

## W0. Introduction

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### W0.1

**(W0.1) Give a general description of and introduction to your organization.**

We at Epson have always exercised creativity and challenged ourselves to deliver products and services that exceed the expectations of our customers around the world by drawing on the efficient, compact, and precision technologies we have developed since our company was founded in 1942.

To continuously create new value that exceeds customer expectations and to deliver it worldwide, we will create new markets by collaborating with business partners and embracing open innovation. We will work with others who share our aspirations of using Epson's technologies to create new, environmentally conscious products and services and rapidly meet the needs of even more customers. And, we will use our global network to deliver valuable services to markets and customers around the world.

### W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	April 1 2020	March 31 2021

### W0.3

**(W0.3) Select the countries/areas for which you will be supplying data.**

Brazil  
 China  
 Indonesia  
 Japan  
 Malaysia  
 Philippines  
 Singapore  
 Taiwan, Greater China  
 Thailand  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America

### W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

JPY

### W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

### W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

### W0.6a

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**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Water used at sales companies.	For financial accounting purposes our environmental activities cover all consolidated subsidiaries. In FY2020, 50 domestic and overseas group companies (covering more than 95% of sales revenue), were included in the scope of environmental data aggregation. Water used at sales companies has in principle been excluded from the above-stated scope. However, the use of water at sales companies is limited to use in the daily life of employees and is negligible compared to the entire Group's total discharge volume. Many of our sales companies' offices are leased, and water is managed by the property owner and provided pursuant to a lease agreement.

**W1. Current state**

**W1.1**

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Epson uses large quantities of good quality freshwater in the manufacture of electronic components such as semiconductors. Our suppliers adopt similar manufacturing processes to us and use large volumes of good quality freshwater. Therefore, the ability to use good quality freshwater in the operation of our plants is vital to the continued operation of both Epson and our suppliers. Neither Epson nor our suppliers anticipates any major changes in our assessment of the importance of good quality freshwater to continue similar operations in the future.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	We use recycled water in production facilities and air conditioning equipment when manufacturing electronic components such as semiconductors. Our suppliers also have similar equipment and machinery and use recycled water. Therefore, the ability to use recycled water in the operation of our plants is important, even if it is not vital, to the continued operation of both Epson and our suppliers. Neither Epson nor our suppliers anticipates any major changes in our assessment of the importance of recycled water to continue similar operations in the future.

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters water withdrawal data into SeeMS, which enables us to monitor total water withdrawals. The amount of water withdrawn is normally measured continuously using a flowmeter, and the person in charge of each site/facility enters such data into SeeMS.
Water withdrawals – volumes by source	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters withdrawal volumes by water source into SeeMS, which enables us to monitor withdrawal volumes by water source at each site/facility. The amount of water withdrawn by water source is normally measured continuously using a flowmeter installed in each water source, and the person in charge of each site/facility enters such data into SeeMS.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters the quality of withdrawn water into SeeMS, which enables us to monitor the quality of water withdrawals. The frequency and method of measuring the quality of water withdrawals is set based on the laws and regulations of the countries or regions where each site/facility is located. Water quality is normally measured by external analysis institutes and the results are reported to each site/facility.
Water discharges – total volumes	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters the volume of water discharge into SeeMS, which enables us to monitor total water discharges. The amount of water discharge is normally measured continuously using a flowmeter, and the person in charge of each site/facility enters such data into SeeMS.
Water discharges – volumes by destination	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters the discharged volume by discharge destination into SeeMS, which enables us to monitor discharged volumes by discharge destination at each site/facility. The amount of water discharge by discharge destination is normally measured continuously using a flowmeter installed in each discharge destination, and the person in charge of each site/facility enters such data into SeeMS.
Water discharges – volumes by treatment method	100%	The amount of water discharge by treatment method can be measured during the operating hours of the flowmeters or pumps installed in wastewater treatment facilities at each site/facility. The frequency of measurement varies according to the wastewater treatment facility, and may be monthly, daily, or constant.
Water discharge quality – by standard effluent parameters	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters BOD, COD, TSS and other data into SeeMS, which enables us to monitor water quality by standard effluent parameters at each site/facility. The water quality parameters measured and measurement frequency is determined based on the laws and regulations of the countries or regions where each site/facility is located. Measurements are taken by an external measuring institute and the results are reported to each site/facility.
Water discharge quality – temperature	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters water discharge temperature data into SeeMS, which enables us to monitor water discharge temperature at each site/facility. The monitoring frequency of water discharge temperature is determined based on the laws and regulations of the countries or regions where each site/facility is located. Water temperature is measured by an external measuring institute or by employees using a water thermometer.
Water consumption – total volume	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters the water withdrawal and water discharge volume into SeeMS, which enables us to calculate the total volume of water consumed by deducting the discharged volume from the withdrawn volume. These volumes are normally measured continuously using a flowmeter.
Water recycled/reused	100%	Epson Group has built an environmental information management system called SeeMS to gather and disclose environmental data. Each month, the person in charge of each site/facility enters the volume of water recycled into SeeMS, which enables us to monitor the volume of water recycled at each site/facility. The volume of water recycled is normally measured continuously using a flowmeter installed at each water recycling facility, and the person in charge enters such data into SeeMS.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Epson believes that maintaining and improving the health and safety environment as well as physical and mental well-being is central to its corporate philosophy. To ensure that all employees around the world can work safely and with vitality, we have established the New Epson Safety & Health Program (NESP) and are developing activities. Drinking water for employees is managed separately from water used in production (industrial water, etc.) and water with established water quality standards is usually purchased from public water companies. However, Group standards have been established in accordance with RBA requirements, which stipulate that water quality tests should be conducted at least once a year, and that the results should be stored. Epson cleans sanitation equipment such as toilets and kitchens and maintains them in a hygienic state. The frequency of cleaning sanitation equipment is established based on the regulations imposed on each site/facility and NESP rules.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	7925.22	Lower	As we anticipated, total water withdrawals in FY2020 were less than in FY2019 as a result of suspending operations at sites/facilities due to the impact of COVID-19. Going forward, total withdrawals are expected to increase in the short-term following the resumption of operations. In the medium-to long-term, the demand for water at production sites will increase following increased production, but we do not expect any significant changes in total water withdrawals as we are also taking measures to reduce water use.
Total discharges	6934.64	Lower	As we anticipated, total water discharges in FY2020 were less than in FY2019 due to the drop in total water withdrawal as a result of suspending operations at sites/facilities due to the impact of COVID-19. Going forward, total discharges are also expected to increase in the short-term following the resumption of operations. In the medium- to long-term, changes in total water withdrawal and consumption are not expected, and we do not expect any significant changes in total discharge.
Total consumption	990.58	Lower	As we anticipated, the total consumption of water in FY2020 was less than in FY2019 due to the drop in both total withdrawals and the total discharges as a result of suspending operations at sites/facilities due to the impact of COVID-19. Going forward, total consumption is also expected to increase in the short-term following the resumption of operations. In the medium- to long-term, total consumption will increase following increased production, but we do not expect any significant changes in total water consumption as we are promoting measures to reduce water use and to recycle water.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	51-75	Much higher	WRI Aqueduct	"Baseline water stress", "Baseline water depletion", "Water depletion", "Blue water scarcity", and "Available water remaining (AWARE)" are assessed at each site/facility using Aqueduct and Water Risk Filter, by strictly applying the definition set forth in the CDP Water Security 2021 Reporting Guidance. If the risk of any of these five indicators is high, the site/facility is judged to be located in an area with water stress. The change in the definition of areas with water stress in the CDP Reporting Guidance resulted in a change in sites/facilities in areas with water stress. The volume of water withdrawn from sites/facilities newly included in stressed areas is very large, and the total volume of water withdrawn from sites/facilities in areas with water stress has increased significantly. It was found that some of sites/facilities in Japan, China, Southeast Asia and South America are located in areas with water stress.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	We use third party sources or groundwater (renewable) as the manufacture of printers, projectors and semiconductors, our core products, requires a stable supply and quality of water. For this reason, we are not currently using this water source and do not have any plans to use them in the future.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	We use third party sources or groundwater (renewable) as the manufacture of printers, projectors and semiconductors, our core products, requires a stable supply and quality of water. For this reason, we are not currently using this water source and do not have any plans to use them in the future.
Groundwater – renewable	Relevant	637.55	Lower	Water is essential to the manufacture of printers, projectors and semiconductors, our core products. Groundwater provides us with a stable and inexpensive supply of good quality water and is essential to our operations. The volume of groundwater withdrawn from this source fell due to the drop in total water withdrawals in FY2020 as a result of suspending operations at sites/facilities due to the impact of COVID-19.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	We use third party sources or groundwater (renewable) as the manufacture of printers, projectors and semiconductors, our core products, requires a stable supply and quality of water. For this reason, we are not currently using this water source and do not have any plans to use them in the future.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	We use third party sources or groundwater (renewable) as the manufacture of printers, projectors and semiconductors, our core products, requires a stable supply and quality of water. For this reason, we are not currently using this water source and do not have any plans to use them in the future.
Third party sources	Relevant	7287.67	Lower	Water is essential to the manufacture of printers, projectors and semiconductors, our core products. Third party sources are often more expensive than other water sources but they are essential to our operations as they provide a stable supply of water. The volume of water withdrawn from third party sources fell due to the drop in total water withdrawals in FY2020 as a result of suspending operations at sites/facilities due to the impact of COVID-19.

## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	2863.25	Higher	The manufacture of printers, projectors and semiconductors, our core products, uses large volumes of water. Although we encourage water recycling, we have no choice but to discharge excess water. Wherever possible, water is discharged into the sewage system to prevent water pollution. In areas where there is no sewage system, water is treated before being discharged at the destination. Total water withdrawals in FY2020 fell as a result of suspending operations at sites/facilities due to the impact of COVID-19. However, the volume of water discharged at the destination increased due to solid operations at sites/facilities that account for the majority of discharge volume to this destination.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	There is no connection between Epson and this destination as Epson does not discharge water to this destination and does not plan to do so in the future.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	There is no connection between Epson and this destination as Epson does not discharge water to this destination and does not plan to do so in the future.
Third-party destinations	Relevant	4071.39	Lower	The manufacture of printers, projectors and semiconductors, our core products, uses large volumes of water. Although we encourage water recycling, we have no choice but to discharge excess water. Wherever possible, water is discharged into the sewage system to prevent water pollution. The total volume of water discharged and volume of water discharged to this destination both fell due to the drop in total water withdrawals in FY2020 as a result of suspending operations at sites/facilities due to the impact of COVID-19.

## W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	2863.25	Higher	41-50	Water used in operations at sites/facilities is normally discharged into the sewerage system. In areas where there is no sewerage system, water is subject to tertiary treatment before being discharged into rivers and oceans.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water used in operations at sites/facilities is normally discharged into the sewerage system. Tertiary treatment is conducted to meet the discharge standards of each country and region when discharging water into the natural environment.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water used in operations at sites/facilities is normally discharged into the sewerage system. Tertiary treatment is conducted to meet the discharge standards of each country and region when discharging water into the natural environment.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Water used in operations at sites/facilities is normally discharged into the sewerage system. Tertiary treatment is conducted to meet the discharge standards of each country and region when discharging water into the natural environment.
Discharge to a third party without treatment	Relevant	4071.39	Lower	51-60	In areas where sewerage systems exist, water used in operations at sites/facilities is normally discharged into the sewerage system.
Other	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	

**W1.4**

**(W1.4) Do you engage with your value chain on water-related issues?**

Yes, our suppliers

**W1.4a**

**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

**Row 1**

**% of suppliers by number**

1-25

**% of total procurement spend**

76-100

**Rationale for this coverage**

As part of the Socially Responsible Procurement Program, Epson collects and evaluates information from key suppliers who account for 80% of our global procurement spend, using a questionnaire (SAQ) developed independently by Epson based on the RBA standards. 80% of this procurement spend can be attributed to approximately 17% of the total number of suppliers. We believe that this 80% procurement spend is the minimum ratio required to derive the benefits of our engagement activities that target suppliers. Key suppliers can do business with us on an ongoing basis by responding to the SAQ. We call on suppliers directly to respond to the SAQ during our "Supplier Conference for CSR". 898 suppliers from around the world participated in the conference during FY2020.

**Impact of the engagement and measures of success**

The SAQ's water related questions include questions about the type of wastewater, the treatment method, systems for dealing with floods and other disasters, and plans for reducing water resources. In FY2020, we promoted increasing the SAQ effective response rate from the previous year as a success indicator and successfully increased the response rate to 98.7% from 95.3% in FY2019. We are considering specific engagement activities aimed at reducing the environmental impact of water and electricity consumption in suppliers' production processes based on the results of the survey. To gain experience and information to implement engagement activities, we plan to conduct engagement activities as a front running project in FY2020 and FY2021, and to then expand our activities into full-scale activities targeting more suppliers from FY2022.

