have conducted extensive agile working trials, obtaining employee feedback on how they are finding the trials and the benefits and challenges they're experiencing. As part of our employee review process, we also considered manager feedback on how we can further support agile working. This feedback has been used to inform the formalisation of our policies.</p> <p>Trials have now concluded, and we have fully implemented agile working in Africa, Central and Eastern Europe, Greece, Israel, Italy, Middle East, Serbia and the UK. Trials remain in progress in France, Germany, the Netherlands, Nordics, Portugal and Spain</p>

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 government programmes 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
- 5 Number of days lost to work-related injuries/accidents

Epson factory achieves RBA Platinum status

Working conditions are a global priority for Epson. Our Indonesian factory employs over 13,000 people, producing a range of our business and consumer inkjet printers. The factory achieved RBA Platinum status in 2020, and again in 2022, 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, from primary school to university, with sustainability awareness and education. Our target is to reach at least 10,000 students across Europe (EU6) annually.

SDG	Objective	KPI	Results achieved
 	New Horizons: Engage at least 1,500 young people per year in Europe on sustainability topics (EU6)	Number of young people that participate in New Horizons activities	During FY22, 10,969 students participated in our New Horizons programme
	Collect data on youth engagement by level of education (primary, secondary, tertiary)	Number of young people that participate in New Horizons activities split by level of education	During FY22 we engaged with 7,060 primary school students, 2,595 secondary school students and 1,031 university students

Examples of New Horizons projects

EDU2030

EDU2030 is an initiative in Epson Spain promoting digital and sustainable transformation in education settings. Participating schools and universities receive access to expertise, teaching tools and resources to enable their transition.

This includes talks from sustainability organisations, hands-on educational workshops and activities to help students understand the SDGs and how to integrate them into their communities. It also offers access to our collaborative, more sustainable technologies to enhance student's learning experiences and help schools reduce their environmental impact.

 Find out more: epson.es/edu2030

Fontys University partnership

Our Netherlands team partnered with Fontys University, to give students studying a Circular Economy minor a challenging, real-world opportunity to learn. They were invited to develop a CO₂ calculation methodology for refurbished products. They pitched ideas to our product and sustainability teams, and the winning team of three students was invited to spend time in our offices, meeting our marketing, sales, supply chain, legal and sustainability teams to gain an in-depth understanding of our business, and further develop their methodology.

“Epson’s openness to working with students is important to us, and for me, the appeal was being able to work with the sustainability team. I’ve enjoyed learning how the business approaches sustainability issues and working together to share knowledge and find solutions.”

Joris Cox
Participating student,
Fontys University

Contributing to communities continued



Community projects

Epson is a market leader in education around the world, and a key part of our overall strategy and commitment to SDG 4 is enriching education through technology.

Supporting early years education in Jamaica

Two years ago, we began a partnership with our ambassador, Usain Bolt, and together, we have been supporting our shared ambition to help ensure children everywhere receive the best education possible. The Usain Bolt Foundation aims to create opportunities through education and cultural development in Jamaica.

In the past year, we have donated an additional 125 EcoTank printers to the Foundation, bringing the total number of printers donated so far to 225. The printers have been distributed to primary schools, helping early learning education and will be used to print worksheets and educational materials, which many of the children did not have access to previously.



“Technology has made a big difference in how we educate our children. Many children are unable to purchase books so providing printers is a great way to help them.”

Olga Robinson Clarke
School Principal, New Providence Primary,
Jamaica

Helping over 13,000 children in South Africa to stay in school

It's estimated that 750,000 South African children aged 7–17 left school in 2021, with limited access to educational material at home contributing to this high dropout rate. To address this challenge, we donated 204 EcoTank printers to 72 schools in Gauteng, the Western Cape, Mpumalanga and KwaZulu-Natal.

We partnered with Vuma, the leading South African cable provider and Diebold, a multinational technology company, who work with local communities with limited or no internet access. The donated printers are part of Vuma's Connected Schools Project and have enabled schools to provide printed educational materials for children with no internet access, to support their studies and help them remain in school.



“We want to provide sustainable technology to communities that need it most so we can bridge the learning gap and ensure no child gets left behind.”

