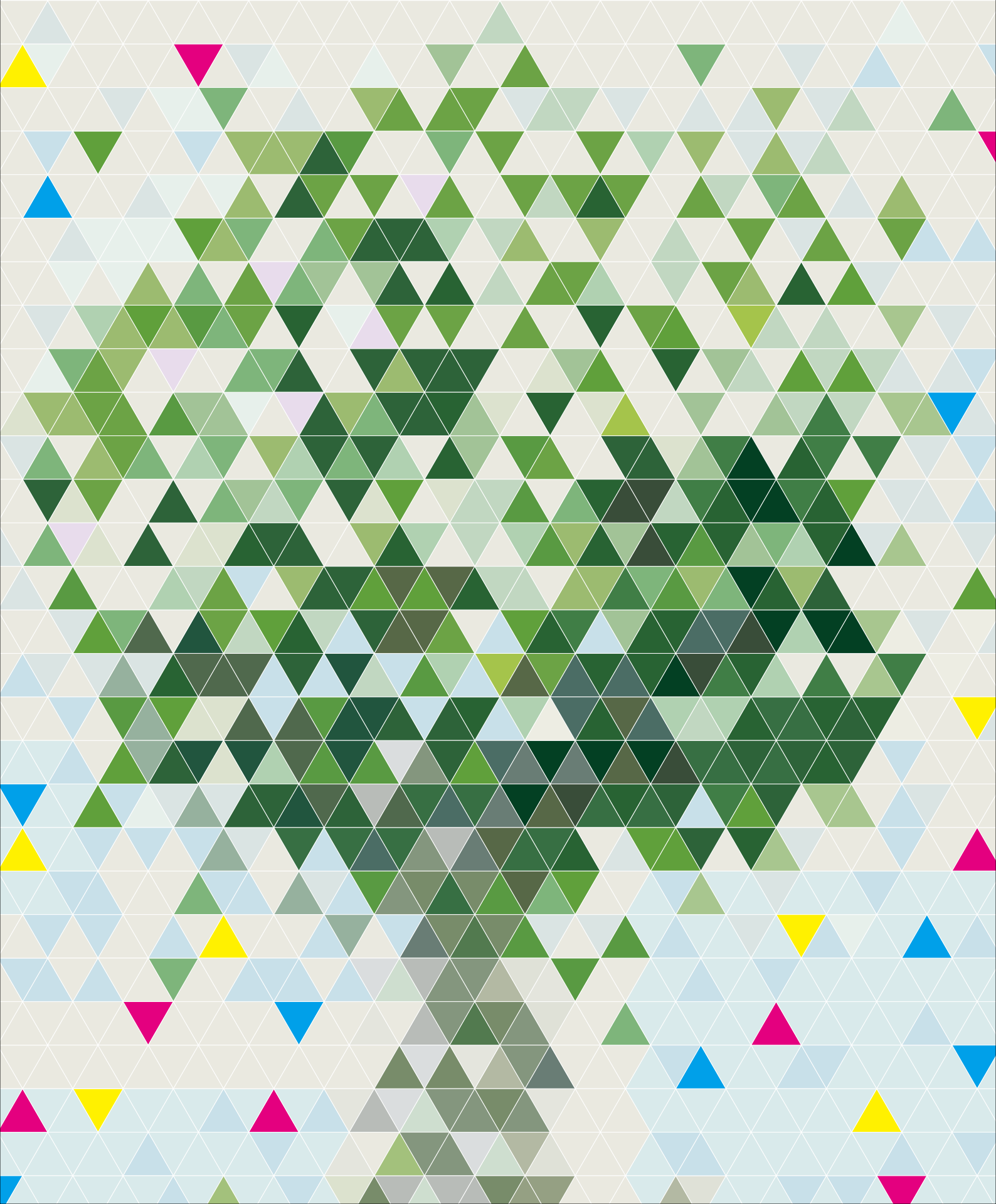


Sustainability Report 2021

TOPPAN



Sustainability Report 2021

Approach to Sustainability Information Disclosure

Toppan delivers diverse information on Groupwide environmental, social, and governance (ESG) initiatives around the world through transparent, timely, appropriate, and accessible disclosures to enhance engagement with customers, shareholders, investors, business partners, and stakeholders of every other type.

Guidelines Referenced

- International Organization for Standardization (ISO) 26000 standards
- Global Reporting Initiative (GRI) Standards: The standards Toppan has referred to are listed in the “Global Reporting Initiative Content Index” on pages 155-157.
- Environmental Reporting Guidelines (fiscal year 2018 version) issued by the Ministry of the Environment of Japan

Period Covered

This report mainly covers activities in fiscal 2020 (from April 2020 to March 2021), though information on prior and later years is also included in parts.

Scope and Boundary

Toppan Inc. and Group entities consolidated for accounting purposes. The information on personnel principally applies to personnel within Toppan Inc., the parent company. For details on the scope of the environmental performance data, see the List of Indicators Assured by an Independent Assurance Provider shown on page 153.

Publication Dates (English version)

Previous report, December 2020; Current report, December 2021; Next report, December 2022 (planned)

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*Total values of aggregate data presented in this report may not exactly match the sum totals of individual values, as decimals are rounded up or down.

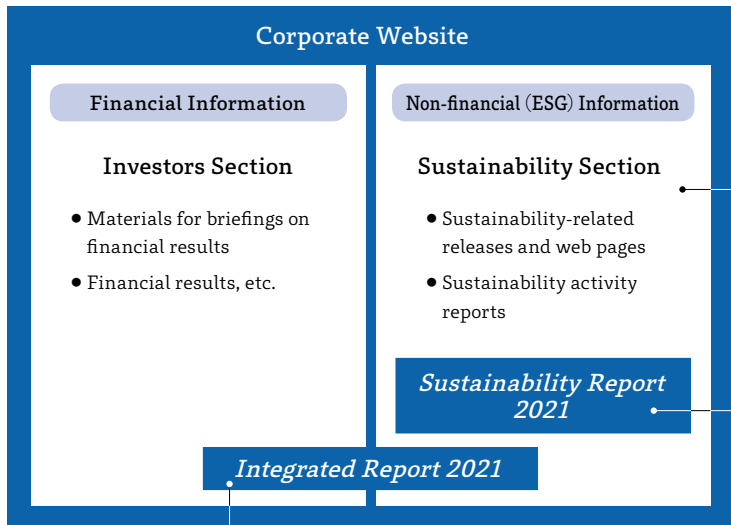
Change of English Corporate Name

On June 29, 2021, Toppan changed its English name from “Toppan Printing Co., Ltd.” to “Toppan Inc.” to further advance the global development of the Group under the global brand “TOPPAN.”

New English name

TOPPAN INC.

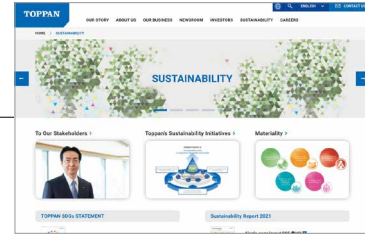
Positioning of the *Sustainability Report 2021*



• *Integrated Report 2021*

<https://www.toppan.com/en/ir/material/annual.html>

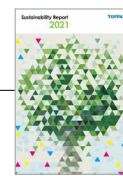
In addition to financial information, Toppan's *Integrated Report* presents selected information on the Group's sustainability initiatives.



• *Sustainability*

<https://www.toppan.com/en/sustainability/>

Visit this page to see Toppan's *Sustainability Report 2021* (PDF), sustainability performance data, and the latest releases related to sustainability.



• *Sustainability Report 2021*

This PDF discloses comprehensive information on Toppan's approach to sustainability, Toppan's framework for sustainability promotion, Toppan's sustainability activity results, and other aspects of the Group's sustainability initiatives. Toppan has reorganized its fiscal 2021 report according to ESG-based categories to present the Group's sustainability information in an easier-to-follow manner.

CONTENTS

02-04 Sustainability Report 2021 CONTENTS

05-07 To Our Stakeholders

08-17 Toppan's Sustainability Initiatives

TOPPAN VISION 21

Toppan's Approach to Sustainability
Promotion Structure for Sustainability Initiatives
Material Issues of Focus in Toppan's Sustainability Initiatives
Targets and Results in Addressing Companywide Materiality Issues
Stakeholder Engagement

18-27 Special Reports

The Challenge of Contributing to the SDGs through Business
New Work Styles Driving Innovation



28-34 Topics

Efforts to Address COVID-19 through Business
Addressing Climate Change and the TCFD



35-36 On Materiality at Toppan

37-40 Recognition

Inclusion in ESG Investing Indexes
Awards and Recognition for ESG

41-97 Social

Employee Health & Safety / Work-Life Balance
Diversity & Inclusion
Human Asset Development
Total Quality Assurance
Information Security
Universal Design
Sustainable Procurement
Human Rights
Social Contribution Activities



98-131 Environment

Fundamental Approach to the Environment
Mitigation of Global Warming
Building of a Recycling-oriented Society
Control of Chemical Substances
Pollution Control
Biodiversity
Environmental Data



132-151 Governance

Corporate Governance
Strict Compliance
Risk Management and Control
BCP/BCM
Tax Governance



152 Toppan Group Business Outline

153 List of Indicators Assured by an Independent Assurance Provider

154 Independent Assurance Report

155-157 Global Reporting Initiative Content Index

To Our Stakeholders



**Driving sustainability management
to generate solutions and value
for global society**

Hideharu Maro

Hideharu Maro

President & Representative Director
Toppan Inc.

Let me express my sincere gratitude to our stakeholders for their ongoing support of the Toppan Group.

First of all, I would like to extend my heartfelt sympathy to everyone affected by COVID-19.

There is still no end to the prolonged pandemic in sight, even with the vaccination rollouts underway. In the face of this unprecedented crisis, we at the Toppan Group have set up a crisis management team to take every possible measure to ensure the health and safety of our employees. Their work plays a major role in society by supplying daily necessities and maintaining basic social infrastructure. I am very proud of the many employees around the world who have gone to great lengths to maintain production and fulfill their responsibilities in these difficult times, with the repeated emergency declarations being issued in Japan and other parts of the world. The pandemic has reinforced my conviction that Toppan plays an integral role in society and that our employees are a force that supports society.

Sustainability—the Very Foundation of Our Business

From our first days in business in 1900, we have been committed to contributing to the sustainable development of society by propagating printing technology. Under our corporate philosophy of contributing “to a fulfilling lifestyle as a mainstay of information and culture” for more than a century, we have delivered various forms of value to society in a steadily diversifying range of businesses linked with the most advanced printing technologies. Based on our distinctive printing technologies, we currently operate businesses in three fields: Information & Communication, Living & Industry, and Electronics. The Toppan Group has a global customer base of more than 20,000 companies, a manufacturing base of 140 locations, and a human asset base of some 52,000 employees (on a consolidated basis).

Working at this monumental scale, we develop manifold business enterprises around the world and engage with customers, business partners, employees, and various other stakeholders. The Toppan Group is widely and deeply involved in society as an essential supporter of people’s lives in the fields of food, clothing, and housing. As the President &

Representative Director of Toppan Inc., I take pride in the great social responsibility and social missions we shoulder. Globalization and digitalization have drastically changed the business environment surrounding Toppan in recent decades. Climate change and environmental issues have also become bigger challenges for us. To further enhance our contribution to society as a corporate citizen, we are

Pursuing Global Social Agendas in Our Own Way

The growing awareness of climate security and human rights issues is fueling global efforts to create a sustainable society. Within Japan, businesses are fast shifting to renewable energy sources to decarbonize the economy. The international community increasingly expects companies to contribute to SDG achievement by addressing environmental and social issues through their businesses. Since its formulation in 2000, *TOPPAN VISION 21* has represented our commitment to staying a step ahead of the social changes underway. The vision organizes our corporate structure and basic strategies for sustainable growth (growth fields by technology & expertise) and defines our corporate ideal as “a corporation that creates social value.”

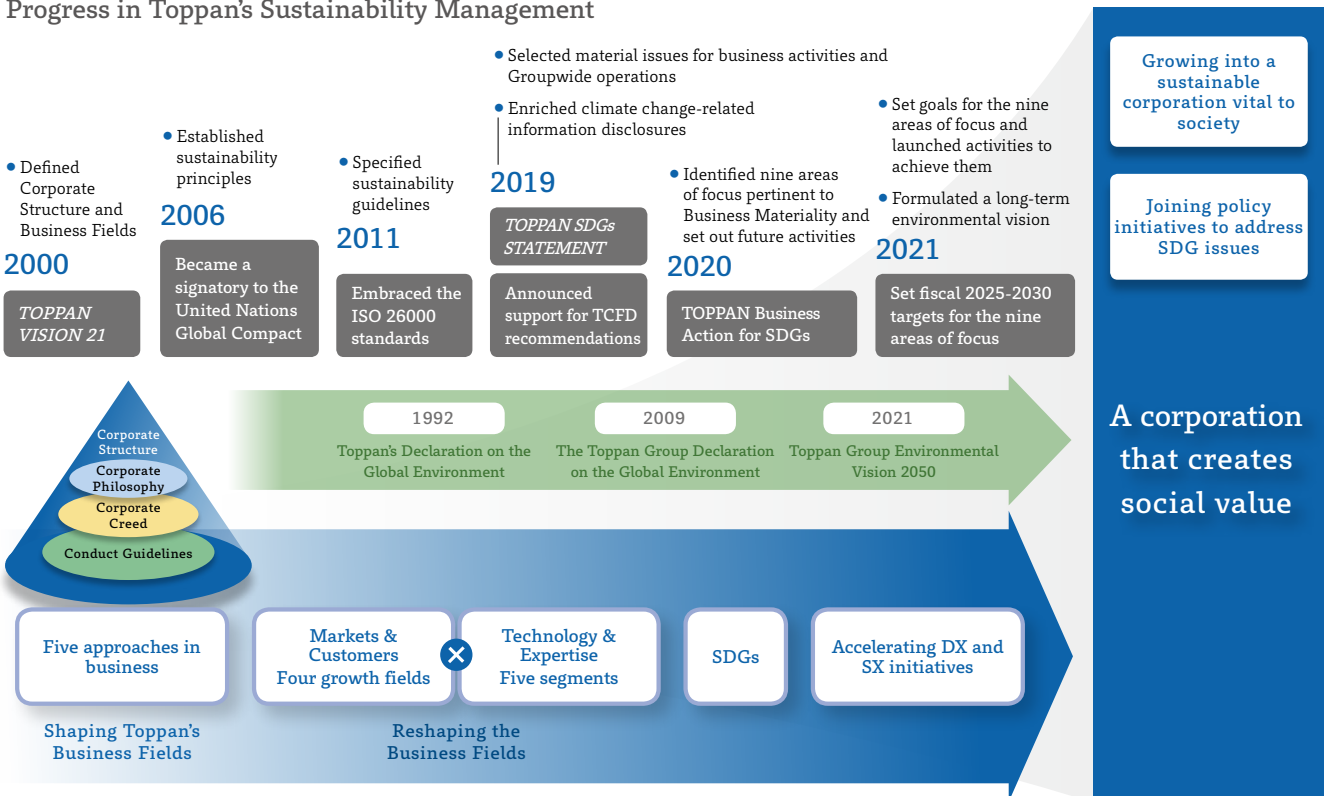
As we grow into a corporation that creates value for society, Toppan is looking inward to swiftly address the various challenges facing the Group.

The global market is rapidly changing. All of us are

promoting sustainability initiatives that link to the United Nations Sustainable Development Goals (SDGs). As a group of companies responsible for social infrastructure essential for the community and people’s lives, the Toppan Group has a strong affinity with the SDGs, sustainability management, and environmental, social, and governance (ESG) issues. I believe these are the basic foundations of our Group.

witnessing the accelerated digital shift on the back of big data and AI, as well as the growing demand for sustainable products and services in Europe and the US. As I see it, the transformation of our business portfolio is an urgent management challenge facing us today. In order to build a medium-term foundation for our long-term vision of evolving as “a corporation that creates social value,” we have formulated a two-year Medium Term Plan slated to launch in 2021. The plan focuses on three pillars of action to transform our business portfolio: driving digital transformation (DX) business, expanding the Living & Industry business overseas, and creating new businesses. The Toppan Group has always been a technology-oriented corporation. We will intensify the digital transformation initiatives in Toppan’s own way. By combining our digital technology with operational expertise, we will push ahead in a drive to develop “Erhoelt-X™,” a hybrid DX service leveraging data.

Progress in Toppan’s Sustainability Management



Our Evolving Sustainability Management

Human rights, ethical standards, global environmental conservation, and originality. When formulated in 2000, *TOPPAN VISION 21* incorporated various themes in common with today's ESG and SDG concepts. When the UN adopted the SDGs in 2015, the Toppan Group was already engaged in diverse corporate social responsibility initiatives that resonated closely with *TOPPAN VISION 21* and the SDG themes. Later, in November 2019, we announced the *TOPPAN SDGs STATEMENT* and selected material issues to address from SDG viewpoints in our business activities and Groupwide operations. Since November 2020, we have been implementing Groupwide activities under TOPPAN Business Action for SDGs. We have also been pursuing business projects that create new value for society by linking our efforts focused on social agendas with our business enterprises. To give just one example, our Living & Industry business is adding eco-value

to our commercial products by quickly capturing the growing demand for highly recyclable packaging and sustainable packaging materials. From May 2021, we began accelerating these business initiatives by setting specific targets in each of our three business fields.

The entire Group will push forward with these initiatives with the aim of growing Toppan into a leading solutions-provider for social issues worldwide through DX and sustainable transformation (SX) services. As a global corporation, we will consistently contribute to the creation of a sustainable society.

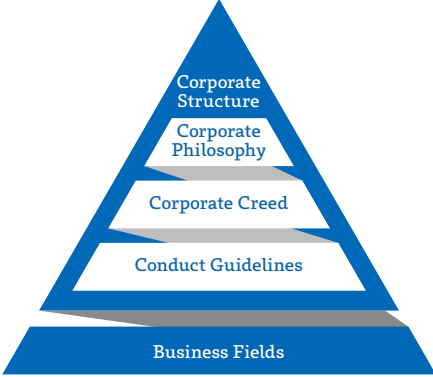
We greatly appreciate and rely on the ongoing support of all of our stakeholders.

August 2021

Toppan's Sustainability Initiatives

TOPPAN VISION 21

TOPPAN VISION 21



TOPPAN VISION 21 consists of a “Corporate Structure” and a set of “Business Fields.” The Corporate Structure, which consists of the Toppan Corporate Philosophy, Corporate Creed, and Conduct Guidelines, sets forth the basic concepts and ideals for the Toppan Group. The Business Fields, meanwhile, indicate the direction of business for the sustainable growth of the Group in harmony with society and the global environment.

<https://www.toppan.com/en/about-us/philosophy/>

■ Corporate Structure

Corporate Philosophy

As the top-level concept underpinning all of Toppan's corporate activities, the Corporate Philosophy states the most important values and concepts for the Group.

Each of us shall reciprocate our customers' continued trust, create dedicated products by harnessing our vibrant knowledge and technology, and contribute to a fulfilling lifestyle as a mainstay of information and culture.

Corporate Creed

From five different points of view, the Corporate Creed expresses the standards that every person in the Toppan Group keeps foremost in mind when performing business operations.

- To build our customers' trust through sincerity, enthusiasm, and creativity in all our corporate endeavors.
- To strive for total innovation from a global perspective by conducting marketing and technological development rich in originality.
- To conduct fair and open business operations while acknowledging our social responsibilities and aspiring for harmony with our global environment.
- To create a positive working environment by maximizing our individual talents and strengths as a team.
- To enhance our corporate standing and promote the continual development of the Toppan Group through the exploration of new possibilities.

Conduct Guidelines

Built on the Corporate Philosophy and Corporate Creed, the Conduct Guidelines set out the basic concepts and behavioral norms for Toppan personnel to follow in accordance with corporate ethics and the principles of legal compliance. The guidelines consist of 10 basic principles (Chapter 1) and 61 paragraphs (Chapter 2).

Chapter 1: Basic Principles

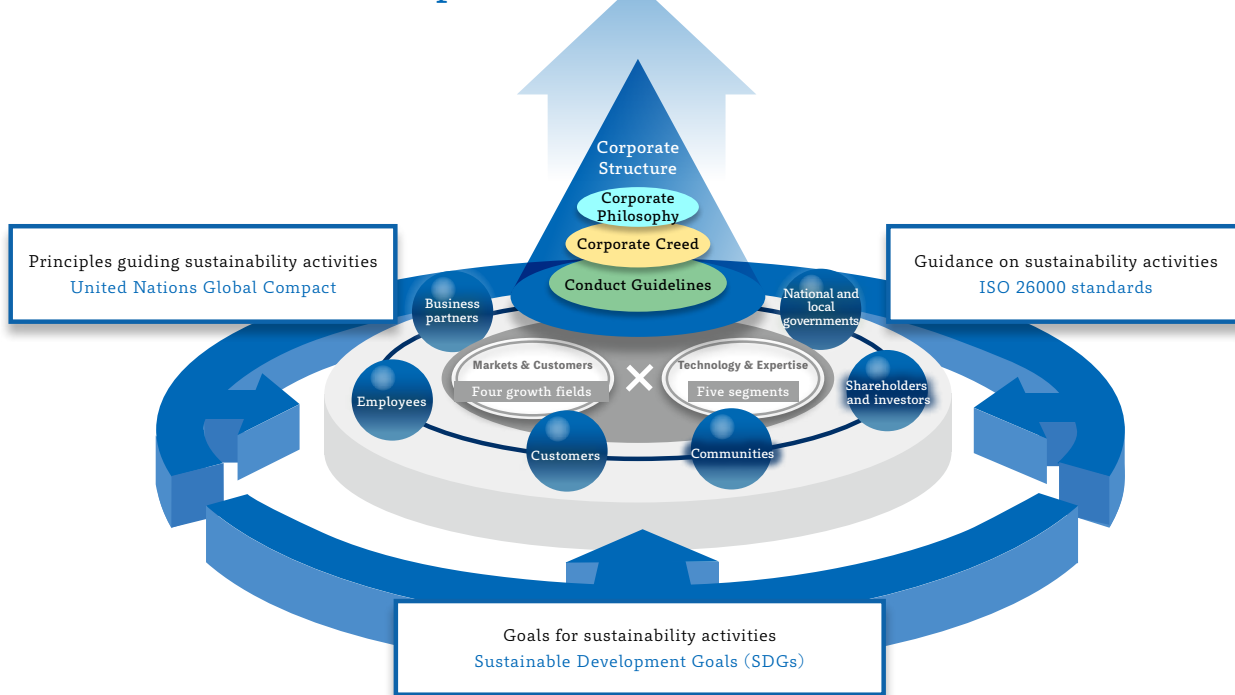
1. Respecting human rights
2. Having high ethical standards and acting as a responsible member of society
3. Complying with laws and company rules and conducting fair business operations
4. Proactively undertaking preservation of the global environment to achieve a sustainable society
5. Striving to improve quality and providing dedicated products that contribute to customer satisfaction
6. Respecting personnel diversity and striving to create a rewarding work environment that is physically and mentally healthy
7. Embracing change and taking on new challenges
8. Recognizing the importance of and properly managing business-related information and information process system
9. Providing organizational risk management and control thoroughly against threats that have a serious impact on our corporate activities
10. Striving to improve corporate value through social contribution activities and proper information disclosure/communication

<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

■ Business Fields

The Business Fields are made up of two categories: Markets & Customers and Technology & Expertise. The former focuses on four key fields for growth; the latter classifies Toppan technologies and expertise into five segments. The Toppan Group develops new products, services, and solutions in the four fields for growth using its resources in the five segments.

TOPPAN VISION 21
A sustainable society
A corporation that creates social value



The Toppan Group undertakes sustainability activities in accordance with the principles of the United Nations Global Compact and the guidelines of the ISO 26000 Guidance on Social Responsibility, a globally recognized standard for organizations. The United Nations Sustainable Development Goals (SDGs) have also been incorporated into the Group's sustainability activity targets.

Since its foundation in 1900, Toppan has supported various client companies in their efforts to overcome the challenges they face in business. The solutions Toppan offers to meet the ever-changing needs of markets and clients are based on wide-ranging specialist knowledge and expertise that have been derived from printing for more than a century. Year by year, Toppan continues to widen the business fields of the Group by applying its printing technologies on various fronts in society. As a corporation focused on the creation of social value, Toppan formulated *TOPPAN VISION 21* in 2000 to clarify the philosophical basis for its Corporate Structure and define the prioritized Business Fields for the sustainable growth of the Group.

Japan joined with 192 other countries to adopt the SDGs at the UN Summit held in September 2015. The SDGs encompass 17 goals and 169 targets focused on social agendas the international community has committed to achieve by 2030. Private-sector businesses around the world are expected to join policy initiatives to address the issues under the SDGs. The various SDG agendas are the same issues Toppan should address as a corporation that strives to realize a sustainable society through *TOPPAN VISION 21*.

Toppan also formulated its *TOPPAN SDGs STATEMENT* in November 2019 to declare the Group's commitment to initiatives for achieving the SDGs and actions for integrating those initiatives with management. The Group launched TOPPAN Business Action for SDGs in November 2020 as a step to intensify its SDG-focused activities.

Toppan will continue to take part in the global community's SDG efforts by creating new value in initiatives to address social agendas through the Group's business enterprises. Toppan will stay engaged in initiatives towards the realization of a sustainable society.

Promotion Structure for Sustainability Initiatives



Toppan has established a Sustainability Promotion Committee chaired by the President & Representative Director to drive the Group's sustainability activities.

Working groups (WGs) are set under the committee to check the progress of sustainability activities and set out Toppan's approach for promoting future activities. The committee deliberates the conclusions of the WGs and reports and makes relevant recommendations to the Board of Directors through the Management Committee. Based on the decisions of the Board of Directors on the directions of

activities, the committee encourages the WGs to guide the respective departments across the Company in the planning and implementation of concrete measures.

Toppan also coordinates and shares information with Group companies to advance Groupwide sustainability initiatives. For intensified sustainability management, Toppan holds training sessions on sustainability for new employees every year and organizes annual Groupwide basic education programs for the employees of Toppan and the other main companies in the Group.

■ Convening the Sustainability Promotion Committee

Fiscal 2020

Toppan regularly convenes a committee to deliberate and determine important sustainability policies and measures and share information on the progress and results of sustainability activities across the Group. Decisions at the committee lead to further enhancements in the effectiveness of activities and the introduction of new measures. The committee met three times in fiscal 2020, in June and September 2020 and February 2021. The committee members discussed sustainability activities underway and generated outcomes to upgrade the initiatives.

- ① For achieving the SDGs, the committee specified the Group's SDG-focused business activities by formulating TOPPAN Business Action for SDGs, an overarching plan that identifies nine areas of focus and business activities to be taken to address issues pertinent to Business Materiality. The committee also established the TOPPAN SDGs Unit, a new organization that promotes sustainability initiatives throughout the business divisions.
- ② For ESG information disclosure, the committee carried out in-depth discussions on the opportunities presented by climate change and countermeasures against climate change risk. From fiscal 2019, the committee has been conducting scenario analyses recommended by the Task Force on Climate-related Financial Disclosures (TCFD) with a view to identifying significant risks and opportunities and evaluating the financial impacts of climate change across the Group. The committee also held meetings to analyze evaluation scores based on the ESG ratings that external agencies had assigned to Toppan's ESG information disclosures and to share the current picture on disclosure and future challenges.

- ③ For risk management, the committee clarified significant risks for fiscal 2021 by ensuring consistency of the descriptions of risks in various documents and sorting relevant risk information.

In activities throughout fiscal 2020, the committee reinforced Toppan's sustainability promotion structure and systems while deepening the understanding of sustainability initiatives among all of its members, from upper management to general personnel. These activities formed a strong basis for promotion initiatives to come.

Challenges Ahead

Toppan regards the following as key approaches to forming new sustainability initiatives that address both Business Materiality and Companywide Materiality issues.

- ① Using outside viewpoints to further enhance the decision-making power of the committee
- ② Intensifying Groupwide sustainability initiatives
- ③ Enriching ESG information disclosure and gaining higher evaluations from third parties

Toppan will continue holding committee meetings to disclose ESG information and transform operations through ongoing plan-do-check-act (PDCA) cycles. These activities are vital to Toppan's growth into a "truly sustainable corporation."

Material Issues of Focus in Toppan's Sustainability Initiatives

■ Selecting the Material Issues

Toppan has selected a set of material issues on which to focus in its sustainability activities, in order to accelerate the development of initiatives to address social issues throughout the business enterprises of the Group. Toppan classifies the selected issues into two categories: Business Materiality, issues of focus in the Group's business activities, and Companywide Materiality, issues for Toppan to address in Groupwide operations as a good corporate citizen.

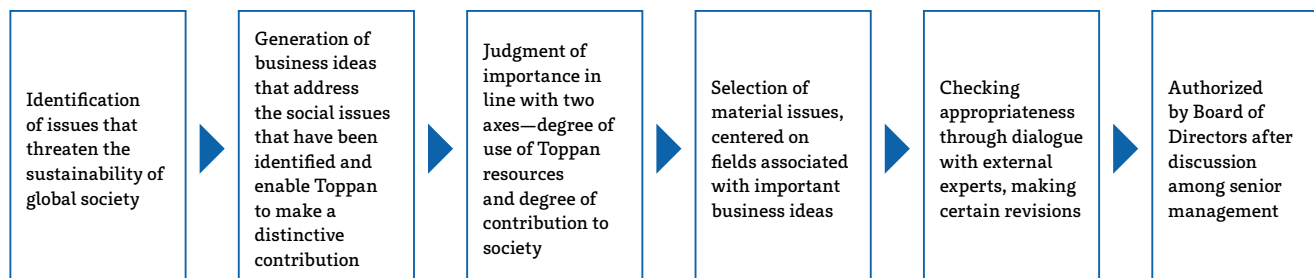
■ Selection Process

Toppan selected the material issues based on the criteria described on the right by comprehensively assessing corporate activities through discussions with relevant departments across the Company. The appropriateness of the selections was checked through dialogue with stakeholders and external experts. Senior management reviewed the selections and finalized them with authorization from the Board of Directors.

■ Materiality Selection Criteria

In selecting the material issues, Toppan prioritized the principles of the Corporate Philosophy, Corporate Creed, and Conduct Guidelines presented in *TOPPAN VISION 21*, the master plan plotting out the basic direction for the corporate activities of the Group. Along with the "markets & customers" and "technology & expertise" approaches encompassed within the Business Fields, Toppan has also embraced the concepts underlying the SDGs, a set of long-term global development agendas. The selected material issues are pathways for achieving the SDGs through the use of Toppan technologies and expertise geared to the creation of new value for society.

Process for Selecting the Material Issues



■ Materiality at Toppan

	Theme	Relationship with the SDGs
Business Materiality (Issues of focus in the Group's business activities)	Environment (sustainable global environment)	   
	Communities (creation of safe, secure, enriched communities)	  
	People (empowerment and fulfillment of body and mind)	  
Companywide Materiality (Issues to address in Groupwide activities as a good corporate citizen)	Environmentally friendly & sustainable production	 
	Employee health & job satisfaction	  

■ Business Materiality and Companywide Materiality



Toppan has classified the material issues into the two categories shown below to promote “fulfilling, sustainable living,” an ideal the Group is committed to realizing through its sustainability initiatives.

Business Materiality

- Environment (sustainable global environment)
- Communities (creation of safe, secure, enriched communities)
- People (empowerment and fulfillment of body and mind)


The three Business Materiality themes are guideposts for Toppan to follow through the Group’s efforts to realize fulfilling, sustainable living. Efforts focused on every theme link to the other themes to reinforce the sustainability activities.

Companywide Materiality

- Environmentally friendly & sustainable production
- Employee health & job satisfaction

As a solid foundation for corporate activities, the two Companywide Materiality themes provide a platform to support the Toppan Group’s initiatives focused on the three Business Materiality themes.

Main Initiatives in Fiscal 2020

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Business Materiality</p> <p>Environment (sustainable global environment)</p> <p>Communities (creation of safe, secure, enriched communities)</p> <p>People (empowerment and fulfillment of body and mind)</p>	<p>Formulating TOPPAN Business Action for SDGs: Nine areas of focus</p> <p style="text-align: center;">TOPPAN Business Action for SDGs</p>  <p style="text-align: right;">See Special Report 1 on pages 18-23</p>			
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Companywide Materiality</p> <p>Environmentally friendly & sustainable production</p>	<p>Formulating the Toppan Group Environmental Vision 2050</p> <p style="text-align: center;">Toppan Group Environmental Vision 2050</p> <p>As a member of international society, the Toppan Group aims to enable “fulfilling, sustainable living” by contributing to decarbonization, resource circulation, and the optimal use of water through forward-looking activities with consideration for preservation of the global environment.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;"> <p>① Contributing to Decarbonization</p> <p>Aiming for virtually zero Scope 1 and 2 greenhouse gas emissions.</p> </td> <td style="width: 33%; padding: 5px;"> <p>② Contributing to Resource Circulation</p> <p>Aiming for zero waste emissions.</p> </td> <td style="width: 33%; padding: 5px;"> <p>③ Optimal Water Use</p> <p>Reducing water consumption and contributing to improved water quality by preventing pollution.</p> </td> </tr> </table> <p style="text-align: right;">See page 105 for details</p>	<p>① Contributing to Decarbonization</p> <p>Aiming for virtually zero Scope 1 and 2 greenhouse gas emissions.</p>	<p>② Contributing to Resource Circulation</p> <p>Aiming for zero waste emissions.</p>	<p>③ Optimal Water Use</p> <p>Reducing water consumption and contributing to improved water quality by preventing pollution.</p>
<p>① Contributing to Decarbonization</p> <p>Aiming for virtually zero Scope 1 and 2 greenhouse gas emissions.</p>	<p>② Contributing to Resource Circulation</p> <p>Aiming for zero waste emissions.</p>	<p>③ Optimal Water Use</p> <p>Reducing water consumption and contributing to improved water quality by preventing pollution.</p>		
<p>Employee health & job satisfaction</p>	<p>Adopting Ways of Working Attuned to the “New Normal”</p> <ul style="list-style-type: none"> • Holding online training for new recruits • Opening “Atte,” a new-style workspace • Introducing flexible working arrangements <p style="text-align: right;">See Special Report 2 on pages 24-27</p>			

Targets and Results in Addressing Companywide Materiality Issues

■ Environmentally Friendly & Sustainable Production

Toppan Group Medium-and-Long-Term Greenhouse Gas Emission Reduction Targets for Fiscal 2030

See pages 105-106 for details

Greenhouse Gas Emission Reduction Targets		Fiscal 2020 Results
Targeting Scope 1 and 2	Reduce by 32.5% compared to the fiscal 2017 level	Reduced by 14.4% compared to the fiscal 2017 level
Targeting Scope 3	Reduce by 20% compared to the fiscal 2017 level	Reduced by 3.4% compared to the fiscal 2017 level

Medium-term Environmental Targets for Domestic Sites in Fiscal 2020

See pages 105 and 107 for details

Medium-term Environmental Targets		Fiscal 2020 Results
Mitigation of global warming	Reduce CO ₂ emissions by 30% compared to the fiscal 2008 level (751 kt-CO ₂ → 530 kt-CO ₂ : Reduce by 221 kt-CO ₂)	Reduced by 32.4% compared to the fiscal 2008 level (507 kt-CO ₂ : Reduced by 244 kt-CO ₂)
Action for building a recycling-oriented society	Reduce final landfill waste disposal by 95% compared to the fiscal 2008 level (1,584 t → 80 t: Reduce by 1,504 t)	Reduced by 96.8% compared to the fiscal 2008 level (51 t: Reduced by 1,533 t)
Conservation of the atmospheric environment	Reduce VOC emissions into the atmosphere by 70% compared to the fiscal 2008 level (7,326 t → 2,198 t: Reduce by 5,128 t)	Reduced by 66.1% compared to the fiscal 2008 level (2,480 t: Reduced by 4,846 t)

■ Employee Health & Job Satisfaction

Prevention of Serious Illness (Fiscal 2030 Targets)

See pages 42-43 for details

Fiscal 2030 Targets				Fiscal 2020 Results
Employees	Risk of serious illness	Obesity risk	20.0%	27.8%
		High blood pressure risk	8.0%	11.9%
		Diabetes risk	8.0%	10.4%
		Lipid risk	28.0%	32.2%
	Medical examinations	Gynecological screening rate	75.0%	63.4%
Families	Health checkups	Family health checkup rate	95.0%	79.1%



Support for Employees with Children (Fiscal 2030 Targets)

See page 54 for details

Targets for the "Hagukumi (nurturing) Program"		Fiscal 2020 Results
Hagukumi Art Salon	Participation rate: 45%	20.72%
Hagukumi Seminar	Full attendance by managers	5.61% of managers attended
Hagukumi Circle	Participation rate: 10%	3.52%

Elimination of Gender Disparities (Fiscal 2030 Targets)

See pages 54 and 56 for details

Fiscal 2030 Targets		Fiscal 2020 Results
Percentage of managers and supervisors by gender ¹	Eliminate disparities in manager and supervisor ratios by gender	Women: 55.0% Men: 77.7%
Proportion of eligible male employees taking childcare leave ²	Proportion of eligible male employees taking childcare leave: 80%	51.3% 
10-year retention rate by gender ³	Eliminate disparity in the 10-year retention rate by gender	Women: 58.9% Men: 64.7% 

¹ Percentages of employees working as managers and supervisors, out of all current employees who were recruited as regular hires from 2002 to 2011 (as of March 31, 2021)

² Proportion of male employees taking childcare leave in fiscal 2020 among those with children born from April 2020 to March 2021

³ Average 10-year retention rates by gender for regular hires from fiscal 2009 to fiscal 2011 (new graduates from technical colleges, universities, and graduate schools)

Stakeholder Engagement

Toppan values communication with stakeholders in its sustainability activities. Stakeholder opinions are a core guiding-factor in the Group's strategies to upgrade the activities.

Stakeholders	Main Initiatives	Examples of Engagement	
Customers	Developing and supplying safe, secure products and services	Maintaining and improving the quality of products and services under the guidance of Japan-wide conferences of quality assurance departments	
		Protecting personal information through strict information security management	
		Offering universal design (UD) products and services; supporting client companies in their work to improve the design of their products and services from UD perspectives	
		Delivering everyday-life value through Toppan online services for consumers; continuously improving the services	
	Creating opportunities to sound out opinions on products and services	Performing daily operations	
		Holding and participating in exhibitions and seminars	
		Inviting customers to spaces where Toppan products are displayed	
	Nurturing collaborative innovation to create social value	Engaging in industry-academia-government pilot projects, etc.	
		Driving open innovation programs	
		Advocating digital transformation using the "Erhoeht-X™" service	
		Offering environmentally friendly products and services	
		Operating "PLAZA21," a showroom for presenting examples of social value creation based on printing technology	
		Operating "NIPPON GALLERY TABIDO MARUNOUCHI," a tourism-themed space for the collaborative revitalization of regions throughout Japan as major travel destinations	
		Operating "L · IF · E," a showroom that inspires visions of fulfilling lifestyles in the future	
		Operating "DX-GATE," a co-creation venue that allows visitors to experience a broad range of social businesses	
		Operating "WAO," a co-working space for supporting open innovation	
	Shareholders and investors	Disclosing information on Toppan's financial position; briefing shareholders and investors on the Group's business activities and plans	Holding shareholder meetings
			Briefing shareholders and investors on financial results
Arranging meetings and briefings for institutional investors on the Group's financial performance			
Issuing the <i>Integrated Reports</i> and <i>Toppan Story</i> newsletters			
Posting IR information on the Toppan corporate website			
Answering questionnaires from environmental, social, and governance (ESG) rating agencies			
Business partners	Promoting sustainable procurement	Publishing the Toppan Group CSR Procurement Guidelines and promoting compliance by business partners	
		Setting up the Supplier Hotline as a portal for receiving reports from business partners	
		Controlling chemical components of products	
	Providing fair and equal business opportunities	Conducting surveys and holding workshops on business continuity planning (BCP) for business partners	
		Verifying the legality of lumber as a paper material	
		Concluding basic sale and purchase agreements with business partners	
National and local governments	Preparing for disasters	Participating in anti-disaster and fire-safety activities in the community	
		Supporting governments through business operations	
	Stimulating communities	Participating in community festivals and events	

Stakeholders	Main Initiatives	Examples of Engagement
National and local governments	Supplying information for solving social issues and promoting policies	Holding lectures, etc. on the environment and community design
		Answering questionnaires and surveys carried out by governments (e.g., government statistics)
Communities	Ascertaining opinions and requests	Setting up a portal for receiving and handling inquiries
	Supporting the arts and culture	Operating the Printing Museum, Tokyo Operating the Toppan Hall; holding the <i>Toppan Charity Concert</i> series
	Contributing to culture with help from Toppan resources	Organizing off-site "Printing School" workshops Organizing the "Kanosei (potential) Art Project" to support persons with illnesses and disabilities
	Conserving community environments	Regularly beautifying and cleaning up the surroundings of operational sites Organizing events to learn about biodiversity
	Popularizing para-sports	Organizing hands-on para-sports events; delivering para-sports information via Toppan's <i>SPORTRAIT</i> website (in Japanese)
	Communicating with the community	Holding plant tours Welcoming community members to in-house events
Employees	Supporting the empowerment of diverse human assets*	Formulating a policy to promote diversity and inclusion in the workplace; obtaining commitments from top management
		Implementing programs to pursue diversity management, raise awareness of unconscious biases, etc.
		Adopting and supporting telecommuting systems
		Operating systems for in-house staff recruitment and employee self-determination on the career path
	Sharing wide-ranging information within the Group	Sending out executive messages
		Issuing <i>CONVEX</i> and <i>CONVEX Online</i> , in-house Group newsletters
		Surveying Group employees on wide-ranging topics
	Facilitating labor-management partnership	Convening a Toppan Group Human Resource Development Committee and sharing personnel development information across the Group
		Convening business councils on a Companywide level and operational site level
		Convening special committees to discuss pertinent issues of the day
Providing information on occupational health and safety; implementing measures for mental healthcare	Holding labor-management events	
	Developing safety promotion systems (e.g., building an information-sharing network linking Group sites throughout the world; standardizing safety measures)	
	Operating <i>Anzen Dojo</i> safety training facilities; delivering and sharing information on <i>dojo</i> initiatives (e.g., conducting <i>dojo</i> tours with hazard simulators at domestic and overseas sites; organizing safety training; posting regular newsletters on safety; etc.)	
	Carrying out stress checks	
Receiving inquiries on human rights, etc.	Setting up counseling services	
	Arranging a program to determine when employees on mental healthcare leave can return to work, as a safeguard to prevent the recurrence of mental illnesses	
		Setting up the Toppan Group Helpline

*Toppan values its employees as precious "human assets."

The Challenge of Contributing to the SDGs through Business

Exploring Toppan’s Possibilities and Identifying the Environment, Communities, and People as Areas of Focus

Since its establishment in 1900, Toppan has responded flexibly to the way the world has changed and expanded its business fields by creating the diverse types of value required by society. Having developed in step with society, Toppan views contributing to the achievement of the Sustainable Development Goals (SDGs) as vital for business and positions it as an engine for continuous growth.

What is the role that Toppan should play? What does Toppan need to do to fully leverage its accumulated technological capabilities and expertise to give back to society?

TOPPAN Business Action for SDGs has been formulated to drive activities focused on the SDGs and provide a clear vision for answering those questions.

TOPPAN Business Action for SDGs was devised after the material issues for Toppan to focus on under the theme of Business Materiality were selected from the SDGs’ 17 targets. It explores Toppan’s possibilities more extensively and specifically. As Toppan aims to accelerate contribution to the SDGs through its business, nine areas of focus have been identified in the three groups of “Environment,” “Communities,” and “People.”

Cross-divisional Formulation Process and Setting of Target Figures

TOPPAN Business Action for SDGs was formulated by the Sustainability Promotion Committee, chaired by the President & Representative Director, and the SDGs Promotion Working Group under it. Leaders of sub-working groups for Environment, Communities, and People played central roles in the process. These leaders, who are also managers of specific businesses, shed light on Toppan’s strengths as well as issues that need to be addressed by exchanging opinions on changes in society and the consciousness of client companies that they are seeing in day-to-day work in their respective fields.

Senior management, business departments, and strategy departments collaborated in a series of discussions that also employed the approach of backcasting from 2030. Following

this cross-divisional process, TOPPAN Business Action for SDGs was formulated in November 2020, and nine areas of focus in which Toppan can leverage its technologies, expertise, and strengths were announced. Discussions subsequently continued to give shape to specific activities in each business division, and target figures have been set for each of the nine areas of focus.

Toppan will enhance efforts focused on the areas identified in TOPPAN Business Action for SDGs and flexibly implement initiatives for the themes of Environment, Communities, and People as it takes on the challenge of contributing to the achievement of the SDGs in a way that is unique to Toppan.

TOPPAN Business Action for SDGs



The Thinking behind TOPPAN Business Action for SDGs

Messages from the Leaders Involved in its Formulation

Addressing the Challenge of Leading Society with Integrity



Environment
Working Leader

S-V Pac
Michihiro Yamada

Senior General Manager
Marketing Strategy Department
Packaging Solutions Subdivision
Living & Industry Division



Interest in the SDGs among client companies has increased rapidly, and they are seeking not individual solutions but more comprehensive proposals that help to enhance their corporate brand and value. With this in mind, I thought that TOPPAN Business Action for SDGs needed an element of being an effort to lead society. For example, the target we have set to make 100% of the packaging products we sell sustainable is a significant challenge for Toppan, but it is a theme that will gain interest from our stakeholders. The important thing is to approach the targets with integrity. Toppan's approach as I see it will be to consistently and earnestly make good on the commitments we have made to stakeholders one by one.

Designing Businesses that Effortlessly Balance Corporate Growth and the SDGs in Fields Where We Can Leverage Toppan's Unique Strengths



Communities
Working Leader

Nobuhito Owaki

Head of Business Architecture Center
DX Design Division



When we were devising this blueprint, there was a lot of discussion centered on what an approach that epitomized Toppan was. For example, one of the areas of focus is "showcasing and preserving culture," but the culture that we are talking about is not just famous sightseeing spots and cultural assets. It includes all elements of culture related to people's everyday lives, such as culinary culture, folk traditions, and customs. This is precisely the kind of thing that Toppan can do on account of the knowledge and expertise it has accumulated in providing infrastructure for our lives. Under the theme of Communities, Toppan can also take advantage of its know-how in the fields of culture, regional communities, and balancing convenience with privacy. I think that contributing to the accomplishment of the SDGs through business means designing businesses that effortlessly drive growth for the company, satisfaction for employees, gains for client companies, benefits for society, and the achievement of the targets set out by the SDGs.

Using Toppan's Technologies and Expertise to Contribute to Learning for People All Over the World



People
Working Leader

Kaoru Yamashita

Senior General Manager
Experience Design Department
Marketing Subdivision
Information & Communication Division



The SDGs are a considerable shared challenge for the world, and it will be essential to share the same set of values to achieve them. Education is vital for communicating and sharing our values, and printing technology has made a significant contribution to the expansion of education. I think one of the reasons that Christianity spread was probably the ability to use printing technology to propagate the medium of the Bible. An educational platform that facilitates learning for people throughout the world is important for the SDGs, and I think Toppan has the foundation to be able to create it. Based on that thinking, we have identified "creating obstacle-free educational environments" as an area of focus and set targets to contribute to learning for people in Japan and overseas. We will focus activities on people all around the world, combining Toppan's technologies and expertise with the strengths of client companies.

Engaging in More Extensive Discussions with Colleagues and Clients and Evolving and Strengthening Collaboration Globally



Business Development Manager

Yuko Takano

General Manager
Development Strategy
Technology Innovation Center
Business Development Division

Naturally, the content of TOPPAN Business Action for SDGs itself holds a lot of value, but so also does the formulation process. This is the first time that senior management, business departments, and strategy departments have come together to have such specific discussions about contributing to the SDGs through business, and a series of processes have made it possible to visualize the responsibilities, potential, and various elements of Toppan. Externally, it is essential that Toppan, as a B-to-B company, collaborates with client companies to contribute to achieving the SDGs. One of the issues to address going forward will no doubt be how to advance proposals and enhance collaboration while eliciting an understanding of our approach. Cross-border cooperation and cross-sector collaboration between companies will be key to achieving the SDGs. We will proactively participate in global platforms and drive a multifaceted approach to contributing.

