2023 ENVIRONMENTAL SUSTAINABILITY REPORT

Reporting Period: April 2023 - March 2024

Epson Portland Operations
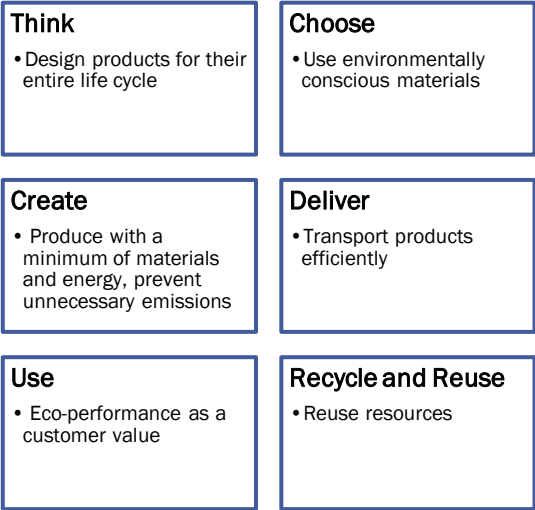
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EPSON®

EPSON AND THE ENVIRONMENT

Life Cycle Thinking

Through Epson's creation of eco-considerate products, we are cooperating with customers and business partners to expand our environmental impact mitigation efforts beyond our doors.

Think
- Design products for their entire life cycle

Choose
- Use environmentally conscious materials

Create
- Produce with a minimum of materials and energy, prevent unnecessary emissions

Deliver
- Transport products efficiently

Use
- Eco-performance as a customer value

Recycle and Reuse
- Reuse resources

ENVIRONMENTAL VALUES

As Epson's United States manufacturing affiliate, we are proud of our progressive environmental program which includes a zero-waste-to-landfill operation, renewable energy purchase program, effective use of energy and resources, responsible supply chain management, and employee engagement programs.

Environmentally Sustainable Processes	Pollution Prevention	Support Environmental Conservation
Employee Participation	Fulfil Compliance Obligations	Communication

To support our goals and to ensure compliance, we have company policies and a Corporate Social Responsibility (CSR) Action Plan that serve as a benchmark to gauge current and future activities and help score our progress on a quarterly basis. Our environmental values are used as a framework to measure and monitor environmental activities and determine company environmental objectives in conjunction with our Environmental Management System (EMS).

Community Support

Each year, EPI donates to a variety of local, nonprofit organizations with focuses on the environment, STEM education (science, technology, engineering, and math), social welfare, culture, and the arts. In addition to the company's monetary donations, we also create opportunities for everyone to get involved through giving campaigns and volunteer opportunities.

Collectively, these activities make up EPI's Corporate Social Responsibility (CSR) initiatives. We put an emphasis on these activities during October's Community Support Month, which includes our annual United Way campaign, blood drive, tree planting volunteer day, and more.

SUSTAINABLE PROCESSES

We integrate our Environmental Management System (EMS) into business processes to produce environmentally sustainable products.

ENVIRONMENTAL INDICATORS

Accomplishments and Deficiencies Exceeding Regulatory Compliance

Green Purchasing	**Target**: 80% of consumable supplies purchased are environmentally preferred products	**Result**: Achieved 84.6% green purchasing for consumables
Solid Waste	**Target**: (Hillsboro) Maintain Zero Waste-to-Landfill	**Result**: 100% solid waste goes to a waste-to-energy facility
	Target: (Hillsboro) Maintain FY22 Baseline Solid Waste per Unit	**Resul**t: 25% increase
	Target: (Longview) Maintain FY22 Baseline Solid Waste Levels	**Result**: 25% decrease
Total CO_2	**Target**: (Hillsboro) Maintain FY22 CO_2 Emissions (per unit produced & gas vs. baseline FY22)	**Results**: Achieved 100% CO2 reduction.
	Target: (Longview) Maintain FY22 CO2 Emissions (Based on Production Demand)	**Results**: Achieved 76% CO2 reduction.

