

ANNUAL SUSTAINABILITY REPORT FOR FISCAL YEAR 2015 EPSON PORTLAND INC.

Hillsboro



Longview



Executive Summary

Epson Portland Inc. (EPI) takes a comprehensive approach to environmental stewardship. EPI has been ISO 14001 certified since June of 1998; and then certified under the newest standard ISO 14001:2004 in February of 2004. This certification is based on a solid Environmental Management System that undergoes continual internal audits as well as an annual external audit. EPI was the first charter member in the U.S. EPA's National Environmental Performance Track Program and was one of the only companies in Oregon to hold a DEQ Green Permit. Since March of 2000, EPI has sent no waste to the landfill; any waste that cannot either be reused or recycled* is sent to a waste-to-energy facility in Brooks, Oregon, where it is incinerated and used to create electricity. (*EPI's diversion rate is 95%; several of its recycling and/or reuse programs are innovations that employees have implemented.) Since February of 2003, EPI has been a patron-level participant in PGE's Clean Wind power program, initially purchasing 10% and currently purchasing 62% of its power from wind-generation facilities. In addition, the

company designates 30% or more of its corporate contribution dollars to environmental non-profit agencies, especially those whose mission is to educate children about the importance of environmental preservation. Annually, EPI hosts an electronics collection event, three highway clean-ups (Road Warriors), a campus clean-up event, and encourages its employees to take part in other environmental volunteer activities throughout the year.

Background

EPI received its Green Permit on November 9, 2001. In accordance with the requirements of the Green Permit, EPI continually improves its environmental performance and achieves results that are beyond compliance. This report summarizes fiscal year 2015 environmental improvement activities, environmental compliance, and stakeholder activities. In 2010 DEQ closed its Green Permit Program, however as a way to stay transparent to our customers and the community regarding our Environmental Sustainability Programs and Objectives and Targets, Epson Portland Inc. will continue to publish this report annually.

Site History

Located in Hillsboro, Oregon, EPI is the sole U.S. manufacturing affiliate of Japan's Seiko Epson Corporation (SEC). In the early 1980s, SEC began manufacturing printers in the United States to support Epson America, Inc., SEC's U.S. sales and marketing subsidiary. From its opening day in July of 1986 until August of 2001, EPI built over 15 million printers for business, government and personal use. Currently, EPI manufactures various models of ink and ink cartridges for Epson printers, performs injection molding of proprietary plastic parts, and provides specialized engineering services. EPI has produced over 600 million ink cartridges since April 1999 and over 6 million kilograms of ink since 2007.

Site Description

One building in Hillsboro was completed in two phases: Phase 1, completed in 1986; and Phase 2, completed in 1988. Manufacturing at the Hillsboro facility consists of Ink Cartridge Injection Molding, Ink Cartridge Assembly, Ink Cartridge Packaging, and Ink Blending. The remainder of Hillsboro's 20.7 acres of land is two parking lots and a natural preserve.

In 2015, EPI acquired another SEC facility in Longview, Washington where they manufacture quartz crystal. The Longview facility was incorporated in 2000 and started manufacturing in 2001.

Regulatory Status Category

3950 NW Aloclek Place (Phase 1 & 2)
Conditionally Exempt Small Quantity Generator
EPA ID# ORD151160934

CWS - Industrial Wastewater Discharge Permit
Permit Number 13307DEQ - National Pollutant Discharge Elimination System Waste Discharge Permit
Permit Number 100-J
File Number 103448

METRO - Solid Waste Non-System License (for waste-to-energy)
License Number N-028-00 and N-028-01

100J Cooling Tower Permit

State Waste Discharge Permit ST6185 (Longview)

Washington State Storm Water Discharge Permit (Longview)

State Fire Marshal Hazardous Substance report EPA TRI Report

Environmental Values

As a member of the Seiko Epson Group, EPI shall fulfill its social obligation as a good corporate citizen, striving to achieve a harmonious balance between its business activities and the global environment by actively taking steps to use resources efficiently and prevent pollution.