Establishing a Specialist SDGs Support Team and Accelerating Contribution in Collaboration with Clients



TOPPAN SDGs Unit Leader

Hidenori Imazu

General Manager
Brand Promotion Department
Marketing Subdivision
Information & Communication Division

Quantitative targets have been set in each of the nine areas of focus. It was hard work using backcasting to devise scenarios accompanying the specific figures, but the process enabled us to have more in-depth discussions and enhance consciousness of the targets. I believe that presenting these figures to stakeholders and making commitments will drive the necessity to get things done. As a next step, we launched the TOPPAN SDGs Unit in February 2021. This is a cross-divisional specialist SDGs team that will provide assistance from overall design to implementation of specific measures to offer one-stop support covering the entire SDGs value chain of client companies, from upstream to downstream. We will work more closely with client companies than ever before and accelerate efforts to contribute to the achievement of the SDGs together.

Dialogue on the formulation process and vision for the future
https://www.toppan.com/en/sustainability/feature_2021_1/



Initiatives and Target Figures for “Environment”

① Creating a circular economy

Prevent pollution and destruction due to waste by driving processes from sharing and recovery to upcycling based on the 3Rs (reduce, reuse, recycle), product life extension, and material development.

Percentage of sales of sustainable packaging



② Decarbonizing

Contribute to reduction in greenhouse gas emissions and the mitigation of global warming by providing eco-friendly materials and schemes as well as solutions for energy saving and energy creation.

Number of services contributing to greenhouse gas reduction



③ Expanding eco-friendly products and solutions

Expand Toppan’s development of mono-material GL FILM and other eco-friendly products and solutions and ensure contribution to the environment is visible and widely recognized by establishing certification programs.

Percentage of sales of eco-products and solutions



Case Study

Mono-material Packaging

Toppan is focusing efforts on enabling mono-material packaging to enhance recyclability and provide a solution to the problem of plastic waste, something that has become a significant issue in recent years.

Conventional film packaging is formed of multiple materials to enhance functionality, but this presents obstacles for recycling.

Toppan’s GL BARRIER range of transparent barrier films enjoys a leading share of the global market. Toppan has added to the range with the development of barrier films using the three main materials used in flexible packaging (PE, PP, and PET) as their substrates. These films enable mono-material packaging consisting of a single material to be expanded to a wider range of fields.

Toppan is also participating in a pioneering research program organized by the New Energy and Industrial Technology Development Organization (NEDO) in which businesses and academic institutions are collaborating to establish material recycling processes.



In addition to the mitigation of global warming and reduction of plastic waste, Toppan is exploring how packaging can address a wide range of other social issues, such as by reducing food loss. By developing and providing “SUSTAINABLE-VALUE™ Packaging,” a range of products that offer value for the Earth, Toppan will contribute to shaping a sustainable future.

Sachets that Are Good for Your Hair and the Planet

As a global manufacturer of consumer goods, Unilever has announced commitments to reduce plastic consumption and is undertaking initiatives throughout the world covering processes from manufacture to disposal. Based on a collaboration with Toppan, a mono-material film package was adopted for Unilever Japan’s “Lux Luminique Sachet Set Limited Design,” which went on sale in April 2021. While conventional packaging consists of multiple materials, including aluminum material, the packaging for this product is composed of Toppan’s PET-based GL FILM and a PET sealant. The two companies collaborated on content suitability and quality tests, resulting in a switch to a mono-material package that provides outstanding barrier performance, content preservation, and low adsorption. In addition to improved recyclability, it is also possible to cut CO₂ emissions by 25%.





Initiatives and Target Figures for “Communities”

1 Creating a safe society in which we can be ourselves

Leverage security system technologies to create environments that enable everyone to use their own data safely and provide personal data usage services that achieve both enhanced usability and privacy protection.

Number of services enriching people's lives
(Use of VRM platform)



2 Contributing to enhanced quality of life for communities

Take advantage of Japan-wide network and digital technologies to provide residents with optimal region-specific services and contribute to sustaining provincial cities.

Number of local authorities providing services for residents optimized for the community



3 Showcasing and preserving culture

Combine experience in the fields of culture and education with cutting-edge technologies to develop solutions for preserving and passing down tangible and intangible culture and protecting the world's diversity.

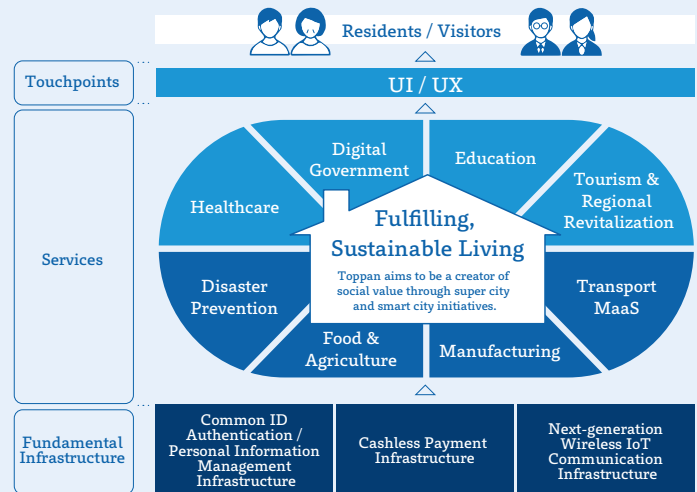
Number of archives of materials related to culture and industry



Case Study

Smart City Business

Smart city initiatives have a high level of compatibility with Toppan's activities, and Toppan sees the field as one in which it can contribute significantly by leveraging a network covering multiple sectors and the knowledge and expertise garnered thus far. Toppan has set out six areas in which efforts will be focused: (1) Fundamental Infrastructure, (2) Healthcare, (3) Digital Government, (4) Education, (5) Tourism & Regional Revitalization, and (6) User Interface (UI) & User Experience (UX). Based on these, Toppan aims to accelerate value creation for society through its smart city business.

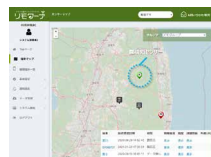


Remote Sensing Service Using ZETA

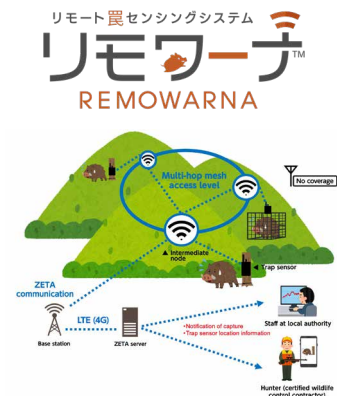
Toppan is conducting nationwide pilot testing in Japan as it aims to contribute to solutions to social issues in provincial regions by providing remote sensing services that use ZETA, a next-generation Low Power Wide Area (LPWA) network protocol. One example is REMOWARNA, a ZETA-based remote animal trap sensing system developed by Toppan as a countermeasure to the worsening problem of wild birds and animals damaging crops and causing problems in areas in which humans live throughout Japan. Installing REMOWARNA on traps makes it possible to effectively monitor and manage the traps remotely even in mountainous regions with no cellular network coverage and in environments with limited access. In pilot testing in Okuma, Fukushima Prefecture, Toppan is working with ALSOK Fukushima Co., Ltd. to provide a one-stop service for trap installation, monitoring, and capture.



Trap with sensor installed



Application screen





Initiatives and Target Figures for “People”

1 Reducing food loss to help eliminate hunger

Reduce food loss throughout the value chain from primary industry sectors to consumers by combining functional packaging and digital transformation to extend shelf lives and optimize the balance of supply and demand.

Total weight of food in packaging that contributes to longer shelf lives



2 Creating obstacle-free educational environments

Create a society in which anyone can learn anywhere and anytime by providing a global platform combining educational software and translation technologies.

Number of people whose learning we contribute to



3 Using innovative digital technologies to enhance health

Contribute to longer healthy lives for people throughout the world by facilitating access to healthcare information and services that transcends national or regional borders.

Number of services that contribute to health by using digital technologies

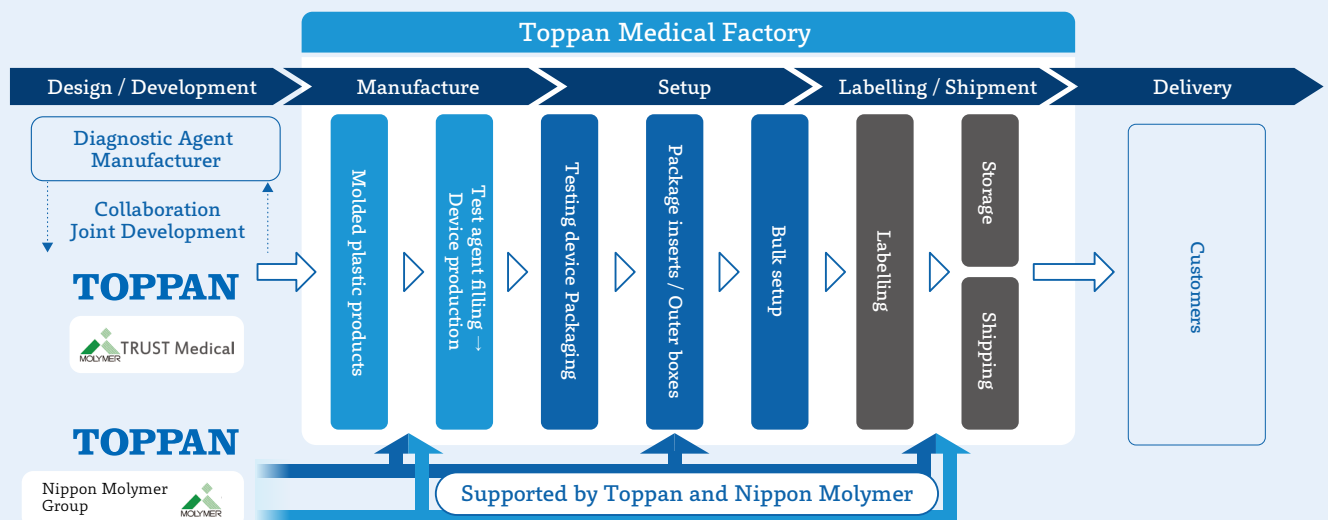


Case Study

Establishing a Manufacturer of In-vitro Diagnostic Agents

In-vitro diagnostic agents enable the diagnosis of illness from substances such as blood, urine, and saliva. Needs for such agents are expanding rapidly due to efforts to lengthen people’s healthy lives, which are seeing increasing levels of interest around the world. Another factor is the impact of the COVID-19 pandemic. As pharmaceutical manufacturers tackle the challenge of delivering high-quality in-vitro diagnostic agents to medical facilities as quickly as possible, Toppan and Trust Medical Co., Ltd., a subsidiary of Nippon Molymer Co., Ltd. that develops and manufactures in-vitro diagnostic kits, have established a new company called Toppan Medical Factory Co., Ltd. The aim is to combine strengths to provide solutions to

challenges faced in medical settings. The new company fuses Toppan’s expertise in manufacturing, packing, and shipping of packaging for medical and pharmaceutical goods with Trust Medical’s pharmaceutical company network and know-how in the filling of test agents and manufacture of test kits. It will provide a one-stop service from the development of in-vitro diagnostic agents to their manufacture and delivery to medical facilities.



New Work Styles Driving Innovation

Toppan positions work style reform as one of its management challenges. In addition to remote work, Toppan is putting into practice new ways of working in various settings. These include developing offices designed for the “new normal” and holding online training and networking events. Toppan aims to help transform work styles and mindsets in wider society by taking on challenges in-house and proactively disclosing information on them.

Creation of Atte—A Workspace to Maximize the Value of Meeting People

Due to the impact of the COVID-19 pandemic, a large number of people are working remotely without visiting offices. While remote work has the advantage of enabling flexibility aligned to circumstances, the reduction in the number of opportunities to meet people directly can lead to a lack of communication and undermine teamwork.

Taking this into account, Toppan has opened “Atte,” a new office that presents a vision for the future of working. Atte is based on the concept of maximizing the value of meeting and interacting with people face-to-face. While remote work and other diverse work styles are being advanced, this puts a renewed focus on the value of meeting people. With Atte, Toppan is aiming to generate innovation from the kind of in-depth discussions and real interactions that can only occur when speaking to people in person.

Atte adopts a free-address system. With co-working areas and a café for relaxation, it stimulates communication that transcends organizational divisions and goes beyond a simple working space. It also has live streaming studios equipped with dedicated equipment to enable online sales

activities. Atte stimulates external communication by enabling webinars, presentations, inside sales, and more.

Taking advantage of Toppan’s know-how and the latest Internet of Things (IoT) technologies, it enables the most effective use of time, whether interacting remotely or in person.



About the Atte office

Address	8F/9F Sumitomo Realty & Development Chiyoda Fujimi Building, Fujimi 1-8-19, Chiyoda, Tokyo
Area	1943.28 m ²

Toppan Group Technologies and Resources at Atte



Your Space™

Your Space™ is a spatial production solution that enables centralized control of visual media, audio, aroma, and lighting. “Natural Window,” which uses high-definition 4K video, and “Aroma Shooter,” which can instantly switch between multiple aromas, function automatically to match the selected setting. The space helps to increase concentration levels and enhance performance.



Smart NANO®

Smart NANO®, a decorative sheet for world-class décor materials that fuses Toppan’s printing technology with Tokyo University of Science’s nanotechnology, is used on the work tables. Smart NANO offers the same woodgrain and other surface designs and textures as Toppan’s previous products, but provides greater resistance to scratches and stains.



LC MAGIC

LC MAGIC is a light control film that switches between transparent and opaque in response to power being turned on and off. LC MAGIC is used at Atte for the partitions between the live streaming studios. It can be switched to suit specific purposes by, for example, being changed to opaque when a closed meeting is streamed. It can also function as a projection screen for visual media.

Video and Smartphone Apps Used to Enable Online Training for New Recruits

In light of the need to prevent the spread of COVID-19, in fiscal 2020 training for new recruits was held online instead of in the traditional group training sessions. Approximately 420 new employees received training enabled by the latest digital technologies and Toppan's original human resource development solutions. To enable employees to feel comfortable participating in the training without having to visit the office, steps were taken to ensure that the ratio of employees to trainers was about 20 to one, and seminars on managing mental and physical condition were also incorporated into the program.

This was the first time that Toppan attempted to hold the full training program online, but responses from the trainees indicated a 99% level of satisfaction with the 27-day course. In overall assessments of basic knowledge regarding Toppan and its systems, the average score among trainees was 95.9 points,

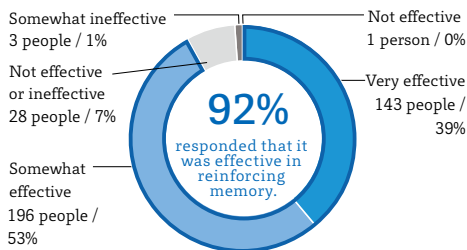
the highest over the last eight years.

Toppan will continue to drive innovation of training under the new normal by enhancing content and programs to maximize learning with such initiatives as virtual plant tours.



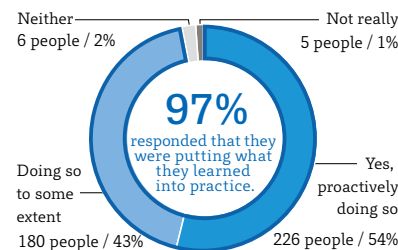
Evaluation of Online Training (Based on trainee questionnaire responses)

Do you think the reviews and flipped learning were effective in helping to reinforce memory?



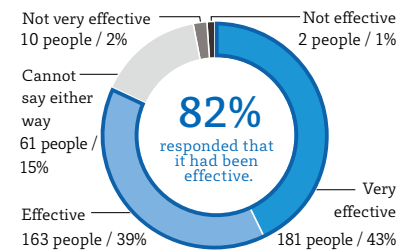
It is believed that high scores in overall assessments were in part due to trainees being able to go over online content again at their own pace, whereas it is difficult to review the content of a talk in a real-world training setting.

Are you putting into practice what you learned about managing your physical and mental condition?



Trainees recorded their sleeping time and the number of paces they took every day on a smartphone app. A competition function displaying rankings of individuals and teams was used to make it fun to get into the habit of maintaining a good day-to-day rhythm. Consequently, hours of sleep and number of paces moved towards ideal figures and results indicated improvements in autonomic nerve condition.

Was walking work effective in enhancing performance and concentration during training?



Using the IoT to Facilitate Employee Communication: TOPPAN eSPORTS FESTIVAL 2021

Toppan and the labor union hold the TOPPAN SPORTS FESTIVAL every two years as an event to stimulate communication and foster unity within the Group. The event was scheduled to be held in 2020, but due to the difficulty of holding it in the traditional way amid the COVID-19 pandemic, a new challenge was taken on in the form of the TOPPAN eSPORTS FESTIVAL 2021.

A feature of esports is that they provide a level playing field for everyone competing, transcending physical abilities, gender, or age. Toppan has had an interest in esports for some time as a form of universal competition and has been involved in internal and external events and recreational activities. Leveraging that know-how, Toppan held an esports event open to the Group's 50,000 employees and their families. With quizzes

and workshops for the whole family to enjoy in addition to the competition, it was possible to stimulate communication in a way that had not been done before.



Esports Competition

After coming through preliminary rounds held at 48 sites in Japan, 16 teams competed in the finals. Some of the teams even had their own uniforms made after bonding by competing side-by-side. To create an even more exciting atmosphere at venues, professionals handled play-by-play and color commentary duties and a special rule was introduced that three-person teams had to include at least one officer or senior manager. The tournament received a cumulative total of 20,000 views and a large number of comments on a specially constructed website.



TOPPAN Quiz Champion Contest

A quiz contest was held on Toppan's technologies and esports. People were able to enter simply by reading a QR code. In addition to a large number of employees and their families, employees due to join the Company in 2021 took part and competed to get as many correct answers as possible.



HAND IN HAND Art Gallery

The Institute of the Formative Art Co., Ltd., a Toppan Group company, created a video of an online art session held in December 2020. With the title "HAND IN HAND," the video showed parents and children enjoying the session and the works of art they created.



Introducing Flexible Working Arrangements: Smart Work System and Full-time Working from Home

By establishing flexible work systems, Toppan strives to create environments in which everyone can continue to work in the way that best suits them. Toppan previously introduced a smart work system (flex time) and expanded systems for working from home, but with the impact of the COVID-19 pandemic, the Company has reviewed existing initiatives and introduced and revised work systems to align with work styles under the new normal.

The remote work system in place since October 2020 covers three types of working arrangement: working from home, working from a satellite office, and mobile working. This means that full-time working from home is possible and the setting of core times for people covered by the smart work system has been abolished. Toppan will continue to work to improve both productivity and

work-life balance by enabling flexible selection of work styles in accordance with people's work duties and lifestyles.

Features of Work Systems

- In addition to working from home, people can work from satellite offices or adopt a mobile working style. These arrangements can also be combined with the discretionary and smart work systems to enable working hours and location to be selected in accordance with the type of work being performed.
- Because there is no limit on the number of times people can work from home, full-time working from home is possible.
- When working from home, temporary breaks in work are permitted.
- In addition to sales and planning departments, the discretionary work system has been expanded to departments driving digital transformation, as well as those responsible for R&D and developing and planning new businesses.
- The smart work system has no core times.

Advancing Diverse Work Styles to Accelerate Self-fulfillment for Employees and Growth for the Company

Introducing Work Systems without Constraints on Time and Place

Toppan views its employees as valuable "human assets" of the Company. The starting point for considering work style reform is thinking about what kind of working environments make employees feel comfortable and able to leverage their capabilities to the full. The remote work system that Toppan currently implements began with discussions at the committee to promote job satisfaction, which is held regularly with the labor union. Based on the ideas that came from the committee, we conducted telecommuting trials twice in 2019. We planned to conduct a third trial in March 2020, but with the declaration of a state of emergency in Japan due to the spread of COVID-19, we launched an emergency trial applicable in principle to all employees.

The repeated trials made it clear that productivity and adaptability when working from home differ depending on people's capabilities and the type of work they handle. Based on those results, we reviewed existing systems and introduced new ones.

The key point of the revised systems is eliminating constraints on working location and time as far as possible. Making it possible for people to select more flexible work styles means that we can expect improved outputs, because employees can concentrate on their work in a way best suited to their particular circumstances. For example, it makes working easier for employees bringing up children. If we look at how employees are actually getting on, I feel that we are

Hideo Okumura

General Manager
Labor Relations Department
Personnel & Labor Relations Division



seeing an enhanced ability to accomplish work independently, which is leading to improvements in productivity.

Varied Working Styles Drive Diversity & Inclusion

The new normal that Toppan is envisaging for work styles is not simply accomplishing everything remotely. We also place a great deal of importance on the value of meeting in person. Some ideas only come from face-to-face interactions, and some innovation is only born out of the clash of different perspectives. My view, therefore, is that combining the two and enabling people to choose will be a vital perspective for work styles going forward.

We will also need to develop appraisal systems attuned to the new normal. With work styles that are not dependent on specific locations or times, the key factor of evaluation will not be time but output. As we further evolve work systems, we will also establish schemes to evaluate every employee fairly and accurately.

Putting in place various systems and environments to make diverse work styles possible is something that respects the diversity of employees and contributes to driving the diversity and inclusion that Toppan advocates. I intend to drive further evolution of such systems and environments while taking onboard the views of employees regarding what the Company can do to ensure that diverse individuals can come together to leverage their capabilities to the full and grow together with the Company.

During the COVID-19 pandemic, Toppan has put first priority on mitigating the spread of infection both inside and outside the company and ensuring safety for employees of Toppan Group companies and business partners. To provide solutions to this urgent social issue, Toppan is also developing products and services that take full advantage of its resources.

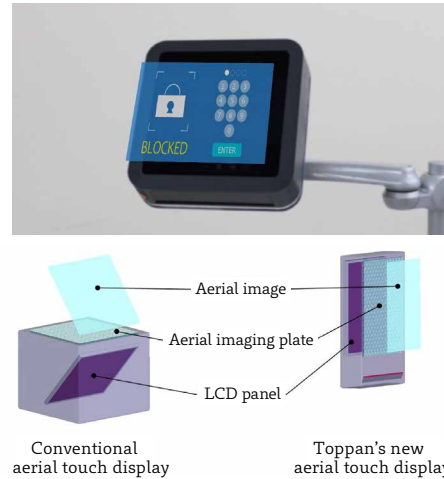
■ Development of the World's First Aerial Touch Display to Generate Images Parallel to the Panel

Demand has risen for the use of contactless touch panels as a measure to prevent the spread of COVID-19. Toppan has leveraged its unique optical and structural design technologies to develop an aerial touch display with high visibility and a slim form (50% slimmer than conventional devices) that means it can be embedded in walls.

Features of Toppan's Aerial Touch Display

- Has an original space-saving structure whereby images are generated parallel to the LCD panel (world's first).
- Generates bright, clear aerial images and achieves a luminance roughly five times that of conventional products (comparison by Toppan).
- Equipped with contactless sensors and can be operated without touching the screen using a pen or hands, even when hands are wet or covered by gloves.
- Has a function to prevent people nearby being able to peek at the screen, meaning it can be used in settings that require security, such as inputting passwords.

Toppan is aiming to create mass production prototypes before launching full-scale mass production, and expects the aerial touch display to be predominantly used for medical devices, equipment control panels for public facilities, and other facilities that require high-level security.



■ Three Types of Antiviral/Antibacterial Décor Sheet for Buildings and Furniture Certified by the SIAA

Toppan manufactures and sells décor sheets used on the surfaces of housing, buildings, furniture, and fixtures. The Company has now developed and launched sales of décor sheets with a special coating that can inhibit the growth of viruses and bacteria and significantly reduce the number of particles present. Toppan also obtained third-party certification from the Society of International sustaining growth for Antimicrobial Articles (SIAA) for three types of décor sheets in 2020: olefin-based in September, PVC-based in October, and coated paper in November. In antiviral performance evaluation testing using the novel coronavirus (SARS-Cov-2), Toppan's antiviral/antibacterial olefin décor sheet was shown to significantly reduce the number of virus particles present.

Related press release (in Japanese)
https://www.toppan.co.jp/news/2020/11/newsrelease_201113_1.html



■ SIAA Certification for Virusweeper™ Series

Under the "TOPPAN S-VALUE™ Packaging" range, Toppan provides value to people in the form of "SMART LIFE-VALUE™ Packaging." Toppan made use of its original printing and coating technologies to develop film-type Virusweeper™ packaging with antiviral and antibacterial functions in February 2021. This has made it possible to significantly reduce the number of virus particles on the surface of flexible packages, such as stand-up and pillow pouches. Film-type Virusweeper packaging obtained SIAA certification along with the carton-type developed in October 2020.

Related press release
<https://www.toppan.com/en/news/2021/02/newsrelease210218e.html>



■ Launch of Online Exhibition Platform V-MESSE

Toppan has developed V-MESSE, a platform that covers all the functions needed to hold an online exhibition. Users can take advantage of every function required for events held in virtual spaces, including online booth construction, visitor management, online business negotiations, webinar streaming, log management, and questionnaires. With the COVID-19 pandemic making the holding of exhibitions, events, and seminars challenging, V-MESSE provides a framework that responds to the increase in needs for online exhibitions.

Toppan can also provide every element of support, including content production, planning, proposals, and related operations.

Related press release (in Japanese)
https://www.toppan.co.jp/news/2020/09/newsrelease_200911_1.html



■ Supporting the Smooth Operation of Vaccination Centers with the VoiceBiz® Multi-language Speech Translation Service

Toppan has equipped the VoiceBiz® speech translation service with new set phrases (in 17 languages) related to vaccination and is providing it free of charge as a multi-language guidance service to public-sector organizations operating vaccination centers. VoiceBiz uses multi-language speech translation technology developed by Japan's National Institute of Information and Communications Technology (NICT). By making it available, Toppan is supporting the smooth operation of vaccine centers catering to diverse people, including foreign nationals residing in Japan.

Related press release (in Japanese)
https://www.toppan.co.jp/news/2021/06/nsrelease210608_1.html



Set phrases related to COVID-19 vaccination

■ Wholesale Sales Launched for Face Shield for Eating and Drinking Developed Using Results of Research on the Fugaku Supercomputer

In March 2021 Toppan launched wholesale sales to the retail industry of face shields for eating and drinking, which were developed in collaboration with Suntory Liquors Ltd. Development was based on the results of research by RIKEN using the Fugaku supercomputer. The design was made available as open data, but Toppan is also selling premade face shields to drive further expansion and wider use in society. This initiative is an example of businesses implementing workable countermeasures based on scientific insight provided by the Fugaku supercomputer, and Toppan, Suntory Liquors, and RIKEN are working together to contribute to overcoming the COVID-19 pandemic.

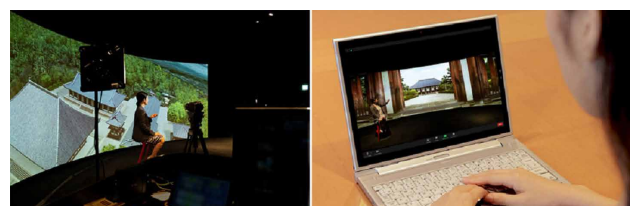
Related press release
<https://www.toppan.com/en/news/2020/12/newsrelease201208e.html>



■ Launching Online Tours that Provide Experiences of Traditional Japanese Culture

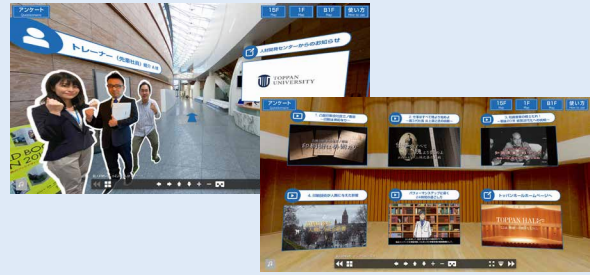
In September 2020 Toppan and Toppan Travel Service launched Profound Tourism Online, a service that provides highly immersive online tours by combining cutting-edge virtual reality (VR) visuals and interaction with cultural experts. Internet-based streaming that enables users in multiple locations to get a taste of traveling is fused with virtual experiences using VR and other content themed on cultural assets. In addition to offering a new form of tourism experience, the service addresses the issue of how to create content presenting the appeal of traditional Japanese culture and showcase it to the world.

Related press release
<https://www.toppan.com/en/news/2020/09/newsrelease200910e.html>



Creating a VR Online Training Center in a Virtual Space

Toppan VR Online Training Center faithfully recreates the Toppan Koishikawa Head Office Building and is comprised of TOPPAN Entrance, TOPPAN VR Hall, TOPPAN VR Academy, and TOPPAN HR Mall. Training for new recruits has been held completely online for two consecutive years. The VR training center was introduced for the April 2021 intake and allows employee trainers to also participate in the virtual space without visiting a physical office. This initiative is contributing to mitigating the spread of COVID-19 infection and ensuring the safety of employees.



Related press release (in Japanese)

https://www.toppan.co.jp/news/2021/03/newsrelease210322_1.html

Toppan recognizes the scale of the impact of climate change on the Company's business operations and considers climate change to be an important management issue. In 2019, Toppan announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board. In 2020, Toppan commenced scenario analysis based on the recommendations.

■ Basic Approach to Climate Change

In 1992, Toppan formulated the Toppan Printing Declaration on the Global Environment, which set out the Company's basic philosophy on environmental conservation activities. In April 2009, Toppan revised the declaration to create the Toppan Group Declaration on the Global Environment, a basic philosophy for Groupwide activities. Based on this declaration, Toppan has taken a more proactive approach to advancing business activities with consideration for environmental conservation.

In November 2019, Toppan formulated the *TOPPAN*

SDGs STATEMENT and announced that the Company would integrate the SDGs into management. Toppan aims to support the realization of "fulfilling, sustainable living" through SDG initiatives. Toppan has set out Companywide Materiality, which supports the business foundation, and Business Materiality, in which initiatives are addressed through business operations. For each, Toppan has selected environmental issues, including climate change. In this way, Toppan is advancing initiatives to address climate change from both Companywide and business perspectives.

■ Addressing the TCFD

The Task Force on Climate-related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board at the request of the G20. It considers how climate-related information should be disclosed and how it should be handled by financial institutions. The final report issued by the TCFD in June 2017 recommended that companies and other organizations disclose information about risks and opportunities related to climate change in four thematic areas—governance, strategy, risk management, and metrics and targets. In particular, the report recommends disclosure

of the resilience of the organization's strategies in an easy-to-understand manner.

Toppan announced its support for the TCFD in 2019. From 2020, the Company has implemented scenario analysis based on the recommendations, and has started to disclose information based on that analysis. In the future, based on the disclosed information, the Company will continue to drive a cycle in which feedback from stakeholders is linked to strengthening management strategy pertaining to climate change.

■ Governance Structure for Climate Change

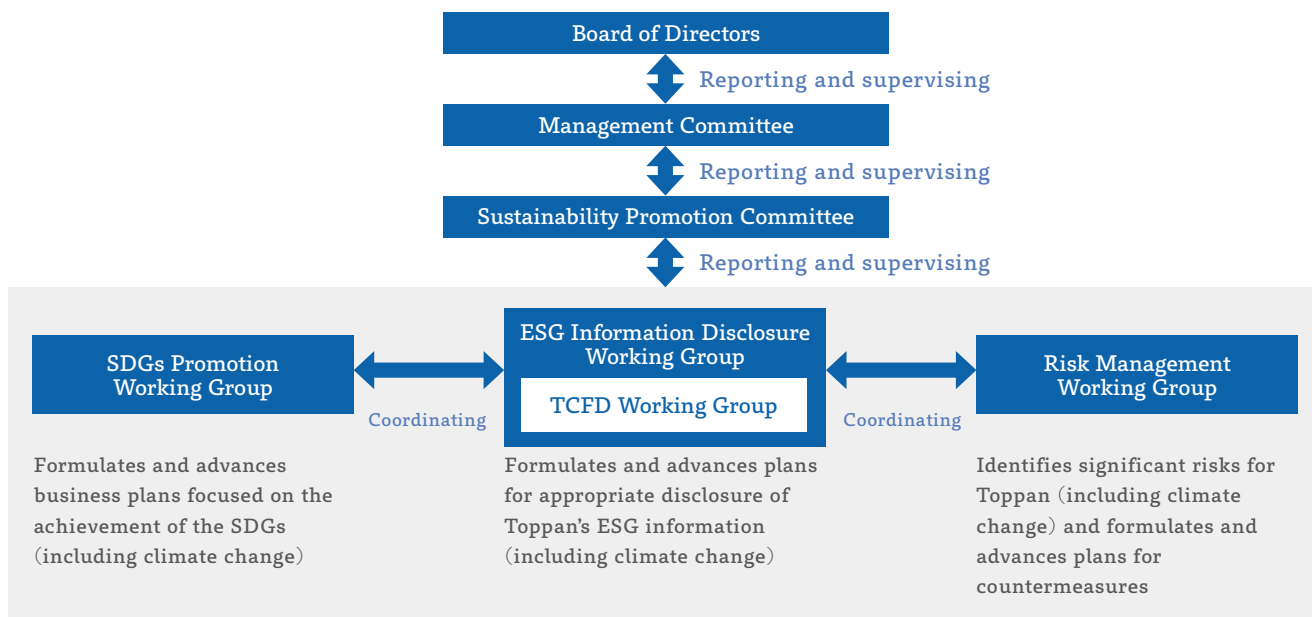
In its Medium Term Plan, which takes fiscal 2021 as its first year, Toppan has announced "expanding ESG initiatives" as one of its priority measures under the concept of "Digital & Sustainable Transformation," and the Company is strengthening governance related to ESG issues, including climate change.

The Board of Directors has delegated the handling of climate-related issues to the Sustainability Promotion Committee, which is chaired by the President & Representative Director. The Sustainability Promotion Committee has established multiple working groups and coordinates climate-related issue assessments and countermeasures. Through the Management Committee, the Board of Directors receives reports from the Sustainability Promotion Committee regarding the assessment and status of climate-related issues as well as target management. The Board of Directors implements

comprehensive decision-making with regard to such matters as management strategy, taking climate-related issues into account.

Risks that could have an especially significant impact on management are identified as "significant risks" by the Risk Management Working Group (administered by the Compliance Department of the Legal Affairs & Intellectual Property Division). With regard to climate change, Toppan identifies significant risks, and in coordination with Companywide risk management activities, the responsible head office divisions spearhead efforts to formulate countermeasures and implement comprehensive management measures. Information regarding the status of those measures is collected and reported to the Board of Directors to ensure appropriate supervision by the Board of Directors.

Sustainability Promotion Structure for Addressing Climate Change and Other ESG Issues



■ Scenario Analysis

For the implementation of scenario analysis, Toppan has established the TCFD Working Group under the Sustainability Promotion Committee, which is chaired by the President & Representative Director. Related head office departments participate in this working group, which has identified important climate-related risks and opportunities and evaluated impacts, primarily financial impacts.

This was Toppan's first implementation of scenario analysis, and the Company utilized two scenarios: the 2°C scenario (partially incorporating a 1.5°C scenario), where the increase in the global average temperature at the end of the century is limited to 2°C in comparison with pre-industrial levels, and the 4°C scenario, in which the increase is approximately 4°C. The scenarios were applied to the entire value chain, including R&D, procurement, production, and product supply, centered on Japan, where the majority of Toppan's operations are conducted, and long-term forecasts up to 2050 were considered.

Under the 2°C/1.5°C scenario, Toppan reconfirmed

that there are risks of increased costs accompanying the introduction of a carbon tax and higher prices for purchased energy, and that there are opportunities for increased sales of low-carbon-emission products and services, based on changes in consumer consciousness, and for gains in corporate value.

Under the 4°C scenario, it is possible that higher atmospheric temperatures could lead to such risks as an increase in wind and flood damage, resulting in a stoppage at major plants supporting operations, or pollution from chemical substance discharge. However, Toppan is advancing countermeasures, such as BCP formulation.

This analysis and the examination and implementation of countermeasures were implemented based on the discussions of the Sustainability Promotion Committee, which received reports from the TCFD Working Group.

By continuing to implement scenario analysis, Toppan will increase accuracy and further advance integration with management strategies, thereby increasing resilience in an uncertain future.

Climate Change: Opportunity/Risk Evaluation and Countermeasures

2°C (partially incorporating 1.5°C) Scenario There will be impacts such as regulations and new tax burdens, but new business opportunities will be created by needs arising from the increase in people's environmental consciousness.				
	Expected situation	Item	Impact	Countermeasures
Transition risks	<ul style="list-style-type: none"> Introduction of carbon tax on fossil fuels, introduction of carbon border tax, and discontinuance of subsidies as a result of strengthened policies for the transition to a low-carbon society 	<ul style="list-style-type: none"> Increase in manufacturing costs due to imposition of carbon tax on CO₂ emissions from the utilization of energy derived from fossil fuel use 	<p>Medium</p> <p>(Estimating Scope 1 + Scope 2 financial impact of approximately 4.7 billion yen/year in fiscal 2030^{*1})</p>	<ul style="list-style-type: none"> By fiscal 2030, advance energy-saving measures and achieve 6.5% ratio of electricity derived from renewable energy sources (Estimating that the Scope 1 + Scope 2 financial impact resulting from these countermeasures will be a reduction of approximately 200 million yen/year in fiscal 2030^{*1}) <ul style="list-style-type: none"> ▶Toppan Group medium-and-long-term environmental targets for fiscal 2030 By fiscal 2050, achieve 100% ratio of electricity derived from renewable energy sources, together with other measures achieve virtually zero Scope 1 + Scope 2 CO₂ emissions <ul style="list-style-type: none"> ▶Toppan Group Environmental Vision 2050 Monitoring of systems and renewable energy technologies from long-term viewpoint
		<ul style="list-style-type: none"> Increase in manufacturing costs due to imposition of carbon tax on thermal recycling of waste (plastic) arising in manufacturing 	Small	<ul style="list-style-type: none"> By fiscal 2030, achieve material recycling ratio of 65% for waste plastic from production processes <ul style="list-style-type: none"> ▶Toppan Group medium-and-long-term environmental targets for fiscal 2030 Monitor systems and recycling markets from long-term viewpoint
		<ul style="list-style-type: none"> Increase in procurement costs as suppliers pass the cost of adapting to a low-carbon society on to selling prices 	Small	<ul style="list-style-type: none"> Research suppliers, develop new suppliers, research/consider alternatives Monitor systems and markets from long-term viewpoint
	<ul style="list-style-type: none"> Increase in electricity prices due to increase in adjustability resulting from rise in renewable energy ratio 	<ul style="list-style-type: none"> Increase in manufacturing costs due to rise in purchased energy prices 	Medium	<ul style="list-style-type: none"> Advance energy-saving measures and expand introduction of renewable energy for self-consumption
	Expected situation	Item	Impact	Securing opportunities
Transition opportunities	<ul style="list-style-type: none"> Growing needs for eco-friendly products due to increase in people's environmental consciousness, shift in consumer awareness from owning to sharing 	<ul style="list-style-type: none"> Increased sales opportunities through the provision of low-carbon-emission products and services 	Large	<ul style="list-style-type: none"> Reduction in CO₂ emissions due to customer digital transformation and reductions in movement, operational burdens, and time resulting from Toppan DX "Erhoeht-X™" initiatives Reduction in CO₂ emissions through the provision of sustainable packaging suitable for reduce/reuse/recycle initiatives Reduction in CO₂ emissions through the provision of eco-friendly materials and schemes that make a strong contribution to reducing greenhouse gas emissions and the provision of solutions for energy saving and energy creation
		<ul style="list-style-type: none"> Promotion of climate change initiatives and related information disclosure 	Medium to large	<ul style="list-style-type: none"> Recognition as a "Digital & Sustainable Transformation" company Increase in corporate value due to ESG recognition
		<ul style="list-style-type: none"> Increased profit through the creation of environmental process innovation technologies for printing processes 	Small to medium	<ul style="list-style-type: none"> Cost reductions and granting of licenses due to VOC technology development in the printing business

*1 Financial impact based on assumption of carbon price of 10,500 yen/t

4°C scenario World in which the effect of regulation is small, and there is a possibility of rising risk of natural disasters				
	Expected situation	Item	Impact	Countermeasures
Physical risks	Increasing frequency and intensity of wind and flood damage due to rising atmospheric temperature	Halt in production at plants due to water and flood damage, etc.	Large	Reduce the risk of a halt in production by formulating a business continuity plan that addresses flooding, diversifying the supply chain, installing facilities to minimize damage, implementing advance measures for facilities, and using alternatives for chemical substances that have the potential to cause pollution
		Chemical substance discharge pollution due to torrential rain, floods, etc.	Medium	Consider the possibility of leakage of chemical substances, formulate and implement countermeasures Utilize casualty insurance for the purpose of dealing with damage Monitor anticipated risks
	Expected situation	Item	Impact	Securing opportunities
Physical opportunities	Need for BCP due to increased frequency and intensity of wind and flood damage	BCP support business utilizing ICT	Medium	Supporting operational DX initiatives that address BCP by combining digital technologies with advanced operational know-how

■ Metrics and Targets

Companywide Materiality (Environmentally Friendly & Sustainable Production)

Toppan has formulated the Toppan Group Environmental Vision 2050, which sets out the policy for long-term initiatives to address climate change and other global environmental issues. Based on backcasting from the vision for 2050, Toppan

has also set the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030, which focus on the target year for achievement of the SDGs.

Toppan Group Environmental Vision 2050

As a member of international society, the Toppan Group aims to enable “fulfilling, sustainable living” by contributing to decarbonization, resource circulation, and the optimal use of water through forward-looking activities with consideration for preservation of the global environment.

- ① **Contributing to Decarbonization**
Aiming for virtually zero Scope 1 and 2 greenhouse gas emissions.
- ② **Contributing to Resource Circulation**
Aiming for zero waste emissions.
- ③ **Optimal Water Use**
Reducing water consumption and contributing to improved water quality by preventing pollution.

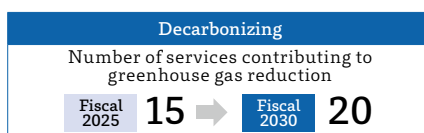
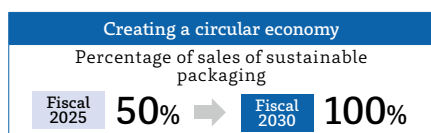
Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030

- ① **Contributing to Decarbonization**
Reduce Scope 1 and 2 greenhouse gas emissions by 32.5% (446 kt-CO₂e) compared to the fiscal 2017 level (1,373 kt-CO₂e).
(Renewable energy ratio of 6.5%)
Reduce Scope 3 greenhouse gas emissions by 20% (1,224 kt-CO₂e) compared to the fiscal 2017 level (6,122 kt-CO₂e).
- ② **Contributing to Resource Circulation**
Reduce final landfill waste disposal by 60% (4,444 t) compared to the fiscal 2017 level (7,407 t).
Increase waste plastic material recycling rate by 12 percentage points (to 65%) compared to the fiscal 2017 level (53%).
- ③ **Optimal Water Use**
Reduce water consumption, improve water efficiency, and avoid water pollution risks.
(Quantitative targets will be set going forward.)

Business Materiality (Sustainable Global Environment)

Based on TOPPAN Business Action for SDGs, a blueprint announced in 2020, Toppan has specified three areas of focus—creating a circular economy, decarbonizing, and expanding

eco-friendly products and solutions—and is taking on the challenge of addressing climate change-related issues through its business.



Sustaining Toppan's Sincere Approach to Global Social Challenges and Corporate Growth



Mieko Nakabayashi

External Director
Toppan Inc.

Strengths Aligned with the SDGs, Corporate Creed, and Material Issues

What makes Toppan's material issues unique is their foundation, *TOPPAN VISION 21*. The Toppan Group advocates "harmony with our global environment" in its Corporate Creed. This principle is addressed in the "environmentally friendly & sustainable production" and "sustainable global environment" themes within the Group's Companywide Materiality and Business Materiality categories. These efforts on the environment are also encompassed in the targets under the United Nations Sustainable Development Goals (SDGs). I believe that harmony with the environment is one of Toppan's greatest strengths and purposes. Toppan's endeavors to address long-term, global social challenges are essential to achieving "the continual development of the Toppan Group," as stated in the Corporate Creed.

The Companywide Materiality themes also include "employee health & job satisfaction," another aspect of the uniquely Toppan way. Toppan Inc.'s goal of raising the rate of eligible male employees taking childcare leave from 59.5% in fiscal 2018 to 80% by 2030 is a good example of what Toppan can do.

More pioneering approaches will be taken to instill the SDGs' human rights principles into the Group's material issues. Businesses nowadays are reluctant to choose this strategy, as specific actions on the human rights front might trigger a backlash from China or other Asian countries against what those countries perceive to be interference in their internal affairs. As few companies are prepared to act boldly, bold actions by the Toppan Group would set Toppan apart. The approach Toppan takes must be strategically designed to contribute to the Group's sustainable growth. Only well-discussed, elaborate plans can be truly expected to surmount the challenges ahead.

Opting for a Global Perspective on Decent Work and Economic Growth

I hope Toppan will unstintingly focus on addressing "SDG 8: Decent Work and Economic Growth." I would like the Group to take a global stand in pursuing decent work and economic growth instead of looking at only Japan. Specifically, I hope Toppan will be able to emphasize human rights around the world and review the Group's supply chains accordingly. The COVID-19 pandemic has exposed gaps in the social systems on various fronts in Japan, calling attention to the growing need for upgrades. Zooming out to a global view, we are witnessing the emergence of myriad problems such as the digital divide (the knowledge gap between the digital haves and have-nots), disparity in employment, and gender inequality in all societies, including the world's democracies. A worsening of these problems could fuel the rise of non-democratic regimes. The G7 Summit in 2021 addressed this geopolitical risk by calling for the unity of the world's democracies. It would be impressive if Toppan could take on these global challenges and pursue democracy, widening the potential for happiness and autonomy on an individual level through decent work and economic growth.

Tackling Emerging Challenges for the Environment and Human Rights

The principles on the environment and human rights embodied by the SDGs will be integral to Toppan's efforts to select the Group's material issues to come.

On the environment, I see that Toppan will

need to develop measures and strategies to achieve decarbonization, a critical worldwide endeavor in combating global warming. Toppan will also need to incorporate international frameworks and rules, such as international economic partnership agreements, into the Group's management strategies.

All too often, Japanese people and companies put little effort into the area of human rights. As I mentioned earlier, taking a courageous stand on human rights issues is the correct approach from a long-term and global perspective. According to Swedish research organization V-Dem Institute, two-thirds of the world population lives in non-democracies. In the globalized economy, brave actions on human rights might pose short-term risks for business. Careful premeditation and in-depth discussion will be needed.

Upholding Toppan's Sincere Contributions to a Changing Society

With the transfer of power to the Biden administration in the U.S., environmental issues have come under renewed scrutiny and appear to be moving into a new phase. Environmental issues, however, also have a shadowy side. In some sectors, Europe and the U.S. are adopting competing strategies to grow their economies through the development of green industries. Remember also that advanced environmental technologies are connected to security. I believe that such technologies must be kept out of the hands of countries or regions that pose military threats to their neighbors. All of us must be aware of this.

Toppan's sincere contributions to society and the environment hold significant meaning in the current geopolitical landscape. The employees who support the Group are also playing an important role. That is why Toppan must continue to grow as a corporation. A delicate balance can be upset if the keystone is lost. I hope that Toppan will retain its recognition of today's very real crises and remain a corporation that contributes more to society and the global environment as it grows.

Recognition (as of July 2021)

Inclusion in ESG Investing Indexes

- Dow Jones Sustainability™ World Index
- Dow Jones Sustainability™ Asia/Pacific Index

For the last four years Toppan Inc. has been included in the Dow Jones Sustainability™ World Index, a leading global ESG investment index jointly developed by S&P Dow Jones Indices of the U.S. and RobecoSAM of Switzerland. The companies listed on the Dow Jones Sustainability World Index are selected for excellence in sustainability based on analyses of the environmental, social, and governance characteristics of their business activities. Of the approximately 3,500 leading global corporations examined for index listing in fiscal 2020, 323 (including 39

Japanese companies) were ultimately selected. Toppan was the only Japanese company chosen in the Commercial & Professional Services industry group.

Toppan Inc. earned a particularly high score for its environmental initiatives, ranking among the group leaders in the Climate Strategy category. In the newly adopted Information Security/Cyber Security category, Toppan ranked first.

Toppan Inc. was also listed on the Dow Jones Sustainability Asia/Pacific Index in both fiscal 2019 and 2020.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

• MSCI Japan Empowering Women Index (WIN)

An environmental, social, and governance (ESG) investment index provided by MSCI Inc. of the U.S. Composed mainly of companies recognized for their excellence in gender diversity in the workplace based on various ESG metrics, including the percentages of women among new hires and management. Toppan Inc. has been listed in the index for two years in a row (since fiscal 2019).

2021 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

2021 Constituent MSCI Japan
Empowering Women Index (WIN)
(in Japanese)

<http://info.msci.com/l/36252/2017-06-27/kj5n9b>

• CDP

The Carbon Disclosure Project (a not-for-profit charity) recognizes companies that demonstrate outstanding performance and information disclosure on the environmental front. Toppan Inc. has earned an A- ranking from the CDP for its action on climate change.



