

## Epson Slavery & Human Trafficking Statement for Financial Year 2020

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chain or in any part of our business. We will respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

**This statement is made pursuant to section 54(1) of the UK's Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the U.S. California Transparency in Supply Chain ACT 2010 (SB 657) and the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid).**

The Epson Group companies that are required to report under these laws are as follows:

Epson UK Ltd.  
Epson Telford Ltd.  
Epson Australia Pty Ltd.  
Epson America, Inc.  
Epson Europe B.V.

### Our organisation

Seiko Epson Corporation and Epson Group companies are primarily engaged in the development, manufacturing, and sales of products and services in the areas of printing, visual communications, wearables and robotics.

We use the word Epson to describe all companies in the Epson Group.

Epson is organized into operational divisions that come under consolidated management. The majority of advanced R&D and product development is conducted in Japan, while manufacturing and sales activities are conducted around the world by 83 Epson Group manufacturing and sales companies, in 58 countries and regions, with 79,944 employees and 995.9 billion yen in net revenue for FY2020.

Epson is vertically integrated and develops and manufactures the majority of its components in-house and then sells through its global network of wholly owned sales subsidiaries.

Epson's printing solutions business provides home and office inkjet printers, serial impact dot matrix (SIDM) printers, page printers, colour image scanners, dry process office papermaking systems, inkjet printers for commercial and industrial applications, printers for use in POS systems, inkjet printhead, related consumables, and, in the Japanese market, PCs.

Epson's visual communications business provides 3LCD projectors mainly for business, education, the home, and event as well as smart glasses.

Its wearables & industrial products business provides wristwatches and watch movements, industrial robots, IC handlers\*; crystal units, crystal oscillators, and quartz sensors for consumer, automotive, industrial equipment applications; CMOS LSIs and other chips

mainly for consumer electronics and automotive application; high-performance metal powders, and high-value-added surface finishing.

\* IC handler business was transferred to another company in April 2021.

## Supply Chain

In manufacturing and selling the many Epson products mentioned above, currently, Epson procures goods and services from about 1,700 direct material suppliers around the world.

Epson considers suppliers to be important partners in its business activities. As such, its procurement activities are designed to develop mutually beneficial trusting relationships with its business partners based on fairness, transparency, and respect.

Epson procures goods from around the world. Domestic Japanese procurement accounts for 42% of the spend and overseas procurement for 58%.

Direct materials procurement, which includes spending on raw materials and parts required for finished product assembly, as well as spending on things such as the outsourcing of production, accounts for 66% of the spend. Meanwhile, indirect materials procurement, which includes spending on things such as factory supplies, machinery and equipment, advertising, logistics, outsourcing of business processes, and temporary staffing, accounts for 34%.

Epson believes its responsibility for products and services goes beyond just ensuring high-quality products for the market. It also believes it is responsible for ensuring that its entire supply chain upholds appropriate standards in respect to human rights, labour, and the environment. Therefore, Epson recognizes the importance of taking CSR initiatives hand in hand with its suppliers. For that reason, Epson practices fair and transparent trade with its suppliers and thereby building trusting relationships. Epson believes that it is only with such partnerships that it can enjoy "harmonious development" supported by rapport with international and local communities.

## Epson standards

Epson is serious about keeping all forms of discrimination and unfair practices out of its global operations. We will work to fulfill our social responsibility and create shared value in order to achieve sustainability and enrich communities together with our customers and partners from a long-term perspective based on our [management philosophy](#).

In 2005, Seiko Epson Corporation established the Principles of Corporate Behavior (Corporate Social Responsibility Guidelines) which are adhered to by all companies ultimately owned by Seiko Epson Corporation. In 2021, Epson updated the Principles of Corporate Behavior in response to the latest societal requirements. These guidelines were established to clarify the foundations for implementing trust-based management, which is

aimed at building stakeholder trust and is the fundamental principle of Epson management, and which are shared across the Group.

Epson's stance on Corporate Social Responsibility is reflected in its participation in the United Nations Global Compact since 2004. Epson also used ISO 26000 (Guidance on Social Responsibility) and OECD Guidelines for Multinational Enterprises as references. In 2005, Epson documented its policies regarding Human Rights and Labour Standards that outline its strong convictions in areas including respect for human rights, elimination of harassment, eradication of all forms of discrimination, respect for local culture and customs, prohibition of child and forced labour, and maintenance of positive labour relations. Furthermore, Epson will fulfill its corporate responsibilities pursuant to the United Nations Guiding Principles on Business and Human Rights, which came into effect in 2011.

In April 2019, Epson joined the Responsible Business Alliance (RBA), a global coalition dedicated to CSR in global supply chains. Epson has committed to complying with the RBA Code of Conduct, progressively implementing the RBA approach and tools in the spirit of the industry's common goals. In 2020, we incorporated the requirements of the RBA Code of Conduct in Epson Group regulations concerning human rights and labor, health and safety, environment, ethics, and management systems, thus helping to ensure that we can maintain compliance with the RBA Code of Conduct within Epson's management.