**Comment**

**W1.4b**

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Incentivizing for improved water management and stewardship

**Details of engagement**

Water management and stewardship action is integrated into your supplier evaluation

**% of suppliers by number**

1-25

**% of total procurement spend**

76-100

**Rationale for the coverage of your engagement**

As part of our Socially Responsible Procurement Program, Epson collects and evaluates information from key suppliers who account for 80% of our global procurement spend, using a questionnaire (SAQ) developed independently by Epson based on the RBA standards. 80% of this procurement spend can be attributed to approximately 17% of the total number of suppliers. We believe that this 80% procurement spend is the minimum ratio required to derive the benefits of our engagement activities that target suppliers. There are questions relating to the environment on the SAQ, including those relating to water, for example questions on the type of wastewater, the treatment method, systems for dealing with floods and other disasters, and plans for reducing resources, including water.

**Impact of the engagement and measures of success**

We have ranked suppliers as low, middle, or high risk based on their responses to the SAQ, and if a supplier is deemed to be high risk (65 points or less), we conduct site checks and provide support for improvement activities. The supplier SAQ survey's medium-term goal (KPI) up until FY2020 is to have no high risk suppliers. By communicating with suppliers and supporting their improvement activities, suppliers' responses to environmental management, including water management, are improved year by year. As a result, we had no high risk suppliers for the first time in the FY2019 survey, compared to 5% of suppliers falling into the high risk category in FY2018, and we achieved this feat again in FY2020.

**Comment**

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**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

**W3. Procedures**

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**W3.3**

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

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**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

## Direct operations

### Coverage

Full

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

Annually

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Tools on the market

Other

### Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

Internal company methods

External consultants

### Comment

## Supply chain

### Coverage

Partial

### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

### Frequency of assessment

Annually

### How far into the future are risks considered?

More than 6 years

### Type of tools and methods used

Other

### Tools and methods used

Internal company methods

External consultants

### Comment

Our supply chain ethics requirements are based on the Code of Conduct of the Responsible Business Alliance (RBA), of which Epson is a member. 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.

## Other stages of the value chain

### Coverage

None

### Risk assessment procedure

<Not Applicable>

### Frequency of assessment

<Not Applicable>

### How far into the future are risks considered?

<Not Applicable>

### Type of tools and methods used

<Not Applicable>

### Tools and methods used

<Not Applicable>

### Comment

## W3.3b

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**(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	We use a lot of water at our direct operations, including in the manufacture of semiconductors. A number of our production facilities are located in East Asia, Southeast Asia and South America, where water resources are relatively scarce and thus the assessment of water availability in river basins is important. We use Aqueduct (indicator: "Baseline Water Stress") and Water Risk Filter (indicator: "Quantity - Scarcity") to assess the risk of water availability, and as a result, we have found that the risks are high in some parts of Thailand, Brazil and China. In response, in FY2020 we engaged in activities to reduce water consumption with a company-wide goal of reducing our total water withdrawal compared to FY2019. Some divisions and sites/facilities have set reducing water consumption as one of their ISO 14001 environmental goals and we are monitoring and evaluating the implementation and performance of such activities.
Water quality at a basin/catchment level	Relevant, always included	Since we use good quality freshwater at our direct operations, including in the manufacture of semiconductors, the quality of water in the areas our sites/facilities are located is critical to our business continuity. We use Water Risk Filter (indicator: "Water Quality") to assess water quality risks at each site/facility. We have found that there are not many sites/facilities with low water quality risks, but the water quality risks are particularly high in some parts of China, Thailand, Brazil and United Kingdom. To reduce the environmental impact of discharged water, we manage discharge from our sites/facilities by setting self-management values (*) in accordance with Group regulations to ensure that wastewater does not exceed legal standards. (*) Voluntarily set strict standards to ensure compliance with legal standards.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	A number of our production facilities are located in East Asia, Southeast Asia and South America, where water resources are relatively scarce. We believe that there is a risk that the supply of water used at our direct operations could be disrupted if conflicts concerning water resources arise between stakeholders in such regions. We use Water Risk Filter (indicator: "Conflict") to assess the risk of conflicts between stakeholders. We have found that risks in regions where our sites/facilities are located is generally high, but are relatively low in Japan. We are building relationships of trust with local stakeholders by reducing water consumption, protecting water quality at our sites/facilities, holding annual meetings to share opinions with local communities (such as local community associations and municipalities), sponsoring local festivals and other events, and disclosing information in accordance with the ISO 14001 external communication rules.
Implications of water on your key commodities/raw materials	Relevant, always included	We manufacture products, such as semiconductors, that use a lot of water at our direct operations. We also have suppliers in our supply chain that use large volumes of water to manufacture the raw materials they supply to us. Therefore the impact on the manufacture of our key products and the supply of raw materials will be significant if, for example, a drought were to make it difficult for our direct operations or suppliers to withdraw water. We evaluate water risks, such as water availability and quality at our direct operations using Aqueduct and the Water Risk Filter, and are working to conserve water resources by not polluting or consuming more water than necessary and recycling and reusing water. As part of our Socially Responsible Procurement Program, we gather information by sending a Self Assessment Questionnaire (SAQ) to our suppliers, which includes questions on environmental impact, such as water consumption. We then evaluate the SAQ responses received from suppliers and support improvement activities through site checks and audits of high-risk suppliers.
Water-related regulatory frameworks	Relevant, always included	We treat the water used at our direct operations in such a way that meets the wastewater standards of each country and region, and then discharge it into sewage systems and rivers. Sites/facilities are at risk of having operations suspended or being fined if a violation of laws and regulations occurs, such as wastewater discharged from the site/facility exceeding legal standards. We use Water Risk Filter (indicator: "Enabling Environment (Policy & Laws)") to assess such risks, and we have found that while such risks are low throughout the world, they are relatively high at sites/facilities in Southeast Asia, North America and South America. To respond to such risks, we manage discharge from our sites/facilities by setting self-management values (*) for discharge at each site/facility in accordance with Group regulations. We also strive to build relationships of trust with regulatory bodies, such as national and local governments, by inquiring about laws and regulations and participating in regulatory bodies' briefing sessions on laws and regulations. Epson also participates in a variety of industry associations (e.g. Japan Electronics and Information Technology Industries Association, Japan Business Machine and Information System Industries Association) and through these associations we send our opinion and request for regulations set by national governments and other regulatory bodies all over the world. (*) Voluntarily set strict standards to ensure compliance with legal standards.
Status of ecosystems and habitats	Relevant, always included	Epson believes that maintaining a sound biodiversity is important to maintain our business activities and the lives of our employees. We have an impact on plants and animals in the natural world, and we also benefit from it in a variety of ways. Therefore, the existence of healthy ecosystems is essential as a precondition for continuing our business activities throughout our value chain, including at our direct operations. We use Water Risk Filter (indicator: "Biodiversity Importance") to assess such risks, and we have found that while virtually none of our sites/facilities have a low such risk, the risk was relatively low in North America. Epson is working to reduce our impact on the ecosystem by reducing the amount of water we use in our business activities and undertaking initiatives to protect water quality. We also engage in biodiversity conservation activities throughout the world, including activities to protect fish by establishing artificial fish reefs, transplanting coral and protecting birds of prey and other wild birds.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Of employees involved in our business activities, those working at direct operations in particular are central to our business, and we cannot operate without them. We must ensure that all employees have access to safe and controlled WASH services, as any impact on employee health will negatively impact operations of sites/facilities. We use Aqueduct (indicator: "Unimproved/no drinking water" and "Unimproved/no sanitation") and Water Risk Filter (indicator: "Infrastructure & Finance") to assess the risk of water availability and we have found that while such risks are generally low, they are relatively high at some sites/facilities in China and Southeast Asia. To improve WASH services for our employees, we not only maintain the cleanliness of our cafeterias, toilets, and other sanitary facilities, but we have also implemented measures at each of our sites/facilities, such as changing the faucets from manual to sensor-based, changing cafeteria equipment to water-conserving equipment, and changing the cafeteria menu to items that do not use water.
Other contextual issues, please specify	Please select	