- FTSE4Good Index Series
- FTSE Blossom Japan Index

The FTSE4Good Index Series is a series of ESG investment indexes provided by FTSE Russell of the U.K. The FTSE Blossom Japan Index, meanwhile, is composed exclusively of Japanese companies that demonstrate outstanding environmental, social, and governance practices. Toppan Inc. has been listed in both indices for two years in a row (since fiscal 2019).



• Sompo Sustainability Index

Established by Sompo Asset Management Co., Ltd. of Japan as an ESG investment index composed of around 300 companies with records of outstanding performance in ESG metrics. The companies listed on this index make up the portfolio for the Sompo Sustainable Asset Management product for long-term investment funds. As of fiscal 2021, Toppan Inc. has been included in the Sompo Sustainability Index for 10 consecutive years (since the index was established in fiscal 2012).



• S&P/JPX Carbon Efficient Index

The S&P Dow Jones and Tokyo Stock Exchange jointly recognize Japanese companies with a sound record of disclosing environment-related information and achieving a high level of carbon efficiency (low carbon emissions per unit of sales).



• Ethibel EXCELLENCE Investment Register

Forum Ethibel (a Belgian non-profit organization) registers companies that demonstrate outstanding ESG performance.



• ECPI INDICES

ECPI (an investment management advisory firm based in Luxemburg and Milan [Italy]) recognizes companies around the world whose sustainability activities meet the criteria set by ECPI.



• EcoVadis

A France-based ratings platform that assesses corporate social responsibility and sustainability in supply chains based on the four themes of the environment, labor and human rights, ethics, and sustainable procurement. Toppan Inc. received an EcoVadis Silver medal, a recognition granted to companies ranking in the top quarter of the entities assessed.

Awards and Recognition for ESG

The Fiscal 2020 Nadeshiko Brand

A selection of TSE-listed companies with outstanding performance in gender equality metrics, compiled by the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). From fiscal 2012, METI and TSE have been announcing their Nadeshiko Brand selections with the aim of encouraging investment into those companies and accelerating their diversity initiatives. Toppan Inc. was included in the list in both fiscal 2019 and 2020 (along with 45 and 44 other companies, respectively).



DX Stock 2021

In a joint initiative launched in 2015 to promote the strategic use of IT in business, the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) introduced a Digital Transformation Stock Selection (DX Stock, formerly the Competitive IT Strategy Company Stocks), a select group of TSE-listed companies active in IT utilization. In 2020, METI and TSE began identifying companies of excellence in the digital transformation (DX), a quest for enhanced competitiveness and ongoing corporate growth based on the use of digital technology as a core force for drastically reforming business models and management. Toppan Inc. was one of 28 companies awarded this designation in fiscal 2021.



Health & Productivity Stock Selection 2021

Toppan Inc. was listed in the 2021 Health & Productivity Stock Selection under a program jointly operated by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) to recognize TSE-listed enterprises that excel in strategic engagement in healthcare initiatives for employees from a management perspective ("health and productivity management*."). This list is compiled with a view to accelerating the health-conscious activities of enterprises by introducing model companies with outstanding performance in employee healthcare metrics to investors who seek enhanced corporate value over the long-term.



*The term "health and productivity management®" is a registered trademark of the Workshop for the Management of Health on Company and Employee of Japan.

2021 Health & Productivity Management Organization "White 500"

The Japanese Ministry of Economy, Trade and Industry has established a Certified Health & Productivity Management Organization Recognition Program to recognize enterprises of various sizes that perform outstandingly in employee healthcare initiatives from a management perspective ("health and productivity management"). Under this program, companies are assessed for their engagement in initiatives to address healthcare-related issues in communities and to practice the health-promotion measures recommended by the Nippon Kenko Kaigi (Japan Health Conference).

Toppan Inc. has been certified as a member of the "White 500," a select group of health and productivity management organizations in the large enterprise category, for five years running since the launch of the program in 2017.



Eruboshi Marks

Eruboshi (“L Star” in Japanese; L stands for “lady, labor, and laudable”) is a certification system aligned with the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace. Eruboshi marks are issued to companies that meet the specific criteria for excellence in female success in the workplace and other gender equality metrics.

Toppan Inc. acquired the 2nd grade Eruboshi mark (shown on the right) on March 1, 2021.



Bronze Medal in ASRA

The Asia Sustainability Reporting Awards (ASRA) is a leading Asia-based corporate reporting award program of worldwide renown. ASRA commends Asian companies for best practices in sustainability reporting. The *Toppan Sustainability Report 2020* won the bronze medal for Asia's Best Environmental Reporting at the 6th ASRA. In bestowing the award, judges cited Toppan's outstanding environmental reporting transparency and initiatives towards creating a sustainable society. Toppan Inc. was the only Japanese company to be recognized in an ASRA category.



Social

Contents

Employee Health & Safety / Work-Life Balance	P. 42
Diversity & Inclusion	P. 53
Human Asset Development	P. 59
Total Quality Assurance	P. 64
Information Security	P. 66
Universal Design	P. 75
Sustainable Procurement	P. 80
Human Rights	P. 84
Social Contribution Activities	P. 88

Employee Health & Safety / Work-Life Balance

Basic Approach

Approach

Toppan values its employees as precious “human assets” and understands how deeply it depends on them. The Company is convinced that human assets perform to their full potential when they are vigorous, earnest, and driven.

To support motivated, vigorous, and earnest work, Toppan promotes rewarding working conditions and healthcare and safety measures in cooperation with the Toppan Printing Labour Union (“the labor union”) and Toppan Group Health Insurance Union (“the health insurance union”).

For employee health and safety in particular, the Group has undertaken various measures based on the Health Management Declaration (established in 2015; revised in 2019) and the Basic Policy on Safety, Health, and Fire Protection (updated in April 2020, from the Basic Policy on Health and Safety formulated in 2010). The Health Management Declaration clarifies future health management policies for maintaining and enhancing the health of Group employees. From a viewpoint of “health and productivity management*,” this declaration visualizes and reorganizes health promotion measures and action plans previously organized by the Group and the health insurance

union separately. The declaration pursues dual aims. The first is to promote enhanced health for employees and their families through various approaches, such as activities to support work-life balance. The second is to contribute to society through health-related businesses that support health promotion activities undertaken in communities.

The Basic Policy on Safety, Health, and Fire Protection, meanwhile, enunciates a “safety first” principle as a top priority for the entire Toppan workforce, including both regular and contract employees, towards the complete elimination of occupational accidents. The Group is maintaining its efforts to eliminate occupational accidents in fiscal 2021.

*The term “health and productivity management®” is a registered trademark of the Workshop for the Management of Health on Company and Employee of Japan.

Health Management Declaration (in Japanese)
<https://www.toppan.co.jp/about-us/our-corporate-approach/health-manage-declaration.html>

Basic Policy on Safety, Health, and Fire Protection (in Japanese)
<https://www.toppan.co.jp/about-us/our-corporate-approach/safety-policy.html>

Promotion Framework

Promotion framework

The Personnel & Labor Relations Division in the head office coordinates with general affairs departments in business divisions across the Company to implement various measures on labor matters in consultation with the labor union. The division also spearheads the development of employee

healthcare and safety initiatives in cooperation with the labor union, the health insurance union, and general affairs departments in business divisions across the Company.

■ Forming Labor-Management Partnership

Toppan’s labor union and management respect each other’s positions as partners with shared ideals. They have been working together on various issues on an equal footing. Business councils are convened as Companywide and operational-site-based forums to discuss wide ranging managerial issues. Several special committees are also convened to deliberate pertinent issues of the day. Standing committees meet to discuss issues such as working hour reductions, wages, and health and safety. Individual labor-

management committees meet when necessary to discuss specially designated subjects such as the creation of a working environment amenable to enhanced job satisfaction.

Toppan has adopted a union shop system. In principle, all non-managerial employees belong to the labor union as members.

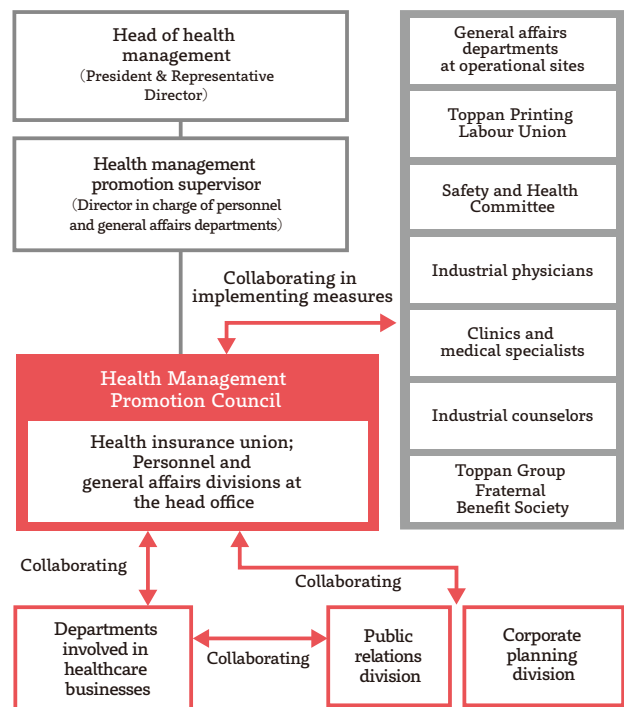
*7,205 union members out of Toppan Inc.’s total workforce of 10,730 employees

■ Committing to Health Management

The Toppan Group has formulated a structure for promoting “health and productivity management*” by establishing a Health Management Promotion Council overseen by the President & Representative Director as the head of health management. Representatives from the Group and the health insurance union meet to establish key targets and key performance indicator (KPI) benchmarks for employee healthcare initiatives. The council discusses, implements, verifies, and improves various healthcare measures to achieve the targets and benchmarks.

*The term “health and productivity management®” is a registered trademark of the Workshop for the Management of Health on Company and Employee of Japan.

Structure for Health Management Promotion



Occupational Health and Safety

Approach

Activity results,
performance data

Safety masters, safety personnel, employees in charge of engineering and safety, and other safety experts have been deployed to Group sites across Japan to strengthen safety promotion systems. In accordance with the Basic Policy on Safety, Health, and Fire Protection, Toppan organizes various types of safety education for all employees in the Group, including both regular and contract workers. The thorough education covers training for forepersons and risk assessment training to upgrade the intrinsic safety of machines and equipment.

Anzen Dojo safety-training facilities outfitted to simulate and alert employees to workplace dangers have been operating at the Kawaguchi Plant in Saitama Prefecture, Takino Plant in Hyogo Prefecture, and Fukuoka Plant in Fukuoka Prefecture for years. More recently, new domestic *dojos* have been established at the Gunma Central Plant in Gunma Prefecture (in fiscal 2020) and the Shiga Plant in Shiga Prefecture (in May 2021).

Dojo facilities were also set up at two overseas Group sites in fiscal 2017, one in China and another in Thailand. Toppan will continue to refine its Groupwide safety promotion activities to prevent occupational accidents, with support from its five *Anzen Dojo* facilities across Japan and two *dojos* overseas.

Companies and organizations outside of the Toppan Group come to train at the domestic *dojo* facilities. While most train at the Kawaguchi *dojo*, inquiries on the use of *dojos* at the other four plants are also welcome.

A new virtual reality (VR) simulator to train employees and guests in the handling of workplace dangers has been installed in the Kawaguchi *dojo*. The *dojo* is also equipped with mechanical simulators to familiarize trainees with the dangers of dust explosions and exposure to hazardous chemicals.

More details on Toppan's *Anzen Dojo* initiatives (in Japanese) <https://www.toppan.co.jp/about-us/our-corporate-approach/safety-policy/anzendojo.html>



■ Expanding *Anzen Dojo* Overseas

Two *Anzen Dojo* safety-training facilities were recently opened at Toppan Group sites outside of Japan: one at Siam Toppan Packaging Co., Ltd. in Thailand in October 2017; another at Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd. in China in January 2018.

These overseas facilities leverage the Group's expertise on safety training cultivated at similar *dojos* in Japan. Both facilities are equipped with safety-related displays and hazard simulators optimally selected for the working conditions at their sites. Toppan fosters onsite safety masters for overseas Group companies and regularly holds safety sessions for frontline operators according to the same operational scheme applied in Japan. *Anzen Dojo* tours with hazard simulators were conducted to ensure awareness of potential hazards for employees working at four Group sites in the U.S. (May 2019), two sites operated by Giantplus Technology Co., Ltd. (November 2019), and several Group sites in Indonesia and Thailand (May 2020).

The number of safety training participants at the *dojo* facilities was limited to about 250 people in fiscal 2020 as a consequence of a prolonged site closure during the COVID-19 pandemic.

On a cumulative basis, more than 37,750 Group employees and visitors have taken safety training since the *dojo* facilities opened.






TOPPAN NEWSROOM: Toppan Printing Opens *Anzen Dojo* Safety Training Facilities Overseas
<https://www.toppan.com/en/news/2018/03/newsrelease180308.html>

Occupational Health and Safety

In fiscal 2020 the Toppan Group continued undertaking safety activities towards the complete elimination of occupational accidents. There have been no occupational accidents leading

to the death of a regular or contract employee in the Toppan Group in the last three years.

		2016	2017	2018	2019	2020
Deaths from occupational accidents	Toppan Inc. 	0	0	0	0	0
	Toppan Inc. and some of its subsidiaries* ³	0	0	0	0	0
Frequency rate* ¹	Toppan Inc. 	0.000	0.000	0.048	0.144	0.095
	Toppan Inc. and some of its subsidiaries* ³	0.328	0.307	0.210	0.342	0.238
Severity rate* ²	Toppan Inc. 	0.000	0.000	0.001	0.003	0.001
	Toppan Inc. and some of its subsidiaries* ³	0.010	0.005	0.008	0.007	0.004

*Period covered: January 1–December 31

*1 Number of occupational accidents requiring employee leave, per million cumulative actual working hours (reflects the frequency of occupational accidents)

*2 Number of workdays lost as a consequence of occupational accidents, per thousand cumulative actual working hours (reflects the severity of occupational accidents)

*3 Subsidiaries covered: 18 domestic subsidiaries under the control of Toppan Inc. or its business divisions

Convening Safety Meetings

The Personnel & Labor Relations Division (Health, Safety & Fire Safety Promotion Department) coordinates with the Manufacturing Management Division to convene safety meetings at Group sites across Japan. The members gather to assess and deliberate the ongoing safety measures applied to machines and equipment and the activities undertaken to mitigate health and safety risks.

Safety meetings were held at 26 operational sites in fiscal 2018 and 35 sites in fiscal 2019. During the COVID-19

pandemic in fiscal 2020, Toppan cancelled the scheduled onsite meetings to restrict the entry of members into the plant premises of other operational sites. In place of the safety meetings, remote safety checks were arranged at Group sites all across Japan. Toppan plans to select which operational sites are to hold safety meetings in fiscal 2021 by reviewing their records of occupational incidents in fiscal 2020. The fiscal 2021 meetings will be held remotely, as a rule.

Measures for Mental Healthcare

Approach

Promotion framework

Activity results, performance data

Toppan works with industrial physicians and the Toppan Group Health Insurance Union to undertake various measures for the prevention of mental health problems at the workplace. The measures broadly cover “primary, secondary, and tertiary prevention” strategies, as well as prevention-focused approaches (“fundamental prevention”) to reinforce the physical and mental health, communication skills, and team strengths of individual employees.

Toppan develops in-house training programs and materials attuned to internal demands of mental healthcare by making extensive use of diverse knowledge and research from outside of the Company. Training programs embrace theories and methods such as cognitive behavior therapy, clinical art therapy (via Art Salon workshop), the five factors & stress (FFS) theory, and Adler’s theories of individual psychology, as well as front-

line findings on physical and mental condition. Toppan also provides wide-ranging forms of education, such as training for new employees, rank-based training, division-based training, workshops at workplaces, and training for candidates for overseas assignments. Emerging challenges such as harassment prevention and special care for remote working are also addressed in the Company’s training regime.

Toppan has established several rehabilitation programs to support employees during and after mental healthcare leave. A step-wise, three-month return-to-work program helps returning employees maintain a good balance between work and medical treatment. By gauging an employee’s readiness for a return to the workplace, this system has been effectively preventing the exacerbation or recurrence of mental burdens.

■ Developing an In-house Stress Check System

Toppan has analyzed extensive data from employee stress-check results and from specialists overseeing mental health problems at the workplace. The risk factors for mental illness identified so far include not only excessive stress, but also deficient physical and mental condition linked to unhealthy lifestyles and major changes in personal and working environments. Based on these findings, Toppan has developed an in-house stress

check system that automatically prescribes tailored forms of mental hygiene support, such as video coaching programs that employees in need can access without surrendering personally identifiable information. The Company also provides feedback on the results of group analysis to managerial staff to help them improve their workplace environments.

Overview of Mental Healthcare Activities

	Self-care	Line Care (by managers and supervisors)	Care Using Resources within the Workplace	Care Using Resources outside the Workplace
Fundamental prevention	<ul style="list-style-type: none"> Good physical and mental condition Communication skills Preparedness for environmental changes 	<ul style="list-style-type: none"> Motivation Harassment prevention Anger management 	<ul style="list-style-type: none"> In-house training and educational materials 	<ul style="list-style-type: none"> In-house seminars by external lecturers External seminars
Primary prevention	Mental stress checks			<ul style="list-style-type: none"> Employee assistance programs (EAPs)
	<ul style="list-style-type: none"> Good physical and mental condition Guidance on addressing environmental changes 	<ul style="list-style-type: none"> Improved workplace environments via group analysis 	<ul style="list-style-type: none"> Interviews by physicians Consultations by internal counselors 	
Secondary prevention	<ul style="list-style-type: none"> Lifestyle modification Consultations by specialist physicians 	<ul style="list-style-type: none"> Interviews, etc. held in cooperation with supervisors, general affairs departments, industrial physicians, and the Toppan Group Health Insurance Union 		<ul style="list-style-type: none"> Cooperation with family doctors and consultant physicians Return-to-work programs
Tertiary prevention	<ul style="list-style-type: none"> Ongoing treatment 	<ul style="list-style-type: none"> Interviews, etc. held in cooperation with supervisors, general affairs departments, industrial physicians, and the Toppan Group Health Insurance Union Return-to-work drills Program for determining when to return to work 		

Work-Life Balance

Approach

System

Promotion
frameworkActivity results,
performance data

Toppan implements wide-ranging initiatives and systems to promote good work-life balance for its employees. In addition to operating worksite cafeterias, dormitories for single employees and resort and fitness facilities, employees are provided with a system to encourage property accumulation via savings and financing and asset-building support through stock ownership and various types of collective insurance. Toppan also offers enhanced support systems for employees with children and nursing care responsibilities to help them maintain good work-care balance. The Company takes steps to enrich sick leave,

extended leave, retirement benefits, corporate pension, and other systems for living support. The Toppan Group Fraternal Benefit Society, meanwhile, runs welfare programs for leisure, health promotion, and life design support. To assist diverse employee lifestyles, Toppan's spouse-related systems were revised to accommodate same-sex partners and common-law marriage on July 1, 2020. Employees with same-sex and common-law partners are now granted leave for celebrations and condolence and receive allowances, wedding gifts, and other benefits.

■ Supporting Work-Life Balance

At the ongoing business councils and labor-management committees to support work-life balance, Toppan Inc.'s labor representatives and management exchange opinions and deliberate measures to further shorten overtime working-hours and comply with the revised Labor Standards Act of Japan. They have also been analyzing actual overtime practices, reviewing the use of recently adopted working systems, and examining the introduction of new systems. Their deliberations led to the introduction of a remote working system on October 1, 2020. This system offers employees three options: working from home, working at satellite offices, and mobile working. To enhance labor flexibility, the Company has also abolished the core working hours under Smart Work, a flexible working-hour system introduced in 2018. New working systems have been launched and existing systems have been modified to adapt to new-normal ways of working suitable for the post-COVID-19 world.

Labor and management at each operational site also discuss approaches to creating more accommodating workplace environments that encourage employees to take leave. The measures they have devised and implemented are tailored to the actual working conditions at their sites.

The target paid leave set by the Company is at least 10 days per year per employee.

Employees who have worked for the Company for 30 consecutive years are honored with a reward for long service, along with a period of leave.

■ Announcing a Common Employer's Action Plan

Toppan Inc. has been publishing its common employer's action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children of Japan.

This act specifies respective responsibilities of central and local governments, employers, and citizens of Japan in their efforts to create healthy environments for the upbringing of children who are to lead coming generations. The act stipulates that, as of its enactment on April 1, 2005, these four parties are expected to intensively and systematically engage in childrearing initiatives.

The common employer's action plan, meanwhile, aims to develop a working environment that supports balanced work and family life for employees with young children. Employers are expected to design a plan primarily to arrange varied working conditions for diverse employees, including those not raising children.

More details on Toppan Inc.'s Common Employer's Action Plan (fifth term; in Japanese) based on the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children
https://www.toppan.co.jp/assets/pdf/sustainability/toppan20200630_actionplans5.pdf

■ Annual Paid Leave Used

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Average paid leave used (days)	9.6	10.3	10.3	11.1	10.3
Average ratio*	50.8%	55.1%	54.9%	60.6%	55.2%


*Average ratio = average paid leave used / average paid leave granted

■ Main Leave Systems and Family Benefits

Main Leave Systems and Family Benefits / Measures to Support Work-Life Balance and Foster the Next Generation

Stock Leave	If annual paid leave is left unused for two years after it is granted, up to 50 days of the leave can be accumulated as stock leave. Employees are eligible to use their stock leave for reasons such as medical treatment for themselves or their spouses, healthcare or nursing care for their families, fertility treatment, recovery-work in the aftermath of unexpected disasters, or the closure of their children's schools or the like because of infectious diseases, natural disasters, or other serious incidents. (To be taken in half-day allotments, as necessary.)
Childcare Leave	Both mothers and fathers are eligible for fulltime childcare leave taken consecutively until their child reaches the age of two years. The first five days of childcare leave can be taken as paid leave. From the sixth day, employees on leave receive 10% of their regular salaries from the Company (until their child reaches the age of two years) and subsidies of 30,000 yen a month from the Toppan Group Fraternal Benefit Society. They can also work for shorter hours (maximum reduction of two hours per day) or select a flextime or irregular working schedule from the date of their return to the job until their child completes the fourth year of elementary school. The Company subsidizes certain childcare costs and provides childcare-related information through a consultation desk.
Rehiring of Employees who Leave the Company to Raise Children	Rehiring is guaranteed for an employee who resigns to deliver and raise a child, provided that the employee has worked for Toppan for more than three consecutive years up to the date of resignation. A resigned employee who meets this condition will remain eligible for rehiring until May 1 of the year when the child enters elementary school.
Nursing Care Leave	Employees are entitled to take leave for nursing care. For every family member requiring care, an employee is entitled to one year of consecutive or aggregated leave and up to three years of other work-hour adjustments such as staggered working hours or two-hour working day reductions. The Toppan Group Fraternal Benefit Society pays a 30,000-yen subsidy per month as assistance during the leave. Toppan offers nursing care-related information and contracts consultants outside the Company to provide guidance.
Leave for Child Healthcare	Employees can take up to 10 days of leave a year, regardless of the number of children they are raising. (To be taken in half-day or one-hour allotments, as necessary.)
Volunteer Leave	Employees can take volunteer leave to engage in socially beneficial activities for up to one year. Employees on volunteer leave receive an allowance.
Staggered Work-hours	An employee can adjust daily working hours upward or downward by one hour to avoid rush-hour commutes during pregnancy and by two hours for childcare (until his or her child completes the fourth year of elementary school).
Dependent Family Allowance	For employees with children, the Company pays a monthly allowance of 20,000 yen for each child. This allowance is discontinued on the first April 1 to arrive after the child's 20th birthday. (No limit for the number of children is applied.)
Partial Subsidization of Babysitter Expenses	The Toppan Group Fraternal Benefit Society subsidizes 50% of babysitter expenses (up to 5,000 yen per day) for up to 90 days a year.
Guidance on Finding Kindergartens and Daycare	Specialists provide knowledge and skills to parent employees seeking kindergartens and daycare for their children, as practical guidance to help them return to work from childcare leave more seamlessly.
Other	The Toppan Group Health Insurance Union covers standard medical costs for childbirth. The union also sends parent employees a complimentary childrearing magazine.

Employees Taking Maternity or Childcare Leave

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Employees taking maternity leave	105	111	79	93	105
Employees taking childcare leave*	300 (173)	334 (160)	363 (197)	342 (155)	302 (138) 

*The number of male employees who took childcare leave is shown in parentheses.

■ Housing for Single Employees

Toppan is updating its housing for single employees. In March 2020, the Company completed the construction of Toppan Heights Higashi Jujo in northern Tokyo, a residence designed to achieve a better work-life balance by shortening commutes to Toppan's main operational sites and providing a secure,

comfortable living environment. Toppan Heights Higashi Jujo is equipped with Toppan's newest décor products designed for comfortable living in a next-generation residential environment. As added amenities, a soundproofed theater room and common lounge facilitate communication among residents.



Exterior view



Latest Toppan décor products



Lounge

Listed Again in the Health & Productivity Stock Selection in 2021

Activity results,
performance data

Toppan Inc. was listed in the Health & Productivity Stock Selection again in 2021. The Japanese Ministry of Economy, Trade and Industry (METI) has been working with the Tokyo Stock Exchange (TSE) to recognize enterprises that excel in strategic engagement in healthcare initiatives for employees from a management perspective (“health and productivity management[®]”). Toppan was included in the selection once before, in 2018.

Toppan Inc. was also certified as an enterprise of excellence in the 2021 Health and Productivity Management Organization “White 500” (large enterprise category) under a program conducted by METI. In each of the five years since the program was launched in 2017, Toppan has been commended for achieving outstanding results in advancing health and

productivity management by collaborating with Japanese health insurance organizations.

Toppan will continue to work in collaboration with the Group’s onsite clinics, industrial physicians, labor union, and other healthcare-related entities to develop working environments amenable to enhanced job satisfaction and promote health-conscious activities for Group employees and their families. Toppan’s healthcare solutions will also contribute to the maintenance and enhancement of public health.



*The term “health and productivity management[®]” is a registered trademark of the Workshop for the Management of Health on Company and Employee of Japan.

2021 “White 500” (left, in Japanese); 2021 Health & Productivity Stock Selection (right, in Japanese)

Planning Labor-Management Recreation Events

Activity results,
performance data

Toppan organizes various site-based, labor-management recreation events designed to facilitate communication and

build a sense of unity throughout the Group for more rewarding work environments.

■ Holding Toppan Sports Festival 2017

The Toppan Sports Festival is a Groupwide, labor-management event held semiannually for Toppan employees and their families. Younger employees lead the planning, organization,

and implementation of the festival. As many as 4,300 Group employees and family members visited Saitama Super Arena to enjoy the various games and events in the 2017 festival.



■ Organizing TOPPAN eSports Festival 2021

On January 24, 2021, the Toppan Group held the TOPPAN eSports Festival 2021 as an online labor-management event. The festival replaced a scheduled non-virtual sporting event that had been cancelled as a COVID-19 pandemic safeguard.

Thanks to the limitless reach of esports, the Group's 50,000 employees and employee families around the world were welcome to participate online, marking a new chapter in the

event history of the Group. Teams placing first in preliminary e-rounds held at Toppan's 48 domestic operational sites for worldwide participants came together to show their skills in a series of competitions at the esports festival. Various other attractions, such as an art workshop and quiz contest, were held in tandem online, providing enjoyment for a wider range of participants.



Information on Personnel

Activity results,
performance dataNumber of Personnel (as of March 31) 

		Directors	Total Employees	Management Class	Supervisors	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Dispatched Staff
Fiscal 2016	Male	18	7,930	2,158	1,932	15.1	43.4	9,551	502	237
	Female	1	1,621	71	224	9.3	34.3			
Fiscal 2017	Male	19	7,964	2,201	1,914	15.2	43.6	9,699	451	246
	Female	1	1,735	79	266	9.3	34.6			
Fiscal 2018	Male	18	7,974	2,282	1,891	15.4	44.0	9,993	233	249
	Female	1	2,019	89	319	9.0	35.5			
Fiscal 2019	Male	15	8,123	2,366	1,908	15.1	44.5	10,330	183	375
	Female	1	2,207	101	378	8.9	35.8			
Fiscal 2020	Male	14	8,294	2,449	1,879	14.9	44.8	10,730	133	436
	Female	2	2,436	109	419	8.7	35.9			



*Sum total employees: In the tally for fiscal 2018 and after, the total number of employees includes the number of part-time workers who have shifted to indefinite-term employment.

*The average tenure: 20.3 years for male employees and 11.0 years for female employees, based on tallying periods of less than one year in month units, with the pre-retirement tenures of re-employed employees added.

Personnel by Age-group (as of March 31)

	Sex	Age-group	Total Employees	Management Class	Supervisors
Fiscal 2016	Male	1. Below 30 years old	919		
		2. 30-50 years old	4,767	1,154	1,787
		3. Over 50 years old	2,244	1,004	145
	Female	1. Below 30 years old	557		
		2. 30-50 years old	980	53	214
		3. Over 50 years old	84	18	10
Fiscal 2017	Male	1. Below 30 years old	962		
		2. 30-50 years old	4,610	1,146	1,767
		3. Over 50 years old	2,392	1,055	147
	Female	1. Below 30 years old	605		
		2. 30-50 years old	1,019	55	252
		3. Over 50 years old	111	24	14
Fiscal 2018	Male	1. Below 30 years old	971		
		2. 30-50 years old	4,394	1,170	1,706
		3. Over 50 years old	2,609	1,112	185
	Female	1. Below 30 years old	687		
		2. 30-50 years old	1,149	57	297
		3. Over 50 years old	183	32	22
Fiscal 2019	Male	1. Below 30 years old	987		
		2. 30-50 years old	4,209	1,158	1,686
		3. Over 50 years old	2,927	1,208	222
	Female	1. Below 30 years old	770		
		2. 30-50 years old	1,224	66	350
		3. Over 50 years old	213	35	28
Fiscal 2020	Male	1. Below 30 years old	1,051		
		2. 30-50 years old	4,111	1,178	1,656
		3. Over 50 years old	3,132	1,271	223
	Female	1. Below 30 years old	873		
		2. 30-50 years old	1,302	66	390
		3. Over 50 years old	261	43	29

Number of Recruits

			Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Regular recruitment of new graduates from universities and graduate schools	Sales, administration, etc.	Male	98	105	102	115	109	105
		Female	73	65	86	100	98	123
	Technical	Male	102	115	86	108	109	128
		Female	35	36	45	55	54	53
Regular recruitment of new graduates from high schools and colleges of technology	Male	3	1	6	4	5	3	
	Female	33	33	30	29	29	26	
Total number of regular recruits (percentage of women) 			344 (41.0%)	355 (37.7%)	355 (45.4%)	411 (44.8%)	404 (44.8%)	438 (46.1%)
Mid-career recruitment of experienced personnel (outside recruitment) 	Male	56	55	46	51	61	–	
	Female	20	22	13	17	36	–	

*The starting salary of new university graduates was 211,000 yen (1,330 yen per hour) uniformly throughout Japan in fiscal 2020.

Reasons for Leaving

	Sex	Age-group	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Personal reasons*	Male	1. Below 30 years old	43	53	70	94	44
		2. 30-50 years old	71	61	104	105	49
		3. Over 50 years old	38	41	39	57	42
	Female	1. Below 30 years old	26	41	50	50	25
		2. 30-50 years old	27	20	40	37	25
		3. Over 50 years old	1	1	2	4	4
Retirement	Male		84	119	124	180	174
	Female		1	1	8	5	0
Requested by the Company	Male		0	0	0	0	0
	Female		0	0	0	0	0
Other	Male		80	88	90	90	92
	Female		3	20	3	6	6
Total	Male		316	362	427	526	401
	Female		58	83	103	102	60
Turnover rate			3.8%	4.5%	5.2%	5.9%	4.3%

*Six female and 29 male employees who left the Company for personal reasons in fiscal 2020 took advantage of Toppan's support system for employees leaving the Company to pursue new careers.

Retention Rates for Recruits (Percentage of fiscal 2018 hires still working at Toppan)

	Male	Female
Hired on April 1, 2018	194	161
Still with Toppan as of April 1, 2021	168	142
Retention rates	87%	88%
Average for male and female employees	87.3%	
Percentage who leave the Company before working three years	12.7%	

Average Annual Salary

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Average Annual Salary	6,956,597 yen	6,910,163 yen	6,644,621 yen	6,811,464 yen	6,775,518 yen

Diversity & Inclusion

Pursuing Diversity and Inclusion

Approach

The Toppan Group positions diversity and inclusion (D&I) initiatives as an important management strategy to further advance its progress as a corporation that creates social value.

Toppan values its employees as precious “human assets” and understands how deeply it depends on them. Under the foundational concept of respect for human beings, the Group has been undertaking various measures to promote rewarding working conditions. Toppan will continue to adhere to D&I principles that harness differences among its diverse human assets as drivers of innovation. The Group will promote diversity by encouraging employees to acknowledge and respect each other’s personal qualities and values so as to better utilize and enhance their diverse abilities.

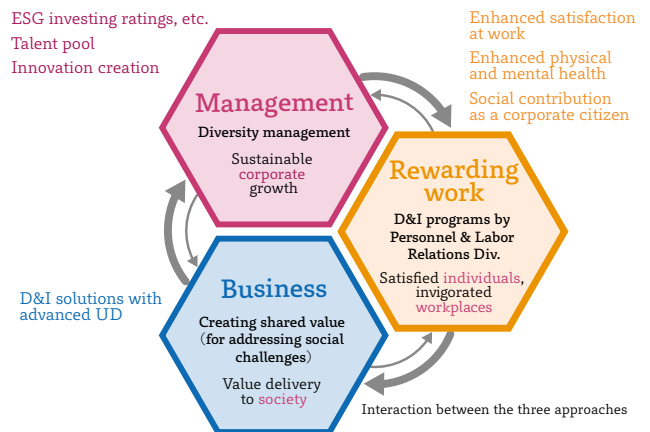
In order to cultivate a D&I mindset within the workforce, Toppan will facilitate ongoing dialogue and nurture heightened awareness and sensibilities that ensure mutual respect. The Group is consistently developing psychologically safe workplaces where every person can speak and act with dignity, free from inhibition or restraint.

Toppan’s vision for diversity and inclusion

A corporation that creates social value



Diversity and inclusion through three approaches: Management, Rewarding work, Business



Toppan Diversity and Inclusion Policy

We will evolve into a social value creator that designs information and living by developing psychologically safe workplaces where every person’s sensibilities are nurtured, individual differences are recognized and respected, and diversity is harnessed to drive innovation.

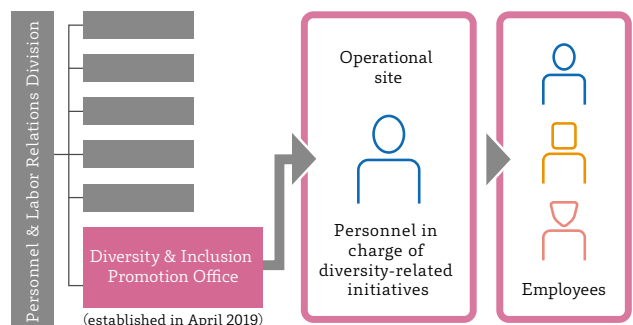
Diversity & Inclusion Promotion Office

Promotion framework

Toppan values its employees as precious “human assets” and understands how deeply it depends on them. Under the foundational concept of respect for human beings, the Company has been undertaking various measures to promote rewarding working conditions. Toppan established a Diversity & Inclusion Promotion Office in April 2019 based on a management strategy to evolve and accelerate site-based diversity initiatives into Companywide endeavors.

The Diversity & Inclusion Promotion Office is responsible for formulating the overall diversity plan and developing specific measures. The promotion office appoints personnel to take the initiative in implementing actual diversity programs attuned to the operational sites they serve. These personnel provide

consultations for site members and share and address issues that have been identified with the promotion office in order to ensure heightened diversity awareness throughout the Company.



Supporting Employees with Children

Approach

System

Activity results,
performance data

Toppan has striven to create a working environment in which employees can achieve better work-life balance. As tools to accomplish such an environment, Toppan is developing systems for childcare and nursing care leave, reduced working hours, higher family allowances for dependents, and various other benefits for employees.

To support employees with children, the period during which employees with childcare responsibilities remain eligible for reduced working hours and other preferential working schedules was extended to the end of a child's fourth year of elementary school (surpassing the age-three requirement

imposed under the applicable Japanese law), in fiscal 2016.

Toppan has also been running the "Hagukumi (nurturing) Program" since fiscal 2012. This program supports the wellbeing of employee parents by providing therapeutic activities for parents on childcare leave, activities to share the know-how necessary for maintaining good balance between working and raising children, and activities to give employees in various positions opportunities to learn about and consider the importance of work-family balance. The Hagukumi Program received the Minister of State for Gender Equality Award at the Kids Design Award 2016 in Japan.

Main Systems for Supporting Employees with Children

Before childbirth	<ul style="list-style-type: none"> • Rehiring system for employees who leave the Company to deliver and bring up children • Time-off due to pregnancy-related morning sickness 	<ul style="list-style-type: none"> • Leave for hospital visit • Leave for medical checkup • Staggered working hours • Specified fertility treatment subsidy
After childbirth	<ul style="list-style-type: none"> • Childcare leave • Monetary gift on childbirth 	<ul style="list-style-type: none"> • Childcare leave allowance • Childcare leave grant
During childrearing	<ul style="list-style-type: none"> • Preferential childcare measures (e.g., reduced and staggered working hours; flextime or irregular working schedule in one-month allotments) • Day-off for child healthcare 	<ul style="list-style-type: none"> • Day-off for childcare • Dependent family allowance • Subsidy for babysitter and home-caregiver expenses
Other	<ul style="list-style-type: none"> • Stock leave (employees are eligible to use their stock leave [accumulated unused annual-paid-leave] for child healthcare and fertility treatment) 	

Hagukumi (nurturing) Program



Supporting Employees with Nursing Care Responsibilities

Approach

System

Activity results,
performance dataTraining,
education

Toppan's labor union and management employ systems to help employees maintain good balance between work and care at home. These systems create an environment where employees can concentrate on work without worrying about care for family members at home. After reviewing the results of employee questionnaires on nursing care, Toppan relaxed the eligibility requirements for nursing-care-related systems, designed ways to enable employees to more flexibly adjust their working hours for care, enhanced financial support during nursing care leave, and provided more information on work-care balance. Along with system enhancements in these four areas, the Company

allows care-giving employees to commute to and from work by Shinkansen bullet train in certain cases. Employees have also been able to take leave for nursing care in one-hour allotments, just as they can with the child healthcare day-off, since fiscal 2019.

Toppan will continue to enrich employee support measures by providing information on good work-care balance through the intranet, holding NPO seminars on nursing care, and conducting various other activities to alleviate concerns and raise awareness on the issues faced by employees who shoulder responsibilities as care providers for their families.

Four Approaches in Employee Support Systems for Good Work-Care Balance

Eligibility requirements for nursing-care-related systems	<p>When an employee family member is in need of care or support that meets one of the following conditions:</p> <ul style="list-style-type: none"> • "In need of long-term care" as specified in the Child and Family Care Leave Act of Japan • "In need of long-term care" as specified in the Long-term Care Insurance System of Japan • "In need of support" as specified in the Long-term Care Insurance System of Japan
Ways to more flexibly adjust working hours for care	<ul style="list-style-type: none"> • Nursing care leave • Reduced working hours for nursing care (reduced working hours, flexible work schedules, reduced number of prescribed working days per week) <ul style="list-style-type: none"> *Nursing care leave and reduced working hours for nursing care can be taken in installments. *Employees are allowed to switch between the two systems. • Leave for nursing care (entitlement for one-hour-based allotments, as necessary) • Commuting by Shinkansen bullet train for family care reasons
Financial support during nursing care leave	<ul style="list-style-type: none"> • Allowance for nursing care leave (40% of the employee's average wage) • Entitlement for paid leave for nursing care
Provision of information on work-care balance	<ul style="list-style-type: none"> • Launch of an intranet site to provide information on work-care balance <p>This site provides employees with general knowledge about work-care balance and information on support systems available at the Company, public nursing-care-related systems, and so on.</p> • Launch of a nursing-care consultation desk run by outside experts <p>The Company commissions an external professional body to offer unlimited, free-of-charge nursing-care consultation to employees. Employees can also use fee-based agency services such as watch-over visits or administrative services handled on their behalf by dedicated staff at care facilities and hospitals.</p>

■ Holding Seminars for Good Balance between Work and Care at Home

Toppan sites in Tokyo have been holding seminars to help employees maintain a good balance between work and care at home, starting from fiscal 2016. Outside experts from a nursing-care consultation service contracted by Toppan are invited to lead seminar courses. After the guest lecturers present general knowledge on nursing care and tips for achieving good work-care balance, personnel from Toppan inform participants of the Company's intranet sites and support systems for employees whose families may have nursing care needs (e.g., nursing care leave and the reduced working hour system for nursing care). The seminars were held at operational sites in the Kansai area in fiscal 2018 and in the Chubu and Kyushu areas in fiscal 2019. As more seminars

are organized over a wider geographic area in the future, Toppan will continue striving to ensure working environments where employees can fully concentrate on work without having to worry about care responsibilities for family members at home.



Promoting Positive Action

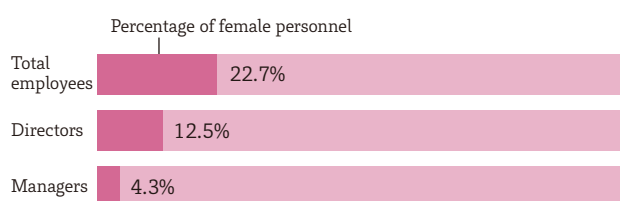
Approach

Activity results,
performance data

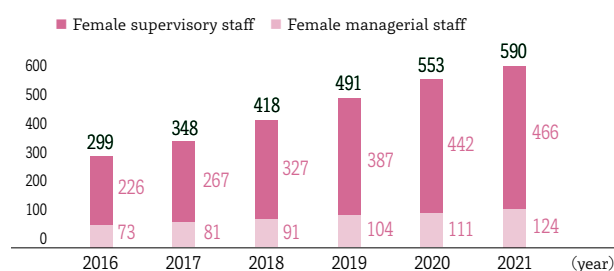
Toppan promotes positive action to bring out the full potential of individual employees and assign them to more diverse positions regardless of gender. Women play important roles in wider arenas and the Company strives to ensure equal treatment in promotion to managerial positions. As of April

2021, Toppan has appointed 124 female employees to managerial positions and 466 female employees to supervisory positions. With these appointments, Toppan has attained an 11.5% ratio of women among managerial and supervisory staff.

Fiscal 2020 Rank-based Percentages of Female Personnel (%)



Number of Female Managerial and Supervisory Staff (as of April)



■ The Nadeshiko Brand

Toppan Inc. was included in the Fiscal 2020 Nadeshiko Brand list compiled by the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). The Company was also included in the list a year earlier, in fiscal 2019.

The Nadeshiko Brand initiative aims to spur investment in companies and accelerate their diversity initiatives by introducing a selection of promising TSE-listed companies with outstanding performance in gender equality metrics to investors

who seek enhanced corporate value over the medium- to long-term. METI and TSE have been announcing their Nadeshiko Brand selections since fiscal 2012.



■ Eruboshi Marks to Recognize Female Success in Workplaces

Toppan Inc. acquired the 2nd grade Eruboshi mark (shown on the right) on March 1, 2021.

Eruboshi (“L Star” in Japanese; L stands for “lady, labor, and laudable”) is a certification system aligned with the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace. Eruboshi marks are

issued to companies that meet specific criteria for excellence in female participation and advancement in the workplace.



More details on Toppan Inc.'s Common Employer's Action Plan (second term; in Japanese) based on the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace https://www.toppan.co.jp/assets/pdf/sustainability/women_act_plan_02.pdf

Employing Persons with Disabilities

Approach

Activity results,
performance data

Toppan creates job positions and workplace environments that enable employees to work together in ways best suited to their various physical and mental abilities.

Employees with disabilities handle wide-ranging jobs at the special subsidiary T.M.G. Challenged Plus Toppan Co., Ltd. and other Group sites across Japan. Employee athletes also participate in international para-sports competitions.

More details on Toppan Inc.'s employee athlete program (in Japanese)
<https://www.toppan.co.jp/player/>

Employment of Persons with Disabilities

	2017	2018	2019	2020	2021
Employees	253	274	312	325	339
Percentage of total workforce*	2.06%	2.25%	2.29%	2.31%	2.39%

*The percentage is calculated based on the total number of regular employees (as of June 1) as a denominator. The total number was presented in the Disabled Persons Employment Report in accordance with Article 8 of the Japanese Law for Employment Promotion, etc. of the Disabled.

Initiatives for LGBTQ Inclusion

Approach

Activity results,
performance data

Toppan has implemented various initiatives to enhance awareness about lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) persons with a view to achieving an inclusive working environment comfortable for everyone. Toppan has held Groupwide LGBTQ seminars since 2018 to further promote a sound understanding of LGBTQ-related matters and diversity and inclusion. On July 1, 2020, Toppan partially revised its systems for the treatment of matters

related to employee marriages and spousal relations. Some of the systems are now been extended to same-sex partners and common-law marriage for the support of diverse employee lifestyles. Specifically, employees with same-sex and common-law partners are now granted leave for celebrations and condolence and receive allowances, wedding gifts, and other benefits.

Topic

Open Seminar on LGBTQ Inclusion

From fiscal 2019, Toppan began inviting Kayo Fujiwara, a diversity and inclusion consultant, to lecture at open seminars on gender and sexual diversity and LGBTQ-related matters. Under COVID-19 conditions, the fiscal 2020 seminar was held online for participants across Japan on February 10, 2021.

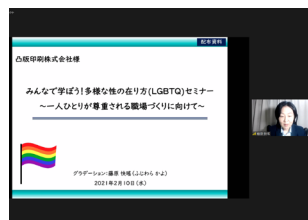
This open seminar is one of various Toppan initiatives to promote diversity and inclusion (D&I) in the workplace with a view to realizing an inclusive working environment where diverse human assets recognize their differences and respect each other's qualities and values. D&I initiatives have been implemented across the Group under the foundational concept of respect for, and reliance on, the individual. From the standpoints of gender and sexuality, participants at the seminar have learned about dimensions of human diversity they may have previously known little about or misunderstood, along with specific actions and measures they can take to fully appreciate human diversity.

"Sexual orientation" and "gender identity" are different things. A person's sexuality sometimes falls outside of, or in between, the categories of "lesbian," "gay," "bisexual," and "transgender." Combinations of biological gender, psychological gender, and sexual orientation are manifold and represent a broad spectrum. After learning the basics of lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) mindsets, participants engaged in Q&As and discussions in which they were encouraged to reflect on their own possible tendencies to take heterosexual love for granted or to assume that biological and psychological gender

are aligned. They also thought back to consider any subtle discriminatory behaviors or remarks they may have made in the past.

About 380 Group employees attended the fiscal 2020 seminar via Zoom Video Webinars. Upon finishing the seminar, many participants remarked that the experience was quite informative. Some comments reflected a newfound sense of familiarity (e.g., "Gender and sexual diversity feels more familiar nowadays"; "Human diversity around me is starting to feel like second nature"), while others described a better understanding (e.g., "The seminar expanded my understanding of the true nature of diversity and inclusion"). Kicking off with this seminar, the Group has launched the TOPPAN ALLY* initiative, an activity to encourage employees to express their alliance with LGBTQ individuals. This initiative seeks to nurture workplace environments where everyone feels comfortable by initiating concerted actions based on the enhanced D&I awareness of all Group employees across Toppan.

*Allies are persons who fully understand and sympathize with a broad spectrum of gender and sexual identities and try to act with awareness of workplace diversity to make sure that everyone feels comfortable in their working environment.



Webinar on LGBTQ inclusion



TOPPAN ALLY mark

Diversity Training

Training, education

The Toppan Group holds various training sessions on diversity online. In personal empowerment programs, for example, female employees and managerial staff can flexibly choose and participate in courses that best fit their needs and interests.

Diversity programs are arranged in rank-based training sessions, including several for new employees. Toppan has also been arranging e-learning-based D&I training programs for all Group employees since fiscal 2019.

In addition to holding open seminars on diversity 101 and LGBTQ inclusion, Toppan heightens awareness of diversity mindsets across Group workplaces by asking Group personnel in charge of diversity promotion to participate in workshops on persons with disabilities and LGBTQ persons.