Kate Govender
Consumer Sales Manager, Epson South Africa

Contributing to communities continued



Providing teachers in Egypt with access to printers

In 2022, we partnered with five educational institutions in Egypt, donating 100 EcoTank printers as part of an initiative to enable teachers to create a range of printed learning materials for children to take home. It follows COP27 research that we carried out in Egypt, where 94% of those working in the education sector said it was essential for teachers to have access to a printer.



“As part of our mission to improve lives in the communities we serve, several educational institutions across Egypt and their students now have enhanced access to learning materials. It’s an initiative that we will continue to expand.”

Neil Colquhoun
Vice President, Epson CISMETA

Improving literacy for children in Morocco

We have partnered with the Regional Academy of Education and Training in Morocco, donating 157 EcoTank printers and 1,000 reams of paper for pre-school children to create lesson plans and custom-made worksheets. To support with the children’s literacy, we also provided a selection of mini stories that can be printed from a smartphone onto a single page and “fun and learn” booklets for children to develop their imagination and learning skills.

“As well as donating printers and paper, we’ve worked with teachers to provide training to maximise the children’s opportunity to learn and develop their literacy and communication skills.”

Joseph Valleau
General Manager, Epson French Africa

Strengthen our governance

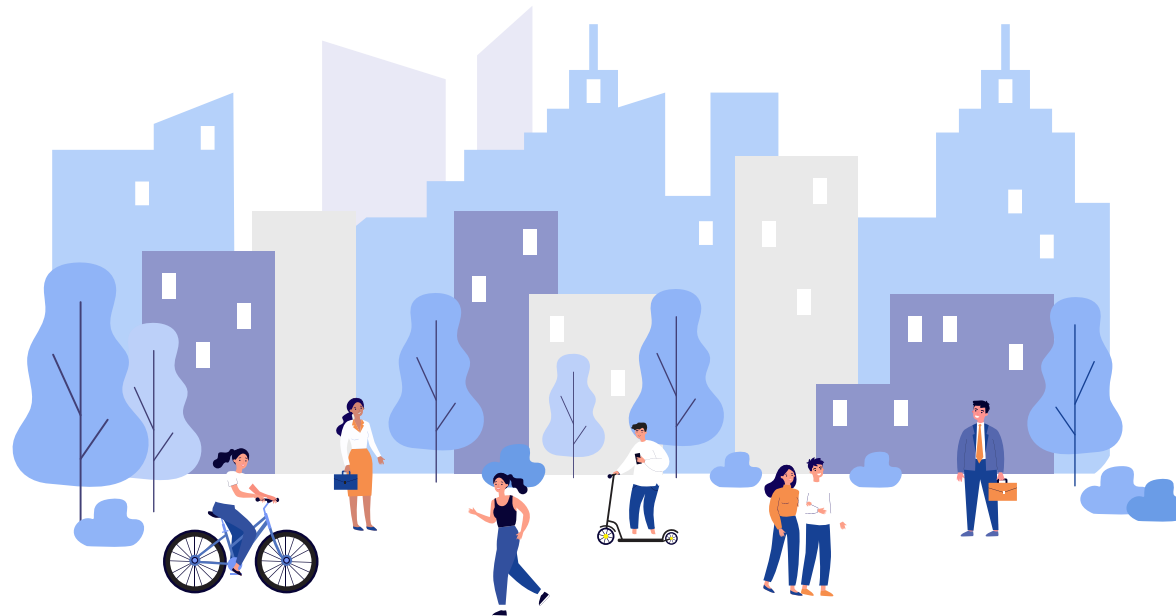
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Epson's European commitment to sustainable governance

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 Office and Strategy Council 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 Council, 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

93%

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

88%

Percentage of the total workforce who received training on information security

93%

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 9001.

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 FY22, 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. Ensuring effective governance and compliance
-  5. Creating a safe, healthy, and fair work environment in which human rights are respected
-  6. Ensuring the security of people, assets, and information
-  7. Working with business partners for mutual benefit
-  8. Prospering with the community
-  9. Initiating honest dialogue with our stakeholders

These nine principles allow 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 FY22

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



Henning Ohlsson
Sustainability Director,
Epson Europe B.V.

