



2020 ENVIRONMENTAL SUSTAINABILITY REPORT

Reporting Period: April 2020 - March 2021

Epson Portland Operations

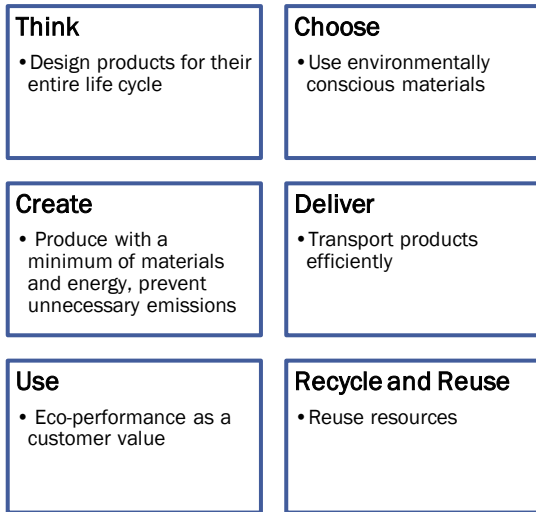
3950 NE Aloclek Drive, Hillsboro, OR 97124
TEL (503) 645-1118

EPSON[®]
EXCEED YOUR VISION

EPSON AND THE ENVIRONMENT

Life Cycle Thinking

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



ENVIRONMENTAL VALUES

As Epson’s United States manufacturing affiliate, we are proud to have a progressive environmental program. The program 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.

To support our goals and 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 quarterly. In addition, 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).



SUSTAINABLE PROCESS

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 85% 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 FY19 Baseline Solid Waste Level	Result: 6% decrease
	Target: (QCU) Maintain FY19 Baseline Solid Waste Levels	Result: 39% decrease
Total CO ₂	Target: (Hillsboro) Maintain FY19 CO ₂ Emissions (per unit produced & gas vs. baseline FY19)	Results: Achieved 10% CO ₂ reduction
	Target: (QCU) Maintain FY19 CO ₂ Emissions (Based on Production Demand)	

STRATEGIC APPROACH

Determining Performance Indicators

The EMS is 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 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



8 Categories of Impacts

Air pollution

Water pollution (sanitary)

Water pollution (outside)

Soil pollution (outside)

Utilities consumption

Reused/recycled materials

Solid waste

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

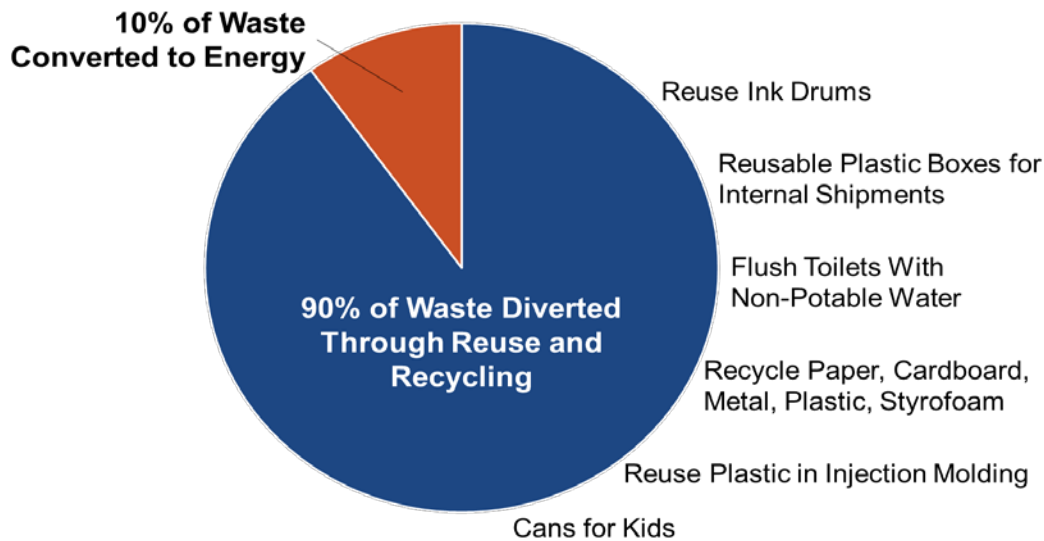
Epson's Portland Operations utilize a multifaceted approach to energy conservation which includes upgrading the Hillsboro site's HVAC System with approximately 48% energy reduction and control electric power maximum demand reduction of operation lead-time for Quartz products at the Longview site. In addition, the company uses energy-efficient lighting, including LED lightbulbs in most of our facilities, and motion-sensing light switches as part of our ongoing efforts to conserve energy.