STRATEGIC APPROACH

Determining Performance Indicators

The EMS is intended to be a guide for establishing, maintaining, and improving our environmental activities. The Environmental, Health, and Safety (EHS) department drafts recommendations based on the requirements and categories listed below, which are approved by senior management. Once approved, the EHS department drafts plans for each objective, detailing who is responsible and critical milestones or deadlines to achieve each target. The EHS committee then completes an annual analysis of those environmental aspects and impacts.

Environmental Planning Procedures Integrated Process

Identifying Environmental Aspects	→	Determine the Significant Environmental Aspects/Impacts	→	Developing Environmental Objectives	→	Developing Environmental Objectives plan to achieve them	→	Developing Environmental Programs

8 Categories of Impacts

Air pollution	Utilities consumption
Water pollution (sanitary)	Reused/recycled materials
Water pollution (outside)	Solid waste
Soil pollution (outside)	Regulatory compliance

Basis of Objectives and Targets

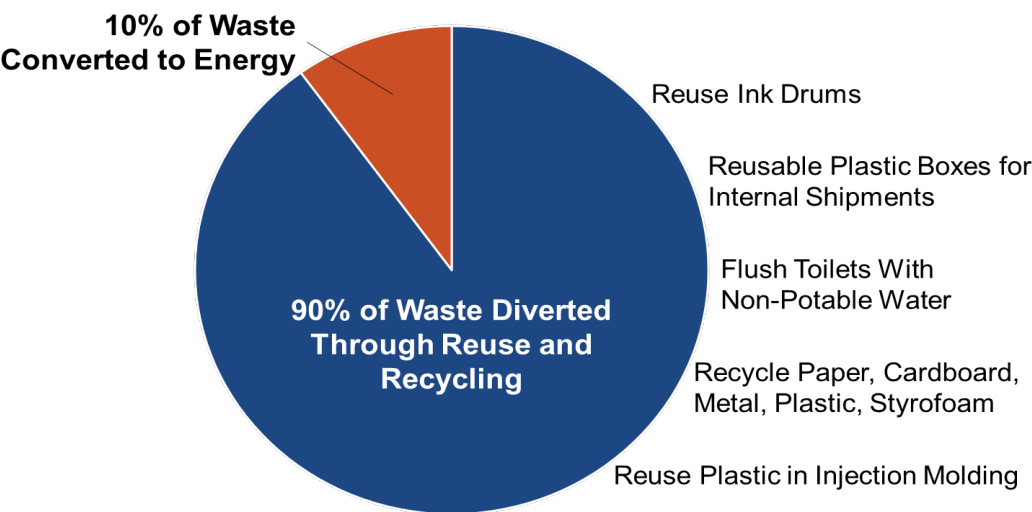| United States regulatory requirements	Epson's significant environmental impacts	Seiko Epson Corporation requirements	Requirements from senior management	Views of interested parties

POLLUTION PREVENTION

Energy Conservation & Renewable Energy

At Epson's Portland Operations, we take a multifaceted approach to energy conservation which includes upgrading the Hillsboro site's HVAC System with approximately 48% energy reduction. At the Longview site we monitor and control electric power maximum demand, reducing operation lead-time for Quartz

products. The company uses energy-efficient lighting which includes the use of LED lightbulbs in most of our facility and motion-sensing light switches as part of our ongoing efforts to conserve energy.

Commitment to Zero Waste to Landfill

Twenty-five years ago, EPI began working with Covanta, a world leader in providing sustainable waste and energy solutions, to process all waste that EPI could not reuse or recycle. Covanta's waste-to-energy facility in Brooks, Oregon, collects EPI's solid waste for combustion. Once the waste is burned, water is superheated, and the steam turns a turbine generator to produce electricity, which is exported to local utilities. After combustion, the volume of waste is reduced by 90%, and metals are extracted for recycling. The waste stream at EPI's Hillsboro Operations employs comprehensive reuse and recycling programs, which collectively divert an average of 90% of solid waste from incineration. By sending the remaining 10% of waste to the waste-to-energy facility, we continue to limit EPI's overall environmental impact. Through this program, we have recycled or otherwise diverted 117 tons of materials from the landfill in FY23.