Youth as changemakers for the future

Young people have historically been powerful drivers and catalysts of political change. Currently, more than half of the people on our planet are under 30 years old, yet shockingly, only 2.6%¹ of parliament members globally are under 30. This statistic is at odds with the widely acknowledged truth that Gen Z is not only the most concerned about global warming but actively inspiring older generations to behave more sustainably.

This social media generation, a generation of influencers, is arguably the first to have shown such an intense level of interest in any societal issue. Therefore, most would agree that our political age balance is wrong, and this growing youth population should have a say in policy development, as they face shouldering the devastating burden of climate change.

Skills for young people to face the future

In our 2023 Climate Reality Barometer global survey, almost half of respondents said they believed the most important thing companies can do to fight climate change is invest in environmental technologies. If we are to embark on the kind of green transition that's crucial in responding to the climate crisis and achieving the SDGs (Sustainable Development Goals), it's essential we equip the younger generation with the technical knowledge and skills to effectively develop and maximise new, sustainable technologies.

We've been addressing this challenge through our "New Horizons" programme, working with young people of all ages, educational establishments, sustainability organisations and NGOs to help facilitate knowledge and skills around the SDGs and technologies of the future. While it's true that young people are anxious about the climate crisis, it is invigorating to see just how passionately invested they are in making a positive difference, how globally minded they are, and how determined to be part of the solution.

Are the SDGs still relevant?

Education around the SDGs forms a significant part of this programme. As a business, we are fully committed to the principles, they guide our operations. Yet at this mid-term point in the SDG journey to 2030, data indicates that globally, only around 12% of the SDGs are on track to meet their goals, nearly 50% are moderately or severely off-track and around 30% have stagnated or regressed below their 2015 baseline. From the war in Ukraine, the energy crisis and extreme climate events, the world has faced an onslaught of significant challenges, and national priorities have naturally taken precedence over global solutions.

Critics suggest the SDGs are a vision of a perfect world rather than something realistically achievable. We believe, however, that despite all challenges, the SDGs continue to have purpose. They are an accessible, understandable set of targets that individuals, organisations and governments can congregate around to consistently pull together towards crucial common goals for the future of people and planet.

Henning Ohlsson

¹ 2021 IPU report on [Youth Participation in National Parliaments](#)







Appendix







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Sustainability objectives and progress report





The following tables provide an overview of our key sustainability objectives for FY22