**W3.3c**

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We use a lot of water at our direct operations and in the manufacture of semiconductors in particular. If discharged wastewater exceeds legal values set by national and local governments in our operations, we will lose the confidence of our customers, who are our profit source, and there is a risk that our product sales will be affected. To respond, we manage discharge from our sites/facilities by setting self-management values (*) to ensure that wastewater does not exceed legal standards in accordance with Group regulations. We disclose information for our customers and others on our water risk initiatives, water usage, water recycling, and per unit sales, etc. in our Sustainability Report and on our website. We also disclose water-related information through CDP to customers who request a response through the CDP Supply Chain Program. (*) Voluntarily set strict standards to ensure compliance with legal standards.
Employees	Relevant, always included	Employees working at direct operations in particular are central to our business, and we cannot operate without them. There is a risk that the health of employees and plant operations will be affected if employees are unable to access a sufficient quantity of safe drinking water. Most of our production facilities are located in Southeast Asia and China where water resources are relatively scarce. To ensure the availability of important drinking water in these regions, we have implemented water conservation measures to secure drinking water at each of our sites/facilities, such as changing faucets from manual to sensor-based, changing cafeteria equipment to water-conserving one, and changing the cafeteria menu to items that do not use water. We hold regular meetings with our employees (Health and Safety Committee) concerning health and safety issues, based on regulations and New Epson Safety & Health Program (NESP) activities. Specific WASH services for our employee are also discussed at these meetings. Epson is a regular member of the RBA (Responsible Business Alliance). Epson Group employees are guaranteed a certain level of drinking water as one of the RBA's codes of conduct stipulates regularly testing employees' drinking water, and ensuring that local water authorities meet standards equivalent to the WHO's Guidelines for Drinking-Water Quality.
Investors	Relevant, always included	Compared to in the past, investors are now demanding more information on corporation's water management and water risk response. For example, investors do not look favourably on companies that are unable to respond satisfactorily to CDP Water and FTSE surveys, the current major external surveys. Failure to respond may lead to the risk that investors will stop investing and that companies will be excluded from new investment targets. In addition to responding to external surveys used by investors for their decision making, such as CDP Water and FTSE, we provide information to stakeholders, including investors, based on our Epson Group Communications Regulation. We also believe that disclosing our water risk initiatives, water use, recycling volumes, and per unit sales, etc. through our Sustainability Report and website is part of our engagement with investors.
Local communities	Relevant, always included	Most of our production facilities are located in Southeast Asia and China where water resources are relatively scarce and we also have sites/facilities in areas with water stress. In such areas in particular, we believe that relations with the local community will deteriorate as a result of insufficient water withdrawals and deteriorations in the quality of discharged water due to the operation of sites/facilities, and there is a high potential risk that water withdrawals and discharges may be affected. We not only manage water discharge by continuously working to reduce water consumption and setting our own self-management values (*), but we also contribute to water environment conservation in local communities by regularly cleaning up the rivers and lakes around our sites/facilities. One example of such activities is our participation in the Suwako Adopt Program at Lake Suwa in Japan. (*) Voluntarily set strict standards to ensure compliance with legal standards.
NGOs	Relevant, always included	We are developing our business on a global scale, particularly in the EU and Asia, where a number of NGOs are involved in the water and environmental sectors. For example, if we are unable to attain a high rating in the Water questionnaire of CDP, an international NGO that administers it on behalf of investors, then there will be a risk that this will link to institutional investors pulling out of investing and a decline in its reputation among customers. We perceive CDP to be a key management indicator to being an "environmental leader" and we provide the results of CDP score reports to our Board of Directors every year. We engage with NGOs by providing information in accordance with the Epson Group Communications Regulation in addition to responding to requirements and opinions from CDP and other NGOs.
Other water users at a basin/catchment level	Relevant, always included	Most of our production facilities are located in Southeast Asia and China where water resources are relatively scarce and we also have sites/facilities in areas with water stress. In such areas in particular, we believe that there is a risk that the supply of water used at our direct operations could be disrupted if conflicts and friction arises with other water users over the amount of water withdrawn by our plants and the quality of water we discharge. As a measure to avoid risks, we not only manage water discharge by continuously working to reduce water consumption and setting our own self-management values (*), but we also engage with other water users by disclosing information based on the ISO 14001 external communication rules. For example, some sites/facilities in Japan report on our environmental activities (including water) to local water utilization associations and exchange opinions directly with them, once a year basis. According to the ISO 14001 external communication rules, we have to have a system to ensure that the information is received by the general affairs department, investigated by the relevant departments, and that the results are addressed appropriately, in case that requests and complaints relating to the environment are raised from other water users and other external stakeholders. (*) Voluntarily set strict standards to ensure compliance with legal standards.
Regulators	Relevant, always included	We treat the water used at our direct operations in such a way that meets the wastewater standards of each country and region and discharge treated water into rivers and sewage systems. Sites/facilities are at risk of having operations suspended or being fined by regulators if discharged water exceeds legal standards. We manage discharge from our sites/facilities by setting self-management values (*) to ensure that wastewater does not exceed legal standards in accordance with Group regulations. We are continuing to implement barrier measures and pumped water purification at our head office and four other sites/facilities as a measure against chlorine-based organic solvents in groundwater. Water discharged into the sewage system after purification is managed at 1/1000th of the elimination standard. We also strive to build relationships of trust with regulators, by inquiring about laws and regulations and participating in their briefing sessions on laws and regulations. We also participate in a variety of industry associations (e.g. Japan Electronics and Information Technology Industries Association, Japan Business Machine and Information System Industries Association) and through these associations we engage in discussions with national governments and other regulators regarding regulations enacted by them to ensure that such regulations can further mitigate the impact on the environment. (*) Voluntarily set strict standards to ensure compliance with legal standards.
River basin management authorities	Relevant, always included	Most of our production facilities are located in Southeast Asia and China, where water resources are relatively scarce. The manufacture of semiconductors in particular uses large amounts of water and it is therefore important for business continuity that we take action by maintaining good relationships with river basin management authorities and regularly obtaining information on water withdrawals. For example, at Tohoku Epson Corporation, summer river water shortages can cause seawater to flow back upstream into rivers, making it difficult to withdraw industrial water from the rivers due to salinity. In response, we manage withdrawal by continuously obtaining river water level information from Yamagata Prefecture, a river basin management authority. And we proposed to Yamagata Prefecture for the change of industrial water withdrawal points and changed withdrawal points to locations further upstream.
Statutory special interest groups at a local level	Not relevant, included	Most of our production facilities are located in Southeast Asia and China, where water resources are relatively scarce, and we are aware that so far we have not received any direct requests from statutory special interest groups at a local level. However, we use a lot of water at our direct operations, and in the manufacture of semiconductors in particular, and it is important, in terms of business continuity, that we continue to have good relations with statutory special interest groups at a local level. We have a response flow for engaging with and responding to requests from external parties, including statutory special interest groups at a local level. For example, according to the ISO 14001 external communication rules, we have to have a system to ensure that the information is received by the general affairs department, investigated by the relevant departments, and that the results are addressed appropriately, in case that requests and complaints relating to the environment are raised from statutory special interest groups at a local level and other external stakeholders.
Suppliers	Relevant, always included	We believe environmental management by our suppliers, including water management, is vital for our business continuity. Our suppliers are located throughout the world, such as in Southeast Asia, including Thailand, which has experienced extensive flood damage in the past, and in China, a country with high potential water risks. Therefore, there is a possibility that deliveries from suppliers could be suspended or delayed if a flood or drought occurs anywhere in the world, which could have a significant impact on the manufacture and sale of our products. As part of the Socially Responsible Procurement Program, we gather information on suppliers by sending them Self Assessment Questionnaire (SAQ) which includes questions on environmental burden, such as their water consumption. We evaluate the SAQ responses from suppliers, rank them as low, middle, or high risk, and provide suppliers with feedback on the results of our evaluations. We then support suppliers' improvement activities through on-site verifications and audits of high-risk suppliers.
Water utilities at a local level	Relevant, always included	Approximately 90% of the water we use at our direct operations is purchased from water utilities. Therefore, disruptions to the supply of water from water utilities and increases in water rates are a major risk to our business continuity. For example, water charges increased 15% in both FY2017 and FY2018 at IEI (PT. Indonesia Epson Industry), and water rates have continued to increase since then. In response to this risk we are taking measures such as changing water faucets from manual to sensor-based to reduce water consumption (purchase volume). While there is a possibility that other sites/facilities will experience water rate hikes, we are continuing to communicate with water utilities, as well as implementing water use reduction initiatives throughout the company and recycling wastewater. In the U.S., we are working with local water utilities to create low wetland areas that cleanse rainwater.
Other stakeholder, please specify	Please select	