10% of Waste Converted to Energy

90% of Waste Diverted Through Reuse and Recycling

Reuse Ink Drums

Reusable Plastic Boxes for Internal Shipments

Flush Toilets With Non-Potable Water

Recycle Paper, Cardboard, Metal, Plastic, Styrofoam

Reuse Plastic in Injection Molding
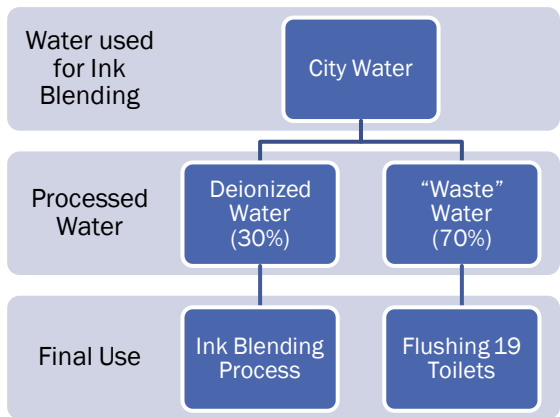
Renewable Energy

The Hillsboro site has been purchasing renewable energy through Portland General Electric's (PGE) Green Future Enterprise (formerly known as Clean Wind^{SM}) Program recognized by the EPA Green Power Partnership since 2003. In FY23, we purchased 6,054,800 kWh of renewable energy credits and avoided 9,325,165 lbs. of CO_2 emissions, equivalent to 552 homes of energy use for one year or not driving a car for 10,818,060 miles. The company's decision to use electricity from wind-generation facilities benefits everyone by increasing the demand for power from renewable sources.

CO₂ Emissions

To reduce and offset CO_2 pollution, Epson's Portland Operations are VOC-free (and have been since 2002). In addition, the company provides TriMet annual passes for public transportation to all Portland metro area employees as part of our comprehensive benefits package through the Department of Environmental Quality's (DEQ's) Employee Commute Options (ECO) program. This pass encourages ridership on environmentally friendly forms of transportation to reduce air pollution from motor vehicles and reduce local traffic congestion. Additionally, employees are encouraged to carpool or ride their bikes to work.

Water Efficiency

At the Hillsboro site, we capture non-potable water from our ink blending process and use it as flush water for 19 toilets in the building. Through this process, we roughly reuse 900 gallons of water per day. The company also has low-flow toilets and maintains an extremely conservative summer landscape irrigation program made possible by a switch to native vegetation instead of high-water-needs plants and flowers.

Water used for Ink Blending	City Water	
Processed Water	Deionized Water (30%)	"Waste" Water (70%)
Final Use	Ink Blending Process	Flushing 19 Toilets

EMPLOYEE PARTICIPATION

We believe in environmental conservation at the individual level, so we provide a variety of opportunities to employees and community members. Additionally, Epson's Portland Operations also makes monetary donations to local non-profit organizations with an environmental focus. The local organizations we support include Columbia Land Trust, Lower Columbia Estuary Partnership, Jackson Bottom Wetlands, and Friends of Trees. In 2023, Epson Portland Inc. donated $1,000 to Columbia Land Trust.

Environmental E-Kaizens

We encourage employee involvement and promote continual improvement through the E-Kaizen Continual Improvement Program ("E-Kaizen"). Once an environmental improvement is implemented, an E-Kaizen may be submitted through the online E-Kaizen system. There was a total of 86 environmental e-kaizens that were implemented. By implementing these improvements, we were able to save our company a total of $75,441 per month. The largest contributing environmental e-kaizen in FY23 was changing the dye lines of 26 SKUs for four individual boxes for Nasuno3, which previously contained a glued-in paper sleeve. By removing the unnecessary inner sleeve, we reduce materials used for boxes and fewer boxes will be scrapped due to failing to be formed correctly on the machine, saving us $15,792 per month!