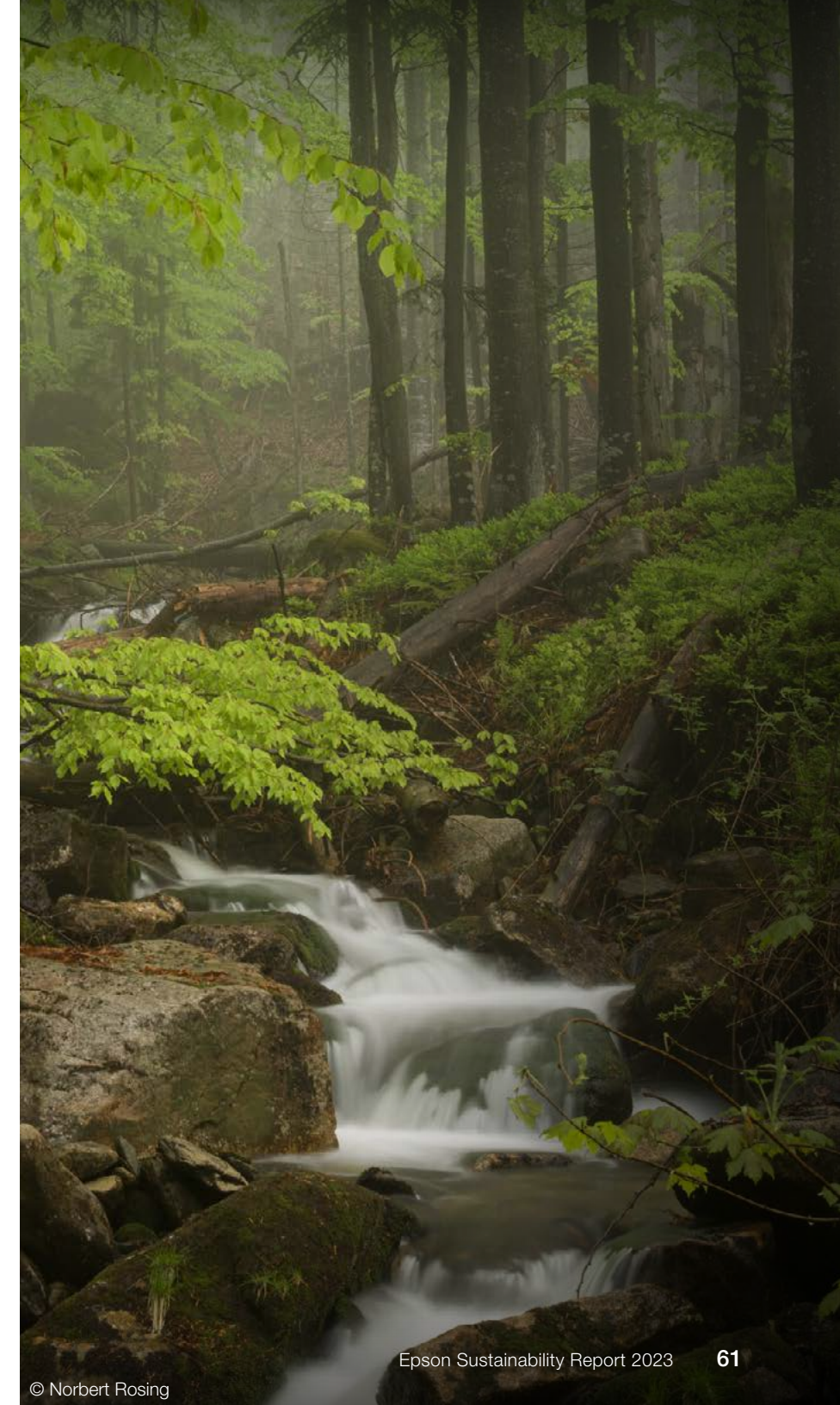
Objectives 2022/23

SDG	Objective	KPI	Status
	Engage with at least 1,500 young people per year in Europe on sustainability topics (EU6)	Number of young people that participated in New Horizons activities	Achieved
	Collect data on youth engagement by level of education (primary, secondary, tertiary)	Number of young people that participated in New Horizons activities split by level of education	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
	Promote Heat-Free printing technology by using the optimisation tool to calculate individual electricity and emissions saving potential for customers	Number of reports generated	Almost achieved
	Commitment to Equality, Diversity & Inclusion (ED&I) through reviewing and refreshing Epson's ED&I policy and agreeing on diversity, equality and inclusion goals and metrics	Update of ED&I policy	Almost achieved

SDG	Objective	KPI	Status
	Promotion of gender diversity, developing talent and encouraging women to realise their potential through participation in Mission Gender Equity mentoring scheme	Number of participants in Mission Gender Equity mentoring scheme	Achieved
	Implementation of agile working policy supporting to improve employee wellbeing by providing more freedom and flexibility in working arrangements	Adoption of agile working policy in Epson sales companies	Almost achieved
	Drive awareness of sustainability through communications, highlighting more sustainable technologies, achievements and initiatives, and achieving greater awareness of our Sustainability Report	Coverage volumes, message delivery, sentiment, top tier press inclusion, downloads sustainability report	Almost achieved
	Increase share of POS materials made from environmentally friendly materials (to include no plastics) to 90% by the end of FY23	Percentage of POS materials made from environmentally friendly materials	Ongoing
	Introduce annual sustainability surveys for suppliers as part of Epson Procurement Regulation	Number of supplier surveys completed	Achieved
	Reduce Scope 1 emissions by 10% compared to FY17	GHG emissions in kg CO ₂ e	-

Sustainability objectives and progress report continued







SDG	Objective	KPI	Status
	Reduce average emissions per company car across Europe below 100 g CO ₂ /km.	GHG emissions in kg CO ₂ e	Achieved
	Start reporting selected Scope 3 emissions (such as commuting, business travel)	GHG emissions in kg CO ₂ e	Achieved
	Install capability to accurately measure the carbon footprint of all our inbound containers and outbound deliveries to customers	Installation of relevant software	Almost achieved
	Increase the m ³ shipped on all outbound pallets: <ul style="list-style-type: none"> - Shipped pallet type from euro to block - Increasing the accepted shippable pallet height - Consolidation of customer orders; more volume per shipment 	m ³ 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 FY23.