**W3.3d**

**(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Water risk assessment concerning our direct operations is carried out as part of the climate change risk and opportunity assessment (internal company method) led by the department in charge of CSV and CSR, and assesses physical risks related to water (flooding and high tides). The water-related risks assessed here are reviewed by the Corporate Strategy Council and reported to the Board of Directors, and then reflected in medium- to long-term business strategies and financial plans for the entire company and each business unit.

Other water risk factors (water availability, water quality, etc.) relating to our direct operations are assessed by the department in charge of environmental issues using the WRI Aqueduct and WWF Water Risk Filter. If, as a result of the risk assessment, there is a water-related risk that needs to be addressed, the department discusses the risk with relevant internal departments, as necessary, and then brings it up for discussion at the Corporate Strategy Council. These risks are then discussed and deliberated by the Corporate Strategy Council and if the risks are deemed to be significant, the Board of Directors decides response measures and manages the progress of the response.

Water risk assessments for suppliers are conducted as part of our Socially Responsible Procurement Program by sending suppliers a Self-Assessment Questionnaire (SAQ) which includes water-related questions such as the types of wastewater, wastewater treatment methods, and systems for dealing with floods and other disasters. Suppliers that account for more than 80% of our global procurement spend are asked to respond to the SAQ and are evaluated by being ranked and we provide suppliers with feedback on the outcome of such evaluations. We then support suppliers' improvement activities through on-site verifications and audits of high-risk suppliers.

We receive advice from external consultants on how to conduct water risk assessments involving direct operations and suppliers to continuously improve the way we conduct assessments.

## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

No

### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

<Direct Operations>

Our assessment of climate change risks and opportunities, including our assessment of water-related risks at direct operations, establishes the following impact levels:

-High: 10 billion yen or more per year

-Medium: 1-10 billion yen per year

-Low: Less than 1 billion yen per year

If a risk assessment deems the impact to be "High" we consider the financial impact to be substantive.

Under our overall company-wide risk management system, we have traditionally treated an approximately 1% impact on sales as a level that makes it difficult to conduct business and we have adopted this rule of thumb in our assessment of climate change risks and opportunities. Based on this definition, given that Epson's FY2020 sales were 995.9billion yen, 1% of that amount (10 billion yen) is the threshold for judging the impact to be "High", in other words, there is a substantive financial impact. Water-related physical risks, such as damage to business sites/facilities due to flooding and rising sea levels, were included in our assessment of water risks. When we updated the results of our 2020 risk assessment in 2021, the results indicated that the impact of severe weather events due to climate change was relatively small with respect to water-related physical risks, and there were no water-related physical risks or specific examples of physical risks with a "high" impact.

<Suppliers>

Water-related risks at suppliers are assessed as part of our Socially Responsible Procurement Program, and Self-Assessment Questionnaire (SAQ) responses from suppliers are comprehensively evaluated and ranked as follows:

-High risk: 65 points or less

-Medium risk: 66-85 points

-Low risk: 86-100 points

If risks are assessed to be high, suppliers are judged to have a substantive strategic impact and we have a system to conduct on-site verifications and provide improvement support.

Under this program, with respect to water, we assess suppliers' systems for responding to floods and other disasters and their plans to reduce resources, including water. The FY2020 assessment results did not identify any high-risk suppliers or specific risk cases.