Diversity Training Programs

Course to learn about diversity via gender-positive actions
Practical course to explore diverse ways of working
Course to promote diversity through LGBTQ inclusion
Basic course to design career plans
Basic course on anger management
Basic course to enhance resilience

(fiscal 2020)

Human Asset Development

Basic Approach

Approach

Labor shortages are anticipated throughout various industries in Japan. Toppan is convinced that maximizing the performance of the workforce as a social asset will help solve social challenges.

Mindful of how deeply it depends on its employees and

values them as precious “assets,” Toppan strives to foster human assets who can create new knowledge and skills. The Company has been nurturing a working environment and corporate culture ideal for the sustainable growth of individuals and Toppan as an organization that contributes to society.

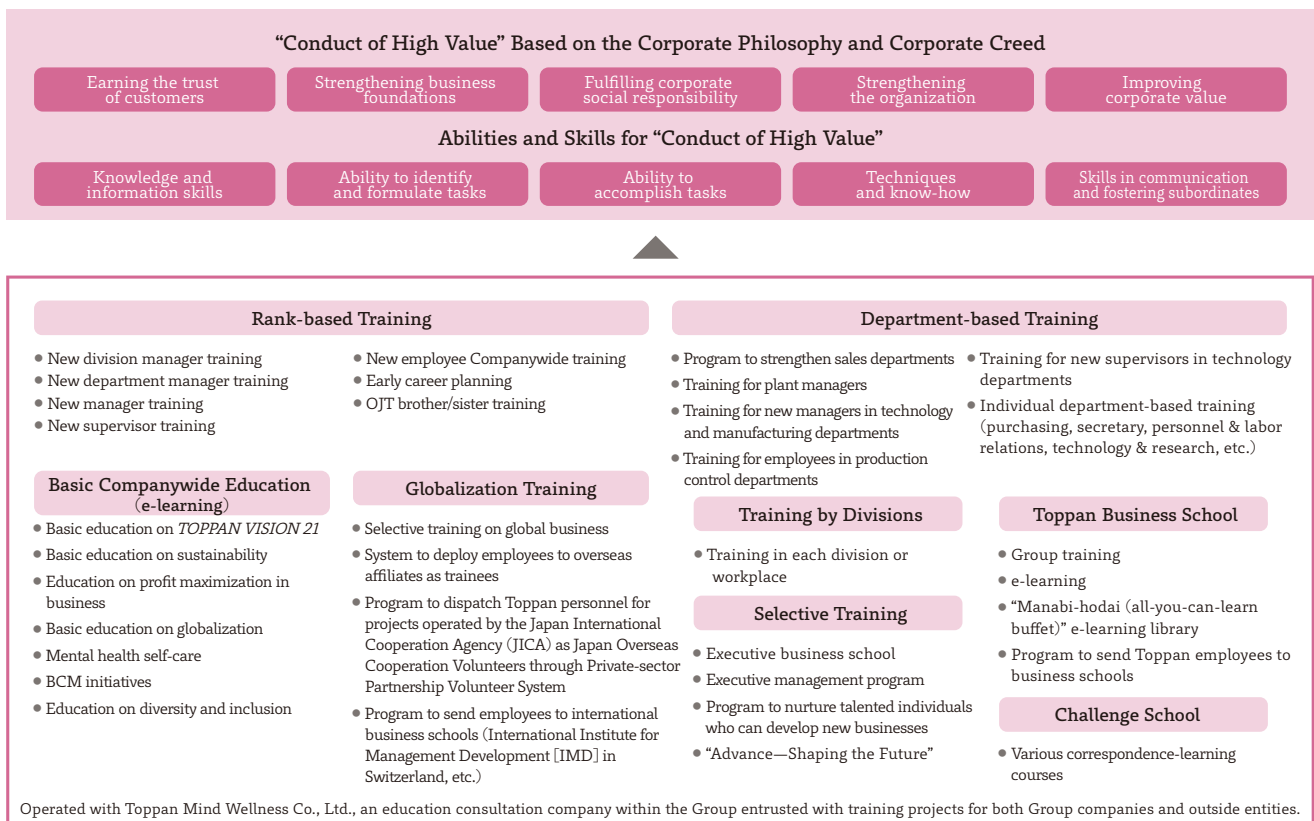
Operating Toppan University

System

The Human Resource Development Center in the head office Personnel & Labor Relations Division coordinates with persons in charge of human asset development in departments throughout the Company to institute personnel training programs. These programs to develop and nurture human assets are organized systematically around Toppan University, a simple platform that strives to foster leaders while supporting

the skill and career enhancement of employees through basic and special programs, a leadership program, and a personal empowerment program. The center also uses the Human Resource Development Laboratory as a research base to design innovative personnel training programs to foster individuals with the heightened awareness and sensibilities needed to drive value creation in a uniquely Toppan way.

Systematic Human Asset Development Programs



Organizing Digital Human Asset Empowerment Programs

Activity results,
performance data

Toppan organizes digital human asset empowerment programs to accelerate digital transformation (DX) business. With these programs, the Company aims to redevelop individual competence and skills through a reskilling approach that encourages employees to acquire methods for value creation using digital technology.

Companywide basic training on DX

Seven monthly sessions from February to September in 2021

Specialist training on DX (expertise in cloud utilization and system architecture)

Some 1,600 participants on a cumulative basis in beginner and intermediate courses, as of September 2021

Subscription-based training on digital technology via a digital learning platform

About 800 participants from October 2020 to September 2021 (first term)

Fostering Human Assets Active in the Global Business Arena

Approach

Activity results,
performance data

Toppan has been hiring non-Japanese individuals and frequently arranging personnel exchanges between overseas Group companies to adapt to a more globalized business environment.

Several of the Company's personnel training programs are designed to foster human assets who can thrive in a global business arena. Examples include a trainee system to provide employees with practical training in day-to-day business activities at overseas subsidiaries, a selective training course on globalization to support candidates for overseas assignments, and a program to send employees to courses at international business schools. Every year Toppan dispatches several young employees to work as Japan Overseas Cooperation Volunteers for the Japan International Cooperation Agency (JICA). These volunteers take part in JICA projects to address

global development agendas while developing themselves as individuals.

The system to deploy trainees to overseas affiliates and the program to dispatch Toppan personnel as Japan Overseas Cooperation Volunteers for JICA projects are currently suspended due to restrictions imposed by the COVID-19 pandemic.



Cooperation with overseas subsidiaries (human resources [HR] meeting)



Practical training at an overseas subsidiary (trainee system)

Fostering Next-generation Talent (Human Resource Development Laboratory)

Activity results,
performance data

In April 2017 Toppan launched the Human Resource Development Laboratory as a research base to develop innovative personnel training programs that apply brain research, neuroscience, analyses of physical condition, and various technologies.

The laboratory has been used as a platform to design a Toppan-style personnel development model that cultivates innovative mindsets and encourages individuals to leverage and enhance their potential and abilities. With this original development model, Toppan has been fostering new talent who can take advantage of novel technologies, accommodate the new-normal way of life, and take the initiative to address issues towards the realization of *TOPPAN VISION 21*.



Human Resource Development Laboratory

Designing a Next-generation Approach for Personnel Development

Activity results,
performance data

■ Forming a Neuroscience Research Group

Toppan is collaborating with DAnCing Einstein, Co., Ltd. to form a Neuroscience Research Group that studies ways to apply neuroscience knowledge to human asset development. The research group aims to develop talent necessary for accelerated corporate growth and the creation of a better society. Its latest brain science programs seek to improve the performance and communication skills of Toppan personnel by shedding new light on the mechanisms of human learning, behavior, emotions, and thinking.

Neuroscience knowledge has also been incorporated into training sessions for new employees in the form of assessments based on neuroscience. As Toppan's internal instructors

prepare to lecture new recruits, they learn how to model their lectures and lecture materials around the cognitive processes of the learners. This approach seeks to improve the recruits' understanding of the content they are learning in the training sessions.



■ Setting up a Condition Research Group

Toppan advances health management as a means of maintaining and enhancing the health of its employees and evoking their higher performance and productivity. The Company has also adopted a next-generation approach to fostering human assets. For these purposes, Toppan has entered into an advisory contract with Professor Hideyuki Negoro, a lecturer on medicine at the Harvard Medical School and a visiting professor at the Sorbonne University School of Medicine. At the Condition Research Group set up with Professor Negoro, Toppan has produced *Around-the-clock Tips for Better Performance*, a self-care video to help employees look after their own mental and physical condition. Drawing from the professor's expertise in healthcare, this easy-to-understand, animated video explains certain things that a businessperson can do in the course of a day to stay in better shape. The video

demonstrates good living routines to follow in the morning, afternoon, and evening by describing basic mechanisms of the body, such as the clock genes and body clock.

▶ [Toppan's training for new recruits on managing mental and physical condition \(See page 25 for details\)](#)



■ Establishing an Art Innovation Research Group

Toppan has established an industry-university collaborative course with Kyoto University to create new value by fusing art, culture, and technology. Researchers from Kyoto University

and Toppan have developed the “Art Innovation Framework™,” a thinking method that systematizes the logic of artists to spur the generation of new ideas in business.

Modeling the logic of artists to apply the creative process to business



Art Innovation Framework™

Art Innovation Framework is a thinking method based on the logic that guides artists as they create. The process of art creation is divided into five stages that can be applied to business in ways that facilitate the creation of novel value. The drastic changes in society in recent years are generating

a demand for the creation of innovative value unbound by existing notions. By applying the framework in personnel development programs, Toppan aims to foster human assets who can create value never before seen.

■ Launching an SDG Research Group

The SDG Research Group applies Buddhist learning to business as a means of checking, researching, and verifying new approaches to human asset development. The research group also works with the Yoi-Otera Research Institute (“yoi-otera” means “good temples” in Japanese) to redefine and retranslate the roles of temples in modern society. The group’s overarching goal is to help create a sustainable society that affords safety and security to all people. The group recently produced *Buddhist Teachings in Business*, an animated video introducing the teachings of Buddhism, a religion dating back 2,500 years. With examples of Buddhist principles applied to business, the video inspires innovative ways of thinking about work in modern society, the value of a corporation, the concept of being oneself, and moral values. Positioned as an educational material in Toppan’s SDG curriculum, this video is available

to all employees as a resource for absorbing a novel form of business knowledge.

Buddhist Teachings in Business

Why Buddhism now?

Chapter 1-1



Few wants, knowledge of sufficiency (shoyoku-chisoku)



Altruism (rita) Four Dharma Seals (shihoin)



Distinguishing oneself from others (gatapishi)

■ Promoting the Kanosei Art Project

The Kanosei Art Project (“kanosei” means “potential” in Japanese) uses the technologies of the Toppan Group to add value to the works of borderless artists. The project seeks to develop a business model that unifies solutions to social issues (the greater independence of persons with illness and disabilities) with economic benefits (earnings for the Toppan Group). The next generation of leaders in the Group is expected to emerge in the process. In addition to learning about the project in new-recruit training sessions, the Group employees

engaged in the project gain exposure to different types of art in the course of career development. Toppan will continue to promote this project to encourage individuals to grow by thinking independently about what they can do and taking action accordingly.



▶ [Examples of Toppan’s social contribution activities \(See page 93 for details\)](#)

Human Asset Development Initiatives in Fiscal 2020

Activity results,
performance data

Data on Human Asset Development Programs

Program	Outline	Number of Participants (cumulative)
Toppan Business School	A series of personal empowerment programs in various settings, from online group sessions and e-learning-based sessions to a course that dispatches trainees to business schools outside of the Group. A wide range of training is available, from courses to convey basic knowledge and skills in business to advanced courses to enhance specialist skills.	3,188
"Manabi-hodai (all-you-can-learn buffet)" e-learning library	A new personal empowerment program made up of more than 200 subscription-based courses for employees throughout the Toppan Group. Training is available at any time or place and can be repeated as many times as a participant wants.	3,728
Challenge School	A personal empowerment program with correspondence-learning courses to acquire knowledge and skills.	3,288
E-learning-based Groupwide basic education	E-learning-based programs to give every Group employee the opportunity to learn requisite business knowledge.	94,166
Selective training on global business	A program to equip employees with fundamental qualities for global business such as linguistic aptitude, cross-cultural competency, and consensus building.	39
Trainee system	A system to deploy young employees to overseas affiliates for one year of language immersion and practical training in day-to-day business activities, primarily to enhance their linguistic aptitude and cross-cultural competency.	0 ¹
JICA Japan Overseas Cooperation Volunteers	A program to dispatch Toppan employees to emerging and developing countries via the trainee system to work as Japan Overseas Cooperation Volunteers for the Japan International Cooperation Agency (JICA).	0 ¹
Short-term open programs at IMD	A program to send employees involved in international business to short-term open courses at the International Institute for Management Development (IMD; one of the world's top-ranked business schools) in Lausanne, Switzerland to acquire practical training in leadership, the tenacity required to follow through on projects to completion, and other capabilities required in global business.	1

*Average training hours per employee taking part in human asset development programs in fiscal 2020: 30.9 hours

*1 Dispatch suspended in fiscal 2020 due to COVID-19 pandemic restrictions.

Human Asset Development Expenditure

	Expenditure on Training, etc. per Employee	Usage Rates of Toppan Training Centers ¹	
		Kawaguchi	Yugawara
Fiscal 2016	70,783 yen	87.0%	45.8%
Fiscal 2017	70,730 yen	87.6%	46.2%
Fiscal 2018	67,383 yen	85.8%	45.5%
Fiscal 2019	64,654 yen	81.1%	42.0%
Fiscal 2020	53,637 yen	— ²	— ²

*1 Usage rates are calculated by dividing the number of days the training centers are used by the number of days the centers are available (excluding holidays, etc.)

*2 No usage in fiscal 2020, with the training shifted online due to COVID-19 pandemic restrictions.

Total Quality Assurance

Basic Approach

Approach

Quality assurance for products at the Toppan Group is a concern for every department, not only the departments directly responsible for production. Departments involved in marketing, R&D, planning, design, sales, and shipment all contribute to quality. This is why Toppan describes quality assurance as a total activity (“total quality assurance”) and strives to improve product quality and manage product safety throughout the Group. For the maintenance and improvement of product quality, the Group has established a Basic Stance on Product Safety Management and a set of Basic Guidelines on Product Safety Management to securely manage the safety of the products Toppan manufactures.

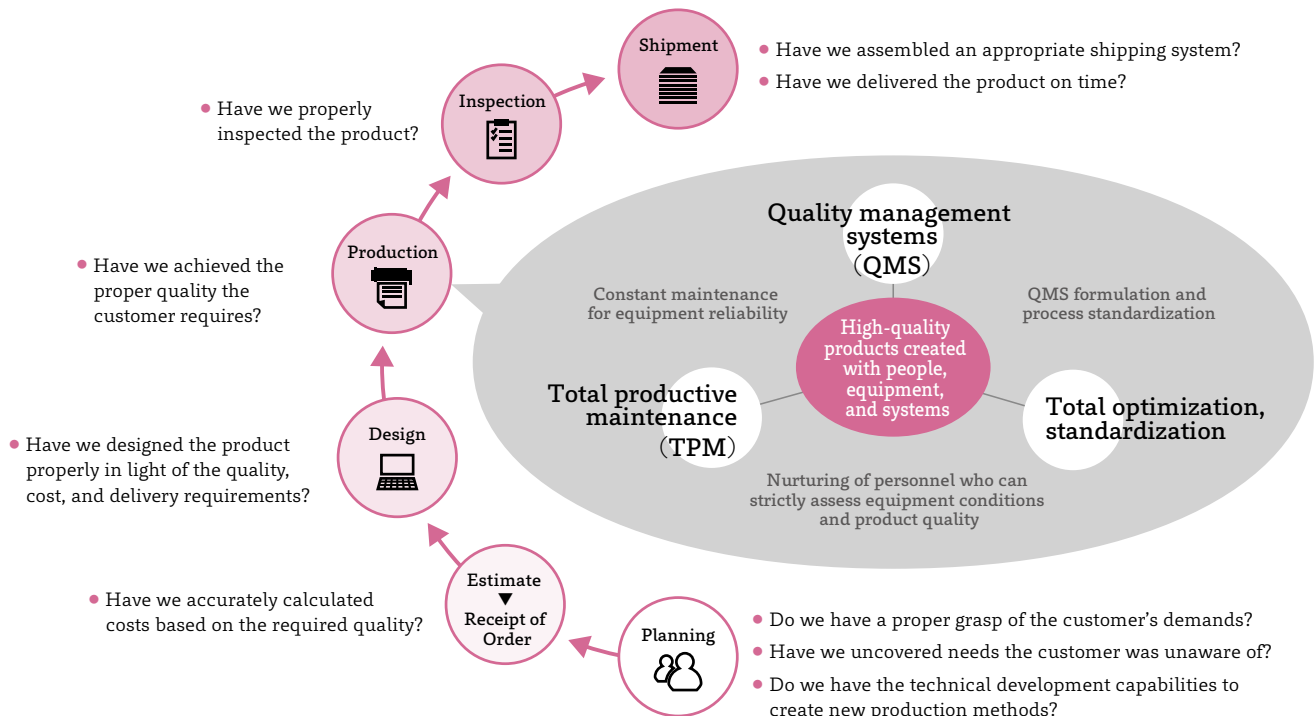
Basic Stance on Product Safety Management

We promote product safety management throughout the Group by securing safety and improving the quality of our products based on the Basic Principles of Conduct Guidelines and the principles of corporate social responsibility as a protector of user* safety and health.

*User: Includes both customer companies and end-user consumers.

Basic Stance on Product Safety Management / Basic Guidelines on Product Safety Management
<https://www.toppan.com/en/about-us/our-corporate-approach/product-safety.html>

Toppan's Total Quality Assurance in Business Activities



Promotion Framework

Promotion framework

System

The Quality Assurance Center in the head office Manufacturing Management Division holds a Japan-wide conference of quality assurance departments. Conference participants clarify various challenges related to safety management and quality assurance for products and monitor the progress of key initiatives to mitigate quality loss and further improve product quality. Every Group site consistently enhances a quality management system it has formulated under ISO 9001 to bolster product safety management. The Quality Assurance Center organizes seminars on ISO 9001 and training sessions for internal auditors every year. These training sessions aim to constantly improve the effectiveness of the quality management systems underpinning total quality assurance across the Group.

The quality assurance department in each business division handles customer complaints and claims regarding Toppan's products. When a serious product-related incident occurs, Toppan sets up an emergency taskforce in line with the Group's rules on risk management to rapidly and properly handle the issue, giving the top priority to user safety. The Group has also established rules on corrective actions for

claims from customers in accordance with ISO 9001. Based on these rules, the quality assurance departments determine fundamental causes, take optimal countermeasures, and prevent recurrence through the standardization of corrective actions.

The Quality Assurance Center compiles monthly data on customer claims and cases of product quality loss from business divisions and assesses the progress of improvement activities. For serious product-related incidents, the center examines the validity of recurrence-prevention measures and the status of efforts to sustain these measures. The Toppan Group has also adopted a production approval system to accredit Toppan sites and partner companies as facilities qualified to engage in the manufacture of food containers and packages according to the exacting quality-assurance levels required for safety and sanitation.

ISO 9001 Accreditation and Certification (in Japanese)
<https://www.toppan.co.jp/about-us/our-corporate-approach/iso/iso9001.html>

Initiatives for Product Safety

Approach

Activity results, performance data

Toppan has established the Basic Stance on Product Safety Management and the Basic Guidelines on Product Safety Management to secure rigorous safety management for the products the Group manufactures.

All Group sites work to continuously improve the effectiveness of quality management systems (QMS) they have formulated under ISO 9001 to bolster product-safety

management. Training seminars for QMS internal auditors are held at every business division across the Group.

Toppan shifted the training seminars from onsite group sessions to online person-to-person sessions as a COVID-19 safeguard in fiscal 2020. Toppan's seminars have otherwise been conducted without alteration, to further strengthen the Group's promotion framework for product safety assurance.

■ Accreditation System to Approve Food Packaging Production

Food packaging requires exacting quality assurance for safety and sanitation. The Toppan Group has adopted a production approval system to ensure that the operational sites of Toppan and partner companies can manufacture containers and packages only after undergoing audits with checklists in conformance with the Quality Assurance Guidelines for Food Packaging. Toppan carried out accreditation audits for packaging operations at 12 operational sites inside and outside the Group in fiscal 2020.

Audits for the Food Filling/Packing Businesses

Audit Points

- Agreements with client companies
- Quality assurance systems
- Management of equipment and inspection devices
- Management of safety and sanitation
- Steps to prevent the admixture of different products
- Steps to safeguard against insect infestations
- Steps to prevent the admixture of foreign substances
- Steps to prevent the outflow of defective products
- Steps to prevent contamination
- Traceability
- Food defense
- Education and training
- Maintenance of systems and frameworks for product safety and quality

Operational Sites Audited

Primary food filling/packing businesses
 5 sites run by manufacturing subsidiaries
 7 sites run by production business partners

Information Security

Basic Approach

Approach

Policy

Toppan has reinforced safeguards to prevent leaks and outflows of personal information in diverse operations throughout the Group by restricting the handling of personal information to tightly secured areas that satisfy rigorous criteria for qualification audits. The Group has also worked for thorough security control in operation design and quality assurance for products with safe, secure systems and processes designed to manage personal information.

Toppan has declared that “each of us at the Toppan Group carries out Groupwide information security management” in its basic policy on information security. Under the basic policy, Toppan has continuously upgraded the Group’s systemized rules formulated based on ISO/IEC 27001 (a stringent, globally recognized standard on information security management) in compliance with Japanese Industrial Standards (JIS) Q 15001 (a standard for accrediting PrivacyMark Systems for personal information protection management).

Toppan Group Basic Policy on Information Security
<https://www.toppan.com/en/about-us/our-corporate-approach/security-information.html>

Personal Information Protection Policy
<https://www.toppan.com/en/privacy.html>

Toppan Group Basic Policy on Information Security

As a group of companies operating in the information communication industry, each of us at the Toppan Group carries out Groupwide information security management in the recognition that the management of information necessary for business is a significant managerial challenge for us as a means to reciprocate our customers’ trust and promote the ongoing growth of the Toppan Group.

1. We manage information necessary for our business appropriately in observance of our in-house rules, the law, and the principles of social order.
2. We collect information for appropriate purposes using appropriate methods.
3. We safely manage the information entrusted to us by customers in order to reciprocate our customers’ trust.
4. We are deeply aware of the risks to the information assets we handle, such as illegal access, loss, damage, falsification/manipulation, and leakage of information, and take necessary and reasonable safety measures against these risks. We deal with and rectify any problems that occur promptly and in an appropriate manner.
5. We establish, operate, maintain, and continuously improve information security management systems.

Established on April 1, 2001
 Revised on June 27, 2019

Hideharu Maro
 President & Representative Director
 Toppan Inc.

Promotion Framework

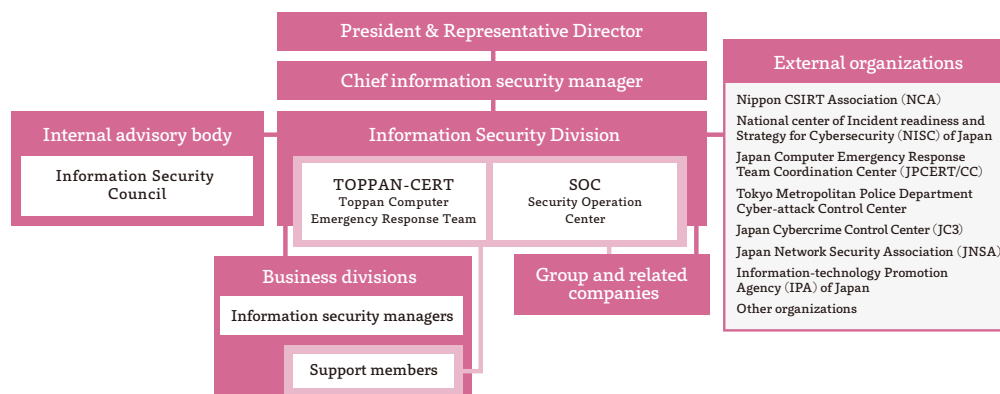
Promotion framework

Companies today face wide-ranging information security risks, from careless mistakes and fraudulent acts committed in-house to cyber-attacks and hidden threats in new business fields.

The head office and every business division at Toppan

work to strengthen cooperation with relevant departments throughout the Group. Toppan seeks to secure the Group’s information security governance structure through cooperation that goes beyond existing organizational boundaries.

Organizational Structure for Information Security Management



Information Security Management Structure

Promotion
framework

■ Employing an Information Security Management Structure

Under the chief information security manager, the head office Information Security Division formulates a Groupwide information security plan, sets up rules and regulations, and disseminates and reviews them. The division convenes regular meetings with members from the Toppan business divisions, Group companies, and related companies to share the details of information security polices and measures underway.

The Information Security Division also carries out regular audits of business divisions, Group companies, and related companies to check the quality of their information security management and recommend corrective measures to enhance their performance, as necessary.

The results of these activities are regularly reported to the chief information security manager. When a security incident arises, the division initiates the Group's response and reports the present status to the security manager as required.

■ Preventing the Spread of COVID-19

Toppan has reviewed the Group's information security rules for remote working and formulated standards for the use of communication tools in an effort to ensure a safe working environment without in-person interactions.

For regular training on information security management, the Group has shifted from in-person lectures to e-learning-based programs. Remote approaches were also adopted for internal audits and audits of various other types.

■ Reviewing In-house Rules to Improve Groupwide Information Management Systems

The Toppan Group's rules and regulations on information security management have been established based on the ISO/IEC 27001 standard for information security management systems (ISMS) and comply with the JIS Q 15000 standard for personal information protection management systems (PMS). To sustain its ISMS and PMS, Toppan needs to ensure robust governance on information security management throughout the entire Group, including overseas sites, and to respond to emerging requirements in areas such as cyber security, the use of data, the IoT, and globalization.

Common information security management rules were formulated in fiscal 2020, with plans for Groupwide application in fiscal 2021.

Complying with Laws, Regulations, Standards, and their Amendments

The Toppan Group complies with the amended Act on the Protection of Personal Information of Japan, the revised Japanese Industrial Standards (JIS) standard for accrediting

PrivacyMark systems, the recently enforced EU General Data Protection Regulation, and other information-protection legislation around the world.

Complying with the Amended Personal Information Protection Law in Japan

The Toppan Group formulates rules to ensure compliance with the amended Japanese Act on the Protection of Personal Information, a law promulgated in June 2020. When the amended act comes into force, the Group will set up procedures for handling personal information and anonymously processed information, notifying individuals when their information is provided to third parties outside of Japan, and submitting incident reports whenever necessary. The procedures to be established will be closely based on the guidelines to be announced by the Personal Information Protection Commission of Japan by April 2022.

Complying with the Revised JIS Q 15001:2017

In 2017 the Japanese Standards Association (JSA) revised JIS Q 15001:2017, a standard for accrediting a business operator or other entity with an appropriate system for the protection of personal information.

The Toppan Group has joined an inter-business project to compile a handbook on the revised standard in order to spread the relevant information throughout the printing industry in Japan. Toppan also provides Group companies with guidance on the formulation of a personal information protection system that meets the requirements for PrivacyMark accreditation under the revised standard.

Complying with International Legislation on Personal Information Protection

To address globalized business operations, Toppan specifies the Group's global standards on personal information management in accordance with the core principles of the General Data Protection Regulation (GDPR) issued by the EU. Toppan seeks to handle personal information in conformance with the applicable legislation of every relevant country.

Complying with PCI DSS for Credit Card Information Management

The Toppan Group follows the principle of "not storing cardholder data" for credit card issuance operations. In addition to the Payment Card Industry Card Production (PCI CP) standard applied to the production of credit cards, the Group works to comply with the Payment Card Industry Data Security Standard (PCI DSS) applied to the data centers that store and manage card data.

Protecting Personal Information

Activity results,
performance data

■ Setting up Secured Areas for the Handling of Personal Information

Operations involving the use of confidential materials in the Toppan Group are conducted exclusively within a closed network environment and in tightly secured workplaces where the comings and goings of employees through entrances and exits are monitored to minimize the risk of fraudulent acts and other forms of misconduct inside of the Group and the risk of unauthorized access from outside of the Group. Strictly controlled operations include the handling of personal information (e.g., individual identification numbers under Japan's Social Security and Tax Number System) and the production and handling of security printing products with monetary value.

Toppan found no instances of unauthorized information removal or other personal information-related incidents in fiscal 2020. The Group will continue its efforts to maintain a record of zero-incidents.

■ Controlling Secured Areas for the Handling of Personal Information

The Toppan Group seeks to ensure and upgrade security levels in the handling of personal information through regular internal audits and day-to-day operational checks based on operational rules prescribed for the tightly secured areas within the Group.

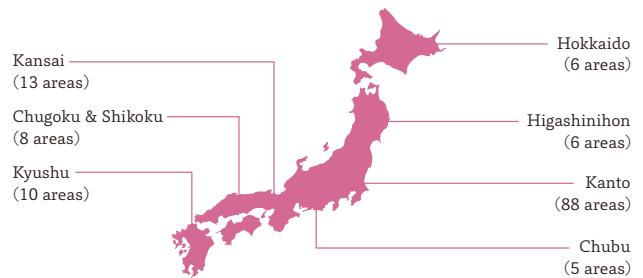
Two key components of Toppan's security management regime are internal audits to inspect operational management and monitoring to detect fraudulent operations.

Operational management inspection through internal audits: Dedicated auditors regularly inspect the installation, management, and operation of tightly secured areas designated for the handling of personal information. Managers assess and accredit inspection results to maintain and further enhance operational management levels across the Toppan Group.

Detection of fraudulent operations:

As a basic rule, Toppan prohibits Group employees from connecting any external memory media to the PCs used within the tightly secured areas. The Group's monitoring center carries out operational log analysis using log management systems. Whenever a potentially fraudulent log is detected, the center immediately notifies the relevant management personnel for verification.

Tightly Secured Areas Where Personal Information Is Handled (as of March 31, 2021)



Security Measures



Surveillance camera



Access control

Countering Cyber-attacks

Activity results,
performance data

Cyber-attacks pose especially significant security risks to Toppan. The Group has been implementing various measures to mitigate them.

■ Installing an EDR Application on PCs across the Group

In 2019 Toppan began installing Endpoint Detection and Response (EDR), an application that detects suspicious behaviors in PCs. The application is now installed in all PCs used for administrative work across the Group. The next step will be to install the EDR application on terminals used onsite in production settings, as well as on Apple computers and network servers. Toppan will continue to strengthen the Group's system for detecting and responding to sophisticated malware.

■ Adopting a CASB Service to Mitigate Cloud-usage Risks

The growing usage of cloud services is driving up the amount of important information handled by cloud-based applications. The Toppan Group has adopted a Cloud Access Security Broker (CASB) service that visualizes and controls computer usage in cloud environments. Toppan is using the CASB service to enhance the safety of cloud-service usage by identifying risks associated with individual cloud services and detecting uses of the cloud that are subject to unduly high risk.

■ Instituting Threat Intelligence and OSINT Activities

The Toppan Group has implemented threat intelligence to uncover signs of cyber-attacks early on. The Group has also begun Open Source INTelligence (OSINT) activities to detect vulnerabilities visible to outside parties and implement preemptive security measures before an attack occurs. Toppan will continue using the OSINT techniques to reinforce cyber security across the Group.

■ Upgrading Website Vulnerability Assessments

Toppan has been internally assessing weaknesses in the Group's web applications to counter cyber-attacks targeting website vulnerabilities. The Group has also developed an in-house network diagnosis (platform diagnosis) system to detect vulnerabilities with operating systems and other software. With this system, Toppan is now capable of internally assessing server vulnerabilities at every level to promise customers more tightly secured services.

Acquiring Third-party Certification

Activity results,
performance data

Toppan Inc. and Group companies have acquired ISO/IEC 27001 certification for information security management systems (ISMS), PrivacyMark accreditations under Japanese

Industrial Standards (JIS) Q 15001:2017 for personal information protection management systems (PMS), and other third-party certifications.

PrivacyMark Accreditations (JIS Q 15001:2017)

Toppan Inc.	10190891
Toppan Communication Products Co., Ltd.	24000216
Toppan Graphic Communications Co., Ltd.	10190298
Toppan Editorial Communications Co., Ltd.	24000308
Toppan Logistics Co., Ltd.	10450006
Toppan Travel Service Corp.	10450093
Toppan Forms Co., Ltd.	10190934
Toppan Forms Central Products Co., Ltd.	24000366
Toppan Forms Tokai Co., Ltd.	24000204
Toppan Forms Kansai Co., Ltd.	24000101
Toppan Forms Nishinohon Co., Ltd.	18860028
Toppan Forms Operation Co., Ltd.	10820089
Toppan Forms Logistics and Services Co., Ltd.	10450002
Toppan Forms (Hokkaido) Co., Ltd.	10190307
TOSCO Corp.	11820447
J-SCube Inc.	10860018
Tosho Printing Co., Ltd.	24000032
Tokyo Shoseki Co., Ltd.	10190966
Livretech Co., Ltd.	10190035
Tokyo Logistics Co., Ltd.	10860071
EduFront Learning Research Co., Ltd.	10861827
Froebel-Kan Co., Ltd.	24000369
BookLive Co., Ltd.	28000007
T.M.G. Challenged Plus Toppan Co., Ltd.	24000419
ONE COMPATH Co., Ltd.	24000445
Toppan Cosmo, Inc.	24000449

ISMS Certification (ISO/IEC 27001) for Information Security Management Systems

Information & Communication Division (Toppan Inc.); Business Platform Department (Digital Innovation Division, Toppan Inc.); Technical Department (Integration Business Center, DX Design Division, Toppan Inc.); Toppan Communication Products Co., Ltd.; Toppan Graphic Communications Co., Ltd.; TGS Inc.; TB Next Communications Co., Ltd.	IC06J0151
Toppan Group Kansai Business Center (Toppan Forms Co., Ltd.)	JQA-IM0137
Toppan Infomedia Co., Ltd.	JUSE-IR-404
Asaka Plant and Shiga Plant (Toppan Inc.); Semiconductor photomask operations (Asaka Plant and Shiga Plant, Toppan Electronics Products Co., Ltd.); Design, development, commissioned manufacture, and management of products related to semiconductors (Toppan Technical Design Center Co., Ltd.)	IS 530416
ONE COMPATH Co., Ltd.	IS 533218
Kyushu, Chugoku & Shikoku Team and ISMS Promotion Committee (Information Security Management, Nishinohon Division, Toppan Inc.)	I308
Kansai Production Department (Toppan Graphic Communications Co., Ltd.)	IC13J0361
Higashinohon Division (Toppan Inc.)	IS 606897
Takino Plant (Toppan Communication Products Co., Ltd.); Takino Information & Communication Production Engineering Team (Kansai Technology, Kansai Subdivision, Toppan Inc.)	IC14J0376
Secure BPO Team (Chubu Division, Toppan Inc.); Chubu Production Department (Toppan Graphic Communications Co., Ltd.); Nagoya Plant (Toppan Communication Products Co., Ltd.)	IC17J0444
One undisclosed entity	

Information Security Training

Training,
education

■ Intensifying Training and Self-assessment

Toppan organized regular training on information security in fiscal 2020. The training theme for the year was “Ensuring security for customers, creating value for society.” Participants learned about evolving information security risks in and around the Group by reviewing materials from the latest *Information Security Management Guidebook* in training sessions on recent security incidents reported in society at large.

Attuned to working styles diversified under the COVID-19 restrictions, many of the group sessions were shifted from face-to-face settings to e-learning-based programs, especially for users of Toppan email addresses.

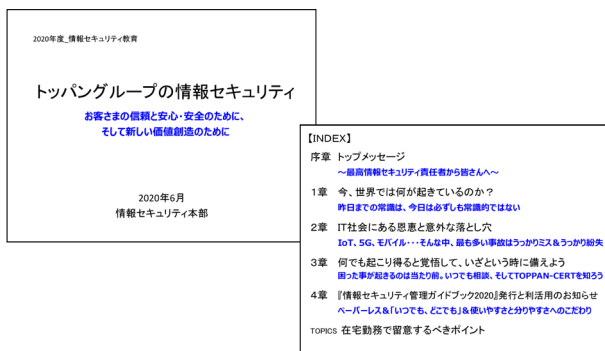
For employees engaged in production, Toppan arranged e-learning courses focused on specific risks on manufacturing premises.

The Group also held division-specific training, along with

training sessions for persons handling individual identification numbers under Japan’s Social Security and Tax Number System.

In parallel with training, Toppan works on a self-assessment initiative to ensure information security across the Group. This initiative aims to enhance individual awareness of everyday behaviors by visualizing the actual state of security management to a level of detail not discernible by internal audits. Reviewing self-assessment reports sent in from different departments, the Group offers managerial staff suggestions for improvement and encourages them to take necessary actions at their workplaces.

A checklist of items to confirm risks involved in working from home was added to the Groupwide self-assessment in fiscal 2020.



Content used for a regular training course in fiscal 2020 (in Japanese)



Self-assessment report on information security in fiscal 2020 (in Japanese)

■ Fostering Cyber Security Specialists with Ongoing Armoris DOJO Training

In September 2019, the Toppan Group founded Armoris Co., Ltd., a company specialized in providing client companies and public-sector entities with programs to nurture cyber security specialists, as well as services geared to improving the security levels of their organizations. Armoris operates a series of practical personnel-training programs, including “DOJO,” “DOJO Lite,” “DOJO Shot,” and “DOJO CORE.”

Training programs at the DOJO are tailored to individual skills in an environment suited to long-term, continual practices. DOJO Lite and DOJO Shot, meanwhile, arrange case examples and case studies examining the latest cyber security themes. DOJO CORE provides practical simulation drills on responding to actual incidents. Armoris strives to enhance the security capabilities of individuals and organizations throughout Japan, including the Toppan Group, through the DOJO programs.



Overview of Armoris's DOJO service (in Japanese)

■ Sharing Information on Cyber Security Preparedness

Toppan continued to hold quarterly cyber-security information-sharing sessions for Group personnel involved in information security management in fiscal 2020. Toppan aims to heighten the understanding of cyber security preparedness within and outside of the Group.

Staying on Alert for Cyber Incidents

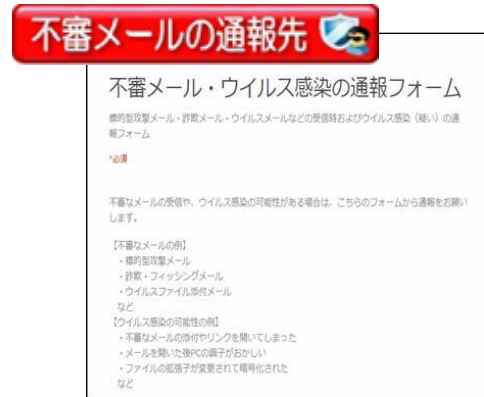
Training,
education

■ Upgrading Suspicious Email Reporting Drills

Toppan conducted a series of suspicious email reporting drills in July 2020. To prepare for the drills, the Group requested all users of Toppan email addresses (about 21,000 users in total) to add a shortcut link or icon that could be quickly clicked on their standing screens to report suspicious emails. The drills were expanded to include about 33,000 persons at Group subsidiaries and affiliated companies in the course of the year.

Toppan held reporting drills of two different levels of difficulty in January 2021. Participants were divided into those who clicked on a link in a suspicious email sent out in the July 2020 drill, and those who did not. The training was pitched at different levels for the two groups.

Thanks to these efforts, Toppan ensured that the number of leakage incidents caused by cyber-attacks was zero in fiscal 2020, setting a benchmark to meet going forward.



Screenshot of the suspicious-email report form on the Group's internal portal site (in Japanese)

■ Alerting Senior Management on Cyber Emergencies

Toppan Inc. conducts annual drills for senior management to rehearse the actions to take in the event of a cyber-attack. To fortify their safeguards, the drills better equip senior managers with leadership skills to control cyber emergencies. The drills also aim to identify any challenges they may face in their efforts to shore up the Group's risk management capabilities.

■ Preparing for the Tokyo 2020 Games

As large-scale, international sporting events, the Olympic and Paralympic Games are easy targets for organized criminals.

Toppan Inc., a Tokyo 2020 Official Partner, gathered relevant information and took part in cross-sector, anti-cyber-attack drills organized by the Nippon CSIRT Association and the National center of Incident readiness and Strategy for Cybersecurity (NISC) of Japan.



Cyber security drill for senior management

Universal Design

Basic Approach

Approach

The Toppan Group realizes the social value of universal design (UD). Since pioneering a UD packaging consulting service in 1999, Toppan has been consistently designing and producing attractive, easy-to-use UD packaging and communication tools for as many people as possible in every business field of the Group.

The Toppan Declaration on Universal Design and Toppan's

Seven Principles on Universal Design (both established in 2010) define UD as a guiding philosophy for developing products and services that "help realize a society with a high appreciation of diversity." By embracing UD approaches, Toppan assigns greater weight to dialogue with diverse people and the consideration of different physical abilities and perceptions, usage scenarios, and design parameters ("comfortable," etc.).



Toppan Declaration on Universal Design

The starting point of our Universal Design is the provision of dedicated products and services realized through compassionate consideration of users.

By engaging in repeated dialogues with people from all walks of life and consistently incorporating the ideas of each person, we will create dedicated products that are comfortable, easier-to-use, and environment- and human-friendly.

As a corporation extensively involved in human life, we will help realize a society with a high appreciation of diversity through approaches to Universal Design.

Established in April 2010

Action Policy

Policy

Universal design (UD) is one of the core concepts underpinning the business operations of the Toppan Group. In keeping with the Corporate Philosophy, the Group persistently embraces UD

challenges to help realize a society with a high appreciation of diversity.

Corporate
Philosophy

Toppan Declaration
on Universal Design

Toppan's Seven
Principles on
Universal Design

Guidelines for
Universal Design

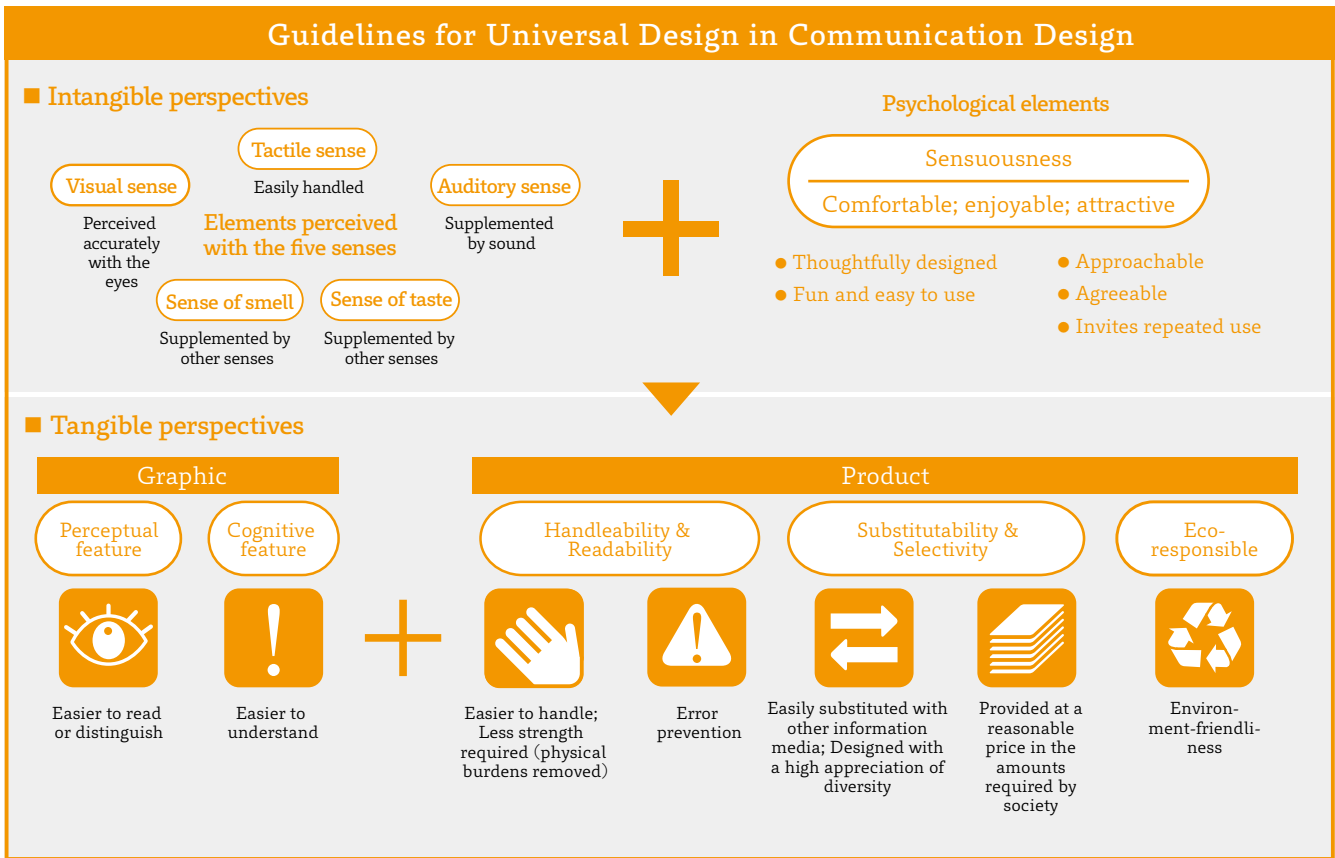
Toppan's Seven Principles on Universal Design

1. Design products and services that are more responsive to people with different physical abilities and perceptions.
2. Facilitate communication using multiple channels for communication, including visual, aural, and tactile channels.
3. Make products easier to use by making them easier to understand.
4. Make products that are easier to move, easier to approach, and require less strength (remove the physical burdens).
5. Design products that are safe to use procedurally, functionally, structurally, materially, and environmentally.
6. Provide products at a reasonable price and in the amounts required by society.
7. Engage in design that appeals to the senses with consideration for comfort, enjoyment, and beauty.

Established in 2001
Revised in April 2010

■ Toppan's Guidelines for Universal Design

The Toppan Group has been developing products and services based on its Guidelines for Universal Design in communication design and packaging.



Initiatives in Fiscal 2020

Activity results, performance data

Multilingual Digital Assistant BotFriends® Vision Series

Barrier-free Signage for Interfacing with AI



The multilingual AI signage BotFriends® Vision series are digital assistants that provide users with audio, text, and image guidance to help them find information optimally matched to their queries.

The newest BotFriends® Vision+ serves up both AI-generated wisdom and real-time answers from human service representatives working remotely.

Designed in consideration of people in wheelchairs, the BotFriends Vision terminals offer helpful guidance at public and commercial facilities.



Initiatives for Fiscal 2020 and Beyond

BotFriends® Vision+ for Hybrid AI and Remote Human Responses

Welcoming Passengers at the Newest Station on the JR Yamanote Line

BotFriends® Vision and BotFriends® Vision+ serve passengers at Takanawa Gateway Station, a new station opened in March 2020 on JR-East's Yamanote Line circling inner Tokyo.

Answering queries through contactless, voice-only interaction, the BotFriends Vision terminals deliver safer operations for passengers and service representatives. These digital assistants are helping the station offer greater hospitality to Japanese and foreign visitors with enhanced convenience.



Serving at Four Major Stations in Northeast Japan

In April 2021, East Japan Railway Company installed BotFriends® Vision and BotFriends® Vision+ terminals at Sendai, Morioka, Akita, and Shin-Aomori stations in northeast Japan. The Vision+ terminals expand the Vision system by combining AI-generated wisdom with real-time remote human interaction.

These contactless AI-based terminals can offer passengers secure, useful guidance.



VoiceBiz®

Speech Translation App for Smooth Multilingual Communication



An intuitive, easy-to-use, voice-based translation service supporting 30 languages. Users can register proper names and fixed phrases. The VoiceBiz® application has a reverse translation function to help users check whether the delivered translation expresses what they want to say. Helpful for serving customers at counters and in stores and for providing business support for workers from other countries.



Initiatives in Fiscal 2020

Greater Language Capability and More Names and Phrases

The convenience of VoiceBiz® has now been enhanced. Listening carefully to the voices of VoiceBiz customers, Toppan has added Filipino speech translation capability and augmented its fixed-phrase lexicon with conversational phrases frequently used in governmental, educational, and medical settings. A survey function that captures customer needs in real time has also been built in to enrich and refine the functionality and translation accuracy of the system going forward.



IoA Virtual Teleportation®

Remote Experiences via Avatars and Robots



Based on the concept of the Internet of Abilities (IoA), the IoA Virtual Teleportation® technology allows people to transcend physical constraints online and enjoy remote experiences through an avatar or robotic twin in distant locations.