EPI has established policies based on the Environmental Values and pledges to carry them out with full participation. EPI will use these policy statements as a benchmark to gauge current and future activities and to determine corporate environmental objectives and targets, including identifying significant aspects and impacts, when appropriate. EPI Senior Management will review these annually.

EPI will:

Utilize Environmentally Sound Processes.

Environmentally sound manufacturing processes will be used to create equally environmentally sound products.

Prevent Pollution.

Pollution will be prevented by defining, monitoring and raising the environmental control level through continuous improvement of our manufacturing processes.

Contribute to the Environment.

Support of environmental efforts will be given at both the local and international levels.

Provide Employee Volunteer Programs.

Various employee volunteer programs will be supported, such as: "Road Warriors" highway clean-up program and Earth Day activities.

Comply with Regulatory Requirements.

Applicable legislative and regulatory requirements will be complied with and/or exceeded with a goal of minimizing the impact on the surrounding environment.

Conform to ISO 14001:2004 Requirements.

An Environmental Management System that conforms to the requirements of ISO 14001:2004 has been established, certified by a third party, and will be maintained.

Communicate its Environmental Commitment.

The environmental commitment of the company will be communicated through our Environmental Management System

EPI established its Environmental Management System (EMS) in 1998 in accordance with the requirements of ISO 14001. EPI moved to the newest standard 14001:2004 in February of 2004. Initial certification to the ISO 14001 standard was completed in June of 1998, making it only the fifth company in Oregon at the time to achieve such status. Each year, EPI has undergone either a surveillance or recertification audit (as scheduled) of its EMS and has passed and maintained its certification every time.

Determining Aspects, Impacts, Objectives & Targets:

EPI's EMS is intended to be a guide for establishing, maintaining, and improving EPI's environmental activities. Environmental planning procedures describe an integrated process of identifying environmental aspects, ranking and selecting them to determine significance, developing objectives and targets, and developing environmental programs that support our goals of increasing environmental stewardship (reducing the use of water and electricity, reducing the amount of solid waste, reducing volatile air emissions and hazardous waste, and increasing reuse, recycling, and employee involvement).

EPI's environmental aspect and impact analysis is completed at least annually. Impacts are categorized in 7 areas: air pollution, water pollution (sanitary), and water pollution (outside), land contamination, utilities consumption, hazardous waste, and regulatory compliance.

In determining objectives and targets, EPI bases its decisions on the following: United States regulatory requirements, Seiko Epson Corporation requirements, requirements from top management, EPI's significant environmental impacts, and views of interested parties. All information is funneled to the Environmental Health and Safety (EHS) committee (with members representing each department at EPI), which then drafts recommendations that are forwarded to top management for approval. Once the EHS committee, EHS committee chairperson, and top management approve objectives and targets, the EHS staff drafts work instructions for each objective and target detailing each task, responsible person(s), due dates, and critical milestones, if needed.

2015 Objectives & Targets

Objective	Target	Responsibility
Promote Green Purchasing-Hillsboro	80% of consumables supplies be environmentally preferred products & continue compliance with SEC Green purchasing standards	Purchasing
Reduce Solid Waste-	Maintain FY13 Solid Waste Levels & Zero Waste-to-Landfill (Hillsboro)	All departments, as applicable
Reduce Total Energy Consumption	Maintain FY14 Co2 emissions(per unit produced vs. baseline FY14)	All departments, as applicable

2015 Aspects & Impacts

Significant Aspects	Negative Environmental Impacts	Positive Impacts	Department(s) Oversight	Objective & Target?
Industrial Wastewater Discharge Permit	Water Pollution-Compliance	N/A	Facilities	Control, Monitor & report only
DEQ - NPDES non-Contact Cooling Tower Permit-Hillsboro	Water Pollution-Compliance	N/A	Facilities	Control, Monitor & report only
Solid Waste	Water/Soil/Pollution Outside	N/A	Site*/Warehouse /EHS	Yes & reports
Maintain Zero Waste to Landfill-Hillsboro	N/A	Reduces Soil Pollution	EHS	Control & Monitor Only
C02 Reduction Activities/Parking Light Retro fit	N/A	Reduces Air Pollution	Facilities/EHS	Yes & Controls
Green Purchasing Activities /XRF-Hillsboro	N/A	Reduces Air , Water, Soil Pollution	MRO Purchasing	Yes & Monitors
Maintain Recycling Rate	N/A	Reduces Soil Pollution	Site Wide*	Control & monitor
Maintain Zero VOC's	N/A	Reduces Air Pollution	Site Wide*	Monitor only
Maintain Water Usage	N/A	Saves Natural Resources	Site Wide*	Control & Monitor
Manage Storm Water runoff (LIDA Swale-Hillsboro)	N/A	Reduces Water Pollution	Facilities/EHS	Monitor Only