Commitment to Zero Waste to Landfill

Twenty-one 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 into a turbine generator to produce electricity, exported to local utilities. After combustion, the volume of waste is reduced by 90%, and metals are then 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 109 tons of materials from the landfill in FY20.



Renewable Energy

The Hillsboro site has been purchasing renewable energy through Portland General Electric's (PGE) Clean WindSM Program since 2003. In FY20, we purchased 4,752,804 kWh of renewable power and avoided 7,425,676lbs of CO2 emissions equivalent to not driving a car for 8,465,027 miles. The company's decision to use electricity from wind-generation facilities benefits everyone by increasing the demand for power from renewable sources.

Environmental Conservation

To reduce and offset CO2 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.

Community Support

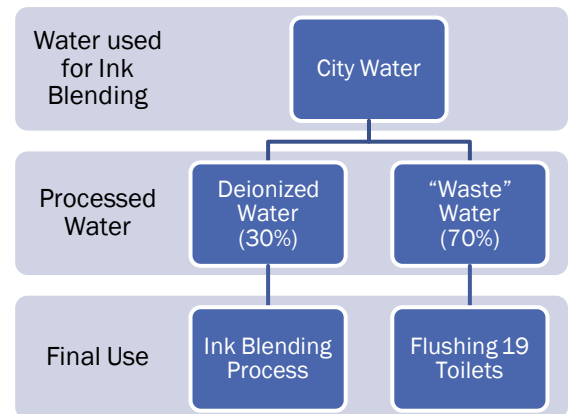
Each year, EPI makes donations to various local, non-profit organizations focusing on the environment, STEM education (science, technology, engineering, and math), social welfare, culture, and the arts. In

addition to the company’s monetary donations, we create opportunities for everyone to get involved by giving campaigns and volunteer opportunities.

Collectively, these activities make up EPI’s Corporate Social Responsibility (CSR) initiatives. We emphasize these activities during October’s Community Support Month, including our annual United Way campaign, blood drive, tree planting volunteer day, and more.

Water Efficiency

We capture non-potable water from our ink blending process at the Hillsboro site and use it as flush water for the 19 toilets in one building. Through this process, we roughly reuse 900 gallons of water per day. The company also has low-flow toilets and maintains a highly conservative summer landscape irrigation program made possible by switching to native vegetation.



EMPLOYEE PARTICIPATION

We believe in environmental conservation at the individual level, so we provide various opportunities to employees and community members. Additionally, Epson’s Portland Operations also make monetary donations to local non-profit organizations with an environmental focus. We support the local organizations, including Columbia Land Trust, Lower Columbia Estuary Partnership, Jackson Bottom Wetlands, and Friends of Trees.

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 is submitted through the E-Kaizen system. EPI processed a total of 53 environmental completed e-kaizen.

FULFIL COMPLIANCE OBLIGATIONS

Regulatory Status Category

- Conditionally Exempt Small Quantity Generator

Regulatory Reports

- DEQ NPDES Cooling Tower Report
- Depart 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 (Permit #100-J)
- Storm Water Discharge (Longview CNE #CNE303287)
- State Waste Discharge (Longview Permit #ST6185)
- Clean Water Services Industrial Wastewater Discharge (Permit #133072)
- Metro Solid Waste Non-System (License #N-028-17)
- Department of Emissions Quality NPDES Storm Water Discharge (Permit #1200-Z)

Sustainable Purchasing

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

About ISO 14001

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

In 1998, following the requirements of ISO 14001, Epson Portland, Inc. was the fifth company in Oregon 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.

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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

Epson Portland Operation's Environmental Management System (EMS) audit was conducted in November 2020 by Bureau Veritas Certification to upgrade the ISO 14001:2008 to 14001:2015. There were no significant Non-Conformances found during the audit. Therefore, based on the evidence verified and the audit findings, the EMS met the ISO 14001:2015 requirements.

The Management System Review consists of an annual executive management strategic review by senior management, a yearly review by the EHS committee, and a monthly overview by leadership at and above the Assistant Manager level. 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. Members of the EHS committee, as well as management representatives, perform these audits. Twice a year, the subject matter of the audits is environmental, and each time, any concerns are documented and 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 manufacturing 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 more than JPY 1 trillion annual sales. Learn more at global.epson.com, epson.com, and epson.com/Portland.