Initiatives in Fiscal 2020

IoA Work™ Remote-work Support Service

Using its IoA Virtual Teleportation® technology, Toppan has developed an IoA Work™ service to support innovative work approaches combining the virtual with the real. A prototype version IoA Work released on February 15, 2021 generates brand-new remote working environments that allow users to freely move between real and digital office spaces. KOKUYO Co., Ltd. has adopted IoA Work for combined use with its WORKPOD® personal workspace to create a customized IoAPOD™ work environment. A highly immersive experience conjured with curved displays and other digital technologies promises more effective remote communication both in digital twin offices through avatars and in real offices through robotic twins.



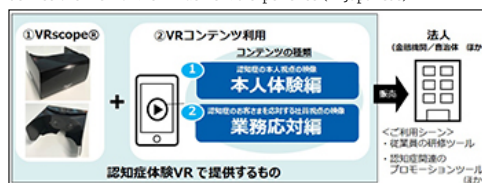
VR Experience of Dementia

An Interactive Tool for Understanding Dementia Sufferers



Simulated experiences of either having dementia or serving a customer with dementia are available with a smartphone and VRscope®. This VR simulation explains dementia and presents keys for serving customers affected with the condition. VR experiences facilitate viewer understanding of the behavior of dementia sufferers and help viewers learn how to support them.

Service overview of the VR dementia experience (in Japanese)



Initiatives in Fiscal 2020

VR Simulating what Dementia Sufferers Experience behind the Wheel

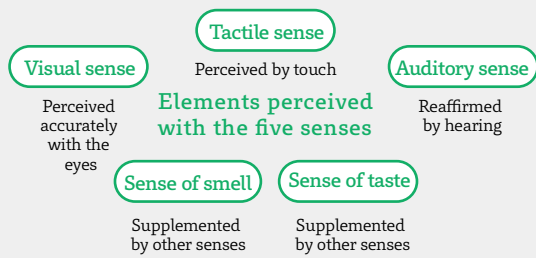
Local governments and other entities in Japanese society are working to address the rising incidence of automotive accidents caused by drivers with reduced cognitive function, primarily the elderly. Under the supervision of the Decision-Making Support Organization Japan, Toppan has worked with the Koreisha Anzen Unten Shien Kenkyukai (Research Group for Supporting Safe Driving by the Elderly) to produce new virtual reality (VR) content addressing dementia among elderly drivers. By simulating the experience of a driver with a cognitive disability behind the wheel, this VR production shows participants how to accurately recognize the signs of impaired cognitive function not only in others, but also in themselves.



*Introduced in June 2021

Guidelines for Universal Design in Packaging

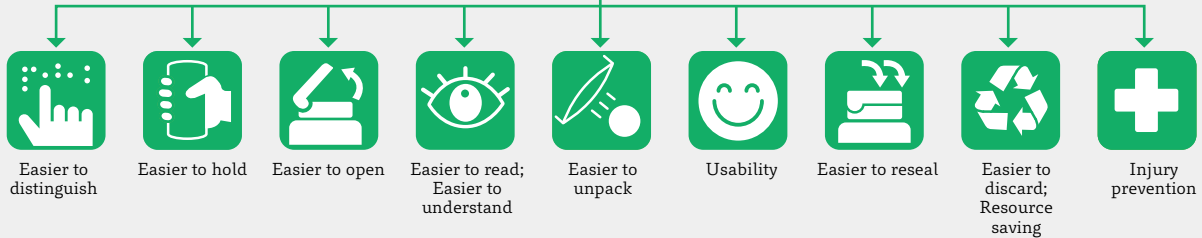
Intangible perspectives



Psychological elements

- Is understandable
 - Accommodates impairments in attention or memory
 - Is worry-free
 - Facilitates access to information
 - Accommodates changes in mood or temperament
 - Offers improved comfort and enjoyment
- other

Tangible perspectives



Initiatives in Fiscal 2020

Activity results, performance data

Bottle-type Container for Antiseptic Wipes

Daily-life Packaging



The spring-action cap can be easily opened or closed with one hand. The innovative inner stopper ensures that the sheets are readily set and only pull out one at a time. Unlike earlier packaging for antiseptic wipes, this bottle-type container is designed in a sophisticated shape that blends in discreetly in room interiors to promote thorough disinfection in daily life.

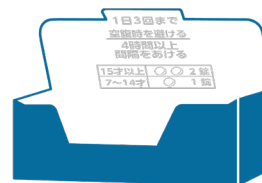


Barrier-free Packaging for Pharmaceuticals

An Inclusive Package for Everyone



A user-friendly package with visual and tactile cues for medication use. Guided by intuitive tactile cues, anyone (from persons with visual impairments to persons from different cultures) can easily open the package from the front and quickly reclose it after the tablet is dispensed. Large-font printing inside clearly displays the usage and dosage information. An Accessible Code® (QR code) gives users access to the same information in audio formats in multiple languages. The debossing provides a tactile indication of where the information is printed.



Front-opening design



Re-closable



Biomass Plastic Container

Convenient, Eco-beneficial Packaging



A four-leaf clover shape when viewed from above. Fashioned with four sides that contour gently inward, this package can be easily held by seniors and children.

The cup portion is partly composed of a biomass plastic derived from sugar cane. By incorporating biomass plastic, this eco-conscious packaging will reduce the consumption of an estimated 9.5 metric tons of fossil-fuel-derived plastic per year.



Hand Hygiene Bottle with a Silicone Strap

Go-anywhere Packaging



A constant supply of hand cleaner or hand soap on your travels from place to place. The bottle strap easily attaches to bags, strollers, or anything else you carry. Clean your hands with a personal supply of soap whenever you wish.

The simple, translucent silicone strap comes in pleasant colors and is adjustable to three length settings.



Itadaki ("dig-in") Pouch

A Package that Works as a Bowl



A microwavable, heat-resistant food pouch that stands and stays open on its own. Eat food directly from the pouch after simple microwave heating (no boiling or stovetop heating required).

Simplified meal preparation without cooking or washing holds great advantages for markets like Japan, a mature society with many seniors and singles. This package meets the demand for precooked foods that can be enjoyed with minimal preparation.



Container for Sprinkle-type Seasonings

Packaging that Sprinkles Smoothly



A grooved bottle shape for easier handling. Treated with a special process, this container eliminates the clumping of sprinkle-type seasonings that can occur when an open bottle top is exposed to moisture released from cooking. The hinged cap opens with a single action and reliably seals out air to reinforce the anti-clumping effect. A seasoning can be sprinkled out in just the right amount.



Sustainable Procurement

Basic Approach

Approach

Sustainability initiatives can be completed only when implemented throughout the entire supply chain. The Toppan Group cooperates and collaborates with business partners to promote sustainable procurement focused on corporate social responsibility (CSR) procurement and biodiversity conservation.

The Toppan Group CSR Procurement Guidelines are a set of principles the Group observes to engage in CSR procurement. These guidelines consist of the Basic Procurement Policy, a conceptual framework to be closely observed by every Toppan employee involved in procurement operations, and the CSR Procurement Standards, a set of requirements to be satisfied by every business partner. The CSR Procurement Standards are composed of the Basic Procurement Standards and the Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption. Toppan works with business partners to promote human rights initiatives by asking every supplier on the value chain (from raw material

suppliers to subcontractors and intermediaries) to observe the procurement standards.

The Group's procurement departments have also been engaging in environmental conservation activities, taking a proactive approach to the sustainable use of raw materials. The departments continue to make concerted efforts to avoid or minimize impacts on biodiversity and the global environment based on the Basic Policy on Biodiversity and The Toppan Group Declaration on the Global Environment.

Toppan Group CSR Procurement Guidelines (second edition)
https://www.toppan.com/assets/en/pdf/about-us/sustainability/2014/proc2014_en01.pdf

The Toppan Group Declaration on the Global Environment
https://www.toppan.com/assets/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf

Basic Policy on Biodiversity
<https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

Promotion Framework

Promotion
framework

Policy

As sustainability policies, the Toppan Group issued the CSR Procurement Guidelines in 2007, The Toppan Group Declaration on the Global Environment in 2009, and the Basic Policy on Biodiversity in 2010. Personnel at

the Purchasing Center in the head office Manufacturing Management Division and other procurement departments across the Group continue to oversee sustainable procurement in close cooperation with business partners.

Group Policies and Management Metrics on Sustainable Procurement

Group Policy	Policy (detail)	Risk Evaluation	Risks Identified by the Evaluation	KPI Benchmark or Management Metric or Standard	Business Partners Covered
CSR Procurement Guidelines	Basic Procurement Policy	In-house risk assessment	<ul style="list-style-type: none"> Compliance violations (abuse of bargaining position, misappropriation); acts contrary to accepted social ethics 	KPI benchmark: Monitoring on compliance in procurement departments and the assessment of monitoring results	Key business partners*
	CSR Procurement Standards		<ul style="list-style-type: none"> Extent to which the CSR Procurement Standards are applied throughout the supply chain 	KPI benchmark: Percentage of basic sale and purchase agreements (stipulating the observance of the Toppan Group CSR Procurement Guidelines) concluded Management metric: Evaluation of paper and material suppliers (ISO 9001)	Key business partners* All business partners
			<ul style="list-style-type: none"> Supply disruption of materials, components, or equipment caused by earthquakes, storms, floods, the spread of new strains of influenza, or other natural disasters 	Management metric: Enhancement of business continuity competencies (the effectiveness of the business continuity planning [BCP]) of business partners in the event of a wide-scale disaster	Key business partners*
Declaration on the Global Environment	Effective use of resources and reduced environmental burden of any type		<ul style="list-style-type: none"> Admixture of hazardous substances into raw materials 	Management standards: Toppan Group Standards for the Management of Chemical Components of Raw Materials	All business partners
Basic Policy on Biodiversity	Proactive approach to the sustainable use of raw materials to avoid or minimize impacts on biodiversity		<ul style="list-style-type: none"> Risks in relation to the sustainable use of paper, a material with potentially significant impact on biodiversity Negative impact on biodiversity caused by illegal logging Supply stoppage of lumber caused by the depletion of forest resources Supply stoppage of printing paper and suspensions of printing operations 	KPI benchmark: Verification of the legality of lumber to promote the sustainable use of forest resources as a paper material Management standards: Paper Procurement Guidelines for the Sustainable Use of Forest Resources	All paper manufacturers in the supply chain All paper manufacturers in the supply chain

*Business partners that have been trading goods and services with the Group in amounts of more than 10 million yen per year, and suppliers of materials essential for the Group's business continuity

■ Applying CSR Procurement Standards throughout the Supply Chain

Procurement departments in the Toppan Group continue to implement the following measures to tighten the application of the CSR Procurement Standards by entities throughout the entire supply chain:

- Check the efforts of business partners to safeguard business continuity in the event of a wide-scale disaster;
- Brief business partners on the Toppan Group CSR Procurement Guidelines;
- Conclude sale and purchase agreements (stipulating the observance of the Toppan Group CSR Procurement Guidelines) with business partners; and
- Check the efforts of business partners to act ethically with regard to human rights, labor, the environment, and anti-corruption.

The Toppan Group has also formulated its Standards for the Management of Chemical Components of Raw Materials, a set of standards to control chemical components throughout the entire supply chain.

Toppan Group Standards for the Management of Chemical Components of Raw Materials (ver. 4.7)
<https://www.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.7en.pdf>

■ Promoting the Conservation of Biodiversity

The Toppan Group promotes sustainable procurement based on the Basic Policy on Biodiversity. In procuring raw materials, the Group has formulated a set of paper procurement guidelines to advance the sustainable use of paper, a resource representing 70% of the Group's material input.

As for the sustainable use of forest resources, the Group has cooperated with paper manufacturers in the supply chain to ensure that the lumber they use for paper production is legally obtained.

Toppan Group Paper Procurement Guidelines for the Sustainable Use of Forest Resources (second edition) (in Japanese)
https://www.toppan.co.jp/assets/pdf/about-us/sustainability/2014/proc2014_06.pdf

■ Advocating the Basic Procurement Policy (to ensure compliance in procurement departments)

CSR procurement should be built upon trust between businesses.

Toppan has set up a Supplier Hotline on the corporate website as a portal for receiving reports from business partners involved in the Group's procurement operations. The hotline is open for use by all suppliers of the Group.

Toppan also monitors whether the Group's procurement departments operate properly in accordance with the Basic Procurement Policy in their transactions with the suppliers.

Supplier Hotline
<https://www.toppan.com/en/about-us/our-corporate-approach/supplier-hotline.html>

Briefing Suppliers on CSR Procurement Guidelines and Concluding Agreements

Activity results,
performance data

As of March 31, 2021, Toppan has briefed 2,117 suppliers on the Toppan Group CSR Procurement Guidelines. The Group has been promoting CSR procurement throughout the entire supply chain by asking suppliers to conclude basic sale and purchase agreements stipulating the observance of the guidelines. As of fiscal 2020, Toppan has concluded the agreements with 84% of the business partners that sell the Group goods and services worth more than 10 million yen a year. Toppan's goal is to conclude agreements with all business partners that meet this criterion of value of sales to the Group by no later than fiscal 2025.

Turning to the environment, the Toppan Group promotes CSR procurement in line with specific standards such as the Standards for the Management of Chemical Components of Raw Materials and the Paper Procurement Guidelines for the Sustainable Use of Forest Resources.

Briefing Sessions on CSR Procurement Guidelines

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners briefed	4	4	9
Cumulative total of business partners	2,104	2,108	2,117

Percentage of Basic Sale and Purchase Agreements with CSR Procurement Provisions Concluded (with business partners supplying goods and services worth more than 10 million yen a year)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Cumulative percentage of agreements	76%	81%	84%

Monitoring Compliance in Procurement Departments

Activity results,
performance data

Toppan regularly asks business partners to fill out questionnaires on their transactions with the Group. With the questionnaire results, Toppan monitors whether the Group's procurement departments operate properly in accordance with the Basic Procurement Policy.

In fiscal 2020 Toppan used the responses from 17 business partners to improve compliance in the Group's procurement operations.

Monitoring Results

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners that filled out the questionnaire	8	10	17
Cumulative total number of business partners that have responded	124	134	151

Verifying the Legality of Lumber as a Paper Material

Activity results,
performance data

The Toppan Group formulated a Basic Policy on Biodiversity and posted it on the Toppan website^{*1} in May 2010.

The basic policy stipulates that "we will take a proactive approach to sustainable use by avoiding or minimizing the impact on biodiversity" during raw material procurement operations. For paper procurement, for example, the Group surveys the legality of lumber as a paper material as a means of promoting the sustainable use of forest resources.

Toppan monitors paper manufacturers to verify that the lumber used for the production of their paper (representing more than 90% of the Group's printing paper purchases by monetary value) is obtained through legal channels. In a survey of 19 sites of 13 business partners around the world in fiscal 2020, Toppan confirmed that all of the lumber procured from them was obtained legally. In yen terms, these 19 partner sites supplied 90.0% of the paper used by Toppan in fiscal 2020.

*1 <https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

Results of Surveys to Verify the Legality of Lumber as a Paper Material (Paper providers representing over 90% of purchase expenditures within the Group)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners surveyed	18	16	13 ^{*2}
Purchase price basis	90.6%	92.4%	90.0%
Percentage of lumber sources verified as legal	100%	100%	100%

*2 Paper suppliers subject to a higher risk of noncompliance over the most recent three-year period

Human Rights

Basic Approach

[Approach](#)
[Policy](#)

The Toppan Group regards human rights as a paramount principle in engaging in business activities and sustainability initiatives.

The Group operates business under the foundational concept of respect for human beings. To ensure this foundational concept, Toppan calls for respect for human rights as the first principle of the behavioral norms set under

the Conduct Guidelines for Toppan personnel. The guideline stipulations include protecting individual dignity, prohibiting discrimination and harassment, and prohibiting child labor and forced labor.

Toppan announced a Groupwide human rights policy in November 2021 as a foundation for the management of human rights risks of any kind.

■ Supporting the Principles of Human Rights Manifested in the United Nations Global Compact

Toppan has been participating in the United Nations Global Compact and therefore supporting its two principles of human rights since 2006. The Group also espouses the United

Nations Guiding Principles of Business and Human Rights and implements the human rights due diligence process and other initiatives for human rights.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Labor-Management Initiatives for Human Rights

Approach

Activity results,
performance data

Toppan's labor union and management undertake various measures for labor-related human rights based on a fundamental policy stated in a collective labor agreement.

The Toppan Printing Labour Union and Toppan's management have concluded the collective labor agreement in order to ensure stable labor-management relations, maintain and improve working conditions, and secure the corporate concord. This agreement sets forth a fundamental policy between labor and management, the rules governing union activities and labor-management negotiations, and employment conditions such as wages and working hours.

The Toppan Printing Labour Union is run by members from Toppan and seven Group companies. The union and the management have concluded an agreement to impose a uniform set of liability-related clauses (rules governing union activities and labor-management negotiations) on all eight companies represented.

Toppan has also been taking measures to avoid human rights violations that might adversely affect the lives of people living near Group sites in the course of business. For example,

Toppan promotes environmental conservation initiatives based on The Toppan Group Declaration on the Global Environment and the Basic Policy on Biodiversity.

Fundamental Policy under the Collective Labor Agreement

As a fundamental policy between labor and management, Article 1 of the collective labor agreement, the General Principles, stipulates that the Company and union shall contribute to society through business operations and collectively work for the benefit of the Company and long-term stability of the livelihood of employees. Labor and management both uphold this policy as a common goal. Article 2 of the agreement clearly states that the union has all the rights established by law, specifying that the Company shall respect the union's rights to organize and collectively bargain and act.

Toppan Group Human Rights Policy

<https://www.toppan.com/en/about-us/our-corporate-approach/human-rights-policy.html>

More details on Toppan's environmental conservation initiatives

<https://www.toppan.com/en/sustainability/environment/>

Conduct Guidelines

<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

Ten Principles of the United Nations Global Compact

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

United Nations Global Compact

<https://www.unglobalcompact.org/>

The Toppan Group Declaration on the Global Environment

https://www.toppan.com/assets/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf

Basic Policy on Biodiversity

<https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

Various Human Rights Measures

Approach

System

Activity results,
performance dataTraining,
education

■ Organizing Training on the Conduct Guidelines

Respect for human rights is positioned as Basic Principle 1 of Chapter 1 of the Conduct Guidelines, the standards of behavior for Toppan personnel. Conduct Guidelines Promotion Leaders have been disseminating this principle at their workplaces by arranging read-throughs of the *Conduct Guidelines Casebook* and other compliance promotion activities. Monthly *Conduct Guideline Notifications* are also posted on the Toppan intranet to encourage Group employees to study the guidelines in detail and heighten their awareness of compliance-related issues. The Group also educates employees on human rights issues through first-year training, e-learning-based programs, and various other training formats. To prevent harassment of any form, the Group organizes extensive regular education on harassment through training sessions mainly for managerial and supervisory staff and e-learning-based programs for all Group employees. The Toppan Printing Labour Union and Toppan's management concluded an agreement on harassment prevention in 2020 to shore up their efforts to implement labor-management initiatives for the creation of a secure working environment free of any form of harassment. The Group has also set up a helpdesk and nurtures internal counselors to prevent harassment at the workplace and vigilantly respond to every case of harassment arising in the Group.

■ Operating Hotlines

Toppan operates a Toppan Group Helpline through which Group officers and employees can report human rights issues or violations. Toppan also runs a helpdesk in the head office Personnel & Labor Relations Division to deal with power harassment, sexual harassment, and any other forms of harassment.

The Toppan Group has also set up a Supplier Hotline, a portal for receiving reports from business partners on human rights issues or violations committed by the Group's procurement departments.

▶ [Toppan Group Helpline \(see page 141\)](#)

▶ [More details on the Supplier Hotline \(see page 82\)](#)

■ Promoting Sustainable Procurement

The Toppan Group asks business partners to comply with the Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption under the Toppan Group CSR Procurement Guidelines. Business partners continue to work with the Group to undertake initiatives to promote respect for human rights.

Toppan Group CSR Procurement Guidelines (second edition)
https://www.toppan.com/assets/en/pdf/about-us/sustainability/2014/proc2014_en01.pdf

More details on Toppan's CSR procurement
<https://www.toppan.com/en/sustainability/social/procurement.html>

■ Running Self-directed Career- and Skill-enhancement Programs

Toppan implements an annual Challenging Job System, a self-directed program to encourage all regular employees to consider their own career aspirations and develop skill-enhancement plans. The Company expects this system to enhance the autonomy and independence of employees and to nourish a problem-solving, can-do mindset. By assigning employees to positions suited to their individual motivations and qualifications, the system optimizes personnel positioning across the Company to energize each organization and reinforce Toppan as a whole. The system also gives employees periodic opportunities to exchange opinions with superiors on their career- and skill-enhancement plans. The structured approach to career planning helps employees design their own career paths and develop necessary competencies on their own initiative. Toppan has also been running an in-house staff recruitment system to provide every employee with an equal opportunity for skill enhancement.

■ Promoting Diversity and Inclusion Initiatives

Toppan is committed to Groupwide innovations that will evolve its capacity to create social value. The Group positions diversity and inclusion (D&I) initiatives as important management strategies to drive change.

Toppan values its employees as precious “human assets” and understands how deeply it depends on them. Under the foundational concept of respect for human beings, the Group has been undertaking various measures to promote rewarding working conditions.

Toppan strives to develop D&I initiatives that harness differences among its diverse human assets as drivers of innovation. The Group will continue to promote diversity by encouraging employees to acknowledge and respect each other's personal qualities and values so as to better utilize and enhance their diverse abilities.

In order to cultivate a D&I mindset within the workforce, Toppan facilitates ongoing dialogue and nurtures heightened awareness and sensibilities that ensure mutual respect. The Group is consistently creating psychologically safe workplaces where every person can speak and act without inhibition or restraint. To sustain the culture of respect for human rights, Basic Principle 6 of Chapter 1 of the Conduct Guidelines emphasizes respect for personnel diversity among the Group's human assets and efforts to create a rewarding work environment that is physically and mentally healthy. Chapter 2 stipulates a specific guideline for promoting diversity and inclusion.

As further measures for heightened awareness of diverse perspectives throughout the Group workplaces, Toppan arranges e-learning-based D&I training programs for all Group employees, holds open seminars on diversity 101 and lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) inclusion, and organizes workshops on persons with disabilities and LGBTQ persons for Group personnel in charge of diversity promotion.

▶ [Diversity & Inclusion \(see page 53\)](#)

■ Providing an Open Environment for Recruitment

Toppan hires persons regardless of gender, nationality, and age and offers employment opportunities to persons of varying levels of physical and mental ability. By publicizing its working styles in company orientation sessions and on the corporate website and other media, Toppan reaches out to diverse people such as new graduates from universities and high schools, experienced personnel in the middle of their careers, and persons with disabilities.

▶ [More about Toppan's personnel \(see page 52\)](#)

■ Announcing the Mid-career Hiring Rate

Toppan Inc. discloses the ratio of mid-career hires (both outside recruitment and permanent employment of people previously on fixed-term contracts) to the total number of regular employees in accordance with the Japanese Act on Comprehensive Promotion of Labor Measures, and Stabilization of Employment of Employees, and Enrichment of Their Working Lives (the latest amendment on April 1, 2021).

Fiscal 2018	Fiscal 2019	Fiscal 2020
23%	22%	24%

■ Employing Persons with Disabilities

Toppan promotes the hiring of persons with disabilities in collaboration with a special subsidiary, T.M.G. Challenged Plus Toppan Co., Ltd. Toppan and T.M.G. Challenged Plus support the ongoing hiring and employment of persons with disabilities by devising work procedures and routines that empower them to perform wide-ranging jobs.

Toppan strives to surpass the legally prescribed quota for the employment of persons with disabilities in Japan.

▶ [Employing Persons with Disabilities \(see page 57\)](#)

Social Contribution Activities

Basic Approach

Approach

The Toppan Group engages in diverse social contribution activities focused primarily on the environment, education, and culture with a view to addressing local issues and supporting the sustainable development of local communities. Basic Principle 10 of the Toppan Group Conduct Guidelines emphasizes the value of “striving to improve corporate value through social contribution activities and proper information

disclosure/communication.” Every Group site organizes various social initiatives in full recognition of the importance of engaging in community contribution activities as a community member.

Conduct Guidelines
<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

The Environment: Conservation and Nurturing of Community Environments

Activity results, performance data

■ Beautification and Cleanup around Operational Sites

Employees at Group sites across Japan regularly beautify and clean up the communities around them.

In Kitakatsushika, Saitama Prefecture, for example, the employees of the Toppan Technical Research Institute venture out into the community to carry out a monthly “Cleanup Operation.” Every employee from the research institute helps to remove litter from the streets and public spaces of neighboring communities at least once a year.

Toppan sites also cooperate with community members,

NPOs, NGOs, and other organizations to create better environments through various community activities to beautify and clean up local environments such as riversides and parks.



■ Biodiversity-learning Events

The Ecology Center in the head office Manufacturing Management Division collaborates mainly with community groups and environmental NPOs to organize events where people can learn about biodiversity.

The Group refrained from organizing nature workshops in fiscal 2020 under the restricted conditions imposed by the COVID-19 pandemic. In place of the workshops, Toppan employees and their families took part in an online tour of the Miwa Satoyama field in Machida, outer Tokyo. This bio-diverse habitat traditionally used by local villages has recently been managed by a local NPO. The online event encouraged employees, their families, and other stakeholders to consider biodiversity and take steps to conserve it in their communities.

Activities in Fiscal 2020

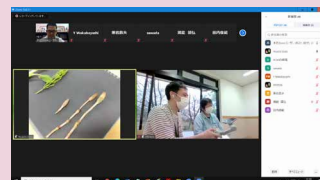
- “Online Tour to Find a Breath of Spring in Satoyama”

Date: March 21, 2021

Place: Machida Miwa Satoyama field (Machida, Tokyo)

Participants: 23 employees and family members

Collaborator: Environmental NPO “SHU”



Education: Initiatives Sustained by Toppan Resources

Activity results,
performance data

■ Printing School

In fiscal 2013, Toppan Group sites in Bunkyo and Itabashi, Tokyo began working with local elementary schools to run the Printing School, a workshop-style class where students create guidebooks with reports on appealing points of area shopping districts. Younger employees from Toppan lecture on efficient methods to gather and edit the information to be reported in the guidebooks. Once the guidebooks are completed, the students hand them out in and around the shopping streets of Bunkyo and Itabashi.

Four Toppan employees and about 80 elementary school students from Shimura 2nd Primary School (Itabashi, Tokyo) took part in Printing School workshops held online during the COVID-19 pandemic in fiscal 2020.

Printing School project for learning and growing together (in Japanese)
<https://wao-koishikawa.com/project.php?pid=9>



Guidebook created in a Printing School class

■ SDGs Classroom Mirai Ne!™

Toppan and the Kansai SDGs Platform are working together to develop an SDG education support project called “Totsugeki! SDGs Classroom Mirai Ne!™.” The Mirai Ne!™ (“for a better-tomorrow”) project invites SDG-focused companies into elementary school classrooms to stir an interest in the United Nations Sustainable Development Goals (SDGs) and a desire to explore them. Various events and onsite classes are organized for the students.

Children take on SDG-related classwork and develop the abilities to consider and work towards the SDGs on their own to prepare for their futures as responsible members of society.



Activities in Fiscal 2020

- **Neyagawa City Kunimatsu Midorioka Elementary School**
Date: March 9, 2021
Class: Connecting Toppan's showroom “PLAZA21 Kansai” to elementary school classrooms online. Instructors from Toppan taught classes on eco-packaging with help from Nestlé Japan.



- **A program in the 2nd Kansai SDGs Youth Meeting**
Date: March 13, 2021
Class: In Room A at Kids Plaza Osaka, instructors from Toppan taught students how to make a special glider using a Cartocan, a paper-based beverage container partially composed of lumber harvested from forest-thinning operations. The students in this hands-on class learned about the SDGs by studying a product package used in daily life. In Room B at PLAZA21 Kansai, Nestlé Japan took the stage as a guest company to hold an SDG workshop with Toppan. PLAZA21 Kansai is Toppan's showroom dedicated to the demonstration of social value-oriented products and services.



Culture: Sports Promotion and Support for the Arts and Culture

Activity results,
performance data

■ Printing Museum, Tokyo

The Printing Museum, Tokyo was established in 2000 to mark the 100th anniversary of the founding of Toppan. In the years since, the museum has collected and researched materials related to printing culture, held exhibitions and events focused on printing, and organized a host of educational activities (such as the letterpress workshops at the “Printing House.”)

To promote printing culture, for example, instructors at the Printing House introduce neighborhood elementary school students to the craft of letterpress printing. Members of the public are also invited to take part in printing workshops hosted by the Printing Museum at libraries and museums across Japan.

In 2020, its 20th anniversary year, the Printing Museum, Tokyo revamped its Exhibition Room on B1F and several other museum facilities.



General Exhibition Zone redesigned in 2020



Letterpress workshop held outside of the museum



Printing Museum, Tokyo
<https://www.printing-museum.org/en/>

■ Toppan Hall

Toppan Hall is a symphonic concert venue that opened concurrently with the Printing Museum, Tokyo in 2000 to commemorate the 100th anniversary of the founding of Toppan. The concerts held at the hall promote the arts and culture under the Group’s corporate philosophy of “contributing to a fulfilling lifestyle as a mainstay of information and culture.” The Suntory Foundation for the Arts bestowed the Toppan Hall with the 47th Suntory Music Award in 2016 to commend its seminal programs, mainly recitals organized by Toppan Hall itself as an



Toppan Hall
<https://www.toppanhall.com/en/>

Activities in Fiscal 2020

- Exhibition Room on B1F re-launched
- *Nihon Insatsu Bunkashi* (“History of Japanese Printing Culture”) and the *Printing Museum Collection* issued
- Exhibitions and events
 - Modern Japan Package 2020
 - World Book Design 2019-20
- Related site
<https://www.printing-museum.org/en/>
- Lectures, workshops, etc.
 - 1st Printing Culture Studies Conference “Text and Print Art: Knowledge Circulated by Printing” (online)
 - Online talk show, “Design of perennially bestselling books”
 - Online talk show, “Review report on The Beauty of Books in China 2019 contest”
 - Bookbinding workshops
 - Primary: “Making a hardcover notebook using a paperbacked notepad”
 - Intermediate: “Making an accordion book—*goshuincho*”
*A stamp book used by people visiting shrines or temples in Japan
- Related site (in Japanese)
<https://www.printing-museum.org/experience/event/>
- A prize at the 46th Japan Professional Photographers Society Award

outstanding contributor to the development of musical culture in Japan. Performances at the hall have also attracted notice throughout Europe. While the number of performances had to be reduced in fiscal 2020 (the 20th anniversary year of the hall) under COVID-19 pandemic conditions, several epochal programs for music-loving audiences were held in the course of the year. A notable example was a new series of recitals by talented young Japanese musicians.

Activities in Fiscal 2020

- 2019/2020 season performances (from September 2019 to August 2020)
<https://www.toppanhall.com/en/concert/lineup/lineup1920.html>
- 2020/2021 season performances (from September 2020 to August 2021)
<https://www.toppanhall.com/en/concert/lineup/lineup2021.html>

■ *Toppan Charity Concerts*

Toppan has continued to hold its annual *Toppan Charity Concert* series since 2008 as a social engagement activity that supports global community initiatives to raise literacy rates in developing countries.

Ticket revenue from the concerts has been donated to the Asia-Pacific Cultural Centre for UNESCO (ACCU) to fund the SMILE Asia Project for the support of literacy education for Cambodian women, especially mothers who are raising young children or have children on the way.

Though the concerts scheduled in fiscal 2020 were postponed due to the spread of COVID-19, Toppan continued its donations, raising the cumulative total to 27,186,660 yen as of fiscal 2020. Toppan aims to reach a total of 35 million yen by fiscal 2025.

■ **SMILE Asia Project in Cambodia and Engagement with Stakeholders**

In February 2020 Toppan made a field trip to Cambodia to check up on the progress of the SMILE Asia Project, an initiative to support literacy education for Cambodian women using proceeds from the *Toppan Charity Concert* series. Educational facilities throughout Cambodia, and the lives of many of the country's educators, were destroyed in the 1970s by the Cambodian Civil War, the Vietnam War, and the Pol Pot regime (Khmer Rouge). Women were deprived of education for decades as a result, leading to a widespread literacy problem. Many local women to this day forego school education in order to raise their children and support their families. These women remain illiterate, which poses an ongoing social challenge for the country.

The field trip team from Toppan sat in on literacy classes, visited the homes of former learners, and interviewed current and former students to learn more about the literacy education



11th *Toppan Charity Concert*



Women learning literacy skills under the SMILE Asia Project in Cambodia



Toppan Charity Concerts
<https://www.toppan.com/en/sustainability/charityconcert/index.html>

programs and the benefits of acquiring literacy. The team also met with various stakeholders (such as NGO members, village district officers, and staff from district education departments) who support the local management of the project and discussed the efforts underway, the challenges facing the project, and other related issues.



Literacy classes under the SMILE Asia Project
https://www.toppan.com/en/sustainability/charityconcert/index.html#literacy_education

■ Graphic Trial

The Toppan Group promotes printing culture and supports graphic designers through Graphic Trial, an exhibition that explores relationships between graphic design and the art of printing in search of new forms of expression. Artists at the forefront of graphic design experiment with different offset-printing techniques every year to create posters for the exhibition. Graphic Trial is held at the multipurpose P&P Gallery in the Printing Museum, Tokyo.



Graphic Trial (in Japanese)
<https://www.toppan.co.jp/biz/gainfo/gt/>

- **Graphic Trial 2020 “Baton”—Exploring the Possibilities of Graphic Design through Offset Printing**

Dates: April 24 - August 1, 2021

Artists:

Taku Satoh (graphic designer at TSDO Inc.)

Asao Tokolo (artist at TOKOLOCOM)

Aaron Nieh (art director at Aaron Nieh Workshop)

Yuri Uenishi (art director, designer)

Tomohiro Ichikawa (photographer at Toppan Inc.)

Related site

<https://www.toppan.co.jp/biz/gainfo/graphictrial/2020/>

Graphic Trial 2020 was postponed by one year to fiscal 2021 to limit the spread of COVID-19 infection. In the meantime, Toppan opened a matching online gallery to display all of the posters in the P&P Gallery exhibition virtually.



■ Cosponsoring the Central Contest for Book Report Drawings

Toppan continues to work with the Japan School Library Association and The Mainichi Newspapers Co., Ltd. as a cosponsor of the Central Contest for Book Report Drawings, an annual contest that cultivates the reading and creative skills of children by encouraging them to express their impressions of books by drawing.

In addition to providing ongoing support to the contest, Toppan produces and distributes a calendar featuring prize-winning works to schools and other educational facilities across Japan. The prize-winning students also receive replicas of famous Japanese-style paintings produced using Toppan technologies.

Activities in Fiscal 2020

- **32nd Central Contest for Book Report Drawings**

Areas: 38 prefectures around Japan (excluding Yamaguchi Prefecture and the eight prefectures of the Kyushu region)

Pictures: 613,807 entries from 5,889 schools

Related site (in Japanese)

<http://www.dokusyokansoubun.jp/kansouga/>

■ Organizing the Kanosei Art Project Exhibition

Toppan has been collaborating with the Support Center DREAM and the Borderless Art Organisation to organize the Kanosei Art Project (“*kanosei*” means “potential” in Japanese) since fiscal 2018. The artistic activities undertaken with the two NPOs are structured to support the greater independence of persons with illnesses and disabilities and encourage human resource development in companies through art. In November 2020, Toppan held an online Kanosei Art Project Exhibition in Daitokuji Zuihoin. Works by borderless artists were displayed in a virtual reality space replicating the Zuihoin, a sub temple of the Daitokuji temple in Kyoto.

A number of companies have adopted the borderless artworks for secondary use. Some of the works have been displayed in common office spaces or on temporary fencing at construction sites, adding value to the works of borderless artists. Through this project, Toppan is supporting the greater independence of borderless artists and promoting borderless art. In recognition of the project, Toppan was certified as a “This is MECENAT 2021” contributor and granted a “Mécénat Mark” (shown on the right) from the Association for Corporate Support of the Arts of Japan.



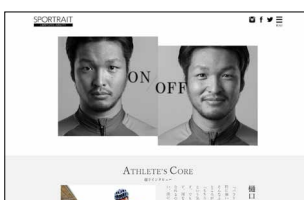
■ Popularizing Para-Sports

Toppan promotes para-sports as a partner of the Tokyo 2020 Paralympic Games and the Japanese Para-Sports Association (JPSA). The Company introduced an employee athlete program* in 2014 to hire and support people specializing in sports, including para-sports athletes.

Toppan also operates a para-sports information website called *SPORTRAIT*. Toppan has been popularizing para-sports by holding hands-on para-sports events for local communities and Group employees across Japan.

*Employee athlete program: Established in 2014 as a mechanism for promoting sports and supporting employee athletes who participate in international tournaments and competitions. Toppan currently employs seven athletes (including two para-sports athletes).

Related site (in Japanese)
<https://www.toppan.co.jp/player/>

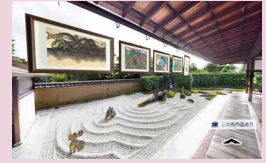


Toppan's para-sports information website *SPORTRAIT* (in Japanese)
<https://sportrait-web.com/>

Activities in Fiscal 2020

- Kanosei Art Project Exhibition in Daitokuji Zuihoin (Kyoto; held online)

Dates: November 10, 2020 to February 28, 2021



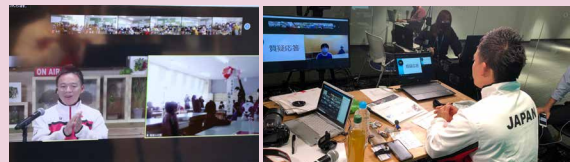
- Examples of corporate use
 Borderless artworks displayed on temporary fencing at a construction site (Hazama Ando Corporation) and in a common office space (Sumitomo Realty & Development Co., Ltd.)



Activities in Fiscal 2020

- Para-sports athlete Takashi Sanada holding an online get-together for elementary and junior high school students from Nasu Shiobara, Tochigi, Japan

Toppan employee athlete Takashi Sanada (wheelchair tennis player) visits schools around Japan every year to lecture on para-sports, teach hands-on wheelchair tennis classes, and organize various other para events. The spread of COVID-19 forced Sanada to cancel his annual visits in fiscal 2020. In place of the visits, he hosted an online group chat with dozens of students.



Community Contribution Activities at Domestic Sites (fiscal 2020)

The Environment Conservation and nurturing of community environments



Major activities

- Beautifying and cleaning up around plants and operational sites
- Participating in beautification and cleanup activities organized by the community
- Participating in environmental conservation activities, events, and campaigns in the community
- Holding meetings with community members to report environmental initiatives
- Teaching at environmental classes for students from neighboring elementary schools, etc.

Culture Sports promotion and support for the arts and culture for the community



Major activities

- Participating in, cooperating with, and cosponsoring community festivals and events
- Participating in, cooperating with, and cosponsoring sports events in the community

Education Initiatives sustained by Toppan resources



Major activities

- Holding plant tours for students from neighboring elementary and junior high schools
- Arranging extracurricular study programs at neighboring elementary schools
- Holding plant tours, practical training sessions, working experience sessions, etc. for students from neighboring high schools
- Holding practical training sessions for students from special schools in the community

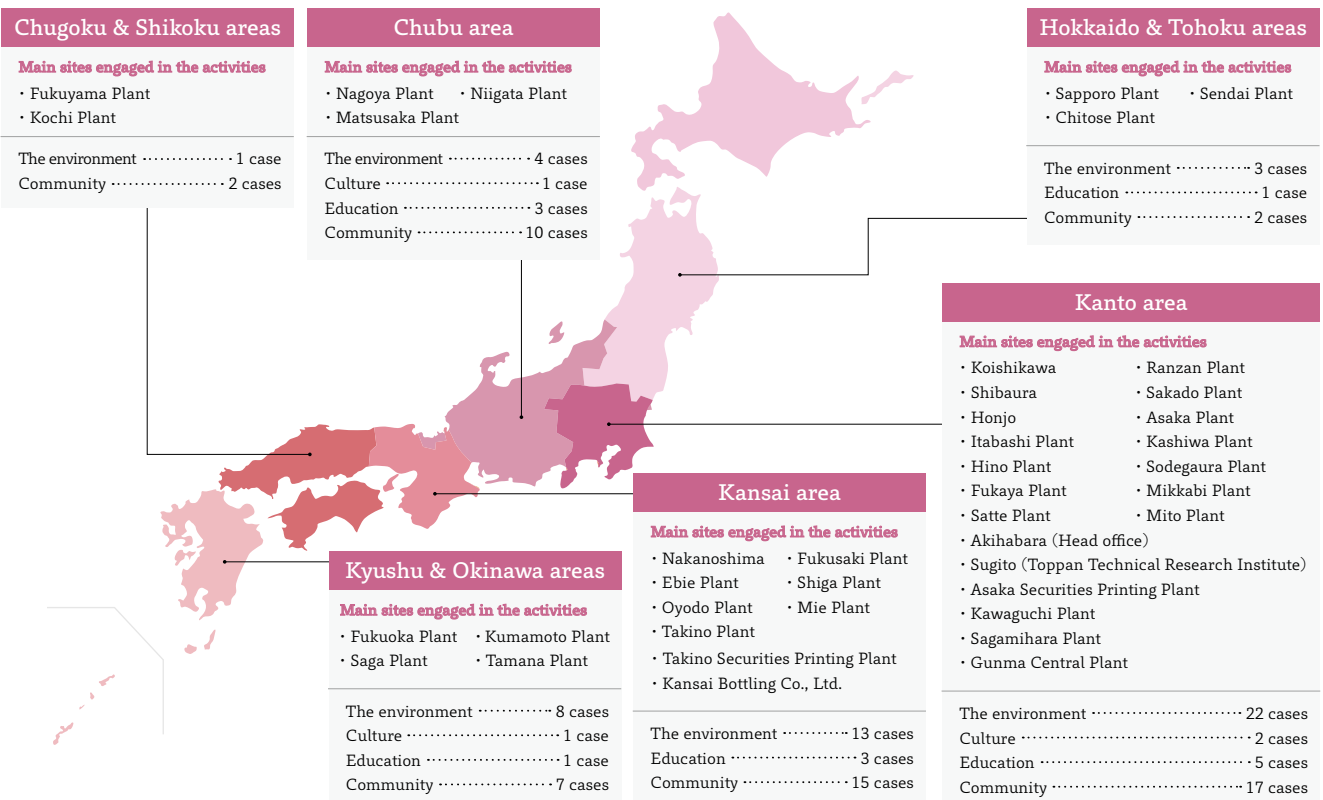
Community Initiatives conducted with community groups, NPOs, NGOs, etc.



Major activities

- Participating in and cooperating with anti-disaster and fire-safety campaigns in the community
- Participating in and cooperating with safety promotion activities and traffic safety campaigns in the community
- Opening the site premises and facilities and providing water resources, etc. to community members
- Welcoming community members, etc. to in-house events
- Running blood donation drives

Major Community Contribution Activities by Area (fiscal 2020)



Major Community Contribution Activities

Hokkaido & Tohoku Areas

Sapporo Plant

A team of several employees carefully cleaned up the streets and parks around the plant.



Chitose Plant

A cleanup activity got started this year. A team of 16 employees beautified the plant periphery, streets, and nearby public spaces.



Kyushu & Okinawa Areas

Kumamoto Plant

Employees weed and clean up city roads and roadsides around the plant. The regular removal of dry leaves and soil from nearby forests enhances the safety of the roadways.

Many employees also volunteer to donate blood at the plant's invitation when the Kumamoto Red Cross Blood Center sends over its blood donor truck on a collection run.



Chubu Area

ICT KŌBŌ

A new system development base established in Iizuna, Nagano, Japan. This is the first in a series of plans to reinforce system development departments through the expanded development bases across Toppan. The Group is recruiting experienced talent and accepting local students for internships with a view to securing and fostering ICT-literate human assets.

Toppan's solutions for local issues include remote agricultural harvesting simulators and tools for visualizing snow damage with digital technology to devise countermeasures.



Niigata Plant

Employees from the plant in Japan's main rice-producing region engage in annual cleanup activities to secure local waterways. Helping the community to conserve the local environment, the cleanup activities facilitate inter-employee communication in an environment surrounded by nature.



Kansai Area

Takino Plant

Some 30 employees engage in cleanup activities usually held on the second Monday every month. They beautify the plant periphery, pathways, streets, side ditches, and other public spaces around the plant.



Kansai Bottling Co., Ltd.

Employees weed and clean up the public spaces nearby the plant once every few months.



Kameyama Plant

Employees venture out five times a year to weed and clean up the plant periphery in late morning (from 11:30 to 12:00). The regular cleanups have nurtured their feeling of belonging in the community.



Hisai Plant

Employees venture out five times a year to weed and clean up neighborhood sidewalks around the plant in late morning (from 11:30 to 12:00). The ongoing cleanup activities facilitate employee communication with members of the community.



Chugoku & Shikoku Areas

Fukuyama Plant

Employees engage in weeding and cleanup activities three times a year. They remove empty cans, bottles, and boxes, cigarette butts, candy wrappers, and other litter from the roadside shrubbery on the industrial estate around the plant.



Major Community Contribution Activities at Overseas Sites (fiscal 2020)

■ Siam Toppan Packaging Co., Ltd. (Thailand)

Face Shield Project

Provided community members with materials and instructions for making protective face shields to curb the spread of COVID-19 (on May 20, 2020).



N95 Donation to Ramadhibodi Chakri Naruebodindra Hospital

Donated N95 masks to a local hospital to protect frontline medical personnel from COVID-19 infection (on May 22, 2020).



Handmade Product Market Run by People with Disabilities

Provided site spaces for people with disabilities to sell their own handmade products (on June 26, July 31, August 28, September 28, October 28, November 27, 2020).



Siam Toppan Scholarship Giving 2020

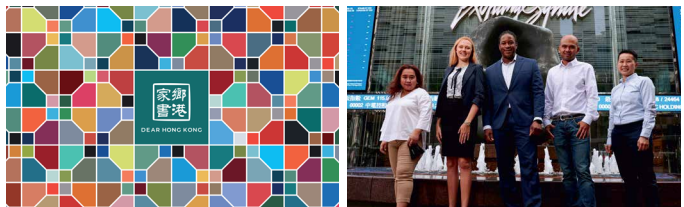
Granted scholarships to both unimpaired and disabled students at Chulalongkorn University, Kasetsart University, Chiang Mai University, Srinakharinwirot University, Kanchanapisek Samutprakan Technical College, and other colleges and universities in Thailand (on November 20, 2020).



■ Toppan Merrill Limited (Hong Kong)

Printing Sponsorship for *Dear Hong Kong*

Sponsored a photo-book project highlighting the diversity of nationalities and cultures represented in Hong Kong (on December 10, 2020).



Printing Sponsorship for Mighty Oaks Books

Sponsored the printing of books in support of inter-generational collaboration between the residents of senior care facilities and nearby schoolchildren (on December 18, 2020).



■ PT. Indonesia Toppan Printing (Indonesia)

Donation for Orphans

Donated to a nearby orphanage in Bekasi, West Java Province (on May 15, 2020 and April 30, 2021).



Donation to the Community

Made donations to the community for the repair of a neighborhood mosque for worship (on May 5, 2020).



■ Toppan Merrill USA Inc. (USA)

Donation to Support Students over the Holidays

Presented books and other items to economically disadvantaged students in the Chicago area through a volunteer organization over the holidays (in December 2020).



Donation to a Community Center

Donated meal baskets to the Hallie Q. Brown Community Center, a local organization in St. Paul, Minnesota, through an online food donation event (in December 2020).

HALLIE Q. BROWN

Community Center Since 1929, the
Lighthouse of the Community

■ INTERPRINT Group (Germany)

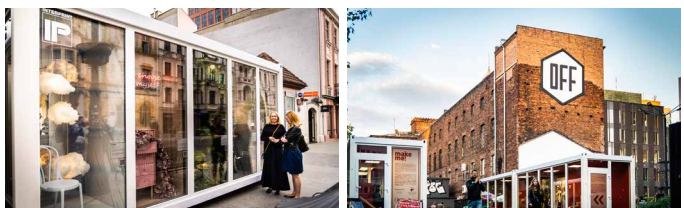
Establishment of a COVID-19 Test Center

Established a center for rapid COVID-19 testing and a vaccination center. Originally open exclusively for employees, the testing center is now open to all residents of Arnsberg.



Sponsorship of the Łódź Design Festival

Sponsored the Łódź Design Festival, an international event held in Poland, for the 14th consecutive year (from May 14 to 21, 2021).