*As applicable to each department or group

Environmental Performance Auditing

The EMS surveillance audit was conducted in November 2015 by Bureau Veritas Certification. The audit validated that EPI's EMS is in a high degree of conformance to 14001:2004 standard. Zero non-conformances were found. EPI added our Longview facility to our internal ISO audit process in November 2015.

EPI's Management System Review consists of an annual executive management strategic review by top management, an annual review by the EHS committee as well as a monthly overview by all Assistant Managers and above. All reviews were completed in FY2015. EPI's EMS was considered suitable, adequate, and effective.

In addition, EPI conducts monthly focus audits to ensure the adequacy of policies, procedures and actions that support cleanliness, safety and the environmental considerations at the plant. These audits are done by members of the EHS committee as well as management representatives. Twice a year, the subject

matter of the audits is environmental, and each time, any concerns noted are communicated to the appropriate person and action is taken to make corrections.

Meeting FY2015 Objectives & Targets

Accomplishments and Deficiencies

Exceeded Regulatory Compliance

1. CWS Industrial Wastewater Discharge Permit

133072 had no deficiencies or non-conformances.

2. Hazardous Waste

EPI generated 0 pounds of hazardous waste.

EPI is a Conditionally Exempt Quantity Generator.

3. Maintain FY13 Solid Waste Levels

EPI had a 1.92 tons increase due to new line start up

All solid waste goes to a waste-to-energy facility.

4. Promote employee commute alternative transportation

In FY2015, EPI purchased year-round TriMet passes for all EPI employees.

5. Generate annual environmental report

EPI posts prior fiscal year information on its external website.

6. Support Seiko Corporation and its affiliates

EPI supports other Seiko Epson affiliates by sharing our sustainable practices and activities to help encourage their efforts.

7. Green Purchasing-Hillsboro

Goal: 80% of general purchases (office & janitorial supplies) are environmentally green products.

Goal: 100% of production purchases are environmentally green products. These guidelines are developed around not using certain hazardous chemicals in our products and processes.

EPI achieved 80% green purchasing for office and janitorial supplies.

EPI achieved 100% of production purchases under Seiko Epson Corporation guidelines.

8. Maintain CO2 emissions (per unit produced vs. Baseline FY14)

EPI achieved a 10% CO2 reduction

Annual savings through implementing Energy Conservation Opportunities: 675,830 Kwh

(Clean Dry Air receiver and flow control addition & Variable frequency drives on air compressors)

EPI purchases 62% Clean Wind power.

9. Maintain FY14 Water Usage

We experienced a 0.17 increase.

Environmental Accomplishments

- a. **Energy conservation/renewable energy.** Since February of 2003, EPI has been a **patron-level participant in PGE's Clean Wind Power program.** In July of 2007, we increased our

commitment to the program by 50% and again in 2012 we increased another 12%, to bring us to a total of 27%, in 2013 we increased it again by 35% and now we get 62% **of our electricity from wind-generation facilities**—a decision that actually benefits everyone in our power grid.

These efforts were on top of a myriad of other implementations that have been carried out and sustained over the years to reduce electricity needs at the plant, such as consolidating work spaces so unused areas can have heat and lights turned off; switching all light bulbs to energy-efficient fluorescents; installing motion-sensing light switches and/or timers in bathrooms, mailroom and the warehouse. **Alternative transportation.** EPI provides each of its employees a **complimentary TriMet pass**, which allows them to ride busses, light rail, or streetcars free of charge.