FULFIL COMPLIANCE OBLIGATIONS

Regulatory Status Category

- Conditionally Exempt Small Quantity Generator

Regulatory Reports

- DEQ NPDES Cooling Tower Report
- Department of Ecology Annual Storm Water Discharge Report
- DEQ Recovered Materials Report
- State Fire Marshal Report
- SWIS Metro Report
- EPA TRI Report
- EPA TSCA Report
- Waste Water Discharge Report

Site Permits and Licenses

- Department of Emissions Quality NPDES Waste Discharge (100-J Permit)
- Conditional No Exposure Exemption (Longview CNE #CNE303287)
- State Waste Discharge (Longview Permit #ST6185)
- Clean Water Services Industrial Wastewater Discharge (Permit #133072)
- Department of Emissions Quality NPDES Storm Water Discharge (Permit #NEC211)
- Cooling tower (100-J Permit)

Sustainable Purchasing

Epson Portland Operations maintains a strong green purchasing program, maintained through vendor surveys and audits to verify that products and methods of production are environmentally friendly.

About ISO 14001

The ISO 14001 standard sets criteria and provides a framework for an Environmental Management System (EMS) that can be adopted by any organization. By using ISO 14001, Epson's Portland Operations demonstrates a commitment to measuring and improving our environmental impact.

This site established its EMS in 1998 in accordance with the requirements of ISO 14001 and was the fifth company in Oregon at the time to achieve such status.

The company participates in regular internal audits and annual external audits and has maintained its certification without interruption since 1998.

COMMUNICATIONS

We are proud of our sustainable business practices and make every effort to communicate them, as appropriate, through Internal Communications, Public Outreach, Community Engagement, and this Annual Environmental Sustainability Report.

Green Business Leader

Epson's Portland Operations maintains the Washington County Green Business Leaders Gold Award, an award designed to recognize an organization's efforts in sustainable materials management, toxins reduction, employee, and community engagement, and supporting actions like conserving water and energy.

Independent Auditor's Report

EPI Environmental Management System (EMS) 14001:2015 audit was conducted at the end of November through the beginning of December 2023 by Bureau Veritas Certification. There were no major Non-Conformances found during the audit. Based on the evidence verified and the findings of the audit, the EMS is maintained and is in conformance with the requirements of ISO 14001:2015. In addition to this, Epson Portland Inc. is ISO 45001:2018 certified. The Management System Review consists of an annual executive management strategic review by senior management, an annual review by the EHS committee as well as a monthly overview by leadership at and above the Assistant Manager level. All reviews were completed in FY2023. In addition, Epson conducts monthly focus audits to ensure the adequacy of policies, procedures, and actions that support cleanliness, safety, and environmental considerations at the plant. These audits are done by members of the EHS committee as well as management representatives. Twice a year, the subject matter of the audits is environmental, and each time, any concerns noted are communicated to the appropriate person, and action is taken to make corrections.

ABOUT EPSON'S PORTLAND OPERATIONS

Based in Hillsboro, Ore., with a satellite office in Longview, Wash., Epson's Portland Operations are the United States manufacturing subsidiary and logistics center for the Epson brand. We move ink cartridges from concept to completion using Epson robotics, including precision injection molding of proprietary plastic parts and manufacture of Genuine Epson Ink. Our finished cartridges are packed into retail boxes onsite and prepared for distribution.

At our Longview, Wash., location, we manufacture synthetic quartz crystals for Epson's Micro-Device Division. The quartz is used in electronic products manufactured by Epson affiliates around the world.

Led by the Japan-based Seiko Epson Corporation, the worldwide Epson Group generates annual sales of more than JPY 1 trillion. Learn more at global.epson.com, epson.com, and epson.com/Portland.