### W4.2b

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**(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	As a result of risk assessments based on the following substantive impact threshold relating to direct operations responded to in W4.1a, we did not find any water-related risks that may have a "high" financial impact (in other words, water-related risks with the potential to have an impact exceeding 10 billion yen). Therefore, we have not identified any water-related risks that may have a substantive impact on our direct operations. - High: 10 billion yen or more per year - Medium: 1-10 billion yen per year - Low: Less than 1 billion yen per year We have selected nine assessment targets in the transition risk, physical risk, and opportunity categories to assess the importance of climate change related risks and opportunities (including water related risks and opportunities). As the result of our assessment, of the nine assessment targets, one target is High, four targets are Medium, and two targets are Low. And the remaining two targets will be evaluated in the future.

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	As a result of risk assessments based on the following substantive impact threshold relating to suppliers in our Socially Responsible Procurement Program responded to in W4.1a, we did not find any high risk suppliers. Therefore, we have not identified any water-related risks that may have a substantive impact on suppliers. - High risk: 65 points or less - Medium risk: 66-85 points - Low risk: 86-100 points In our latest Socially Responsible Procurement Program, 293 companies were evaluated and we had the following results. - High risk: 91% - Medium risk: 9% - Low risk: 0%

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Sales of new products/services

**Company-specific description & strategy to realize opportunity**

In 2015 we developed PaperLab, a dry office papermaking machine capable of recycling paper in the office. PaperLab uses Epson's proprietary technology to make new paper from used paper with almost no water. Epson proposes Eco-Conscious Offices to customers that are sustainable in terms of resources, working styles, and the environment, as an office environment suited to the SDG era and we have started to introduce such offices at our own sites/facilities. PaperLab is an integral component of the Eco-Conscious Offices concept and an important part of our sales strategy. We recognize that a large amount of fresh water is needed to recycle paper and believe that solving this issue will lead to the conservation of water sources and water-related opportunities. We are trying to create PaperLab business opportunities by demonstrating to customers that, by combining PaperLab and inkjet printers in the Eco-Conscious Offices, they can reduce their burden on the environment, including water use, as well as gain economic benefits in terms of cost reductions and increased security, while taking advantage of the convenience of paper such as perspicuity and visibility. In FY2020, the impact of COVID-19 made it difficult to promote PaperLab at exhibitions and other traditional-style events. We promoted sales by inviting visitors to our environmentally-friendly office centre and to Epson Square Marunouchi showroom. With the support from a local government (Kitakyushu City), we launched an experiment to build a regional paper recycling system centred around PaperLab. PaperLab was awarded the Minister of Economy, Trade and Industry's Prize at the First EcoPro Awards, and its external recognition has led to further sales opportunities.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1000000000

**Potential financial impact figure – maximum (currency)**

10000000000

**Explanation of financial impact**

Epson has selected nine assessment targets in the transition risk, physical risk, and opportunity categories to assess the importance of climate change related risks and opportunities. "Progress in the paper circulation cycle in the office" has been selected as an opportunity assessment target and assessments are conducted by establishing the following two scenarios to assess the importance of the assessment target. -Increased paper recycling costs due to higher used paper prices and confidential document collection and disposal costs -Popularized paper recycling culture in the office by improving environmental awareness and confidentiality management, and developing recycling technology, etc. Our assessments found that opportunities to sell PaperLab increased due to increases in the cost of recycling paper and the popularization of paper recycling culture. The impact of this opportunity assessment target has been rated "medium", in other words, the financial impact is rated between 1 and 10 billion yen per year, and there is a medium-term manifestation period, in other words, between 10 and 50 years.

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**W6. Governance**

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**W6.1**

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

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**W6.1a**

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Description of water-related standards for procurement</p> <p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>In our Sustainability Report (SR), we indicate our basic policies and perceptions relating to water. Specifically, the SR explains and states the following: - Water is closely linked to other environmental factors including climate change - Our business activities rely on water and affect the external water environment - The importance that all employees have access to safe drinking water and a sanitary water environment We have set a Group-wide water-related target for FY2020 of an absolute reduction in total water withdrawals to below FY2019 level and disclose the results achieved in our SR. We have set improving discharge to a level higher than the legal standard as our water goal, and we disclose the results of water quality measurements at each of our sites/facilities to the public. This target and goal correspond to our water-related performance standards for direct operations. Epson has announced our commitment to contributing to the SDGs in the name of our president (CEO). We have established "Creating new products and services with leading technology" as one of our water-related Key CSR themes, thereby contributing to the innovation of water-related technologies. As part of our Socially Responsible Procurement Program, Epson collects information from and evaluates suppliers using our own questionnaire (SAQ) based on the RBA's auditing standards. Specific examples of questions relating to water in the SAQ include questions about the type of wastewater, the treatment method, and systems for dealing with floods and other disasters, and the responses we receive are used to evaluate suppliers for procurement purposes. In order to appropriately disclose information externally, Epson bases information disclosure on compliance with core options in the GRI standards, an international initiative for sustainability reporting, that includes water, and publishes a GRI standards comparison table, that includes water.</p>

**W6.2**

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

**W6.2a**

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Chief Executive Officer (CEO)	<p>All final decisions on environmental management, including water and climate change, are made and enforced by the Board of Directors, which is chaired by the Chairman. The Board of Directors manages information on environmental management, including water and climate change related issues and maintains a process for confirming what we should do based on that information at lower levels meetings. Environmental activities related to water and climate change are a Group-wide activity, and therefore fall under the responsibility and authority of our Group's Chief Executive Officer (President). In FY2020, the Board of Directors made revisions to Environmental Vision 2050 and made decisions on Epson 25 Renewed. And the final decision of revisions to Environmental Vision 2050 and Epson 25 Renewed was made by the President (CEO). Example of a decision related to water made by our CEO (President): In FY2020, the results of our climate change risk and opportunity assessment, including the assessments of physical risks relating to water (flooding and high tides) at direct operations, the impact on operations, and the financial impact are ultimately approved by our Board of Directors and CEO, following a directional review by our Sustainability Strategy Council.</p>

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations. Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. As such, matters discussed by the Board of Directors are limited to motions of the highest importance (e.g., governance, capital policy, compliance, risk management, deliberations on megatrends and mid- to long-term strategies). Environmental activities, including water-related issues, are also considered one of the highest important issues. Management meeting bodies have been established for executing operations. Among them is the Corporate Strategy Council, which usually meets about once a week to allow Directors, Executive Officers, and Special Audit & Supervisory Officers to exhaustively discuss important business themes that affect the entire Epson Group and matters brought up before the Board of Directors. Environmental initiatives, including water-related issues, are positioned as a important business theme, and the executive officer in charge of the environment regularly reports to the Corporate Strategy Council. The Council discusses reviews to targets and strategies for the environmental initiatives and revises budgets and plans in line with such reviews, and then submits the result of their discussions to the Board of Directors.