- b. **Water efficiency.** EPI **captures non-potable water** from its ink blending process and **uses it as flush water** for the toilets in its Phase 2 building (where 75% of employees work). The company also has low-flow toilets and maintains an extremely conservative summer landscape irrigation program, made possible by a switch several years ago to native vegetation instead of high-water-needs-plants and flowers. **In 2014, EPI partnered with Clean Water Services, City of Hillsboro, and Portland State University to implement a bioswale in the Phase 1 parking area.**
- c. **Waste reduction/pollution prevention.** EPI Hillsboro has sent **zero waste to landfill since March of 2000**, opting instead to pay to have any non-reusable or recyclable materials sent to Covanta Energy in Brooks, Oregon, where it is incinerated and used to create energy. In the past fourteen years, EPI has recycled or otherwise **diverted over 10,286,417 pounds of materials from the landfill!** EPI Hillsboro has also been **VOC-free since 2002**, has sponsored natural area **tree plantings** to generate oxygen and cleanse the air of CO₂; and has implemented innovative recycling and waste reduction programs such as the **reclamation and regrinding of waste plastic** for reuse in the molding of new ink cartridge parts, the **reuse of ink barrels** rather than sending them to waste-to-energy, and the **reduction in use of cushioning** materials for bulk-packed ink cartridges that has saved over **78,000 cubic feet of bubble pack per year.**
- d. **Sustainable purchasing.** EPI has a strong green purchasing system; The company's Purchasing department requires vendors to complete a **green purchasing survey** to attest to the fact that their products and methods of production are environmentally-friendly, and they must submit to **on-site audits** by EPI or other Epson personnel to verify the information.
- e. **Promoting social equity.** EPI has had a Corporate Social Responsibility (CSR) policy in place since the fall of 2005. One of the nine main principles of that policy is "Fostering Diverse Values and Teamwork," which states that the company will actively create a culture of respect, trust and the valuing of diversity among its workforce and in its dealings with business partners and the larger community.
- f. **Community service and civic involvement.** The highlight of EPI's environmental community service is its **Earth Day Electronics Collection Event & Document Shredding** held annually in April since 2001 (with the exception of 2002). This event allows both employees and business neighbors an opportunity to bring in any old or unwanted electronics (computers, printers, fax machines, DVD players, VCRs, telephones, cables & wire, etc.) and dispose of them free of charge. EPI partners with Computer Drive Connection and others to ensure that the items are either refurbished or put back to use in classrooms throughout Oregon, or responsibly recycled. In 2015 EPI collected over 1,460 lbs. of unwanted electronics and approximately 1,634 lbs. of documents for shredding. Other employee volunteer activities include three "**Road Warrior**" highway clean-ups per year and a **campus clean-up** held annually in June. EPI also directs **30% or more of its corporate contributions to environmental non-profit organizations.** The company has a long history of partnership with the Jackson Bottom Wetlands Preserve in south Hillsboro, providing **educational programs** delivered to the over 6,000 **school children** who visit the Preserve each year. Other partnerships include the Columbia River Estuary Partnership, the Tillamook Forest Center, and Friends of Trees, the Oregon Environmental Council's Forum on Business and the Environment, and the Northwest Environmental Conference.
- g. **Host Metro's Household Hazardous Waste Event Annually.** The event is open to the public.

Stakeholder Involvement

Epson Portland Inc. is not a publicly-direct company, nor is it one that has much contact with community members on a day-to-day basis, as no consumer sales, support or services are provided at this location. However, the company is continually mindful of the impact of its actions on the surrounding environment and community, and welcomes feedback from community neighbors. Therefore, EPI will communicate with stakeholders through its website at www.epi.epson.com and also via its environmental community outreach activities throughout the year.

Thus far, the stakeholder interest has been in learning about how EPI has accomplished some of its environmental achievements and in how they can replicate some of our activities, such as the Electronics Collection Event. Outside stakeholders have not yet expressed concerns or provided suggestions regarding our environmental activities. Seiko Epson Corporation, EPI's primary stakeholder, evaluates and audits all environmental activities each year.

Report Submitted by

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