As indicated by the phrase "commitment to sustainability" in the Epson Group Management Philosophy, Epson aspires to work with its business partners for mutual benefit, achieve sustainability, and enrich communities. We believe that we can build mutually beneficial relationships by asking all our business partners, including our suppliers, to uphold the highest standards of integrity and ethics while, at the same time, respecting their autonomy and independence.

These supply chain ethics requirements are based on the RBA Code of Conduct. Epson, which has mapped each of its supply chain initiatives to one or more of the Sustainable Development Goals (SDGs) of the United Nations, will help to achieve the SDGs by taking action throughout the supply chain.

In particular, we are focusing on the following four priorities and are engaging suppliers to ensure worker human rights and safety and to realize a sustainable society:

- Decent work
- A safe work environment
- Responsible sourcing of minerals
- Environmental impact mitigation

To achieve the goals stated in its Management Philosophy, Epson believes that it is essential for suppliers to understand the management philosophy and support its procurement activities. We established the Epson Group Supplier Guidelines in 2005 to inform suppliers about Epson's procurement policies and to enlist their cooperation in promoting socially responsible practices. Then, in 2008, we created the Epson Supplier Code of Conduct, which is based on and conforms to the code of conduct created by the

Electronic Industry Citizenship Coalition (EICC), now called the Responsible Business Alliance (RBA).

The Epson Group Supplier Guidelines stipulate the basic quality (Q), price (C), and delivery (D) requirements for transactions, trade control measures that satisfy the requirements of the international community, and measures to ensure security in the supply chain. They also stipulate CSR requirements (the RBA Code of Conduct) in the areas of labor, health and safety, environment, and ethics with the aim of maintaining socially responsible business practices along with our business partners. Over the 15-year history of the Guidelines, we have asked all our suppliers to comply with the requirements and have our major suppliers of both production materials and indirect materials (including suppliers of contract services and temporary staff) to submit a Supplier Agreement in which they consent to comply with Epson's requirements. In the 2020 fiscal year, we received Supplier Agreements from about 1,500 companies that supply our main manufacturing subsidiaries in Japan and abroad.

Going forward, Epson will further observe the RBA Code of Conduct and work with its suppliers to strengthen CSR supply chain initiatives.

### **Due diligence processes for slavery and human trafficking**

Epson has identified potential or actual human rights risks both within its own operations and within those of its suppliers. These risks include things such as forced labor, child labor, harassment, and discrimination in the value chain for developing, manufacturing, and selling products. We are going through a process of human rights due diligence to investigate these risks, extract problems and issues, take corrective action, make improvements, and prevent future problems. The human rights due diligence process in Epson's business is as follows:

1. Policy enactment
2. Identification of human rights risks and evaluation of their effects
3. Improvement plans, and stopping, preventing, and mitigating adverse effects
4. Results/progress monitoring
5. Communication and reporting
6. Remedial measures

1. Policy enactment

In 2005, we established The Policies regarding Human Rights and Labor Standards of the Epson Group. The policies will be reviewed as needed in response to changes in social trends and social demands. In 2019, we joined the RBA as a regular member. We are deploying the RBA Code of Conduct within Epson and in the supply chain and are monitoring compliance. In conducting these activities, we refer to the United Nations

Guiding Principles on Business and Human Rights as well as other international norms and standards.

## 2. Identification of human rights risks and evaluation of their effects

To understand where human rights risks exist in business and to manage those risks, we worked with stakeholders in the value chain to analyze where risks reside. We found that priority actions are needed for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees. Therefore, we conduct a CSR self-assessment questionnaire to understand issues in these areas.

## 3. Improvement plans, and stopping, preventing, and mitigating adverse effects

We instruct companies and business sites to take action to correct, improve, or mitigate risks identified by the CSR self-assessment questionnaire.

Regarding child labour, we have established the following measures:

Epson will never engage in child labour within its facilities, including workers from external partners and workers hired through agents. If found, each company is required to assist them and provide for the welfare of the child.

Age verification must include visual verification of a government recognized photographic identification document, if available.

If child labour is discovered at the company, employment will be terminated immediately, and the company will notify Seiko Epson, the relevant government and labour inspection agency to consider measures to be taken in consultation with them.

## 4. Results/progress monitoring

We check whether instances of noncompliance with the code of conduct have been corrected by asking the companies and business sites to complete the CSR self-assessment questionnaire the following year. In addition, as a member of the RBA, Epson voluntarily undergoes RBA VAP audits at its large production sites for its main businesses to accurately assess compliance with the RBA Code of Conduct, extract issues, and address them.