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

The Corporate Strategy Council meets on a weekly basis to deliberate important execution of business as an advisory body to the CEO. The Council was established as a place for executives to discuss important management topics pertaining to the entire Group and is chaired by the CEO (President). Environmental initiatives, including water risks, are positioned as a key management theme, and the executive officer in charge of environment reports such initiatives to the Corporate Strategy Council. As an example of water-related case study, in FY2020, we assessed the water-related physical risks (flooding and high tides) at direct operations as part of our climate change risks assessment, and the water-related risks assessed here have been reviewed by the Council and reported to the Board of Directors. The President (CEO) is responsible for the final decision on matters related to our environmental management and environmental activities, including water related issues.

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

**W6.4a**

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Other, please specify (ESG management (environment assessment, CSR survey ranking) including water related issues.)	ESG management (environment assessment, CSR survey ranking) as a qualitative evaluation based on the progress of strategies toward achieving the operating performance targets of the Epson 25 Renewed.
Non-monetary reward	Director on board Other C-suite Officer (Executive Officers) Other, please specify (Presidents of subsidiary companies)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in waste water quality - direct operations Increased access to workplace WASH	Our President Award include an environmental award, as a non-monetary award system aimed at recognizing business units (including directors and executive officers in charge of business units) and sites/facilities (including presidents of subsidiary companies) that have demonstrated high performance through outstanding overall environmental activities. In relation to water, units and sites/facilities that reduce water consumption, improve water use efficiency, improve wastewater quality, and improve water-related sanitation are eligible for the award. Many of these water related activities at business units and sites/facilities have relation to our water policies (detailed at W6.1a). Units and sites/facilities are comprehensively evaluated on a 100 point scale in terms of their specific environmental activities such as reducing water consumption, environmental management, and environmental indicator achievement, and the units and sites/facilities that achieve 80 points or more are eligible to receive an environmental award of excellence. In recent years, the award has been presented to overseas sites/facilities for achieving a high level of liquid waste treatment by combining an ink waste liquid concentrator with a microbial treatment system, as well as for collecting and purifying waste water from prayer rooms and other places for reuse as water for flushing toilets.

**W6.5**

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

No

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, but we plan to do so in the next two years

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	> 30	Risk assessments concerning water-related issues are conducted as part of our climate change risk and opportunity assessment led by the department in charge of CSV and CSR, and we assess physical risks related to water (flooding and high tides) at direct operations. The results of our climate change risk and opportunity assessments and response policies are reviewed by the Corporate Strategy Council and reported to the Board of Directors, and then reflected in medium- to long-term strategies and financial plans for the entire company and each business unit. As mentioned in our response to W4.1a, we categorize the impact of each assessment item in the climate change risk and opportunity assessment into "High", "Medium", or "Low", and the results indicate that water-related risks associated with extreme weather due to climate change will be relatively low in the future, and the result of the assessment is also "Low". For this reason, water-related issues have not been incorporated into our long-term business objectives at this stage.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	> 30	Risk assessments concerning water-related issues are conducted as part of our climate change risk and opportunity assessment led by the department in charge of CSV and CSR, and we assess physical risks related to water (flooding and high tides) at direct operations. The results of our climate change risk and opportunity assessments and response policies are reviewed by the Corporate Strategy Council and reported to the Board of Directors, and then reflected in medium- to long-term strategies and financial plans for the entire company and each business unit. As mentioned in our response to W4.1a, we categorize the impact of each assessment item in the climate change risk and opportunity assessment into "High", "Medium", or "Low", and the results indicate that water-related risks associated with extreme weather due to climate change will be relatively low in the future, and the result of the assessment is also "Low". For this reason, water-related issues have not been incorporated into our strategy for achieving long-term objectives at this stage.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	> 30	Risk assessments concerning water-related issues are conducted as part of our climate change risk and opportunity assessment led by the department in charge of CSV and CSR, and we assess physical risks related to water (flooding and high tides) at direct operations. The results of our climate change risk and opportunity assessments and response policies are reviewed by the Corporate Strategy Council and reported to the Board of Directors, and then reflected in medium- to long-term strategies and financial plans for the entire company and each business unit. As mentioned in our response to W4.1a, we categorize the impact of each assessment item in the climate change risk and opportunity assessment into "High", "Medium", or "Low", and the results indicate that water-related risks associated with extreme weather due to climate change will be relatively low in the future, and the result of the assessment is also "Low". For this reason, water-related issues have not been incorporated into our financial planning at this stage.

## W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

### Row 1

Water-related CAPEX (+/- % change)

-3.66

Anticipated forward trend for CAPEX (+/- % change)

24.12

Water-related OPEX (+/- % change)

-1.23

Anticipated forward trend for OPEX (+/- % change)

-1

### Please explain

We calculated CAPEX based on actual capital expenditure relating to water and projected investment for FY2021. In FY2020, as in FY2019, we did not undertake any large-scale capital investment, rather we focused on upgrading wastewater equipment, pipes, pumps, and tanks. As a result, CAPEX decreased slightly due to curbing investment due to COVID-19. CAPEX is expected to increase significantly in FY2021 as we are planning to upgrade our wastewater treatment facilities at some sites. OPEX was calculated based on actual water and sewage rates. Although water and sewage rates have increased at some sites, OPEX decreased as both the total water withdrawal and discharge volume decreased as a result of the spread of COVID-19. We assume that there is a correlation between changes in water and sewage rates and changes in electricity consumption. Given that electricity consumption is expected to decrease by 1% in FY2021, we estimate that in FY 2021 OPEX will decrease by 1% compared to FY2020.

## W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	

## W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

No

## W7.4

(W7.4) Does your company use an internal price on water?

### Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

### Please explain

We are currently collecting and reviewing information on our use of water pricing.

## W8. Targets

### W8.1

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	For our medium- to long-term environmental targets, including water, our Group regulations stipulate that the department in charge of environmental issues drafts comprehensive measures for medium- to long-term environmental activities and obtains approval from the general administrative manager in charge of environmental affairs. However, due to reviewing our Environmental Vision 2050, which is based on our environmental activities, and the impact of Covid-19, we do not currently have any medium- to long-term water targets. In the future, we intend to establish medium- to long-term water targets based on Environmental Vision 2050 (revised in March 2021) and Epson 25 Renewed. For this reason, we have set a Group-wide water-related target for FY2020 of an absolute reduction in total water withdrawals to below FY2019 levels. Some units and sites/facilities have set a water-related target of reducing water consumption as one of their ISO 14001 environmental goals and are monitoring and assessing the implementation and performance of such activities. For example, a site/facility in Nagano Prefecture, Japan, sets the water target by subtracting the water volume associated with reduction activities of each year from the water withdrawals volume based on the business plan of the year. We have set improving discharge to a level higher than the legal standard as our water goal. The Group's regulations on pollution prevention stipulate that each site/facility should set its own self-management values for discharge and operational control values. Self-management standards have basically been set aiming for half of the legal standards, while operational control values have been set aiming for one-tenth of the legal standard. Emergency measures to be taken in case the respective standards are exceeded are also stipulated in the Group's regulations. Self-management values and operational control values are set and altered by the division responsible for preventing and controlling pollution at sites/facilities, which includes the pollution prevention officer and the pollution prevention manager.