Objectives 2023/24

SDG	Objective	KPI
	Engage with at least 10,000 young people per year in Europe on sustainability topics (EU6)	Number of young people that participated in New Horizons activities split by level of education
	Raise awareness for sustainability among our business partners and resellers (EU6)	Number of business partners and resellers reached
	Raise awareness for sustainability among Epson employees by organising internal training sessions (EU6)	Number of training sessions
	Roll out of DE&I (Diversity, Equity, Inclusion) training to managers to support Epson's DE&I direction	Completion rate of training
	Promotion of gender diversity, developing talent and encouraging women to realise their potential through increasing the number of mentees participating in Mission Gender Equity FY23	Number of sales companies and participants in Mission Gender Equity mentoring programme
	Provide an opportunity for employee feedback through delivery of an annual employee survey and create action plans and initiatives	Response rate employee survey and number of action plans and initiatives

SDG	Objective	KPI
	Drive awareness of sustainability through communications, highlighting more sustainable technologies, achievements and initiatives, and achieving greater awareness of our Sustainability Report	Measured in KPIs for coverage volumes, message delivery, sentiment, top tier press inclusion, downloads sustainability report
	Increase share of POS materials made from environmentally friendly materials (to include no plastics) to 90% by the end of FY23	Percentage of POS materials made from environmentally friendly materials
	Revise and improve Epson's recycling programme for cartridges	Launch of improved recycling programme and new web portal
	Roll out the EcoTank Refurbishment programme to the markets in France, Italy, and Spain	Programme launch in France, Italy and Spain
	Review the GHG emissions data management to improve emissions reporting	GHG emissions in kg CO ₂ e
	Add additional selected Scope 3 emissions to GHG reporting	GHG emissions in kg CO ₂ e

Sustainability objectives and progress report continued

SDG	Objective	KPI
	Install solar panels to the UK Distribution Centre	Installation of solar panels by the end of FY23
	Increase the cubic metres shipped on all our outbound pallets <ul style="list-style-type: none"> – Increasing the accepted shippable pallet height – Consolidation of customer orders, more volume per shipment 	m ³ shipped on outbound pallets



Methodology

Methodology

This report was guided by the proposal for a European directive relating to corporate sustainability reporting (COM 2021, 189 final) and the Bureau Veritas sustainable development goals certification standard. The data in this report relates primarily to Epson European regional sales headquarters, who's 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. Our materiality methodology is in line with the European Non-Financial Reporting Directive's double materiality concept, as well as the upcoming EU Corporate Sustainability Reporting Directive. We set targets and report on them accordingly, 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.

Evaluation relevance of SDGs

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

- impact of SDG on us; 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:

- Impact of SDG on us: 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.s

To determine each criterion's individual scores, several information sources are considered, including materiality analysis, regulatory data-bases, and feedback from stakeholders. The graph on **page 18** shows the 2022/23 assessment of the SDGs' relevance to us.

Emission factors

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

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

- CO₂ emissions from office electricity: GHG protocol/IEA v14 (11/2020)
- IEA 2020 (indirect location-based emissions)
- CO₂ emissions from office gas: GHG protocol/IEA v14 (11/2020) – IEA 2020

GRI reference

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

The report references the following disclosures:

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

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 Grafath 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.

His ambition and enthusiasm to photograph the beauty of the natural world remains undimmed. Over the next six months Norbert will travel to the East Greenland National Park and Scoresby Sound, then onto the Antarctic Peninsula. He's also working on a project called "Clematis: the unknown beauty of a wild plant".

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

www.rosing.de



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Get in touch

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

epson.co.uk/sustainability-feedback.

For more information please contact:

Home users: 0343 90 37766

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Republic of Ireland: 01 436 7742

Or visit us at www.epson.co.uk/contactus

* 10p per minute plus network extras

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

CSR Management System
aligned with the Sustainable
Development Goals

BUREAU VERITAS
Certification



Leader auditor: Carlos Pagola
Date: 10 Novembre de 2023

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