## 5. Communication and reporting

The results and progress of improvement plans are reviewed annually. The findings are disclosed on the Web and reported in Epson's sustainability report. This statement also reports on the Epson Group's global initiatives.

## 6. Remedial measures

In addition to prioritizing remedies for Epson Group employees, temporary employees (including migrant workers), on-site vendors, and supplier employees, we provide

whistleblowing systems that all stakeholders, including customers, investors, and members of local communities, can use to lodge grievances that are then appropriately addressed.

### **Assessing and managing risk**

In the 2020 fiscal year, we asked our own business sites, Epson Group companies in Japan and abroad, and suppliers to complete a CSR self-assessment questionnaire (SAQ). The CSR SAQ, which consists of questions concerning human rights and labor, health and safety, environmental issues, ethics, and management systems, is used to assess compliance with the RBA Code of Conduct.

The following are examples of human rights risks that have been identified, corrected, improved, or continuously addressed within the Epson Group:

- Requiring migrant workers to pay broker and recruitment fees to recruitment agencies
- Holding of passports belonging to migrant workers
- Agreement process with workers regarding overtime work
- Long working hours

This CSR SAQ is conducted every year to identify where issues exist and encourage improvement.

In 2020, we asked key suppliers of direct materials, on-site contractors at major manufacturing sites, and temporary staffing and referral agencies to complete a CSR SAQ. We asked 297 key first-tier suppliers of direct materials to complete the CSR SAQ, and we received responses from 293 companies (497 sites).

When suppliers are found to be high-risk as a result of their score on the CSR SAQ or high-risk in terms of labor (human rights), we verify the situation on-site and support their efforts to improve to medium risk or better. The results of the 2020 CSR SAQ showed no evidence of child labor or the worst forms of human rights abuses.

We received completed questionnaires from 154 on-site contractors and 92 temporary staffing and referral agencies that have contracts with Seiko Epson plants and offices and with domestic and overseas manufacturing sites. As indispensable partners for Epson's factory operations, we ask them to understand the requirements of the RBA and to work to improve their operations in compliance with these requirements.

In addition to the scores on the CSR SAQ, we provide all suppliers with their score and with a feedback sheet that includes advice on how to correct issues.

### **Performance indicators**

Epson sets and acts upon medium-range targets, major action items, and key performance indicators (KPIs) for achieving its supply chain CSR vision.

Mid-term targets (achieve by 2025)

- Sustainable procurement: Ensure that all major suppliers are ranked low risk in terms of CSR.
- Conflict minerals: Make products conflict-mineral-free and disclose product information.

FY2020 Major Action Items and KPIs	Results
<p>1. Ask major suppliers to complete a CSR SAQ (self-assessment questionnaire):</p> <p>1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100%</p> <p>2) Percentage of high-risk suppliers who complete corrective action: 100% (Number of high-risk suppliers: 0)</p>	<p>Number of direct material suppliers asked to complete the SAQ: 297</p> <p>Number of suppliers that completed the SAQ: 293</p> <p>1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100%</p> <p>Direct material supplier risk rankings                      Low risk: 443 companies (91%)                      Medium risk: 54 companies (9%)                      High risk: 0 companies (0%)</p> <p>2) Percentage of high-risk suppliers who completed corrective action: 100% (Number of high-risk suppliers: 0)</p>
<p>2. Percentage of CSR questionnaires (including conflict minerals surveys) from customers that are completed and returned: 100%</p>	<p>Percentage of surveys completed at customer request: 100%</p>
<p>3. Percentage of CF certified smelters in conflict minerals survey: 100%</p>	<p>Percentage of CF-certified smelters: 71%</p>

FY2021 Major Action Items and KPIs
<p>1. Strengthen the CSR SAQ (self-assessment questionnaire) for major suppliers:</p> <p>1) Percentage of suppliers to whom feedback on CSR SAQ results is provided: 100%</p> <p>2) Implementation of risk mitigation activities for specified priority items: 100% completion rate</p>
<p>2. Strengthening of conflict mineral surveys</p>



<ul style="list-style-type: none"> <li>1) Exclusion of non-CF-certified smelters by performing due diligence</li> <li>2) Completed surveys collection rate of 100%</li> </ul>
<p>3. Strengthening of CSR engagement with suppliers</p> <ul style="list-style-type: none"> <li>1) 100% of manufacturing sites held supplier CSR meetings</li> <li>2) 100% of major suppliers signed a Supplier Agreement committing to comply with the Epson Group Supplier Guidelines</li> </ul>

### **Training and whistleblowing systems**

Epson is committed to exercising high ethical standards and a social conscience, and it has declared that it will conduct procurement activities in strict compliance with both the letter and spirit of laws and regulations in regions where it operates. Employee training is an important part of this commitment.

All employees in Japan are required to take the Introduction to Procurement (Subcontract Act) online training courses. Employees in Japan and abroad took an online course in the basics of the RBA to learn about the RBA Code of Conduct and its relationship to CSR issues in the supply chain.

Epson provided professional training for procurement staff to manage supplier CSR. These programs are based on the RBA Code of Conduct and RBA (VAP) audit standards. Some are conducted by outside consultants. In 2020, with amendments having been made to the RBA Code of Conduct, we provided training in version 7 of the code to relevant employees in Epson Group companies in Japan and abroad.

Epson has established compliance hotlines for receiving reports and consultations from suppliers regarding violations or potential violations of legislative requirements and the Epson Group Procurement Guidelines. Suppliers are asked to report any real or suspected misconduct or legal, regulatory, or ethical violations relating to Epson's operations or involving Epson officers or employees.

In 2020, we improved and broadened the operation of whistleblowing systems by introducing channels at overseas manufacturing subsidiaries that business partners can use to report compliance issues.

Steps are taken to protect the identity of whistleblowers by strictly handling personal data and to protect them from retaliation.

### **Further steps**

Epson will continue to review the effectiveness of the steps it has taken to ensure that there is no slavery or human trafficking in its supply chains. To further improve its policies and procedures, it will refer directly to the UK's Modern Slavery Act 2015, the Australian Modern



Slavery Act 2018, the U.S. California Transparency in Supply Chain ACT 2010 (SB 657), the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid) and other legal requirements to ensure complete compliance.

This Statement was approved at the Seiko Epson Corporation's board of directors meeting on 30 July 2021 and signed by the President of Seiko Epson Corporation.

**Yasunori Ogawa**  
**President, Board of Directors**  
**Seiko Epson Corporation**

**Date: 30 July 2021**

**This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Epson (UK) Limited for the financial year ending 31 March 2021.**

Epson (UK) Limited is a wholly owned subsidiary of Epson Europe B.V. of Amsterdam, The Netherlands. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.

Epson (UK) Limited sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation and purchased from Epson Europe B.V., which purchases products and consumables from Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part of the Epson Group.

Epson Europe has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

As the supplier of its products, Seiko Epson Corporation and Epson Europe B.V. has assured Epson (UK) Limited that it is committed to combatting slavery and human trafficking in all its businesses and supply chains. Seiko Epson Corporation, in turn, confirms that it is committed to the same.

This Statement was approved at the Epson (UK) Limited's board of directors meeting on 17 August 2021 and signed by the Managing Director.

**Robert Clark**  
**Managing Director**  
**Epson (UK) Limited**

**Date: 17 August 2021**

**This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Epson Telford Limited for the financial year ending 31 March 2021.**

Epson Telford Limited is a wholly owned subsidiary of Epson Europe B.V. of Amsterdam, The Netherlands. Our ultimate parent company is Seiko Epson Corporation, headquartered in Japan.

Epson Telford Limited manufactures and packs ink cartridges for consumer use and ink products and textile inks for industrial use. These products are shipped to other Epson affiliates, where they are then distributed worldwide.

This Statement was approved at the Epson Telford Limited's board of directors meeting on 05 08 2021 and signed by the Managing Director.

**Kevin Browne**  
**Managing Director**  
**Epson Telford Limited**

**Date: 05 08 2021**

**This statement is made pursuant to the Modern Slavery Act 2018 and constitutes the slavery and human trafficking statement of Epson Australia Pty. Ltd. for the financial year ending 31 March 2021.**

Epson Australia Pty. Ltd. is a wholly owned subsidiary of Seiko Epson Corporation, headquartered in Japan.

Epson Australia Pty. Ltd. sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in Australia and New Zealand.

This Statement was approved at the Epson Australia Pty. Ltd.'s board of directors meeting on 05 August 2021 and signed by the President.

**Craig Heckenberg**  
**Managing Director**  
**Epson Australia Pty. Ltd.**

**Date: 05 August 2021**

**This statement is made pursuant to the Dutch Child Labour Due Diligence Law (Wet Zorgplicht Kinderarbeid) and constitutes the slavery and human trafficking statement of Epson Europe B.V. for the financial year ending 31 March 2021.**

Epson Europe B.V. is a wholly owned subsidiary of Seiko Epson Corporation, headquartered in Japan.

Epson Europe B.V. sells printers, business imaging, visual instruments, consumables and other products manufactured by Seiko Epson Corporation. This is our supply chain for products sold in the UK and these entities are a part of the Epson Group.

Epson Europe B.V. has a team of Corporate Social Responsibility specialists with responsibility for ensuring the company maintains the highest standards across Epson businesses in Europe, the Middle East, Africa and Russia.

This Statement was confirmed by Epson Europe B.V.'s board of directors and signed by the President.

**Yoshiro Nagafusa**  
**President**  
**Epson Europe B.V.**

**Date: 24 August 2021**