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

We rely on a large volume of water resources in our business activities, and we are working to conserve water sources by not polluting or consuming more water than necessary and recycling and reusing water based on our awareness that the sustainability of water resources has a major impact on business continuity. We set a Group-wide water-related target for FY2020 of an absolute reduction in total water withdrawals to below FY2019 levels.

**Quantitative metric**

Absolute reduction in total water withdrawals

**Baseline year**

2019

**Start year**

2019

**Target year**

2020

**% of target achieved**

100

**Please explain**

We set a Group-wide water-related target for FY2020 of an absolute reduction in total water withdrawals to below FY2019 levels. In our report to CDP, total water withdrawals for FY2019 and FY2020 were 8131.08 mega liters and 7925.22 mega liters, respectively, with 100% of our target achieved.

**W8.1b**

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Improve wastewater quality beyond compliance requirements

**Level**

Site/facility

**Motivation**

Corporate social responsibility

**Description of goal**

Given that Epson was founded close to Lake Suwa, an area of rich nature, the local community expects us to engage in water quality protection activities, and we have taken strict wastewater management measures. In the 1970s, when pollution attracted public attention, we set self-management values which were stricter than the legal standards set in laws and ordinances, and painstakingly worked to prevent water pollution. At present, the Group's regulations on pollution prevention stipulate that each site/facility should set its own self-management values for discharge and operational control values, and self-management standards have been set at each site/facility at half of the legal standards, while operational control values have been set at one-tenth of the legal standard. Through these measures, the entire Group has achieved and maintains improvements in wastewater above the legal standards. "Control of water and drainage" is one of our key CSR themes. We believe that the establishment of group-wide self-management standards and operational control values for wastewater will contribute to water quality protection not only in the vicinity of Lake Suwa, but also in countries around the world where our sites/facilities are located.

**Baseline year**

1970

**Start year**

1970

**End year**

2020

**Progress**

Given that our water quality protection efforts are permanent, for convenience we have chosen reporting year (FY2020) as the final year. We have been working to protect water quality since the 1970s by setting self-management values, so we set the baseline year and start year as 1970. To evaluate the effort, we use each water quality item measured at each site/facility as an assessment indicator, and at a minimum, we take the threshold for judging success as each water quality item not exceeding the legal standard. For example, in FY2020, the Hirooka Plant regularly measured water quality for approximately 20 items, including pH, BoD, and SS, and the results ranged from 7.1 to 7.5 compared to the pH self-management value of 5.8 to 8.6. No plants exceeded legal standards for wastewater in FY 2020.

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

**W9.1a**

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water consumption data for a total of 43 Epson Group sites.	ISAE 3000	An external verification organization verified water-related data at a total of 43 Epson Group sites through document reviews and on-site verifications.

**W10. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**W10.1**

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Corporate Strategy Council	Board/Executive board

## W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

## SW. Supply chain module

### SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	995940000000

### SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

### SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	JP	3414750004

### SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

### SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for all facilities	

### SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Seiko Epson Corp. Head Office	36.053441	138.115102	
Seiko Epson Corp. Hirooka Office	36.152927	137.951959	
Seiko Epson Corp. Fujimi Plant	35.936918	138.207244	
Seiko Epson Corp. Suwa Minami Plant	35.932436	138.217333	
Seiko Epson Corp. Shiojiri Plant	36.105029	137.969383	
Seiko Epson Corp. Matsumoto Minami Plant	36.158039	137.976186	
Seiko Epson Corp. Toyoshina Plant	36.302507	137.93012	
Seiko Epson Corp. Ina Plant	35.922437	137.981375	
Seiko Epson Corp. Hino Office	35.672129	139.404145	
Seiko Epson Corp. Chitose Plant	42.790328	141.699172	
Seiko Epson Corp. Matsumoto Plant	36.23786	137.95752	
Seiko Epson Corp. Kanbayashi Plant	36.190331	137.922326	
Seiko Epson Corp. Sapporo Software Center	43.03619	141.499813	
Seiko Epson Corp. Oita Software Center	33.3368	131.488987	
Epson Repair Corp.	35.458523	134.242694	
Epson Mizube Corp.	36.059804	138.110602	
Epson Atmix Corp. Head Office	40.538114	141.505235	
Epson Atmix Corp. Kita-Inter Plant	40.546493	141.427934	
Miyazaki Epson Corp.	31.843367	131.375137	
Akita Epson Corp. Head Office	39.204422	140.498671	
Epson Avasys Corp. Head Office	36.363437	138.22757	
Epson Avasys Corp. Ueda Office	36.360368	138.221103	
Epson Telford Ltd.	52.717943	-2.465233	
EPSON DO BRASIL INDUSTRIA E COMERCIO LTDA.	-23.495573	-46.835783	
Epson Portland Inc. Head Office	45.548269	-122.890335	
Epson Portland Inc. Longview Office	46.14722	-122.987502	
PT. Indonesia Epson Industry	-6.327955	107.116783	
Epson Precision (Philippines), Inc. Lipa Plant	14.011959	121.173149	
Epson Precision Malaysia Sdn. Bhd.	3.205032	101.616882	
Epson Precision (Thailand) Ltd.	13.603507	101.343337	
Epson Precision (Johor) Sdn. Bhd.	1.515206	103.730026	
PT Epson Batam	1.069511	104.019875	
Epson Engineering (Shenzhen) Ltd.	22.554459	113.936268	
Epson Precision (Shenzhen) Ltd.	22.694132	113.817482	
Tianjin Epson Co., Ltd.	39.118648	117.148828	
Epson Precision Suzhou Co., Ltd.	31.311885	120.527987	
Epson Wuxi Co., Ltd.	31.548771	120.353937	
Epson Surface Engineering (Zhenjiang) Co., Ltd.	32.162478	119.614982	
Singapore Epson Industrial Pte. Ltd. Main-Plant	1.334589	103.641393	
Singapore Epson Industrial Pte. Ltd. Plating-Plant	1.326158	103.691228	
Epson Taiwan Technology & Trading Ltd.	25.034263	121.567851	
Tohoku Epson Corp. Head Office	38.884787	139.814495	
Epson Precision (Thailand) Ltd. Branch office 2	13.600013	101.340177	

## SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

## SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

## SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

[Submit your response](#)

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms