

Epson Group

Paper Products Procurement Standard

(Epson Printer Specialty Paper Procurement Standard)

Ver. 1.2

Issued: April 1, 2007
Revised: May 1, 2018
Enforcing: May 1, 2018

SEIKO EPSON CORPORATION

Contents

Introduction

Stance on Procurement of Paper Products

Content of Standard

1. Objective
2. Scope of Application
3. Content of Conforming Procurement Management
4. Paper Products Procurement Policy and Stance on Conforming Procurement Management

Introduction

The Epson Group (below, Epson) has a stated Basic Procurement Policy that says, “Exercising high ethical standards and a social conscience, we will conduct our procurement activities in strict compliance with both the letter and spirit of laws and regulations, both national and international, in every region where we operate.” In keeping with this policy, Epson encourages procurement of paper products with due consideration for the social, economic and environmental sustainability of forests.

Epson thus manages its entire supply chain from the immediate supplier all the way back to the forest to ensure the legality, sustainability and environmental safety of the paper products we procure. We ask that you understand the intent and nature of these initiatives and give us your full support.

Stance on Procurement of Paper Products

The illegal logging of forests is a very serious issue for those seeking to protect the environment on the global scale and practice sustainable forest management. Around the world, greater efforts are being made to ensure legality and sustainability during the procurement of wood products.

Epson has established a procurement policy for paper, the major forest product we procure. Under this policy, we adhere to the practices below that support the social, economic and environmental sustainability of forests.

1. We make effective use of used paper and other recycled pulp.
2. When virgin is used as a raw material in paper goods we procure, we confirm its
 - legality
 - sustainability
 - chemical safety
 - environmental management

Content of Standard

1. Objective

This standard sets out Epson's basic stance on the procurement of paper products and establishes the Epson Group Paper Products Procurement Policy (below, Procurement Policy). Its objective is to promote procurement such that legality, sustainability and environmental safety are taken into consideration throughout the supply chain.

2. Scope of application

At Epson, the Procurement Policy applies to the procurement of specialty paper for use in Epson printers.

3. Content of conforming procurement management

Suppliers are asked to provide a Certificate of Conformity to Epson Paper Products Procurement Policy (below, Certificate) to confirm their compliance with the Procurement Policy. The Certificate consists primarily of the following:

(a) Statement of conformity with the Procurement Policy

(b) Raw materials traceability information

If there are changes in the information stated on the Certificate, please resubmit a corrected Certificate.

4. Procurement Policy and stance on conforming procurement management

Details of the Procurement Policy are given below.

Epson Group Paper Products Procurement Policy

Epson has established a paper products procurement policy (below) that is based on the premise that the Group will continue to promote the effective use of used paper and other recycled pulp. Under this policy, we take into account the social, economic and environmental sustainability of forests and ensure legality, sustainability and environmental safety throughout the supply chain.

Epson will work to gradually expand the scope of procurement whose conformity to the Procurement Policy can be checked.

Legality

If virgin pulp is to be used as raw material, the wood providing the raw material shall be legal according to the forestry laws of the country in which it is produced, and there shall be no violations of the laws, etc. of the nations or regions with authority at all stages, including production, extraction, processing, shipping and export.

Sustainability

If virgin pulp is to be used as raw material, the wood providing the raw material shall be produced in a sustainable manner.

Chemical safety

It shall be confirmed that the material does not intentionally contain chemicals prohibited by the Epson Group. For details, please see the Epson Green Purchasing Standard for Production Materials.

Environmental management

The production plants for the paper products procured shall be managed in environmentally responsible ways.

Sustainability

- (A) Wood produced from sustainably managed forests
Raw material wood shall be produced from sustainably managed forests. Sustainably managed forests are forests wherein:

- A-a) Harm to ecosystems is minimized.
- A-b) Forest productivity is maintained.
- A-c) Forest ecosystem health and vitality are maintained.
- A-d) Biodiversity is preserved.
- A-e) Civil and traditional rights are not violated.

By increasing the percentage of products made using raw material wood produced in forests that have been certified by a third party as conforming to the above conditions, we shall enhance the reliability of checks of sustainable forest management.

- (B) Wood controlled for social, economic and environmental harm (controlled wood)
If we cannot confirm that our raw material wood is produced from sustainably managed forests, then we shall ensure that the wood is controlled for social, economic and environmental harm.

Controlled wood is controlled so there is no harm to society, economy or the environment and does not include the following:

- B-a) Illegally harvested wood
- B-b) Wood harvested from areas where civil and traditional rights are violated
- B-c) Wood harvested from non-certified forests in areas where high conservation values are threatened by forest management activities
- B-d) Wood harvested from genetically modified (GM) trees
- B-e) Wood harvested from areas which have been converted from natural forest to plantations or non-forest uses

Accordingly, wood used as raw material wood shall consist entirely of:

- a percentage of fiber from recycled material
- + a percentage of fiber from wood produced in sustainably managed forests
- + a percentage of fiber from wood controlled for social, economic and environmental harm
- + a percentage of non-wood fiber

Stance on legality, chemical safety, environmental management

Epson selects suppliers and evaluates them periodically in accordance with the Epson Group Procurement Guideline. As part of this, we evaluate each supplier's legality, chemical safety and environmental management for conformity to our Procurement Policy.

Explanation of terms

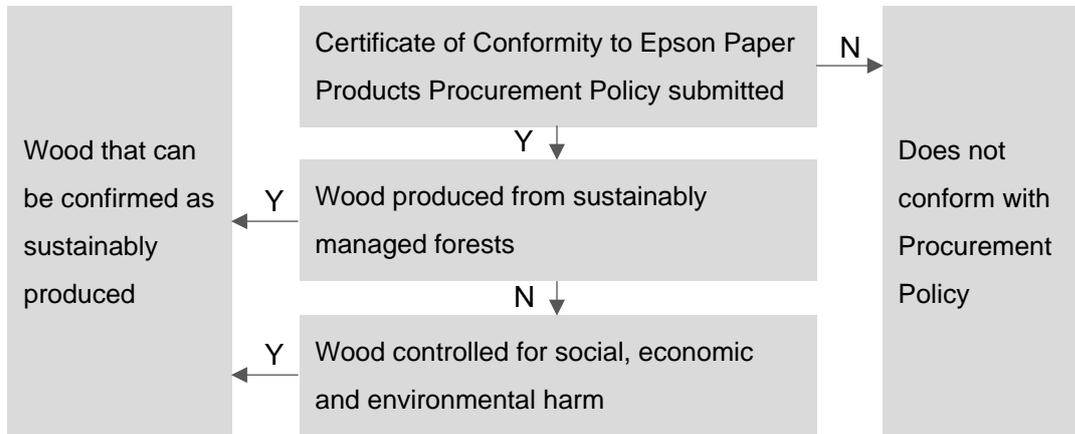
Recycled pulp

Pulp that is recycled from paper or waste materials such as those below.

- a. Post-consumer paper
Raw material recovered and recycled after it is delivered to the final consumer
- b. De-inked industrial used paper
Raw material recycled before delivery to the final consumer, such as waste and unsold printed matter from a printing plant
- c. Unprinted industrial used paper
Recycled raw material that has not been printed
- d. Recycled non-wood raw material
Recycled raw material from waste, etc. that contains agricultural waste, cloth or other non-wood raw materials

(Reference)

Flow of sustainability conformity check



History

Ver.	date	Details
1.0	April 1, 2007	Established
1.1	April 1, 2013	Correction of erroneous description
1.2	May 1, 2018	<ul style="list-style-type: none">• An item addition to the 3. Content of conforming procurement management.• Delete to submit an improvement plan