Environment

Contents

Fundamental Approach to the Environment	P. 99
Mitigation of Global Warming	P. 110
Building of a Recycling-oriented Society	P. 116
Control of Chemical Substances	P. 119
Pollution Control	P. 121
Biodiversity	P. 124
Environmental Data	P. 126

Fundamental Approach to the Environment

Basic Approach

Approach

Policy

With the growing awareness of environmental conservation throughout the world in the 1990s, the scope of environmental issues to be tackled by businesses grew significantly.

Toppan reorganized its previous structure for environmental conservation by establishing the Ecology Center in 1991 and formulating its Declaration on the Global Environment, a basic philosophy for environmental conservation activities, in 1992. Toppan has promoted environmental initiatives based on the declaration ever since.

The Toppan Group targets the creation of a sustainable society where all forms of life in the global ecosystem can coexist into the future. In April 2009, the Group revised its Declaration on the Global Environment into The Toppan Group Declaration on the Global Environment, a basic philosophy for environmental activities applied to the entire Group. The revised declaration reflects Toppan's more assertive approach to the conservation of the global environment.

Toppan's environmental considerations encompass the entire lifecycle of a product or service from production and transportation/distribution to end-of-life treatment. All of the Group's business facilities and entities throughout the value chain are considered, from suppliers, service providers, and contractors to other major business partners of the Group (e.g., licensees, partners in joint ventures, partners of subcontractors, entities involved in non-controllable projects, due diligence providers, partners handling mergers and acquisitions, etc.).

The Toppan Group Declaration on the Global Environment
https://www.toppan.com/assets/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf

The Toppan Group Declaration on the Global Environment

As responsible members of international society, we who work within the Toppan Group strive to realize a sustainable society through forward looking corporate activities with consideration for the conservation of the global environment.

Basic Principles

1. We observe all laws, regulations and in-company rules relating to the environment.
2. For the future of the Earth, we strive for the effective utilization of limited resources and the reduction of all types of environmental burden.
3. With foresight, we promote the development and widespread use of products that show consideration for the environment, and contribute to the environmental activities of customers.
4. We engage in communication related to the environment with a wide range of peoples both inside and outside the company, and strive for mutual understanding.
5. We also take a proactive approach to environmental conservation in corporate activities in international society.

Formulated in April 1992
 Revised in April 2009

Promotion Framework

Promotion
framework

Approach

■ Promotion Structure

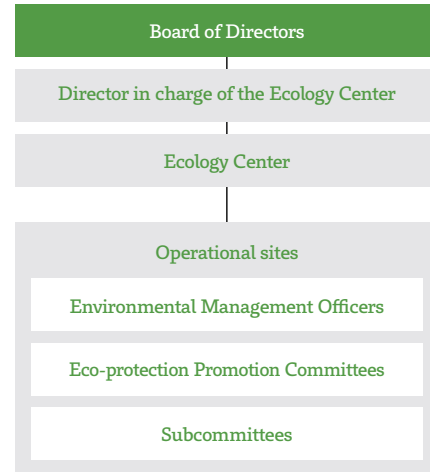
The Board of Directors is the highest-level body responsible for the Toppan Group's environmental management. The board appoints a director to head the Ecology Center, an organization that oversees Toppan's environmental conservation initiatives by supervising, evaluating, and verifying environmental activities undertaken throughout the Group and reporting results to the Board of Directors.

The Toppan Group has established an environmental conservation framework in which the heads of every division, Group company, and operational site are positioned as the personnel chiefly responsible for environmental efforts. These heads appoint Environmental Management Officers to steer the actual implementation of conservation activities carried out at their sites and collaborate to propel environmental initiatives throughout the divisions.

To accelerate the initiatives, these officers have set up Eco-protection Promotion Committees, bodies composed of persons relevant to the environment across the departments. The committees promote environmental conservation activities at Group sites and manage progress. For advanced environmental

measures, the committees have convened multiple subcommittees to formulate necessary responses to specific environmental issues. Energy Subcommittees, for example, pursue energy-saving efforts to help mitigate global warming.

Environmental Management Structure



■ Managing Climate Change Risks

The Toppan Group has set up a TCFD* Working Group composed of personnel from relevant head office divisions under the Sustainability Promotion Committee to address the risks and opportunities presented by climate change. The working group employs scenario analysis to identify significant risks and opportunities and perform evaluations focused chiefly on the financial impacts of climate change on the Group.

*Task Force on Climate-related Financial Disclosures

Environmental Management

Promotion
framework

System

The Toppan Group has established environmental management systems (EMSs) based on ISO 14001.

A PDCA cycle of planning, support and operation, performance evaluation, and improvement serves as a core part of the ISO 14001-based EMSs to ensure ongoing improvement.

Group sites maintain their EMSs through management system audits by ISO 14001 registrars, internal environmental audits (of legal compliance) by the Ecology Center, and other internal environmental audits at individual sites.

The Ecology Center aggregates environmental performance data (for details, see the “List of Indicators Assured by an Independent Assurance Provider” on page 153) as the organization responsible for overseeing the Toppan Group’s environmental conservation activities. The aggregation results are assured by KPMG AZSA Sustainability Co., Ltd. (an independent assurance provider) and reported to the Board of Directors. The center discloses the verified performance data via the Toppan corporate website and other communication

channels.

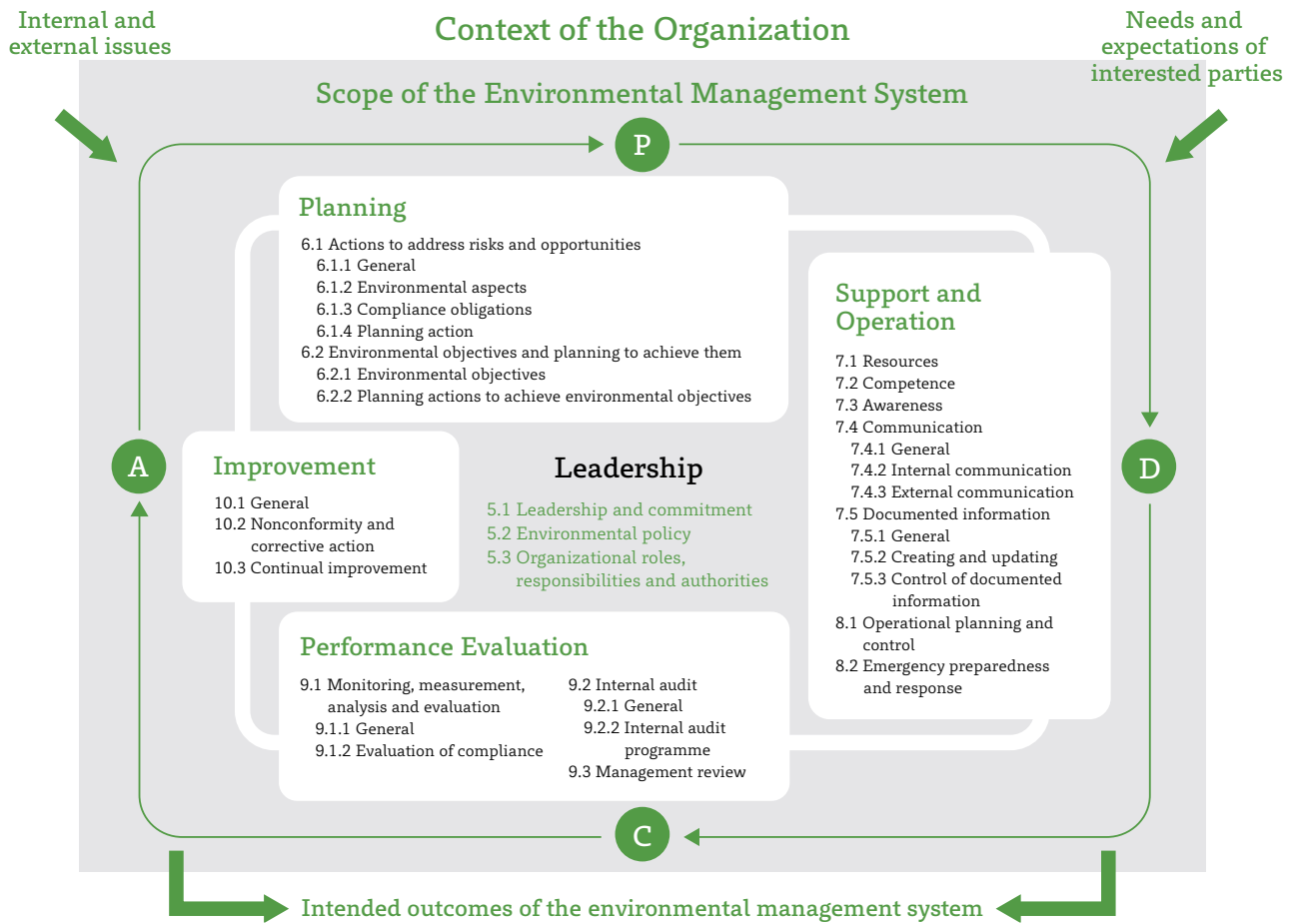
For environmental targets, in particular, the Ecology Center decides a set of site-specific, single-year targets based on the Groupwide targets and develops current-year measures with authorization from the Board of Directors. These site-specific targets are treated as key performance indicators for managing the progress of environmental conservation activities carried out at individual sites. The Ecology Center also manages the monitoring of soil and groundwater pollution, ascertains the results, and discloses the details.

More details on ISO 14001 EMS certification in the Toppan Group (in Japanese)

<https://www.toppan.co.jp/about-us/our-corporate-approach/iso/iso14001.html>

- ▶ [Independent Assurance Report \(see page 154\)](#)
- ▶ [Monitoring soil and groundwater pollution \(see page 123\)](#)

Management Cycle under ISO 14001:2015



Numbers of Internal Environmental Audits and Issues in Need of Improvement (Fiscal 2020) Activity results, performance data

Domestic sites audited	57 sites
Issues in need of improvement identified at domestic sites	55 issues
Domestic sites reviewed	1 site

ISO 14001 Certification (54 systems at 92 sites, as of March 31, 2021)

Activity results,
performance dataISO 14001 Certification Obtained at Toppan Inc. and Domestic Manufacturing Subsidiaries
(subject to the medium-term environmental targets)

Operational Site (Division or Manufacturing Subsidiary)	Registrar	Registration Date
Electronics Division	JQA	July 1998
Environmental Design Subdivision [Kashiwa Plant and Satte Plant of Toppan Decor Products Inc.] (Living & Industry Division)	GCC	March 2000
Tokyo-based sites (Information & Communication Manufacturing Subdivision)	SAI GLOBAL	February 2002
Fukusaki Plant [including Fukusaki Plant of Toppan Plastic Co., Ltd.] (Toppan Packaging Products Co., Ltd.)	JQA	July 2002
Takino Site	JQA	October 2002
Azusawa Site, Atago Site, Kawaguchi Site, Sagamihara Site, Numazu Site (Toppan Logistics Co., Ltd.)	GCC	October 2002
Gunma Central Plant (Toppan Packaging Products Co., Ltd.)	JQA	July 2003
Mito Plant (Toppan Proprint Co., Ltd.)	GCC	January 2004
Fukuyama Plant (Toppan Communication Products Co., Ltd.)	GCC	October 2004
Higashinohon Subdivision	GCC	March 2005
Toppan Technical Research Institute	JQA	May 2005
Sapporo Plant, Chitose Plant (Hokkaido Subdivision)	GCC	June 2005
Satte Plant (Toppan Plastic Co., Ltd.)	SAI GLOBAL	December 2006
Ranzan Plant, Kyushu Plant (Toppan Packaging Service Co., Ltd.)	JQA	February 2007
Sagamihara Plant (Toppan Packaging Products Co., Ltd.)	SAI GLOBAL	March 2007
Kyushu Subdivision (Nishinohon Division)	GCC	October 2008
Head office, Kansai branch (Toppan Techno Co., Ltd.)	SAI GLOBAL	March 2009
Sodegaura Beverage Plant (Toppan Packaging Service Co., Ltd.)	SAI GLOBAL	April 2009
Fukaya Plant (Toppan Packaging Products Co., Ltd.)	GCC	March 2010
Chubu Division	JQA	December 2010
Kochi Plant (Toppan Electronics Products Co., Ltd.)	BUREAU VERITAS	February 2008

ISO 14001 Certification Obtained at Domestic Subsidiaries

Operational Site (Group Company)	Registrar	Registration Date
Head office, Saitama Plant (Livretch Co., Ltd.)	JCQA	July 2001
Fukushima Plant [including Takino Plant, Sagamihara Plant] (Toppan Infomedia Co., Ltd.)	JUSE	November 2001
Central Research Center (Toppan Forms Co., Ltd.)	JQA	March 2004
Toppan Forms Tokai Co., Ltd.	JQA	August 2004
Toppan Forms Kansai Co., Ltd.	JQA	April 2007
Toppan Forms Nishinohon Co., Ltd.	JQA	January 2005
Toppan Forms Central Products Co., Ltd.	JQA	September 2011
Tosho Printing Co., Ltd.	Intertek	May 2003
Gunma Plant (Tamapoly Co., Ltd.)	JQA	February 2011
Sanda Plant (Tamapoly Co., Ltd.)	JQA	January 2012
Tochigi Plant (Tamapoly Co., Ltd.)	JQA	August 2017

ISO 14001 Certification Obtained at Overseas Subsidiaries

Group Company (Operational Site)	Registrar	Registration Date
Toppan Photomasks, Inc. (Round Rock Site)	LRQA	November 2001
Toppan Photomasks France S.A.S.	LRQA	October 2000
Toppan Chunghwa Electronics Co., Ltd.	SGS	October 2003
Toppan SMIC Electronics (Shanghai) Co., Ltd.	SGS	February 2007
Toppan Leefung Printing (Shanghai) Co., Ltd.	CCCI	April 2007
Toppan Leefung Packaging (Shanghai) Co., Ltd.	NQA	July 2008
Toppan Leefung Changcheng Printing (Beijing) Co., Ltd.	ZDHY	November 2009
Toppan Excel Printing (Guangzhou) Co., Ltd.	CNAS	May 2009
Toppan Yau Yue Packaging (Dongguan) Co., Ltd.	Intertek	May 2016
Toppan Win Label Printing (Dongguan) Co., Ltd.	CQC	November 2012
Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd.	HKQAA	March 2009
PT. Indonesia Toppan Printing	LRQA	November 2004
Toppan Photomasks Korea Ltd.	LRQA	February 2005
Toppan Photomasks Co., Ltd. (Shanghai)		
Ortustech (Malaysia) Sdn. Bhd.	BUREAU VERITAS	September 2014
Toppan Security Printing Pte. Ltd.	TUV	August 2010
Giantplus Technology Co., Ltd. (Bade Plant [T 1])	SGS	January 2008
Giantplus Technology Co., Ltd. (Bade Plant [T 2])	SGS	May 2018
Giantplus Technology Co., Ltd. (Headquarters)	SGS	January 2005
Giantplus Technology Co., Ltd. (Hsinchu Plant)	SGS	March 2013
Kunshan Giantplus Optronics Display Technology Co., Ltd.	SGS	June 2012
Siam Toppan Packaging Co., Ltd.	MASCI	April 2002
Toppan FutureCard Industries LLC	URS	February 2015

Environmental Education

Training,
education

The Toppan Group implements various measures to improve the environmental literacy of employees based on social trends related to the environment, priority topics for year-by-year environmental activities, and other environment-related issues.

Toppan has been holding sessions for rank-based training,

optional training, and internal auditor training. The rank-based training includes both group sessions and Groupwide e-learning programs. The Group also organizes regular training on Eco-creativity Activities for employees in sales departments.

Results of Environmental Education (Fiscal 2020)

Training	Number of Trainees
New employee training: General environmental education	464
E-learning-based program on Toppan's sustainability initiatives	17,759
E-learning-based program for personnel in charge of the environment in fiscal 2020	545
Toppan Challenge School (15 courses)	68
Toppan Business School (7 courses)	1,205
Internal environmental auditor training program	169

Environmental Communication

Training,
education

The Toppan Group develops Environmental Communication Activities to share environmental conservation awareness with stakeholders through community involvement initiatives and environmental education for Group employees and non-Toppan individuals. Toppan has been organizing a host of environmental communication activities such as industry-

government-academia-civil society projects, the disclosure of environmental performance data on the Toppan website, the publication of *Site Eco Reports* for surrounding communities and local governments, neighborhood meetings to report on the Group's environmental efforts, and participation in eco-exhibitions and environmental consortiums.

Environmental Targets

Policy

Activity results,
performance data

■ Toppan Group Environmental Vision 2050

Toppan has formulated the Toppan Group Environmental Vision 2050, a long-term policy for addressing global environmental issues, as a proponent of a sustainable society

that supports all forms of life in the global ecosystem of tomorrow.

Toppan Group Environmental Vision 2050

As a member of international society, the Toppan Group aims to enable “fulfilling, sustainable living” by contributing to decarbonization, resource circulation, and the optimal use of water through forward-looking activities with consideration for preservation of the global environment.

- ① Contributing to Decarbonization
Aiming for virtually zero Scope 1 and 2 greenhouse gas emissions.
- ② Contributing to Resource Circulation
Aiming for zero waste emissions.
- ③ Optimal Water Use
Reducing water consumption and contributing to improved water quality by preventing pollution.

■ Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030

In tandem with the Toppan Group Environmental Vision 2050, Toppan has reviewed the key performance indicators (KPIs) for SDG-linked issues under the “environmentally friendly & sustainable production” theme within the Companywide Materiality category. The review led to the establishment of a new set of target values called the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030.

Based on the new environmental vision, Toppan has employed a backcasting methodology to establish new fiscal 2030 targets for “contributing to decarbonization” and “optimal water use.” Toppan has also upwardly revised its target value for reducing Scope 1 and 2 greenhouse gas emissions “contributing to decarbonization.”

Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030

- ① Contributing to Decarbonization
Reduce Scope 1 and 2 greenhouse gas emissions by 32.5% (446 kt-CO₂e) compared to the fiscal 2017 level (1,373 kt-CO₂e). (Renewable energy ratio of 6.5%)
Reduce Scope 3 greenhouse gas emissions by 20% (1,224 kt-CO₂e) compared to the fiscal 2017 level (6,122 kt-CO₂e).
- ② Contributing to Resource Circulation
Reduce final landfill waste disposal by 60% (4,444 t) compared to the fiscal 2017 level (7,407 t).
Increase waste plastic material recycling rate by 12 percentage points (to 65%) compared to the fiscal 2017 level (53%).
- ③ Optimal Water Use
Reduce water consumption, improve water efficiency, and avoid water pollution risks.
(Quantitative targets will be set going forward.)

■ Medium-term Environmental Targets for Domestic Sites


The Toppan Group has established medium-term environmental targets for three management indicators at domestic sites for fiscal 2020: a CO₂ emission target for the mitigation of global warming, a final landfill waste disposal

target for building a recycling-oriented society, and an atmospheric VOC emission target for the conservation of the atmospheric environment. These indicators are calculated for Toppan Inc. and manufacturing subsidiaries in Japan.

Medium-term Environmental Targets for Domestic Sites in Fiscal 2020

1. Mitigation of global warming	2. Action for building a recycling-oriented society	3. Conservation of the atmospheric environment
<ul style="list-style-type: none"> ● Reduce CO₂ emissions by 30% compared to the fiscal 2008 level (751 kt-CO₂ → 530 kt-CO₂: Reduce by 221 kt-CO₂) 	<ul style="list-style-type: none"> ● Reduce final landfill waste disposal by 95% compared to the fiscal 2008 level (1,584 t → 80 t: Reduce by 1,504 t) 	<ul style="list-style-type: none"> ● Reduce VOC emissions into the atmosphere by 70% compared to the fiscal 2008 level (7,326 t → 2,198 t: Reduce by 5,128 t)

Fundamental Approach to the Environment

Every indicator assured by an independent assurance provider is marked with an assurance stamp .

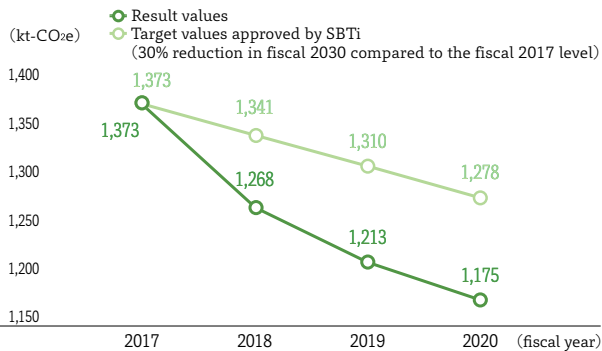
■ Toppan Group Medium-and-Long-Term Environmental Targets (Fiscal 2020 Results)

The Toppan Group has been undertaking environmental conservation activities to ensure that the entire Group attains

the target values set for fiscal 2030. The values from fiscal 2017 are set as baselines.

• Scope 1 and 2 Greenhouse Gas Emissions

The Toppan Group once again achieved its single-year Scope 1 and 2 greenhouse gas (GHG)-emission reduction targets approved by the Science Based Targets initiative (SBTi) in fiscal 2020.

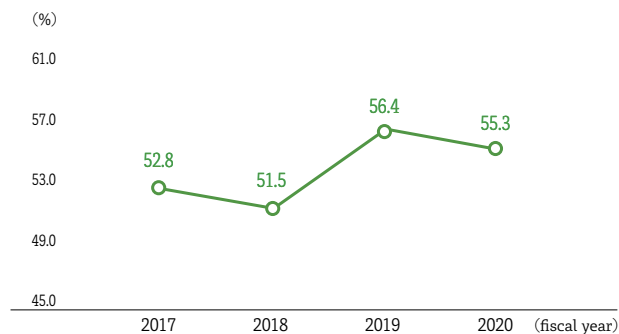


*For Scope 1 and 2 emissions, CO₂ emissions associated with electricity consumption at domestic sites are calculated using the basic emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015) issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, CO₂ emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

Greenhouse gas emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015).

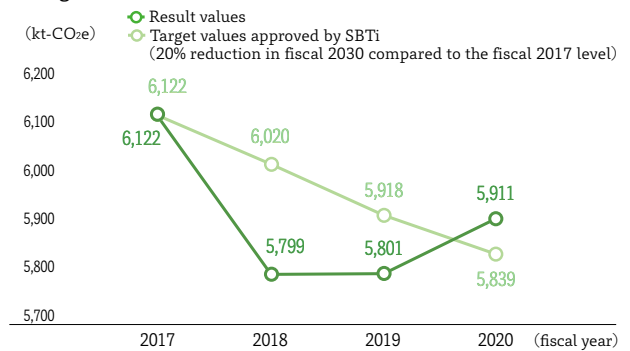
• Waste Plastic Material Recycling Rate

In recycling waste plastics, the Toppan Group seeks to attain a new single-year target set for fiscal 2021 in line with the medium-and-long-term targets for fiscal 2030.



• Scope 3 Greenhouse Gas Emissions

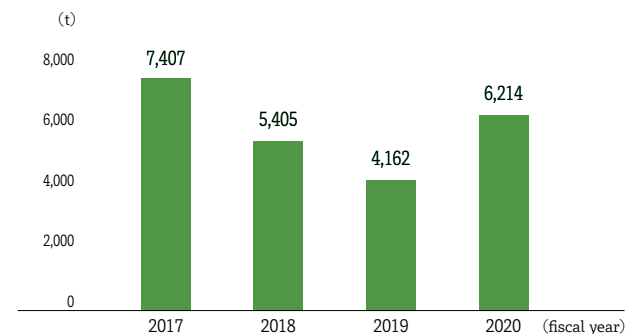
The Toppan Group failed to attain its single-year Scope 3 GHG-emission reduction target approved by the SBTi in fiscal 2020, mainly due to the additional operational sites acquired through the M&A in fiscal 2019.



*Methods for calculating the Scope 3 GHG emissions are presented on page 113.

• Final Landfill Waste Disposal

In recycling waste, the Toppan Group seeks to attain a new single-year target set for fiscal 2021 in line with the medium-and-long-term targets for fiscal 2030.



*The data for fiscal 2019 and earlier are adjusted based on revised calculation methods.

Environmental Targets for Fiscal 2021

	Environmental Targets	Management Indicators	Target Values for Fiscal 2021
① Contributing to decarbonization	Reduce CO ₂ emissions	Scope 1 and 2 greenhouse gas emissions	1,174 kt-CO ₂ e
		Scope 3 greenhouse gas emissions	5,745 kt-CO ₂ e
② Contributing to resource circulation	Reduce final landfill waste disposal	Final landfill waste disposal	6,126 t
	Circulate resources	Waste plastic material recycling rate	56.5%
③ Optimal water use	Evaluate water consumption according to use at operational sites across the Group and implement an automatic water-quality monitoring system for preventing water pollution		

■ Medium-term Environmental Targets for Domestic Sites (Fiscal 2020 Results)

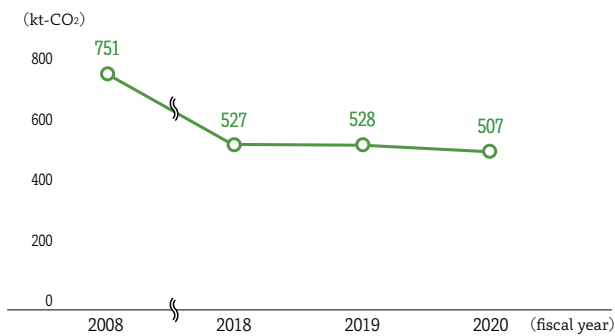
The Toppan Group spent a decade pursuing environmental conservation activities towards the achievement of the fiscal 2020 targets for Toppan Inc. and main domestic Group manufacturing subsidiaries, setting fiscal 2008 values as baselines.

Toppan has succeeded in attaining the fiscal 2020 targets for CO₂ emissions and final landfill waste disposal. The Group

will continue its conservation activities to achieve the next-decade targets covering all of the operational sites across the Group, including overseas sites, for fiscal 2030.

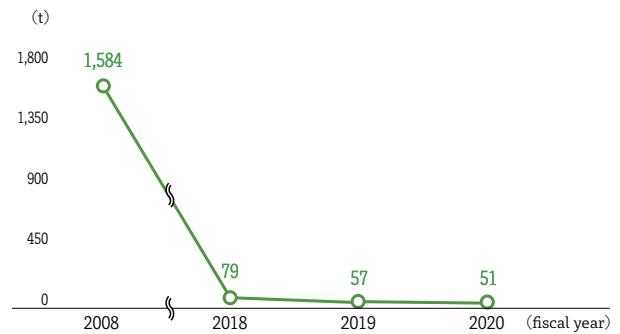
The fiscal 2020 targets for VOC emissions into the atmosphere, on the other hand, were not achieved. The Group will expand its efforts to reduce the use and atmospheric emissions of VOCs in the years to come.

CO₂ Emissions

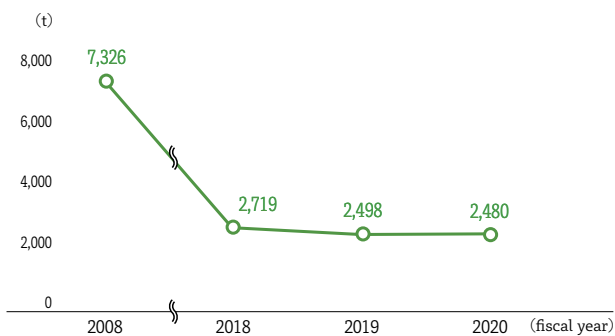


*CO₂ emissions associated with electricity consumption are calculated uniformly as 0.378 t-CO₂/MWh to confirm the degree of improvement achieved. CO₂ emissions in fiscal 2020 totaled 556 kt-CO₂ when calculated using the basic emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015) issued by the Ministry of the Environment of Japan.

Final Landfill Waste Disposal



VOC Emissions into the Atmosphere



■ Single-year Environmental Targets (Fiscal 2020 Results)

Values, Results, and Evaluation of Environmental Targets for Fiscal 2020

Environmental Targets	Management Indicators	Fiscal 2020			
		Target Values	Results	Achievement Rates	Evaluation
1 Mitigation of global warming Reduce CO ₂ emissions	CO ₂ emissions	530 kt-CO ₂	507 kt-CO ₂	104.4%	A
2 Action for building a recycling-oriented society Reduce final landfill waste disposal	Final landfill waste disposal	72 t	51 t	128.8%	S
3 Conservation of the atmospheric environment Reduce VOC emissions into the atmosphere	VOC emissions into the atmosphere	2,198 t	2,480 t	87.1%	B

Evaluation criteria

S: Results achieved far surpass the targets (achievement rate [%] \geq 105)

A: Targets achieved (100 \leq achievement rate [%] < 105)

B: Activities fully carried out, but targets unachieved (70 \leq achievement rate [%] < 100)

C: Activities insufficient (achievement rate [%] < 70)

Achievement rate: 200 - (values actually achieved / target values) x 100 [%]

Assessing Environmental Impact

Approach

Activity results, performance data

Toppan applies the “Life-cycle Impact assessment Method based on Endpoint modeling (LIME)” to assess the degree to which the Group’s initiatives for achieving environmental targets have reduced the Group’s total environmental impact. This life cycle assessment allows the Group to consolidate

INPUT and OUTPUT data on the environmental burden associated with business activities into a single index of environmental impact. The LIME provides Toppan with a quantitative view of how environmental impact is changing from the base year.

■ Quantifying Environmental Impact based on LIME

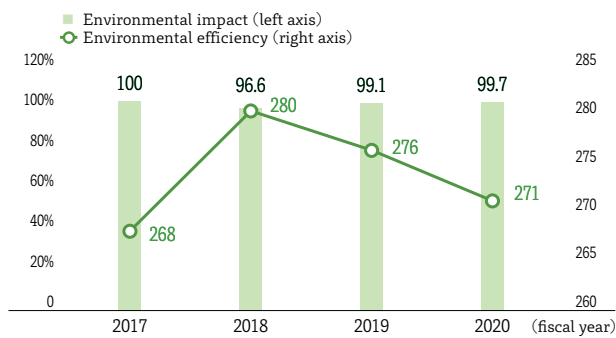
The Toppan Group applies the LIME method to quantify its total environmental impact, setting the base year value to 100.

With LIME 3, the Group attained a 0.3% reduction in environmental impact and a 1.3% enhancement in

environmental efficiency in fiscal 2020, compared with the baseline values in fiscal 2017 (the base year in the LIME 3 calculation).

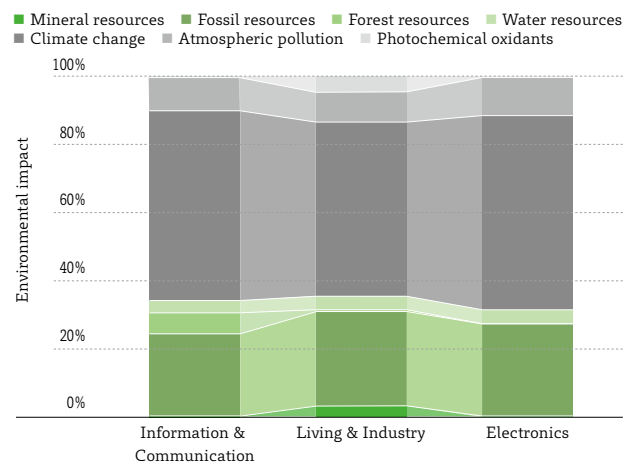
LIME 3 Assessment Across the Group

Global Environmental Impact and Environmental Efficiency



*1 The value in fiscal 2017 = 100 (baseline); recalculated with non-production sites excluded
 *2 Environmental efficiency = net sales / environmental impact
 Toppan has been reducing its climate change-related impact, a large component of the Group’s overall environmental impact, primarily through two channels: energy-saving and other eco initiatives that reduce energy consumption, and high-efficiency production and material recycling methods that reduce resource consumption. In spite of these endeavors, Toppan’s environmental impact in fiscal 2020 increased from the previous year, mainly as a consequence of the additional operational sites acquired through the M&A in fiscal 2019.

Types of Global Environmental Impact by Business Field



*Toppan’s environmental impact cannot be expressed in uniform terms or units, as the materials and product types handled by the Group differ among the business fields. Toppan therefore assesses the environmental impact associated with key items for each business field.

Mitigation of Global Warming

Basic Approach

Approach

Activity results,
performance data

The Toppan Group has formulated the following basic policies for mitigating global warming.

Toppan positions global warming mitigation as an important element of management. The Group focuses on energy management and the rational use of energy in

implementing activities towards climate security.

The Group will continue to adopt renewable energy sources on a preferential basis and assertively encourage the broad use of renewables into the future.

Topic

Achieving the Group's Fiscal 2030 Targets

To achieve new medium-and-long-term environmental targets for fiscal 2030, the Toppan Group has been systematically replacing its existing low-efficiency equipment with high-efficiency, energy-saving alternatives and switching from fuels with higher CO₂ emission factors to electricity. The Group is also considering the adoption of an electric rate structure with a lower adjusted emission factor.

In August 2020, Toppan made further headway in

the Group's shift to renewable energy sources through the installation of solar-power generation equipment on the rooftop of the second plant at Siam Toppan Packaging Co., Ltd. in Thailand. The electrical energy generated by the equipment is consumed on the site premises, reducing CO₂ emissions from plant operations.



Second plant at Siam Toppan

Activities

Activity results,
performance data

Mitigating Global Warming

The Toppan Group has been reducing total emissions of carbon dioxide (CO₂) and other greenhouse gases (GHGs) to help mitigate global warming. To reduce Scope 1 GHG emissions (direct emissions from industrial processes or fuels consumed at the Group), Toppan is systematically replacing long-used utility facilities with high-efficiency alternatives. The Group is also installing systems to abate high-global-warming-potential (GWP) gases emitted from semiconductor production processes and replacing the high-GWP gases used in those processes with lower-GWP alternatives.

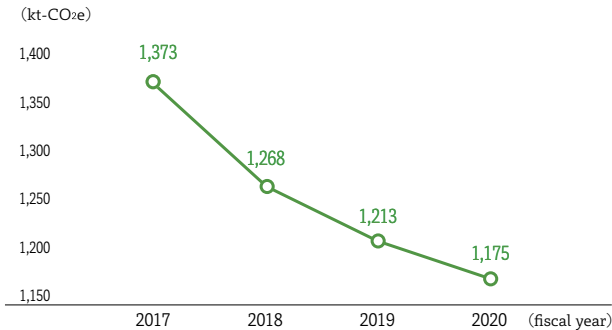

Toppan also reduces Scope 2 GHG emissions (indirect emissions associated with the consumption of electricity, heating, or cooling purchased or acquired by the Group) by operating a nationwide demand-monitoring system to control peak power demand across Japan, redressing power demand-and-supply imbalances, and reducing the nonessential use of power by suspending the operation of equipment during vacations.

Toppan Logistics Co., Ltd., the logistics specialist for the

Group, is working with shippers from Toppan Group companies to optimize transportation conditions and further improve transportation efficiency. Together they endeavor to reduce the energy consumption per unit of transport volume by company vehicles and the total volume of CO₂ emissions from transport.

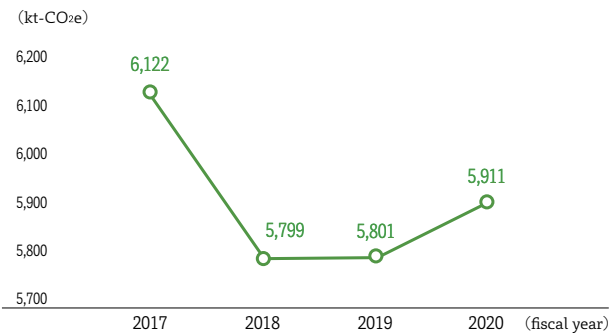
As a member of the Japan Federation of Printing Industries (JFPI), Toppan has driven industry-wide efforts to spawn global warming mitigation measures, primarily through its involvement in JFPI activities to address climate change and promote low carbonization. Under the leadership of Toshiro Kinoshita from Toppan Inc.'s Ecology Center, the JFPI's Working Group for Voluntary Action Plans on the Environment (under the Environmental Management Task Force of the Global Environment Committee) pursues industry-wide global warming mitigation initiatives by devising voluntary action plans for reducing VOC emissions and implementing various other measures towards the realization of a low-carbon, circular economy.

Greenhouse Gas Emissions


Activity results,
performance dataScope 1 and 2 Greenhouse Gas Emissions (subject to the Group medium-and-long-term environmental targets) 

*For Scope 1 and 2 emissions, CO₂ emissions associated with electricity consumption at domestic sites are calculated using the basic emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015) issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, CO₂ emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).

Greenhouse gas emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015).

Scope 3 Greenhouse Gas Emissions (subject to the Group medium-and-long-term environmental targets) 

*Methods for calculating the Scope 3 GHG emissions are presented on page 113. The Toppan Group failed to attain its reduction target in fiscal 2020, mainly due to the additional operational sites acquired through the M&A in fiscal 2019.

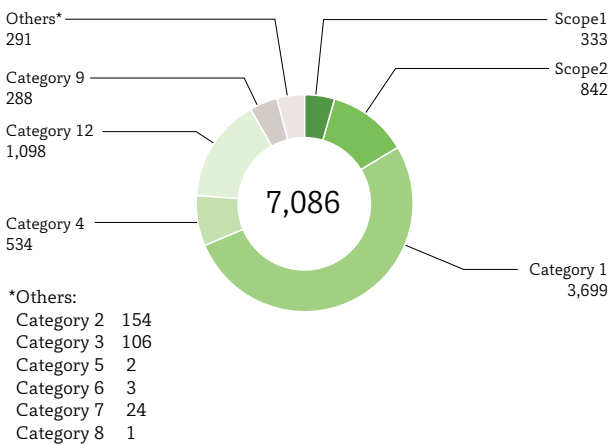
Scope 1, 2, 3 Greenhouse Gas Emissions 

Activity results, performance data

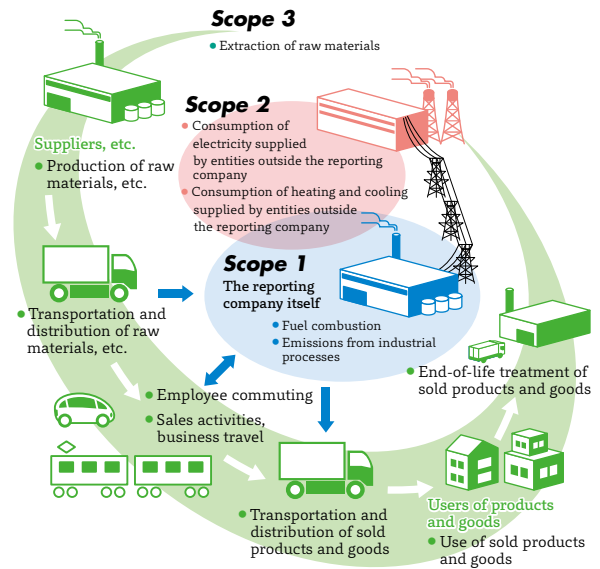
Based on the fiscal 2020 results, Toppan calculated its Groupwide Scope 3 greenhouse gas (GHG) emissions (indirect emissions not included in Scope 2, associated with business operations throughout the entire value chain of the Group) to identify the categories of corporate activity that represented larger sources of GHG emissions and to establish priority targets in the Group's GHG-emission reduction

strategy. This calculation showed that four categories related to raw material consumption collectively accounted for the largest share of the Group's GHG emissions: category 1 (manufacturing of products purchased by Toppan), categories 4 and 9 (transportation and distribution of products purchased and sold by Toppan), category 12 (end-of-life treatment of products sold by Toppan).

Scope 1, 2, 3 Greenhouse Gas Emissions (kt-CO₂e)



Calculating Scope 3 Emissions



Details of the Scope 1, 2, and 3 Categories

Emissions Types	
Direct emissions (Scope 1)	Direct emissions from industrial processes or fuels consumed at the reporting company
Indirect emissions (Scope 2)	Indirect emissions associated with the consumption of electricity, heating, or cooling purchased or acquired by the reporting company

- For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the basic emission factor from the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015) issued by the Ministry of the Environment (MOE) of Japan. GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA).
- GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015).

Indirect Emissions Not Included in Scope 2 (Scope 3)			Calculation Methods	
			Activity Quantity	Basic Unit from
Category 1	Purchased goods and services	Emissions associated with activities up to the point of the production of raw materials, components, goods, sales-related materials, or the like purchased or acquired by the reporting company	Materials purchased or acquired (by weight)	CFP-DB ²
Category 2	Capital goods	Emissions that occur during the construction or production of capital goods purchased or acquired by the reporting company	Capital investments by business field	MOE-DB ¹
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Emissions associated with the procurement of fuels supplied by entities outside the reporting company or fuels necessary for the generation, etc. of electricity, heating, cooling, etc. consumed by the reporting company	1. Electricity and steam consumption 2. Fuel consumption	1. MOE-DB ¹ 2. CFP-DB ²
Category 4	Upstream transportation and distribution	Emissions associated with logistics up to the point of the arrival of incoming raw materials, components, goods, sales-related materials, or the like purchased or acquired by the reporting company; transportation and distribution of products sold by the reporting company	1. Freight ton-kilometers as a designated shipper classified under the Energy Saving Act of Japan 2. Estimated freight ton-kilometers of procurement logistics	1. Energy Saving Act of Japan 2. CFP-DB ²
Category 5	Waste generated in operations	Emissions associated with the transportation and treatment of waste generated at the reporting company	Waste discharge by type	MOE-DB ¹
Category 6	Business travel	Emissions associated with business travel by employees	Business travel expenses by transport mode	MOE-DB ¹
Category 7	Employee commuting	Emissions associated with the commuting of employees between their homes and worksites	Commuter fares or petrol costs	MOE-DB ¹
Category 8	Upstream leased assets	Emissions associated with the operation of assets leased by the reporting company (lessee), excluding Scope 1 and Scope 2 emissions	Electricity and gas consumed at tenant premises	Emission factors by business
Category 9	Downstream transportation and distribution	Emissions associated with the transportation, storage, loading, or retailing of sold products after delivery to customers	Estimated freight ton-kilometers by product	CFP-DB ²
Category 10	Processing of sold products	Emissions associated with the processing of sold intermediate products by downstream companies	Excluded from calculation because there are no scenarios or units that apply universally to Toppan's diversified products	
Category 11	Use of sold products	Emissions associated with the end use of sold products by users (consumers, downstream companies)	Not applicable	
Category 12	End-of-life treatment of sold products	Emissions associated with the transportation and treatment of sold products at the end of their life by users (consumers, downstream companies)	Waste disposal by product (estimated)	CFP-DB ²
Category 13	Downstream leased assets	Emissions associated with the operation of assets owned by the reporting company (lessor)	Not applicable	
Category 14	Franchises	Emissions from franchise members	Not applicable	
Category 15	Investments	Emissions related to the operation of investments	Excluded from calculation	

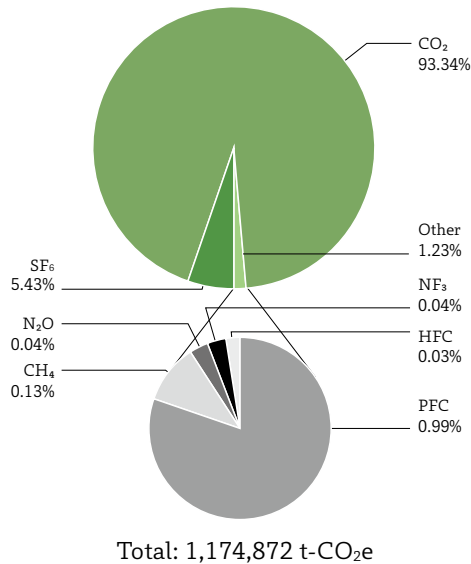
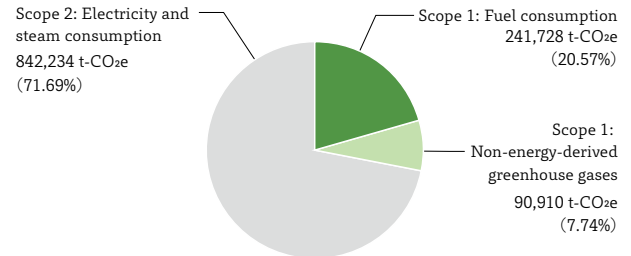

Notes

- Toppan calculates the Group's Scope 3 GHG emissions for categories 1-9 and 12.
- The calculation boundary covers Groupwide GHG emissions associated with Toppan Inc. and Group entities consolidated for accounting purposes.
- For "freight ton-kilometers as a designated shipper classified under the Energy Saving Act of Japan" in category 4, "business travel" in category 6, and "employee commuting" in category 7, Toppan has estimated total values across the calculation boundary in terms of the proportion of production volume or employee numbers based on the values counted for organizations whose activities are quantifiable.

*1 MOE-DB: Emission unit database for calculating the greenhouse gas emissions, etc. of organizations throughout the entire supply chain (ver. 2.5) issued by the Ministry of the Environment of Japan

*2 CFP-DB: Standard database (ver. 1.01) of the Japan Environmental Management Association for Industry (JEMAI) Carbon Footprint of Products (CFP) Communication Program

Greenhouse Gas Emissions

Activity results,
performance dataPercentages of Greenhouse Gas Emissions by Type
(in tons of CO₂ equivalent) Percentages of Greenhouse Gas Emissions by Source
(in tons of CO₂ equivalent) 

Notes

- For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the basic emission factor from the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015) issued by the Ministry of the Environment (MOE) of Japan. GHG emissions associated with electricity consumption at overseas sites are calculated using country-specific conversion factors published by the International Energy Agency (IEA). GHG emissions associated with fuel consumption, excluding electricity consumption, are calculated globally by the MOE method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from Business Activities of Specified Dischargers (the latest amendment on April 30, 2015).
- Fiscal 2020 GHG emissions from domestic sites (subject to and not subject to the medium-term environmental targets) and overseas sites (including Group company sites) are based on calculations of energy-derived CO₂ emissions and non-energy-derived GHG emissions (namely, CO₂, CH₄, N₂O, HFC, PFC, SF₆, and NF₃ emissions associated with dry etching, dry ice consumed, waste burned in incinerators, combusted refuse-derived fuel, and fuel consumed in cogeneration systems). GHG emissions accounting for 0.01% or more of total emissions from these sites in CO₂-equivalent values are included.


Calculated Level of Fluorocarbon Leakage

Fiscal Year	Domestic Sites (subject to the medium-term environmental targets)	Domestic Sites (not subject to the medium-term environmental targets)	Overseas Sites
2020	883 t-CO ₂ e	311 t-CO ₂ e	874 t-CO ₂ e

Notes

- The values shown for domestic sites (subject to and not subject to the medium-term environmental targets) are calculated in conformance with the Act on Rational Use and Proper Management of Fluorocarbons enforced in April 2015 in Japan.
- The value shown for overseas sites (including Group company sites) is calculated by a method corresponding to the Japanese Act on Rational Use and Proper Management of Fluorocarbons.

Mitigation of Global Warming

Every indicator assured by an independent assurance provider is marked with an assurance stamp .

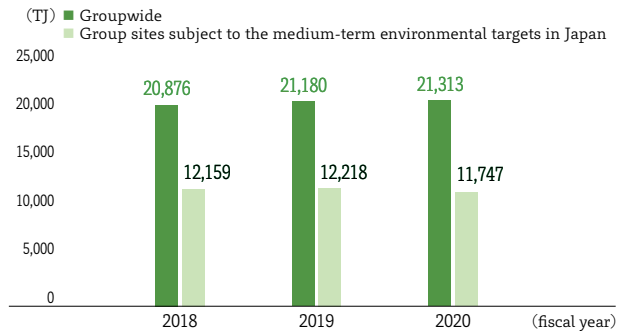
Associated Data

Activity results,
performance data

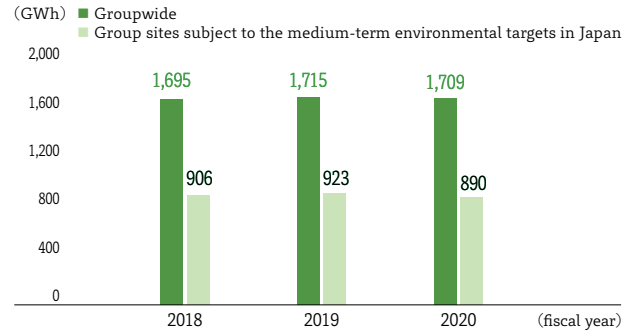
Energy Consumption

The Toppan Group evaluates and discloses energy consumption across the entire Group (including consumption at overseas Group subsidiaries).

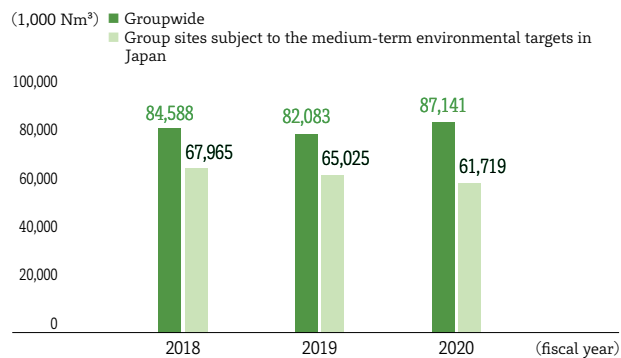
Energy Consumption



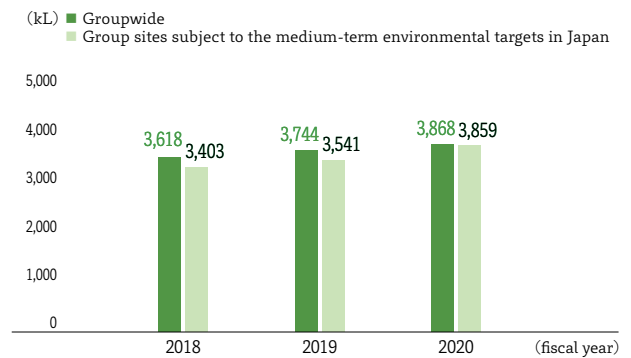
Electricity Consumption



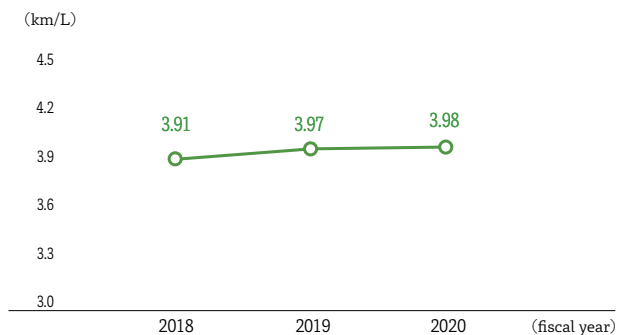
Natural Gas Consumption



Kerosene Consumption



Fuel Efficiency of Vehicles Owned by Toppan Logistics



Building of a Recycling-oriented Society

Basic Approach

Approach

The Toppan Group has formulated the following basic policies to contribute to the building of a recycling-oriented society, an endeavor the Group positions as an important element of management. The Group processes industrial waste and waste materials in line with the following priorities.

① First priority is given to reductions of the discharge of industrial waste and waste materials generated in association with business activities.

② Second priority is given to the reuse or recycling of industrial waste and waste materials discharged in spite of the reduction efforts.

③ Third priority is given to the application of appropriate treatment methods to industrial waste and waste materials not reused or recycled.

This order of priority may not apply when another order of priority is deemed to be more effective for reducing environmental burden.

Activities

Activity results, performance data

■ Building a Recycling-oriented Society

In a drive to use limited resources more effectively, the Toppan Group works to reduce the discharge of waste, increase the recycling rate, and apply appropriate waste treatment methods based on The Toppan Group Declaration on the Global Environment.

Waste paper derived from operational sites primarily in the Information & Communication and Living & Industry fields makes up the largest portion (about 70%) of the total waste discharged at Group sites. This is followed by waste plastics from plants in the Living & Industry field and waste acid from

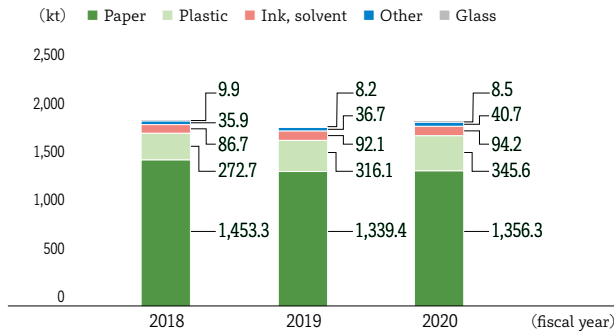
the Electronics field. The Group has striven to increase the material recycling rate by processing waste paper into recycled paper, separating waste plastics and processing composite plastics into pellets, and recycling by other methods. Waste acid, meanwhile, has been treated in-house to lower volumes for disposal. In the Group's approaches to water, a limited resource, Toppan is committed to reducing the level of water consumed and to controlling the quality of effluents discharged into water systems. The Group will continue reducing total waste discharge and promoting material recycling.

Associated Data

Activity results, performance data

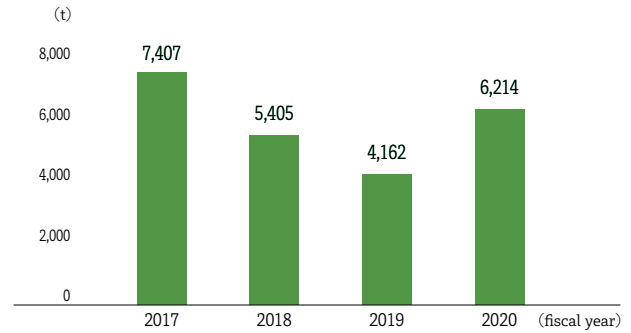
Material Input

The Toppan Group evaluates and discloses Groupwide material input, including input at overseas Group subsidiaries.



Final Landfill Waste Disposal

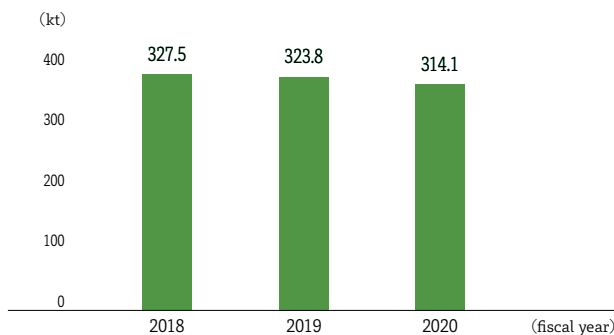
The Toppan Group evaluates and discloses Groupwide waste discharge, including discharge at overseas Group subsidiaries.



*The data for fiscal 2019 and earlier are adjusted based on revised calculation methods.

Waste Recycling

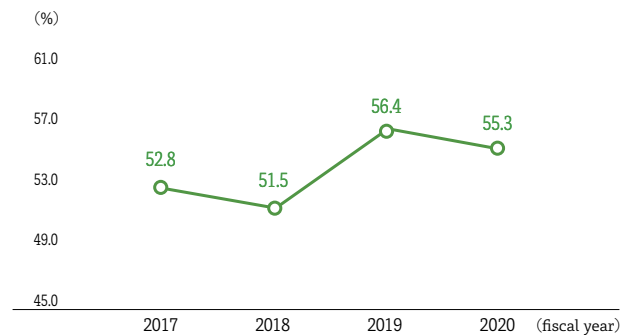
The Toppan Group evaluates and discloses Groupwide waste recycling, including recycling at overseas Group subsidiaries.



*The data for fiscal 2019 and earlier are adjusted based on revised calculation methods.

Waste Plastic Material Recycling Rate

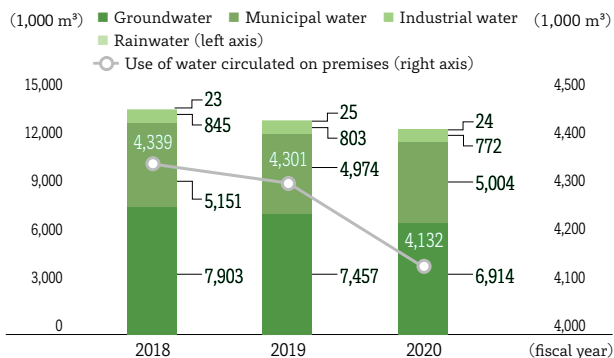
The Toppan Group evaluates and discloses Groupwide waste plastic material recycling rates, including the rates at overseas Group subsidiaries.



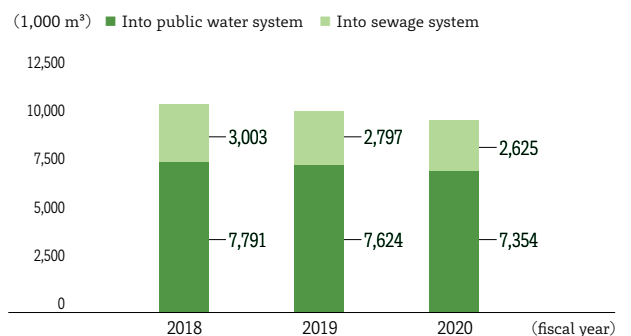
Water Consumption

The Toppan Group evaluates and discloses Groupwide water consumption, including consumption at overseas Group subsidiaries.

Water Consumption



Effluent Discharge



Zero-emission Efforts

Activity results,
performance data

- The Toppan Group approves operational sites as zero-emission sites based on a three-level grading system according to their recycling rates.
- S-rank site, recycling rate of 99.5% or over; A+-rank site, recycling rate of 99% or over and less than 99.5%; A-rank site, recycling rate of 98% or over and less than 99%.
- As of July 2020, fifty-three Group sites confirmed to satisfy one of the criteria shown on the left were approved as zero-emission sites.

Zero-emission Sites (TZERO-20) (53 sites approved in July 2020)

Operational Site (Division or Group Company)	Total Waste Generation in Fiscal 2019 (t)	Waste Recycled in Fiscal 2019 (t)	Recycling Rate in Fiscal 2019 (%)	Rank
Sapporo Plant (Hokkaido Subdivision)	2,717	2,717	100.0	S
Sendai Plant (Higashinihon Division)	4,575	4,570	99.8	S
Itabashi Site	3,350	3,329	99.3	A+
Asaka Plant [Commercial Printing, Publications Printing] (Toppan Communication Products Co., Ltd.)	1,732	1,728	99.9	S
Asaka Securities Printing Plant (Toppan Communication Products Co., Ltd.)	3,802	3,802		
Kawaguchi Plant (Toppan Communication Products Co., Ltd.)	30,299	30,299	100.0	S
Sakado Plant (Toppan Communication Products Co., Ltd.)	19,815	19,815	100.0	S
Ranzan Plant (Toppan Communication Products Co., Ltd.)	742	742	100.0	S
Nagoya Plant (Chubu Division)	5,864	5,848	99.7	S
Takino Plant (Toppan Communication Products Co., Ltd.)	9,169	9,070	98.9	A
Takino Securities Printing Plant (Toppan Communication Products Co., Ltd.)	1,026	1,020	99.4	A+
Fukuoka Plant (Toppan Communication Products Co., Ltd.)	5,065	5,065	100.0	S
Fukuyama Plant (Toppan Communication Products Co., Ltd.)	1,840	1,818	98.8	A
Chitose Plant (Toppan Packaging Products Co., Ltd.)	3,440	3,382	98.2	A
Gunma Central Plant (Toppan Packaging Products Co., Ltd.)	11,457	11,438	99.8	S
Sagamihara Plant (Toppan Packaging Products Co., Ltd.)	16,477	16,477	100.0	S
Matsusaka Plant (Toppan Packaging Products Co., Ltd.)	3,088	3,060	99.0	A+
Takino Plant [liquids] (Toppan Packaging Products Co., Ltd.)	4,701	4,701		
Takino Plant [folding cartons] (Toppan Packaging Products Co., Ltd.)	6,291	6,291	100.0	S
Fukusaki Plant (Toppan Plastic Co., Ltd.)	606	606	100.0	S
Fukuoka Plant (Toppan Packaging Products Co., Ltd.)	6,121	6,121	100.0	S
Miyata Plant (Toppan Packaging Service Co., Ltd.)	458	458	100.0	S
Mikkabi Plant (Toppan Packaging Products Co., Ltd.)	2,998	2,998	100.0	S
Tamana Plant (Toppan Packaging Products Co., Ltd.)	4,905	4,905	100.0	S
Satte Plant (Toppan Plastic Co., Ltd.)	679	670	98.7	A
Saga Plant (Toppan Plastic Co., Ltd.)	230	230	100.0	S
Ranzan Plant (Toppan Packaging Service Co., Ltd.)	972	972	100.0	S
Sodegaura Beverage Plant (Toppan Packaging Service Co., Ltd.)	1,573	1,573	100.0	S
Amagi Plant (Toppan Packaging Service Co., Ltd.)	320	320	100.0	S
Mito Plant (Toppan Prosprint Co., Ltd.)	4,722	4,720	99.9	S
Kansai Bottling Co., Ltd.	58	58	99.2	A+
Harima Plant (Toppan Plastic Co., Ltd.)	935	935	100.0	S
Satte Plant (Toppan Packaging Products Co., Ltd.)	386	386	100.0	S
Fukaya Plant (Toppan Packaging Products Co., Ltd.)	2,287	2,280	99.6	S
Kashiwa Plant (Toppan Decor Products Inc.)	341	338	99.2	A+
Satte Plant (Toppan Decor Products Inc.)	6,374	6,374	100.0	S
Asaka Plant (Toppan Electronics Products Co., Ltd.)	64	64	100.0	S
Shiga Plant (Toppan Electronics Products Co., Ltd.)	70	70		
Shiga Plant (Toppan TOMOEGAWA Optical Films Co., Ltd.)	755	754	99.9	S
Mie Plant [Kameyama] (Toppan Electronics Products Co., Ltd.)	3,146	3,146	100.0	S
Mie Plant [Hisai] (Toppan Electronics Products Co., Ltd.)	3,504	3,504	100.0	S
Niigata Plant (Toppan Electronics Products Co., Ltd.)	5,476	5,476	100.0	S
Kumamoto Plant (Toppan Electronics Products Co., Ltd.)	6,521	6,521	100.0	S
Hino Office (Ortus Subdivision)	12	12	100.0	S
Kochi Plant (Toppan Electronics Products Co., Ltd.)	1,086	1,072	98.7	A
Toppan Technical Research Institute	449	443	98.7	A
Ebie Site (Kansai Subdivision)	469	464	98.8	A
Sagamihara Plant (Toppan Infomedia Co., Ltd.)	332	332	100.0	S
Takino Plant (Toppan Infomedia Co., Ltd.)	416	416	99.9	S
Fukushima Plant (Toppan Infomedia Co., Ltd.)	1,560	1,559	99.9	S
Gunma Plant (Tamapoly Co., Ltd.)	2,809	2,761	98.2	A
Sanda Plant (Tamapoly Co., Ltd.)	2,669	2,668	99.9	S
Tochigi Plant (Tamapoly Co., Ltd.)	2,072	2,072	100.0	S
Saitama Plant (Livrettech Co., Ltd.)	6,143	6,119	99.6	S
Hino Plant (Toppan Media Printech Tokyo Co., Ltd.)	505	505	100.0	S
Zama Plant (Toppan Media Printech Tokyo Co., Ltd.)	263	262	99.8	S

Notes

- The Toppan Group approves operational sites as zero-emission sites based on a three-level grading system according to their recycling rates.
- S-rank site, recycling rate of 99.5% or over; A+-rank site, recycling rate of 99% or over and less than 99.5%; A-rank site, recycling rate of 98% or over and less than 99%.
- Group sites confirmed to satisfy one of the above criteria were approved as zero-emission sites in July 2020.

Control of Chemical Substances

Basic Approach

Approach

The Toppan Group has formulated the following basic policies on chemical substance control.

Toppan refrains from the use of hazardous chemical substances as a basic rule. The Group may, however, resort to the use of hazardous substances when their use is legally permitted and no alternate technologies are available. Even when these latter conditions apply, the Group properly controls

the substances and endeavors to reduce their usage and replace them with substitutes.

Toppan monitors every chemical substance used within the Group's business operations. The Toppan Group seeks to eliminate obstacles to environmental conservation in advance by being proactive in constantly improving substance control methods as a business operator.

Activities

Policy

Activity results, performance data

The Toppan Group strives to reduce the use of chemical substances in order to mitigate the impact of these substances on the environment. The Group has been continuously reducing the use of chemical substances designated under the Pollutant Release and Transfer Register (PRTR) law of Japan and introducing safer substitutes by setting priorities in terms of both the type and range of application. Group production sites have also been properly controlling chemical substances based on established management procedures.


The Toppan Group has formulated a set of Standards for the Management of Chemical Components of Raw Materials governing the substances and materials the Group purchases. Based on Japanese and international laws and regulations on chemical substances, these standards list substances that

are banned or restricted with regard to use as raw materials. Toppan regularly reviews the list to assure chemical control and asks every supplier to control the chemical substances listed.

For reduced VOC emissions into the atmosphere, the Group applies adequate treatment before discharge to ensure that the emission volumes and concentrations are controlled at proper levels. Increasing efforts are also made to reduce the use of VOCs.


Toppan Group Standards for the Management of Chemical Components of Raw Materials (ver. 4.7)
<https://www.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.7en.pdf>

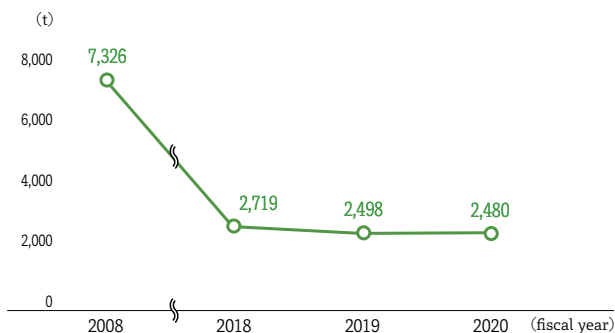
Control of Chemical Substances

Every indicator assured by an independent assurance provider is marked with an assurance stamp .

VOC Emissions into the Atmosphere

Activity results,
performance data

VOC Emissions into the Atmosphere (subject to the medium-term environmental targets in Japan) 



PRTR Data

Activity results,
performance data

Chemical Substances Designated under the PRTR law of Japan (subject to the medium-term environmental targets in Japan)

(Unit: kg/year)

PRTR No.	Chemical Substance	Handled	Released			Total Transferred	
			1. Atmosphere	2. Water	3. Soil		
20	2-aminoethanol	43,979	734	0	734	0	19,841
44	Indium and its compounds	1,197	0	0	0	0	2
53	Ethylbenzene	8,196	518	518	0	0	217
59	Ethylenediamine	1,124	0	0	0	0	1,124
71	Ferric chloride	2,618,944	0	0	0	0	2,517,154
76	Epsilon-caprolactam	1,828	0	0	0	0	217
80	Xylene	46,935	716	716	0	0	220
87	Chromium and chromium (III) compounds	20,128	9	0	9	0	12,395
88	Chromium (VI) compounds	11,348	0	0	0	0	726
151	1,3-dioxolane	31,841	318	318	0	0	7,698
213	N,N-dimethylacetamide	2,681	104	104	0	0	429
243	Dioxins	967	6	6	0	0	961
245	Thiourea	1,797	2	0	2	0	1,794
272	Copper salts (water-soluble, except complex salts)	378,726	124	0	124	0	185,571
296	1,2,4-trimethylbenzene	108,229	4,162	4,162	0	0	10,012
297	1,3,5-trimethylbenzene	13,814	465	465	0	0	2,191
300	Toluene	1,058,353	76,083	76,083	0	0	84,972
308	Nickel	24,965	0	0	0	0	0
309	Nickel compounds	10,832	4	0	4	0	8,797
374	Hydrogen fluoride and its water-soluble salts	11,737	381	10	371	0	9,771
392	n-Hexan	1,437	14	14	0	0	347
401	1,2,4-benzenetricarboxylic 1,2-anhydride	2,111	0	0	0	0	169
411	Formaldehyde	7,622	54	54	0	0	825
412	Manganese and its compounds	2,664	121	0	121	0	1,868
438	Methylnaphthalene	12,796	64	64	0	0	0
448	Methylenebis (4,1-phenylene) diisocyanate	38,972	0	0	0	0	0
	Total	4,462,254	83,875	82,510	1,365	0	2,866,338

Notes

- Period covered: April 1, 2020–March 31, 2021
- Operational sites covered: Sites that handle more than 1.0 ton of Class I designated chemical substances per year (or specified Class I designated chemical substances in excess of 0.5 tons per year)
- The total transfer is the sum of transfers into waste and sewage systems.

Pollution Control

Basic Approach

Approach

The Toppan Group has formulated the following basic policies on pollution control.

Toppan positions pollution control as an important element of management. The Group places utmost priority on environmental conservation activities in its efforts to prevent pollution. In the event that Toppan causes environmental pollution of any form, the Group will immediately publish the

incident, disclose information, and work relentlessly to address the case while taking necessary actions to reliably prevent recurrences. Toppan will also implement recurrence-prevention measures for similar operations throughout the Group. Proactive environmental conservation activities will enable Toppan to detect any signs of pollution and swiftly correct the problem at its source.

Approach to Environmental Compliance

■ Preventing Pollution

The Eco-protection Promotion Committee at each Group site in Japan sets in-house control standards that are more stringent than the applicable regulatory standards. The Toppan Group works to reduce environmental burden and prevent pollution by complying with these in-house standards.

To prevent atmospheric pollution, the Group controls boilers and other plant facilities responsible for air pollutants by managing operations under appropriate combustion conditions. The Group enhances the efficiency of effluent-gas treatment in plant facilities subject to requirements under the Air Pollution Control Act by reusing recovered solvents and controlling combustion facilities appropriately.

To prevent water pollution, the Group has installed wastewater treatment facilities designed to correspond to

specific water consumption and pollutant conditions at individual sites. Wastewater recycling systems have also been installed at Electronics plants that discharge effluents in significant amounts. By recovering and reusing wastewater via these systems, the plants have been working to reduce the levels of water consumption and effluent discharge.

The Toppan Group also checks plant facilities subject to the Water Pollution Control Law in compliance with the regulatory standards for structures. The Group will monitor every facility, including those not subject to the law, to prevent soil and groundwater pollution caused by the leakage of chemicals and other liquids. Any equipment or components with undue wear will be replaced.

■ Handling Inquiries and Complaints

The Toppan Group receives environmental inquiries and complaints via "Inquiries," a contact window for persons seeking information on corporate activities, on the Toppan corporate website. The Ecology Center receives reports on these inquiries and complaints from the Public Relations Division and responds to them as the organization overseeing environmental conservation activities across the Group.

For inquiries on Toppan's activities
<https://www.toppan.com/en/contact-us/privacy-corporate.html>

■ Fiscal 2020 Results

Toppan has used the Group's in-house environmental database for operational sites across Japan to identify any risk of exceeding the limits stipulated under laws, ordinances, agreements, and other applicable regulations. Preventive measures against unduly high risks have been taken to ensure that none of the regulatory limits are breached.

Despite these steps, one production site recorded one case of excessive odor, one site recorded one case of excessive water contamination by BOD, and one site recorded one case of excessive water contamination by n-Hexane, relative to standards set under laws, ordinances, agreements, and other applicable regulations, in fiscal 2020. The Toppan Group took immediate corrective measures for each of the three cases above, including steps to inspect plant facilities and revise the methods for facility control. Since implementing these corrective measures, the Group has standardized newly adopted control procedures and taken other actions to reliably prevent recurrences. Meanwhile, Toppan has identified no

problems with the levels of water consumption and effluent discharge.

As a preventive action against environmental pollution, the Group also reviews drills for coping with potential emergencies and accidents during production operations whenever necessary.

No communities nearby Toppan plants filed complaints in fiscal 2020.

Toppan will continue enhancing the quality of its environmental management through earnest dialogue with residents in surrounding communities.

Fiscal 2020	Excessive Levels Relative to Applicable Legal Standards	Complaints
Cases	3 (2 cases involving water contaminant [BOD, 1; n-Hexane, 1]; 1 case involving odor)	0

Remedying Soil and Groundwater Pollution

Activity results,
performance data

Purifying Soil and Groundwater Pollution

Operational Site	Detail	Current Progress
Itabashi Plant (Itabashi, Tokyo)	Groundwater pollution by hexavalent chromium and toluene	Continuously monitored
Niigata Plant (Shibata, Niigata)	Soil pollution by fluorine and fluorine compounds	Continuously monitored

Remedying Soil Pollution for Redevelopment in Conformance with Applicable Regulations

The Soil Contamination Countermeasures Act of Japan requires remediation work or other countermeasures in the event that a soil investigation detects soil contamination at a site during construction or demolition work of a certain scale (including soil contamination by natural sources in the environment). Site

reconstruction projects are occasionally subject to these legal demands. The Toppan Group has therefore conducted soil investigations in accordance with the act and taken necessary countermeasures when soil contamination has been detected at a Group site.

Operational Site	Chemical Substances Subject to Remediation	Remediation Measures	Current Progress
Kawaguchi Plant (Kawaguchi, Saitama)	Lead and lead compounds	Excavation and removal	Remediation work, phase 1 completed (Phase 2 work to be completed in September 2021.)

Organizing Education

Training,
education

Toppan arranges three types of training programs on pollution control: general education for every employee at individual Group sites; specific operational training for every employee engaged in operations that cause or could potentially cause significant impacts on the environment; and emergency drills to prevent the spread of damage in the event of a potential emergency.

Biodiversity

Basic Approach

Approach

The Toppan Group has formulated the following basic policies on biodiversity conservation and the sustainable use of biodiverse resources.

Toppan positions the conservation of biodiversity as an important element of management. The Group takes an assertive approach to the sustainable use of resources by avoiding or minimizing the impacts on biodiversity during raw material procurement operations. The Group

also proactively undertakes social contribution activities to conserve biodiversity with preventative and adaptive methods formulated from long-term perspectives. These biodiversity initiatives focus on cooperation with community members and various other stakeholders with links to biodiversity. The Group recognizes that biodiversity conservation and the sustainable use of biodiverse resources help mitigate global warming and enhance environmental security.

Activities

Policy

Activity results, performance data

Promoting the Conservation of Biodiversity

The Toppan Group established a Basic Policy on Biodiversity in April 2010 to pursue biodiversity conservation. A set of Paper Procurement Guidelines for the Sustainable Use of Forest Resources was also formulated in September 2011 to step up specific conservation measures.

Concrete initiatives have been carried out through two approaches: biodiversity conservation at Group sites and conservation outside the sites. In the former initiatives, Toppan employees and their families promote biodiversity conservation within site premises in cooperation with external environmental experts. In the latter, employees and family members take part

in conservation activities organized in site neighborhoods by environmental NPOs and local governments.

Toppan employees across the Group have been working with various stakeholders to conserve biodiversity through both of these approaches at operational sites across Japan.

Basic Policy on Biodiversity

<https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

Toppan Group Paper Procurement Guidelines for the Sustainable Use of Forest Resources (second edition) (in Japanese)

https://www.toppan.co.jp/assets/pdf/about-us/sustainability/2014/proc2014_06.pdf



Participating in community activities to burn and beautify the grasses on the banks of Kokubu river (Kochi Plant, Toppan Electronics Products Co., Ltd.)



Cleaning up public spaces along the banks of Sakura river (Mito Plant, Toppan Prosprint Co., Ltd.)



Planting trees on site premises in "Green Wave 2020," a mass tree-planting campaign in Nagoya City, Aichi (Nagoya Plant, Chubu Division)



ECO-GREEN Purchasing

Activity results, performance data

Fiscal Year	2016	2017	2018	2019	2020
Number of Cases	2,949	3,046	2,942	3,151	2,201

Note: ECO-GREEN is a toilet paper composed of about 50% used Cartocan (paper-based beverage container) paper.

Forest Management Certification

Activity results,
performance data

FSC® and PEFC Certification (as of June 3, 2021)

FSC: Forest Stewardship Council

PEFC: Programme for the Endorsement of Forest Certification Schemes

Operational Site	Country or Region	FSC	PEFC
Information & Communication Division (Toppan Inc.)	Japan	✓	
Environmental Design Subdivision (Living & Industry Division, Toppan Inc.)	Japan	✓	
Toppan Cosmo, Inc.	Japan	✓	
Satte Plant (Toppan Decor Products Inc.)	Japan	✓	
Chubu Site (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
Nishinohon Site (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
Takamatsu Office (Environmental Design Subdivision, Living & Industry Division, Toppan Inc.)	Japan	✓	
Toppan Forms Co., Ltd.	Japan	✓	✓
Takiyama Plant (Toppan Forms Central Products Co., Ltd.)	Japan	✓	
Fussa Plant (Toppan Forms Central Products Co., Ltd.)	Japan	✓	
Nagoya Center (Toppan Forms Tokai Co., Ltd.)	Japan	✓	
Fukuroi Plant (Toppan Forms Tokai Co., Ltd.)	Japan	✓	
Osaka Sakurai Plant (Toppan Forms Kansai Co., Ltd.)	Japan	✓	
Hiroshima Plant (Toppan Forms Kansai Co., Ltd.)	Japan	✓	
Kyushu Plant (Toppan Forms Nishinohon Co., Ltd.)	Japan	✓	
Toppan Infomedia Co., Ltd.	Japan	✓	
Living & Industry Division (Toppan Inc.)	Japan	✓	✓
Kansai Living & Industry Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Chubu Division (Toppan Inc.)	Japan	✓	
Mito Plant (Toppan Prosprint Co., Ltd.)	Japan	✓	
Higashinohon Subdivision (Higashinohon Division, Toppan Inc.)	Japan	✓	
Hokkaido Subdivision (Higashinohon Division, Toppan Inc.)	Japan	✓	
Kyushu Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Chugoku & Shikoku Subdivision (Nishinohon Division, Toppan Inc.)	Japan	✓	
Tosho Printing Co., Ltd.	Japan	✓	✓

Operational Site	Country or Region	FSC	PEFC
Pennsylvania Plant (Toppan Interamerica Inc.)	USA	✓	
Toppan Interamerica Inc.	USA	✓	
INTERPRINT, Inc.	USA	✓	
INTERPRINT do Brasil Indústria de Papéis Decorativos Ltda.	Brazil	✓	
Toppan Europe GmbH	Germany	✓	
INTERPRINT GmbH	Germany	✓	
INTERPRINT Polska Sp. z o.o.	Poland	✓	
OOO INTERPRINT RUS	Russia	✓	
OOO INTERPRINT Samara	Russia	✓	
Decotec Printing S.A.	Spain	✓	✓
Barcelona Office (Toppan Europe GmbH)	Spain	✓	
London Office (Toppan Europe GmbH)	UK	✓	
Toppan Leefung Changcheng Printing (Beijing) Co., Ltd.	PRC	✓	
Toppan Leefung Packaging & Printing (Dongguan) Co., Ltd.	PRC	✓	✓
Toppan Leefung Printing (Shanghai) Co., Ltd.	PRC	✓	
Toppan Win Label Printing (Dongguan) Co., Ltd.	PRC	✓	
Toppan Leefung Advertising (Shanghai) Co., Ltd.	PRC	✓	
Toppan Excel (Hong Kong) Company Limited	Hong Kong	✓	
Toppan Win Label Company Limited	Hong Kong	✓	
Toppan Yau Yue Paper Products Limited	Hong Kong	✓	
Toppan Leefung Printing Limited	Hong Kong	✓	✓
Toppan Forms (Hong Kong) Ltd.	Hong Kong	✓	
Toppan Merrill IFN Limited	Hong Kong	✓	
Toppan Merrill Limited	Hong Kong	✓	
INTERPRINT Decor (Malaysia) Sdn. Bhd.	Malaysia	✓	
Toppan Security Printing Pte. Ltd.	Singapore	✓	
Siam Toppan Packaging Co., Ltd.	Thailand	✓	

Environmental Data

Environmental Performance Data

Activity results,
performance data

Major Types of Environmental Burden (Total burden; covering Group companies around the world)

Category		Chief Component	Environmental Burden (Total)
INPUT	Material (t)	Total input	1,845,273
		Paper	1,356,292
		Ink, solvent	94,229
		Plastic	345,581
		Glass	8,513
		Other	40,658
	Energy (TJ) ^{*1}	Total consumption	21,313
		Fuel	4,502
		Electricity, steam	16,810
	Water (1,000 m ³)	Total consumption	12,714
		Industrial water	772
		Municipal water	5,004
		Groundwater	6,914
Rainwater used		24	
	Use of water circulated on premises	4,132	
Chemical substances (t) ^{*2}	Handling of chemical substances designated under the PRTR law	4,484	
OUTPUT	Atmosphere	CO ₂ emission (t-CO ₂) ^{*3}	1,014,288
		Fuel-derived (t-CO ₂)	256,966
		Electricity-, steam-derived (t-CO ₂)	757,323
		Release of chemical substances designated under the PRTR law (t) ^{*2}	83
		VOC emission into the atmosphere (t) ^{*2,4}	3,657
	Water and soil environments	Total effluent discharge (1,000 m ³)	9,979
		Into public water system (1,000 m ³)	7,354
		Into sewage system (1,000 m ³)	2,625
		BOD (kg)	24,642
		COD (kg)	46,135
		Nitrogen discharge (kg)	20,180
		Phosphorous discharge (kg)	5,887
		Release of chemical substances designated under the PRTR law (t) ^{*2}	1
Waste (t)	Total discharge ^{*5}	322,110	
	Recycled	314,142	
	Final landfill disposal	6,214	

*1 Energy consumption associated with fuel consumption is calculated using the conversion factor specified in the year 2000 amendment of the Act on the Rational Use of Energy of Japan.

The primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh.

*2 The PRTR data only covers domestic sites (including Group sites not subject to the environmental targets).

*3 CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) issued by the Ministry of the Environment (MOE) of Japan.

CO₂ emissions associated with electricity consumption are calculated uniformly as 0.378 t-CO₂/MWh.


CO₂ emissions associated with electricity consumption at overseas Group sites, however, are calculated based on the latest conversion factors published by the International Energy Agency (IEA).

Fuel-derived CO₂ emissions include emissions derived from combustibles burned in incinerators.

*4 Emissions into the atmosphere are calculated based on the standards established by the Japan Federation of Printing Industries (JFPI) and the VOC emission inventory issued by the MOE of Japan.

*5 The total discharge of waste includes industrial waste of no value and waste materials of value sold or transferred as resources (both generated in association with business activities).

Environmental Data

Every indicator assured by an independent assurance provider is marked with an assurance stamp .

Major Types of Environmental Burden (subject to the environmental targets in Japan)

Category		Chief Component	Environmental Burden (subject to the environmental targets in Japan)
INPUT	Material (t)	Total input	910,211
		Paper	647,091
		Ink, solvent	50,288
		Plastic	180,172
		Glass	7,227
		Other	25,433
	Energy (TJ) ^{*1}	Total consumption	11,747
		Fuel	2,989
		Electricity, steam	8,758
	Water (1,000 m ³)	Total consumption	6,598
		Industrial water	750
		Municipal water	1,095
		Groundwater	4,743
		Rainwater used	10
		Use of water circulated on premises	4,090
	Chemical substances (t)	Handling of chemical substances designated under the PRTR law	4,462
OUTPUT	Atmosphere	CO ₂ emission (t-CO ₂) ^{*2}	506,597
		Fuel-derived (t-CO ₂)	169,649
		Electricity-, steam-derived (t-CO ₂)	336,948
		Release of chemical substances designated under the PRTR law (t)	83
		VOC emission into the atmosphere (t) ^{*3}	2,480
	Water and soil environments	Total effluent discharge (1,000 m ³)	5,307
		Into public water system (1,000 m ³)	4,236
		Into sewage system (1,000 m ³) ^{*4}	1,071
		BOD (kg)	9,763
		COD (kg)	8,961
		Nitrogen discharge (kg)	10,950
		Phosphorous discharge (kg)	434
		Release of chemical substances designated under the PRTR law (t)	1
	Waste (t)	Total discharge ^{*5}	186,140
		Recycled	185,745
Final landfill disposal		51	

*1 Energy consumption associated with fuel consumption is calculated using the conversion factor specified in the year 2000 amendment of the Act on the Rational Use of Energy of Japan.

The primary energy input associated with electricity consumption is calculated uniformly as 0.00983 GJ/kWh.

*2 CO₂ emissions are calculated by the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (2003) issued by the Ministry of the Environment (MOE) of Japan.

CO₂ emissions associated with electricity consumption are calculated uniformly as 0.378 t-CO₂/MWh.

Fuel-derived CO₂ emissions include emissions derived from combustibles burned in incinerators.

*3 Emissions into the atmosphere are calculated based on the standards established by the Japan Federation of Printing Industries (JFPI) and the VOC emission inventory issued by the MOE of Japan.

*4 Includes 8,809 m³ of spring water from the premises of the Akihabara Sales Building.

*5 The total discharge of waste includes industrial waste of no value and waste materials of value sold or transferred as resources (both generated in association with business activities).

Environmental Accounting

Activity results,
performance data

Capital Investment for Environmental Conservation

(million yen)

Item	Major Content	Fiscal 2020	Increase/ Decrease from Fiscal 2019	Average for the Last Five Years
1	Investment in equipment to prevent pollution Investment in equipment to prevent atmospheric and other forms of pollution (Including equipment to prevent water pollution)	305 (74)	-1,952 (-1,484)	1,255 (470)
2	Investment in equipment to conserve the global environment Investment in equipment to conserve the global environment by mitigating global warming, etc.	1,414	258	1,089
3	Investment in equipment to circulate resources Investment in equipment to realize the appropriate treatment, recycling, etc. of waste (Including equipment to use rainwater and reduce water consumption)	129 (5)	-149 (5)	138 (11)
4	Investment in equipment to carry out environmental management activities Investment in equipment to monitor and measure environmental burden, plant trees at operational sites, and implement other environmental measures	6	2	17
Total		1,854	-1,841	2,499

Environmental Conservation Benefit

Item	Major Content	Increase/Decrease from Fiscal 2019	Fiscal 2020
Energy	Total energy consumption (TJ)	132	21,313
Water	Water consumption (1,000 m ³)	-545	12,714
Atmosphere	CO ₂ emission (kt-CO ₂)	-3	1,014
	Emission of dioxins (mg-TEQ)	5	6
Water and soil environments	Total effluent discharge (1,000 m ³)	-422	9,979
	BOD (t)	-28	25
	COD (t)	-25	46
Waste	Total discharge (kt)	-7	322

Environmentally Friendly Products (87 products as of March 2021)

Business Field	Product	Standard Categories	Business Field	Product	Standard Categories
Information & Communication	Ecothrough Card	Suitability for disposal	Living & Industry	Cylindrical paper-composite container for refill	Use of sustainable resources
	Bulky Waste Processing Sticker	Resource saving (reduced use of materials)		High-resistance Flexible Pouch	Resource-saving efforts, improvement in transport efficiency
	Eco Pack (life-size POP display)	Resource saving (reduced use of materials)		BIOAXX (label)	Use of sustainable resources
	Paper Desk Calendar	Use of recycled materials		Aluminum-free Lid Material	Use of sustainable resources
	Ecology Calendar	Use of recycled materials		Multi-layer Blow Tube	Resource-saving efforts
	Non-vinyl Chloride Lenticular Lens	Suitability for disposal		Steam-release Packaging	Reduced environmental burden during use
	Eco Pack Multipanel	Reusability		Air Hold Pouch	Resource-saving efforts
	Eco Floor Sticker	Suitability for disposal		BIOAXX (flexible packaging material)	Use of sustainable resources, resource saving, environmentally friendly disposal, visualization of environmental burden
	Eco Pack End Panel	Resource saving		Square-bottomed Gazette Pouch	Improvement in transport efficiency, resource saving, environmentally friendly disposal
	Eco Pack Stand (round type)	Resource saving		Flexible packaging material using recycled materials	Use of recycled materials, procurement of materials with lower environmental burden, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden
	Disk Tottokun Series	Resource saving, prolonged product life, recyclability, suitability for disposal		Printed Decorative Paper (Coated Paper)	Reduced use of chemical substances, reduced use of hazardous substances
	Ultra-thin DM (brochures, etc.)	Resource saving, reduced energy consumption in production, recyclability		Printed Decorative Paper (Coated Paper, FSC-certified)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances
	Eco Pack Multipanel Mini	Reusability, prolonged product life, recyclability, easy separation and disassembly		Printed Decor Paper for HPL/LPL (Saturated Grade Paper)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Multicube POP	Reusability, prolonged product life, recyclability, easy separation and disassembly		Printed Decor Paper for HPL/LPL (Saturated Grade Paper)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Green Bankbook	Recyclability, suitability for disposal		Transfer paper for padded floors	Reduced use of chemical substances, reduced release of chemical substances
	KAMICARD®	Biodegradability, use of safe materials, resource saving, recyclability		Lower-VOC wallpaper (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	KAMI-RFID CARD	Recyclability, use of safe materials, resource saving, easy separation and disassembly		SnapFit	Reduced use of chemical substances, use of sustainable resources, extension of product life
Printed materials with environmental logos	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, use of sustainable resources, use of renewable energy, carbon offsetting, labeling with environmental logos	101 Coordination Floor REPREA eco (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, labeling with environmental logos		
Electronics	Flip chip ball grid array [FC-BGA] substrate (halogen free)	Suitability for disposal	Sosogi Jozu	Resource saving, improvement in transport efficiency, environmentally friendly disposal	
	Color filter (resin black matrix [BM])	Use of safe materials, energy saving, reduced release of chemical substances, suitability for disposal	Preform for PET bottles	Improvement in transport efficiency, visualization of environmental burden	
	Palladium pre-plated leadframe	Use of safe materials, reduced release of chemical substances, suitability for disposal	FORMANO	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life	
Living & Industry	Flip chip ball grid array [FC-BGA] substrate (lead free)	Use of safe materials, reduced release of chemical substances, suitability for disposal	FORTINA	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life	
	Toppan Ecowall	Reduced release of chemical substances, use of safe materials, suitability for disposal	TOPPAN MATERIAL WOOD (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, environmentally friendly disposal, reduced release of chemical substances, extension of product life	
	TOPPAN ECO SHEET	Reduced release of chemical substances, extension of product life	Smart Deli Bag	Reduced environmental burden during use	
	GL BARRIER (Exceptional*)	Use of sustainable resources, resource-saving efforts	Plastic UV ink container	Use of recycled materials, use of sustainable resources, improvement in transport efficiency, recycling	
	Stand-up Pouch	Resource-saving efforts	Forest-certified-paper packaging	Use of sustainable resources, labeling with environmental logos	
	Bottled Pouch	Resource-saving efforts	Biodegradable plastic products	Use of biodegradable materials	
	Plastic container made from recycled materials	Use of recycled materials	Cardboard with shrink wrap packaging	Resource saving, reduced energy consumption in production, improvement in transport efficiency, recycling	
	TT Paper Can	Use of sustainable resources	Emergency magnesium air battery	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, reduced environmental burden during use, recycling, environmentally friendly disposal	
	Ecotainer	Recycling, improvement in transport efficiency	FINE FEEL (101 Material)	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, extension of product life, environmentally friendly disposal	
	TL-PAK	Recycling, improvement in transport efficiency	EP-PAK Fold & Tear/Easy Removal Cap (Exceptional*)	Reduced use of chemical substances, use of sustainable resources, improvement in transport efficiency, recycling, environmentally friendly disposal, labeling with environmental logos	
	EP-PAK (EP-GL)	Improvement in transport efficiency, recycling	BIOAXX flexible packaging material (Eco Mark certified) (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal, visualization of environmental burden, labeling with environmental logos	
	EP-PAK (Al)	Improvement in transport efficiency	Flexible packaging material using recycled materials (Eco Mark certified) (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of recycled materials, resource saving, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden, labeling with environmental logos	
	Stand-up Laminated Tube	Resource-saving efforts			
	Recyclen Cap	Recycling			
	AP Carton	Improvement in transport efficiency			
	Micro Flute	Resource-saving efforts, recycling			
	TP-Tray	Recycling, use of sustainable resources			
	Corrugated Board Cushioning Material	Recycling			
	AD-Case	Resource-saving efforts			
	Cartocan (Exceptional*)	Use of sustainable resources, recycling, visualization of environmental burden			
	GL-C Bottle	Resource-saving efforts			
	Jar Plus	Resource-saving efforts, recycling			
	GL FILM Lined Paper Cup	Use of sustainable resources			
	Double-wall Barrier Paper Cup	Resource-saving efforts			
	Fluorine-free oil-repellent paper	Recycling			
	In-mold Barrier Cup	Extension of product life, improvement in transport efficiency			
	Easy Peel-off Thermo-Label	Recycling			
	Eco Band	Reusability			
	Paper carton with tamper-evident closure	Resource-saving efforts			
	Clear UV-blocking Film	Use of sustainable resources			
	BIOAXX (molding product)	Use of sustainable resources			
	EL-Case	Resource-saving efforts, recycling			
	Paper cup made from pulp from forest-thinning operations	Use of sustainable resources			

*Exceptional environmentally friendly product

Environment-related Business

In fiscal 2020 the Toppan Group revised its classification criteria for environment-related business to cover every project associated with the “sustainable global environment” theme advocated in the Business Materiality category.

The total sales of the environment-related business satisfying the renewed Groupwide criteria—including, most

notably, sales of environment-friendly products—were 790.3 billion yen in fiscal 2020.

From fiscal 2021, Toppan will develop more business projects that contribute to the achievement of the United Nations Sustainable Development Goals.

Green Procurement and Green Purchasing

JFPI Green Procurement Standards for Paper and Level of Fulfillment

Green Principle	Level 1	Level 2	Fiscal 2020 Result*
1. Using recycled paper or paper made with fewer forest resources (excluding covers for brochures)	Paper composed of at least 60% recycled pulp plus forest-certified pulp for the remaining portion, or with an overall rating of more than 80 points	Paper composed of at least 20% recycled pulp or forest-certified paper, tree-free paper, paper made with pulp from forest-thinning operations, or tissue paper	5.7%
2. Reducing component properties obstructive to waste paper recycling	Non-usage of printing materials with waste paper recyclability rankings of B, C, or D	Non-usage of printing materials with waste paper recyclability rankings of C or D	
3. Procuring from manufacturers proactively engaged in paper recycling	Procurement from manufacturers who proactively use waste paper as a raw material for recycled paper		

Note: Result under the Green Standards for Offset Printing Services (April 1, 2017 amendment) of the Japan Federation of Printing Industries (JFPI)

*Level 1 or 2 paper used (kg) / offset paper purchased (kg)

JFPI Green Procurement Standards for Ink and Level of Fulfillment

Green Principle	Level 1	Level 2	Fiscal 2020 Result*
1. Avoiding the use of substances harmful to the human body	Conformance with the NL regulations of the Japan Printing Ink Makers Association		99.0%
2. Considering chemical substances designated under the PRTR law of Japan	Non-usage of substances designated under the PRTR law	Identification of substances designated under the PRTR law (via SDSs)	
3. Controlling VOC emissions (for offset ink, excluding heat-set ink for web press)	Non-VOC ink or UV ink	Vegetable oil ink, soybean oil ink, or “ig” ink (labeling with Ink Green Mark)	
4. Using sustainable resources (for heat-set ink for web press)	Vegetable oil ink, soybean oil ink, or “ig” ink (labeling with Ink Green Mark)		
5. Reducing component properties obstructive to waste paper recycling	Non-usage of printing materials with waste paper recyclability rankings of B, C, or D	Non-usage of printing materials with waste paper recyclability rankings of C or D	

Note: Result under the JFPI Green Standards for Offset Printing Services (April 1, 2017 amendment)

*Level 1 or 2 ink used (kg) / offset ink purchased (kg)

In-house Green Purchasing Standards and Levels of Fulfillment

Product	Standard	Fiscal 2020 Result
Copy machines and printers	Configured to automatically revert to low-power mode or off mode	90.0%
PCs	Configured to automatically revert to low-power mode or off mode and to maintain low energy consumption when in low-power mode	100.0%
Stationery and office goods	Products listed in eco-friendly product catalogues of manufacturers	69.9%

Participating in the Green Purchasing Network

The Green Purchasing Network (GPN) of Japan was established in 1996 as a loose-knit network of businesses, civilian organizations, government agencies, and other entities proactively engaged in green purchasing practices. GPN is convinced that green purchasing plays a critical role in the formulation of a market for eco-products on a scale sufficient to facilitate eco-product development. GPN believes that green purchasing will contribute

significantly to the realization of a sustainable society.

As a GPN member, Toppan Inc. provides printing services based on the GPN Ordering Guidelines for Printing Services.

Green Purchasing Network
<https://www.gpn.jp/english/index.html>



Promoting CFP and Carbon Offsetting Initiatives for Printed Materials and Events

The Toppan Group has been visualizing CO₂ emissions associated with printed materials and events through CFP* and carbon offsetting initiatives. The Group's one-stop service for client companies covers every step from CFP quantification to carbon-offset certification. This procedure has also been applied to the Group's own products and events. In fiscal 2020 the Group conducted CFP quantifications for 19 products, services, and events.

In self-initiated activities, CO₂-equivalent greenhouse gas (GHG) emissions associated with printed materials issued by the Toppan Group are offset with J-Credits generated by Toppan subsidiaries and Gold Standard credits linked to the SDGs. The carbon-offsetting mechanism using Gold Standard credits

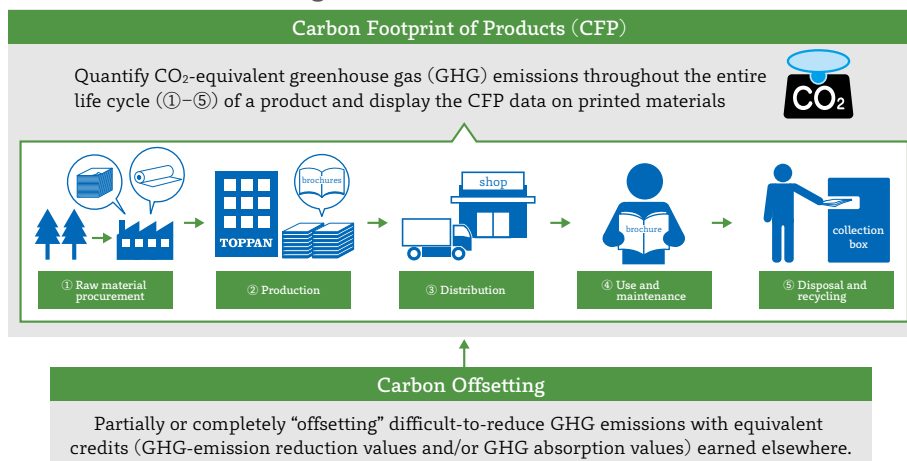
allows Toppan to address SDG-relevant global development agendas such as climate security and stable power supply.

The Group has also offset the CO₂-equivalent GHG emissions associated with the TOPPAN eSports Festival**. The emissions were offset with a J-Credit originating from a GHG-emission reduction project using carbonyl fluoride operated by Ortus Technology Kochi Co., Ltd. (now the Kochi Plant of Toppan Electronics Products Co., Ltd.).

**Carbon footprint of products,* a project advocated by the Japanese Ministry of Economy, Trade and Industry

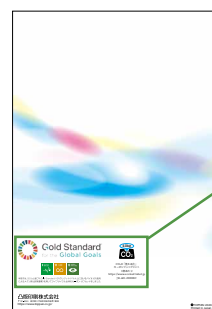
**<https://japancredit.go.jp/cp/77/> (in Japanese)

Framework for CFP and Carbon Offsetting



CFP information on the printed Japanese version of the *Toppan Integrated Report 2020*

https://ecoleaf-label.jp/pdf_view.php?uuid=c2743b52-521c-469b-a28b-3c698f0311ea.pdf&filename=JR-AO-20008C_JPN.pdf



Toppan Integrated Report 2020
 (back cover of the printed Japanese version)

Governance

Contents

Corporate Governance	P. 133
Strict Compliance	P. 136
Risk Management and Control	P. 142
BCP/BCM	P. 146
Tax Governance	P. 150

Corporate Governance

Basic Approach

Approach

Corporate governance focused on the management of sustainability activities provides an integral foundation for Toppan's approach to fulfilling corporate social responsibilities as a group of companies dedicated to furthering sustainable growth hand-in-hand with the development of society at large.

Toppan has formulated a Basic Policy on Corporate Governance to reinforce its corporate governance based on a full understanding of the spirit and aims of the Corporate Governance Code established by the Tokyo Stock Exchange. In March 2020 Toppan revised the basic policy to better align it

with the progress made in promoting workplace diversity and addressing the SDG issues of focus for the Group.

Toppan and its Group companies work together to consolidate management under the Related Company Administration Regulations prescribed for the advancement of fair management within the Group. Through this approach, the Toppan Group promotes governance aimed at maximizing the value of the entire Group.

Basic Policy on Corporate Governance of Toppan Inc.
<https://www.toppan.com/en/ir/management/governance-policy.html>

Promotion Framework

Promotion framework

Toppan Inc.'s governance structure employs an Audit & Supervisory Board.

As an entity entrusted by shareholders and substantially represented by independent external members (one-third of all members), the Board of Directors strives to achieve sustainable growth and a medium- to long-term increase in the corporate value of the Group while overseeing important managerial decision-making and the execution of duties by each director.

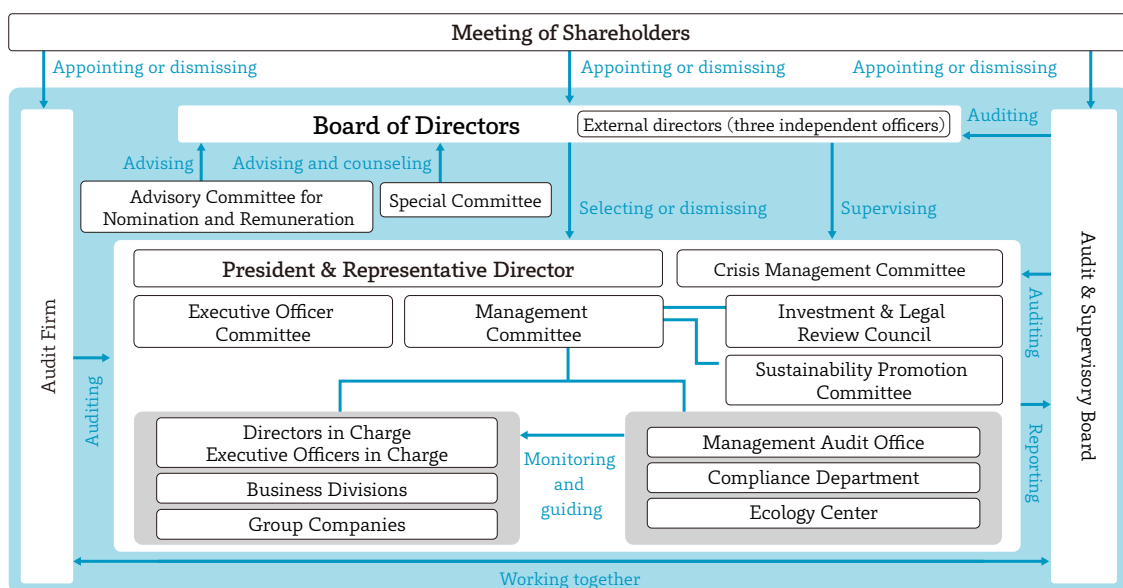
An Audit & Supervisory Board composed of a majority of

independent external members audits the execution of duties by directors from a position independent from management.

An Advisory Committee for Nomination and Remuneration has also been set up to enhance the objectivity and transparency of personnel affairs and remuneration of directors.

Toppan has adopted an executive officer system to clarify the authority and responsibilities of those in charge of business execution.

Corporate Governance Structure (as of June 29, 2021)



Directors, Board of Directors, and Various Meetings

Promotion framework

Toppan's Board of Directors is composed of six Company directors and three external directors appointed as independent officers (as of June 29, 2021). Board meetings are held monthly and whenever a pressing matter requires action or deliberation. Especially important matters are deliberated beforehand by the Management Committee, a body made up of directors nominated by the President & Representative Director. The goal is to lay weight on managerial efficiency in business

decision-making. Toppan has also adopted an executive officer system to clarify the authority and responsibilities of those in charge of business execution and enable prompt responses to changes in business circumstances. An Advisory Committee for Nomination and Remuneration for directors has also been in place since fiscal 2017. The Company partially revised its executive officer system in May 2018.

Audit & Supervisory Board, Board Members, and Audit Firm

Promotion framework

As of June 29, 2021, five persons are serving as audit & supervisory board members at Toppan, including three external members appointed as independent officers. In addition to their own board meetings, the board members attend meetings of the Board of Directors, meetings of the Management Committee, and other important meetings on risk management. The board members systematically manage the implementation of audits of operational sites and Group companies in close cooperation with the audit firm and internal audit-related departments of the Company. By these means, they audit and advise the

Company from a preventive perspective to ensure the legality of the operations of the directors and departments and smooth and appropriate corporate management in line with company policies and rules. They also regularly convene a meeting of audit & supervisory boards from related companies to improve the effectiveness of the audits by board members across the Group. Toppan has had KPMG AZSA LLC verify the propriety of the Company's accounts through audits in order to enhance the reliability and transparency of the Company's financial information.

Strengthening Audit Functions

Promotion framework

Activity results, performance data

The Management Audit Office is a body established independently from the business divisions of the Company. Working from legal and rational viewpoints, the office conducts fair and objective audits on the administrative and operational systems of management activities and the practical status of the Company's operations. The office provides feedback to the relevant departments on issues identified, proposes measures for improvement, and reports the audit results to the President & Representative Director, directors in charge of relevant departments, and audit & supervisory board members.

The Compliance Department in the Legal Affairs & Intellectual Property Division spearheads the Company's initiatives to ensure the strict observance of laws and regulations and to firmly establish ethical business practices. The department is responsible for ensuring that employees are fully informed of the Conduct Guidelines and comply with applicable laws and regulations.

The department also reports to the Audit & Supervisory Board on improper acts such as collusion, illicit trading, and bribery, along with other forms of corruption, misconduct, and legal violations.

Toppan addresses these compliance issues through the Toppan Group Helpline, an internal reporting system that any officer or employee (including a part-time worker or dispatched staff) of a Group company (excluding listed corporations) can contact whenever a legal violation or other improper act comes to light.

The Information Security Division audits information security management within the Toppan Group as an organization responsible for the control of information security. The Ecology Center in the Manufacturing Management Division, meanwhile, oversees environmental activities across the Group. The center conducts internal environmental audits at operational sites and monitors the progress of improvements in their environmental management.

Conducting Management Audits

Activity results, performance data

The Management Audit Office carried out 16 operation audits in fiscal 2020 and conducted maintenance and operational evaluations of internal controls over financial reporting for all business divisions and main subsidiaries.

The audit results are regularly reported to the representative directors, directors in charge of the relevant organizations, and the audit & supervisory board members.

Reinforcing Group Governance under the Operating Guidelines for Overseas Subsidiaries

Policy

Activity results,
performance data

The processes by which the overseas subsidiaries in the Toppan Group were formed have varied. Some of the subsidiaries were established by Toppan Inc., while others were brought into the Group through investments or acquisitions. As the subsidiary businesses are also diverse, Toppan has sometimes faced difficulty in ensuring effective control over them. Toppan strives to secure the effective control and sustainable growth of global business by developing a governance structure that immediately addresses business challenges related to governance, compliance, and risk management, while respecting the autonomy of the Group companies.

In 2019 Toppan issued its first set of Operating Guidelines for

Overseas Subsidiaries to reinforce the governance structure across the Group. The second set of guidelines, formulated in 2020, reflects changing business environments, revisions in relevant legislation and in-house rules, and other factors affecting Group governance.

Toppan will continue to seek ideal Group governance by helping Group companies build operating foundations and governance structures based on the guidelines. With sound foundations and governance in place, Group companies will be better able to shape their own cultures and maintain their organizational autonomy under the effective control of Toppan Inc.

Toppan also considers environmental, social, and governance (ESG) factors when performing due diligence for M&As.

List of Directors and Audit & Supervisory Board Members (as of June 29, 2021)

Directors: 9 (7 men, 2 women)

Audit & supervisory board members: 5 (4 men, 1 woman)

Name	Current position	Independence	First year*	Tenure in years*	Attendance at Board of Directors meetings (Fiscal 2020)	Number of Company shares held (thousands)
Shingo Kaneko	Chairman & Representative Director		2003	18	15/18	113
Hideharu Maro	President & Representative Director		2009	12	18/18	61
Shinichi Ohkubo	Executive Vice President & Representative Director		2005	16	18/18	98
Kazunori Sakai	Director & Senior Managing Executive Officer		2019	2	18/18	22
Takashi Kurobe	Director & Managing Executive Officer		2018	3	18/18	11
Hironori Majima	Director & Executive Officer		2021	–	–	8
Yoshinobu Noma	Director (external)	✓	2010	11	18/18	34
Ryoko Toyama	Director (external)	✓	2016	5	18/18	–
Mieko Nakabayashi	Director (external)	✓	2020	1	14/14	–
Jitsumei Takamiyagi	Senior Audit & Supervisory Board Member		2014	7	18/18	85
Itaru Kubozono	Audit & Supervisory Board Member		2019	2	18/18	5
Hiroyuki Shigematsu	Audit & Supervisory Board Member (external)	✓	2014	7	18/18	–
Keiko Kakiuchi	Audit & Supervisory Board Member (external)	✓	2016	5	18/18	–
Haruo Kasama	Audit & Supervisory Board Member (external)	✓	2018	3	17/18	–

*As a director or an audit & supervisory board member

Average tenure in years	6.57
Percentage of female executives	21.43%
Average attendance rate	98.26%

■ Remuneration to Directors and Audit & Supervisory Board Members

The total annual remuneration to directors and total annual remuneration to audit & supervisory board members were 945 million yen and 111 million yen, respectively, in fiscal 2020. Please see the section covering corporate governance in the securities report (in Japanese) for details on the method used

to determine remunerations and other remuneration-related information.

Securities report (in Japanese)
https://ssl4.eir-parts.net/doc/7911/yocho_pdf/S100J99K/00.pdf

Strict Compliance

Basic Approach

Approach

Legal compliance in business operations is an indispensable prerequisite for every corporation to fulfill its responsibilities to society.

Toppan established the Conduct Guidelines as a set of compliance standards in June 2000, the centennial of Toppan Inc. These guidelines set forth standards for Toppan personnel's behavior based on the Corporate Philosophy and principles of legal compliance.

In November 2010 Toppan completely revised the guidelines into the Toppan Group Conduct Guidelines, a set of

common principles that all Group companies around the world are required to observe for the assurance of strict compliance. These Groupwide guidelines are reviewed every year to adjust to changes in business environments, social conditions, and other circumstances relevant to the Group. Any revision of the guidelines is subject to a resolution by the Board of Directors of Toppan Inc.

Toppan Group Conduct Guidelines
<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

Reviewing the Toppan Group Conduct Guidelines

Policy

Training,
education

The Legal Affairs & Intellectual Property Division reviews the Toppan Group Conduct Guidelines every year. The division revised the guidelines on April 1, 2021 based on a review performed in fiscal 2020, the 120th anniversary of Toppan Inc. The last round of guideline revisions was completed a decade earlier.

The latest revisions enable Toppan employees to act appropriately in their initiatives to pursue the Group's

management challenges. Focusing on the United Nations Sustainable Development Goals (SDGs), a topic of growing interest throughout the world, the revised guidelines aim to accelerate individual efforts to address material issues identified in the *TOPPAN SDGs STATEMENT*. Proper actions in accordance with the guidelines will help the international community shape a sustainable society.

■ Main Revisions

1) Revisions in “Chapter 1 Basic Principles”

Chapter 1: Basic Principles (revised portions underlined)

Basic Principles (before revision)

1. Respecting basic human rights
2. Having high ethical standards and acting as a responsible member of society
3. Complying with laws and company rules and conducting fair business operations
4. Avoiding all links with antisocial groups
5. Striving to improve quality and providing creations that contribute to customer satisfaction
6. Recognizing the importance of information related to business and managing it appropriately
7. Proactively undertaking conservation of the global environment
8. Embracing change and taking on new challenges
9. Building trust from society through social contribution activities and appropriate disclosure of information
10. Bringing together individual strengths to fully exploit the integrated strength of the group

Basic Principles (after revision)

1. Respecting human rights
2. Having high ethical standards and acting as a responsible member of society
3. Complying with laws and company rules and conducting fair business operations
4. Proactively undertaking preservation of the global environment to achieve a sustainable society
5. Striving to improve quality and providing dedicated products that contribute to customer satisfaction
6. Respecting personnel diversity and striving to create a rewarding work environment that is physically and mentally healthy
7. Embracing change and taking on new challenges
8. Recognizing the importance of and properly managing business-related information and information process system
9. Providing organizational risk management and control thoroughly against threats that have a serious impact on our corporate activities (added)
10. Striving to improve corporate value through social contribution activities and proper information disclosure/communication

- Article 1 on “respecting human rights” closely relates to Toppan’s time-honored concept of “respect for human beings.” Civil society now urges businesses to take responsible actions on human rights around the world. Toppan therefore puts the human rights clause at the top of the Basic Principles. In the title of the fiscal 2020 edition, “basic human rights” has been changed to “human rights” in line with the wording used by globally recognized standards, primarily the United Nations Global Compact, a voluntary corporate sustainability initiative whose principles Toppan supports.
- Article 2 represents corporate ethics and Article 3 covers legal compliance. Together they form the core of the Toppan Group Conduct Guidelines. The importance of these matters in the revised principles remains unchanged from before.
- Article 6 (renumbered from 10) adds descriptions of a rewarding environment and personnel health and diversity to the former Article 10, which advocated a work environment

that fully exploits individual abilities. These points are now articulated in the title.

- Articles 4 to 6 cover the “environmentally friendly & sustainable production” and “employee health & job satisfaction” themes under the Companywide Materiality category presented in the *TOPPAN SDGs STATEMENT*.
- Article 8 describes information and evinces the importance of information process systems as infrastructure to support information management, with the progress of digital transformation (DX) in a digitalized society.
- Article 9 introduces a basic principle on risk management and control. The avoidance of links with antisocial groups, a point affirmed in the former Article 4, has been integrated into this article.
- The basic principles affirm Group commitment throughout the supply chain to initiatives for human rights, environmental conservation, and product-quality improvement.

2) Revisions in “Chapter 2: Specific Conduct Guidelines”

In tandem with the revisions in the basic principles, Toppan has reorganized the paragraphs describing the specific conduct guidelines and added new paragraphs, as follows (examples).

Paragraph headings:

- Striving to maintain and promote physical and mental health
- Understanding the characteristics of social media and using it with self-awareness and responsibility as a working professional
- Promoting development of products and services by incorporating a standpoint of universal design
- Striving for appropriate management of information processing system and network
- Simulating emergency and taking precautions
- Acting properly at the time of disaster
- Striving to secure cyber security

The principle on the environment set forth in the specific guidelines from before was presented in two paragraphs, headed as follows: “striving to reduce the environmental burden of business activities” and “promoting businesses with consideration for the environment.” With the growing concerns about global environmental issues and tougher environmental legislation and policies worldwide, this principle is now expressed in four paragraphs, headed as follows: to “establish a low-carbon society,” “create a recycle-based society,” “take environmental risk measures,” and “preserve biodiversity.”

The principle of the prohibition of discrimination specifies types of discrimination in the heading of the paragraph declaring Toppan’s commitment to non-engagement in discrimination on the basis of disability, sexual orientation,

and gender identity. This paragraph reflects the increased employment of persons with disabilities and enhanced global awareness about lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) persons.

The diversity principle had been expressed in a paragraph on “recognizing the diverse values of individuals and respecting personal qualities and individuality.” The words “diversity and inclusion” have been added to the paragraph heading to manifest Toppan’s dedicated approach to diversity and inclusion (D&I) as a means of ensuring heightened D&I awareness among employees throughout Group workplaces.

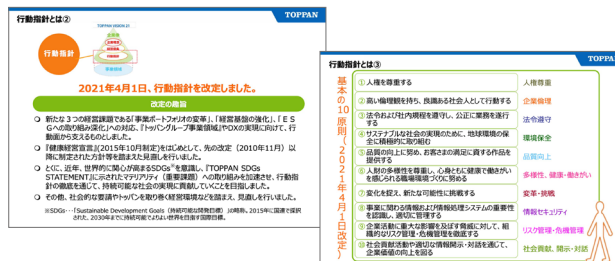
The heading for the paragraph stipulating the building of appropriate relationships with business partners has been revised to include “procurement with responsibility” in order to accentuate Toppan’s commitment to fulfilling social responsibilities throughout the entire supply chain. Toppan has drafted the content of this paragraph in line with the Toppan Group CSR Procurement Guidelines.

The revised specific guidelines contain a paragraph on the contribution to popularization and promotion of culture, arts, and sports through business activities. In addition to the development and passing on of skills and culture, Toppan has reviewed its employee athlete program, the Kanosei Art Project (“*kanosei*” means “potential” in Japanese), its Groupwide projects focused on social topics such as education, arts, and healthcare, and various other initiatives the Group has recently been advancing.

Toppan has also revised several other principles to adjust to current social demands, business environments, and other circumstances relevant to the Group.

Disseminating the Revised Conduct Guidelines

Toppan gives every Group employee in Japan a booklet presenting the revised Conduct Guidelines and arranges an e-learning program to heighten awareness of the revisions. Toppan also organizes group training for Conduct Guidelines Promotion Leaders (“Leaders”) to brief them on the details and intent of the latest revisions. The Leaders disseminate the revised guidelines at their workplaces throughout the Group.



E-learning program on the revised guidelines

Compliance Promotion Structure

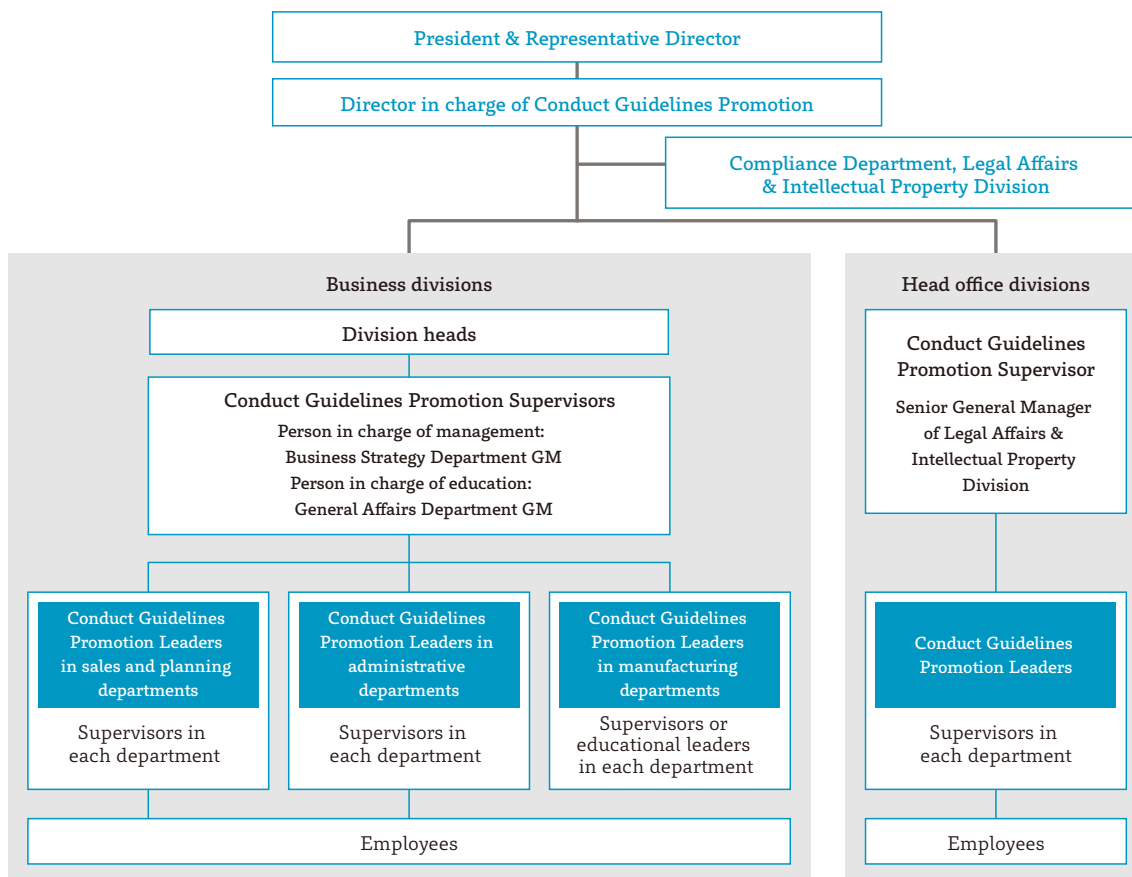
Promotion framework

Toppan believes that the strict observance of the Conduct Guidelines directly links to legal compliance. The Conduct Guidelines Promotion Leader system is a core mechanism to ensure full observance of the guidelines. Upon their election every year, the Leaders initiate guideline compliance in daily operations at their workplaces under the Director in charge of Conduct Guidelines Promotion.

Seven hundred and twelve Leaders were deployed across the Group in fiscal 2020, including 98 women (13.8% of the Leaders). A cumulative total of 11,132 employees have worked as Leaders since the system was launched in fiscal 2004.

	Number of Newly Deployed Leaders	Number of Female Leaders Deployed (Percentage)	Cumulative Total Number of Leaders
Fiscal 2017	733	95 (13.0%)	9,055
Fiscal 2018	677	86 (12.7%)	9,732
Fiscal 2019	688	87 (12.6%)	10,420
Fiscal 2020	712	98 (13.8%)	11,132

Structure to Promote the Conduct Guidelines



Compliance Training

Training,
education

Toppan organizes group training for Conduct Guidelines Promotion Leaders (“Leaders”) every year. The Group devises ways to enhance the effectiveness of training sessions through activities such as group discussions using case methods describing actual incidents. Thirty-six training sessions were held for 528 Leaders from Toppan Inc. and Group companies across Japan in fiscal 2020.

Toppan also gives every Group employee in Japan a *Conduct Guidelines Casebook*, a Q&A style casebook describing situations that can arise in daily work. The casebook is used in various guideline promotion activities. The Leaders, for example, use it to disseminate the guidelines at their workplaces. The Compliance Department in the Legal Affairs

& Intellectual Property Division, meanwhile, posts monthly *Conduct Guideline Notifications* on topics relevant to the guidelines at the workplace to ensure strict compliance under the Leaders. Toppan has also been holding seminars, producing posters, and implementing other compliance promotion activities to ensure full observance of the guidelines among Group employees.

In fiscal 2020 Toppan held two online training sessions for 51 employees at Group affiliates in Shanghai, China to disseminate the guidelines and ensure strict compliance at overseas subsidiaries. Toppan will continue to organize education on the Conduct Guidelines for employees working at Group affiliates in other countries and regions.

■ Compliance in fiscal 2020

Toppan was not involved in any serious incidents or violations of laws or regulations in the course of business in fiscal 2020.

Anti-Corruption Initiatives

Policy

Activity results,
performance data

Toppan has been undertaking various anti-corruption initiatives in conformance with the anti-corruption principle set out by the United Nations Global Compact. The Toppan Group Conduct Guidelines affirm wide-ranging principles on corruption prevention, such as the “prohibition of bribery and inappropriate entertainment practices,” “prohibition of receipt or provision for personal gain or rebate,” “prohibition of illegal political contributions or donations,” and “prohibition of collusion and cartels.”

To better combat corruption, Toppan established a set of anti-bribery rules and guidelines in March 2017 and formulated an anti-corruption framework led by the Director in charge of Legal Affairs & Intellectual Property as the chief anti-bribery manager. For more intensive anti-bribery control, Toppan also launched a system requiring pre-authorization for the offering of any entertainment or gifts to a public official or the like.

In April 2018 the Group issued an FAQ describing specific

cases of bribery to further heighten employee awareness and call strict attention to compliance-related issues. No cases of inappropriate entertainment or gifts to public officials or the like were identified across the Group in fiscal 2020.

In training sessions organized each year for candidates for overseas assignments, trainees learn reinforced strategies to combat bribery in the commercial and public sectors and become familiar with the Group’s system for pre-authorization. Twenty employees attended five sessions in Japan in fiscal 2020.

The Toppan Group continues to win more contracts with national and local governments, primarily for business process outsourcing (BPO) projects in Japan. To ensure proper conduct, Toppan organizes regular training sessions on the prevention of collusion and bribery. The target trainees are mainly Group employees who are often assigned to sales and planning operations for public sector projects.

Training for Compliance with Transaction-related Laws and Regulations

Policy

Training,
education

To enforce compliance with major transaction-related laws and regulations, the Toppan Group has been comprehensively preventing improper import and export transactions and ensuring compliance with the Subcontract Law of Japan.

In fiscal 2020, a total of 2,592 employees from departments that customarily conduct transactions with subcontractors were trained on compliance with the subcontract law, and 9,219 employees took an e-learning course on export controls under the Foreign Exchange and Foreign Trade Act of Japan.

The Group also audited compliance with the subcontract law in 43 departments and the observance of export controls in 35 departments.

Audits in fiscal 2020 confirmed conformance with these laws across the Group. No serious legal violations or cases of misconduct were identified, and no problems or incidents occurred in import or export transactions or transactions with subcontractors.

Training to Prevent Infringements of Intellectual Property

Training,
education

Protection and management of intellectual property is a crucial issue for Toppan, a group of companies operating in the three fields of Information & Communication, Living & Industry, and Electronics. The Group devotes strict attention to measures to prevent the infringement of copyrights, trademarks, and other intellectual property rights of other parties while obtaining patents for its own technologies and business models.

Apart from in-house special training, Toppan holds regular training sessions for employees of the Toppan Group and its business partners. Participants in these sessions acquire basic legal knowledge on intellectual property rights by reviewing case histories in design work and other operations involving intellectual property issues within the Group.

Internal Reporting System

System

Activity results,
performance data

When a person at Toppan discovers a legal violation or improper conduct somewhere in the Group, they are to report it to their superior for deliberation as a basic rule. If their superior fails to resolve the problem, the person is encouraged to call the Toppan Group Helpline, the Group's internal reporting system. The helpline is open for use by all officers and employees (including dispatched staff and part-time workers) at Group companies (excluding listed corporations). This system allows the Group to ensure strict compliance with the Toppan Group Conduct Guidelines by promptly identifying and properly dealing with legal violations and misconduct.

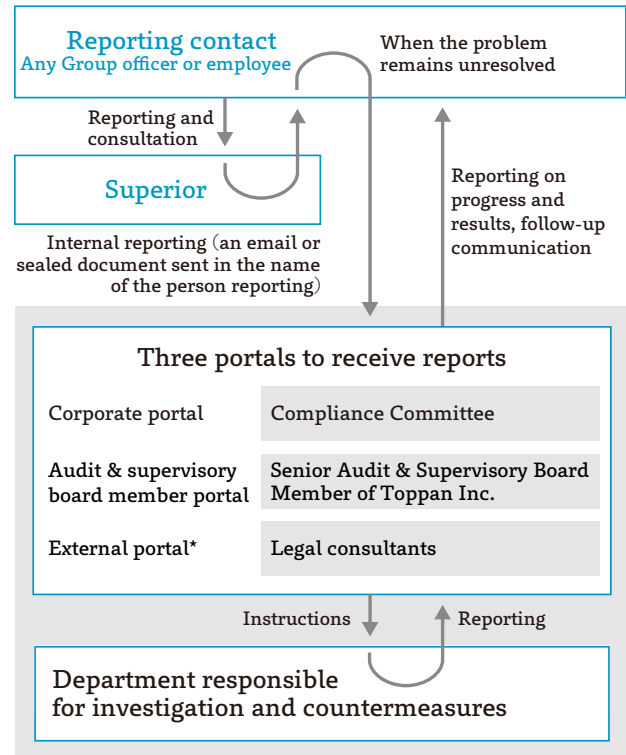
The Group revised the rules on reporting in November 2019 to encourage Group personnel to call the helpline by lowering the threshold for use. The revised rules stipulate the establishment of three portals to receive reports: a "corporate portal" and "audit & supervisory board member portal" operated in-house, and an "external portal" operated by legal consultants. The receiver has thus been changed from the President & Representative Director or Senior Audit & Supervisory Board Member of Toppan Inc. to the three portals that have been in operation since April 1, 2020. The President & Representative Director currently serves as the chief manager of the helpline.

An intranet portal site of the Group, meanwhile, posts topics on the intent of the reporting system, system outlines, and precautions regarding calls placed to the helpline, along with other helpline information. Toppan also holds rank-based training, training for new employees, and other types of training to inform Group personnel about the system.

■ Number of Internal Reports

The Toppan Group Helpline was used in seven cases in fiscal 2020. No serious legal violations or cases of misconduct were reported. Six of the helpline reports were on harassment. In the seventh, the reporting contact called for improvements in a Group internal management system. Every case was properly handled and followed up with necessary countermeasures to prevent recurrence.

Toppan Group Helpline



(as of April 1, 2020)

*The Compliance Committee investigates issues reported to the external portal and considers and formulates measures, etc. to handle them.

Risk Management and Control

Basic Approach

Approach

The Toppan Group views the accurate detection and appropriate management of impending risks as a corporate social responsibility.

In keeping with this view, the Group has identified and taken steps to mitigate quality-related incidents, natural disasters, and other types of risk requiring action to limit

the possibility of adverse impact on business operations.

When a risk actually arises, Toppan immediately collects necessary information and takes comprehensive and strategic countermeasures under the Group's risk management structure to minimize losses, ensure business continuity, and maintain the trust of society.

Division-specific Risk Management Structure

Promotion framework

Activity results, performance data

In accordance with the Rules on Risk Management, the Toppan Group has identified risks that require action and set up a risk management structure under which the responsibilities for risk management are allotted to specific divisions in the head office based on the types of risk identified. When a risk requiring action arises somewhere in the Group, the responsible division reports it to the Board of Directors. When emergency response

actions are needed, the President & Representative Director or the Executive Vice President & Representative Director is responsible for forming an emergency taskforce to properly handle the issue. The taskforce is composed of directors in charge of the relevant head office divisions, audit & supervisory board members, legal consultants, and other external experts.

Fostering Risk Awareness

Toppan's internal portal site posts the Group's Rules on Risk Management, details on the division-specific risk management structure, and a list of risks requiring action. This site is constantly updated to present the latest risk-related information for Group employees.

Based on the division-specific risk management structure, responsible head office divisions proactively develop measures

to prevent or avoid impending risks such as information and cyber security incidents, natural disasters, outbreaks of infectious disease, occupational accidents, environmental problems, and compliance violations. The divisions also carry out regular training and audits to foster employee awareness of risks facing the Group.

Risks Requiring Action and the Responsible Head Office Divisions in Charge

Type	Risks Requiring Action	Divisions in Charge
Product-related incidents or product liability	Quality-related incidents	Manufacturing Management Div.
Risks encountered in raw material procurement	Major shortages or delays in delivery from manufacturers, or spikes in raw material prices	Manufacturing Management Div.
Accidents or disasters related to company operations	Accidents or disasters related to fires, explosions, etc.	Manufacturing Management Div.
	Illegal activities related to the storage of solvents, dangerous chemicals, etc.	Manufacturing Management Div.
	Occupational accidents, traffic accidents, or other accidents involving employees	Personnel & Labor Relations Div.
	Incidents related to receivables	Finance & Accounting Div.
	Legal problems associated with orders received	Legal Affairs & Intellectual Property Div.
	Leakage of personal information or confidential information	Information Security Div.
	Suspensions of business operations caused by cyber-attacks	Information Security Div.
	Accidents related to computer systems	Digital Innovation Div.
Environmental problems	<ul style="list-style-type: none"> Violations of environmental laws or regulations or environmental impact levels exceeding applicable regulatory standards Illegal disposal of industrial waste 	Manufacturing Management Div.
Climate change or water risks	Transition risks: <ul style="list-style-type: none"> Greenhouse gas emission pricing, strengthened obligations for emission reporting, or higher incidence of climate-related lawsuits Risks related to the transition to a low-carbon economy or replacement of existing products by low-carbon alternatives Changes in customer behavior or increases in raw material costs Widespread public disapproval of the industry or changes in the attitudes of customers or society Physical risks: <ul style="list-style-type: none"> Escalation of typhoons, hurricanes, flooding, or other natural disasters caused by extreme weather Shifts in global climate patterns such as rising sea levels or increasing average temperatures 	Manufacturing Management Div.
Natural disasters	Material losses or personal accidents caused by earthquakes, storms, floods, lightning strikes, etc.	Personnel & Labor Relations Div.
	Spreading of new strains of influenza	Personnel & Labor Relations Div.
Related to company acts	Shareholder derivative lawsuits or hostile takeovers	Legal Affairs & Intellectual Property Div.
Improper practices in disclosing information in financial reporting	False reporting or improper statements	Finance & Accounting Div.
Legal violations or misconduct	Violations of subcontract laws or illegal transactions with business partners	Manufacturing Management Div.
	Improper conduct related to accounting, taxes, or payments (fictitious orders, etc.)	Finance & Accounting Div.
	Harassment, discrimination, violations of labor standard acts, etc.	Personnel & Labor Relations Div.
	Misappropriation, etc.	Personnel & Labor Relations Div.
Infringements of intellectual property rights	Collusion, insider trading, violations of subcontract laws, illicit export transactions, or bribery	Legal Affairs & Intellectual Property Div.
	Infringements of patents, trademarks, or copyrights	Legal Affairs & Intellectual Property Div.
Relationships with antisocial organizations	Unreasonable demands from antisocial organizations or transactions conducted between subcontractors or suppliers and antisocial organizations	Legal Affairs & Intellectual Property Div.
Defamation, slander, or other criminal damages	Acts of violence against the Group (threats, kidnapping, theft, etc.)	Personnel & Labor Relations Div.
Risks encountered in overseas business activities	<ul style="list-style-type: none"> Product-related incidents, harassment, dismissals, environmental problems, fires, natural disasters, etc. Damage to human or physical assets of customers or the Group caused by international conflicts, terrorism, etc. 	Corporate Planning Div. Personnel & Labor Relations Div.

More details on the directors overseeing head office divisions in charge of risks
<https://www.toppan.com/en/about-us/officer.html>

(revised on January 1, 2021)

Risk Management Liaison Meeting

Promotion
framework

All of the personnel in charge of risk management in the head office divisions assemble on a regular basis to share information at the Risk Management Liaison Meeting. When a risk actually

arises, the responsible persons from relevant head office divisions convene an extraordinary meeting to take necessary management actions and develop preventive measures.

Risk Management

Promotion
framework

Activity results,
performance data

The Toppan Group manages individual risks specific to organizations such as business divisions, subsidiaries, and Group companies.

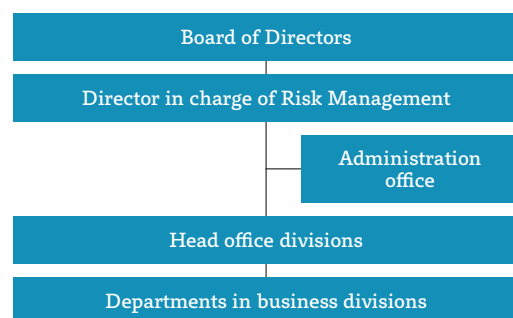
Specifically, the Group performs annual risk surveys to determine all types of risk that require action. The frequency and severity of possible risks are assessed, and countermeasures are formulated based on the assessment results. Midway through the fiscal year, the Group monitors the progress of mitigation measures designed at the beginning of the year.

Among the risks requiring action, Toppan defines those that can exert significant adverse impacts on management as “significant risks.” Working in an administrative capacity, the Compliance Department in the Legal Affairs & Intellectual Property Division identifies the significant risks for the current year in accordance with survey results reported by the responsible head office divisions. To finalize the significant risk designation, the compliance department reviews the results of risk assessments performed by relevant business divisions, subsidiaries, and Group companies, as well as social conditions, the possibility of risks arising over the medium-

to-long term, and various other risk-related circumstances in and around the Group. The responsible head office divisions then spearhead efforts to plan countermeasures and take comprehensive measures required for the management of the risks determined to be significant. The Director in charge of Risk Management regularly reports the outcomes of those measures to the Board of Directors.

The Toppan Group designated 17 significant risks for fiscal 2020 (presented below).

Management Structure



Significant Risks for Fiscal 2020

- | | |
|---|--|
| 1. Fires or occupational accidents | 10. Climate change risks |
| 2. Risks associated with control of the Group | 11. Violations of labor standard acts |
| 3. Risks associated with overseas business | 12. Harassment |
| 4. Non-performing or long-term retained inventory assets, etc. due to inadequate asset management | 13. Human injury or damage to physical assets caused by infectious diseases or earthquakes, storms, floods, or other natural disasters |
| 5. Incidents related to receivables (bad debt, customer bankruptcy, etc.) | 14. Risks associated with research and development |
| 6. Damage to Toppan's brand image caused by leakage, improper handling, etc. of information | 15. Infringements of patents, copyrights, or other intellectual property rights |
| 7. Information leakage or shutdown of ICT infrastructure, production lines, digital service businesses, etc. caused by cyber-attacks | 16. Violations of subcontract laws, antitrust acts, or other legislation |
| 8. Quality-related incidents or self-imposed product recalls that can develop into issues in wider society (legal violations, fluid leaks, discharge of odor or foreign matter) | 17. Risks encountered in business transactions with public offices |
| 9. Impact of environment-related legislation (e.g., legislation on the pollution of soil, groundwater, or the public water supply caused by the leakage of toxic substances) | |

The Toppan Group established a Risk Management Working Group (Leader: Director in charge of Risk Management. Members: Persons in charge of risk management at the responsible head office divisions. Administration office: Compliance Department in the Legal Affairs & Intellectual Property Division) under the Sustainability Promotion Committee in September 2020. The working group began determining which risks were expected to be significant in

fiscal 2021. In its deliberations, the working group assessed impending risks for the Group by integrating the significant risks identified for fiscal 2020 with the significant risks noted in the securities report. The Sustainability Promotion Committee reviewed and approved the working group's assessment results in a meeting held on February 9, 2021. The 26 significant risks identified for fiscal 2021 are presented below.

Significant Risks for Fiscal 2021

- | | | |
|---|--|---|
| 1. Human injury or damage to physical assets caused by infectious diseases or earthquakes, storms, floods, or other natural disasters | 11. Non-performing or long-term retained inventory assets, etc. due to inadequate asset management | 19. Risks encountered in raw material procurement |
| 2. Climate change risks | 12. Incidents related to receivables (bad debt, customer bankruptcy, etc.) | 20. Impact of environment-related legislation (e.g., legislation on the pollution of soil, groundwater, or the public water supply caused by the leakage of toxic substances) |
| 3. Characteristics of the printing business | 13. Fluctuations in the current value of marketable securities | 21. Risks associated with waste |
| 4. Risks associated with strategic partnerships, investments, or acquisitions | 14. Fluctuations in foreign exchange rates | 22. Fires or occupational accidents |
| 5. Risks associated with research and development | 15. Damage to Toppan's brand image caused by leakage, improper handling, etc. of information | 23. Risks associated with labor issues (violations of labor-related laws, labor disputes, etc.) |
| 6. Securing of human resources to sustain business growth | 16. Negative impact on business caused by cyber-attacks | 24. Harassment |
| 7. Securing of financing | 17. Loss of social trust resulting from shutdowns of production lines, digital service businesses, etc. caused by faulty ICT infrastructure | 25. Infringements of patents, copyrights, or other intellectual property rights |
| 8. Risks associated with control of the Group | 18. Quality-related incidents or self-imposed product recalls that can develop into issues in wider society (legal violations, fluid leaks, discharge of odor or foreign matter) | 26. Misconduct (serious improper conduct or inappropriate actions, etc.) or compliance violations (collusion, bribery, or other legal or regulatory violations) |
| 9. Risks associated with overseas business | | |
| 10. Intense market and price competition | | |

BCP/BCM

The Purpose of Business Continuity Planning

[Approach](#)

The Toppan Group provides an array of products and services in the Information & Communication, Living & Industry, and Electronics fields. A wide-scale disaster could potentially halt Group operations. When prolonged, a supply stoppage of Toppan products and services would cause considerable impact on customer companies and consumers. Toppan has therefore developed business continuity planning (BCP) to ensure the safety of Group employees and minimize damage to business activities when a disaster strikes. Toppan has also formulated a

Basic Plan for Countermeasures against Disasters to set forth a Groupwide structure and action procedures for the prompt recovery of business operations. The basic plan is subject to annual reviews. Toppan will continue BCP initiatives to maintain a steady supply of products and services to customer companies and society at large, and thereby fulfill the Group's corporate social responsibility as a proponent of a sustainable society.

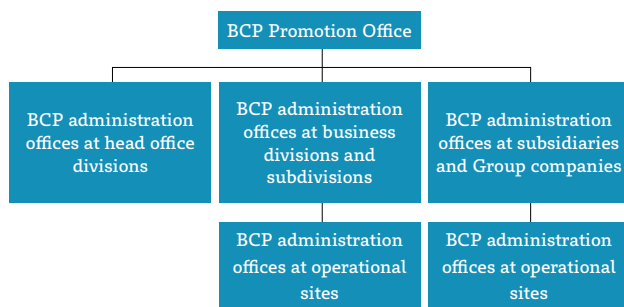
For Groupwide Business Continuity

Promotion
framework

■ Disaster Preparedness

Toppan has promoted Groupwide BCP by installing administration offices at business divisions, head office divisions, Group companies, and major subsidiaries around the world. The administration offices are overseen by the BCP Promotion Office in the head office Legal Affairs & Intellectual Property Division. The promotion office coordinates with the administration offices to further improve the effectiveness of emergency taskforces, enhance employee awareness of disaster preparedness, secure business continuity throughout the entire supply chain, support BCP activities undertaken at overseas subsidiaries, and implement various other BCP measures across the Group.

Toppan Group BCP Promotion Structure



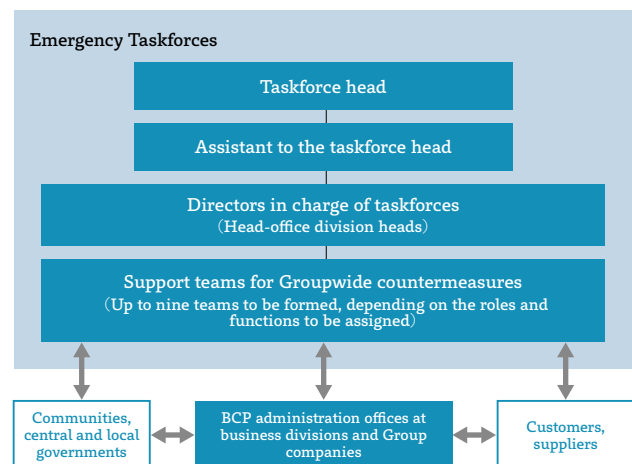
Main Activities

- **Development of emergency taskforce members**
The Toppan Group organizes drills for the startup of emergency taskforces, drills for individual support teams for Groupwide countermeasures, and emergency taskforce drills held at subdivisions.
- **Training and education**
The Group arranges training for personnel at BCP administration offices, helps BCP personnel acquire relevant qualifications, operates a disaster-preparedness intranet site for Group employees, and delivers necessary information via the Toppan internal portal site.
- **Revision of pertinent documents**
The Group revises the Basic Plan for Countermeasures against Disasters (semiannually) and individual action-procedure sheets (annually).
- **Reinforced coordination**
The Group holds liaison meetings at the Company (quarterly) and at related companies (semiannually).
- **Securing of business continuity throughout the supply chain**
The Group invites external experts to lecture at BCP workshops for business partners (annually).
- **Linkage with anti-disaster activities**
The Group organizes comprehensive disaster-preparedness drills and drills to check the safety of employees and their families, and engages in community activities for stockpiling emergency supplies.

■ Framework during Actual Disasters

In the event of a disaster, the Toppan Group will promptly set up emergency taskforces at the head office in Tokyo and operational sites in the disaster-affected region. The taskforces will spearhead the Group's recovery efforts based on the Basic Plan for Countermeasures against Disasters. The President & Representative Director of Toppan Inc. will head the emergency taskforces with assistance from the Executive Vice President & Representative Director. Under the representative directors, the taskforces will consist of taskforce directors, as well as support teams for Groupwide countermeasures. The Group has also established an alternate site for forming an emergency taskforce remote from the Kanto region as a contingency for a large-scale disaster striking the Tokyo metropolitan area.

Coordination between Groupwide Taskforces and External Bodies



Once the emergency taskforces are formed, support teams for Groupwide countermeasures will go into action in accordance with their assigned roles. The teams will assess damage to the enterprise, help Group employees, and care for customer companies and suppliers in the aftermath of the disaster, staying in contact with central and local governments. After initial actions, the teams will move seamlessly to the next business-resumption phase by designing a recovery and business resumption plan based on the result of their damage assessment.

Highly effective BCP requires continuous optimization of the taskforce framework and action procedure sheet. Toppan is aware of the importance of ongoing plan-do-check-act (PDCA) cycles through repeated drills. The Group always reviews action procedures after a drill and rectifies issues identified during a drill. The updated procedures are reviewed again in the next drill, and the process repeats going forward.

Preparing for Complex Disasters

Policy

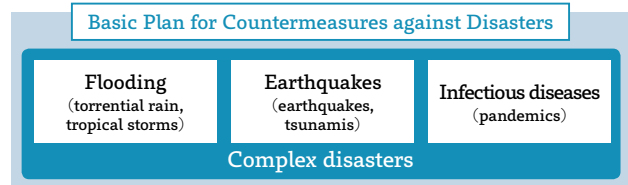
Severe flooding in Japan has threatened daily life in different parts of the country. Four major flooding incidents have taken place in recent years: a devastating rainstorm in western Japan in July 2018; Typhoon Hagibis in 2019; Typhoon Faxai, also in 2019; and a torrential rainfall affecting much of the country in July 2020. Storms bringing record rainfalls are causing tremendous damage almost every year. Earthquakes, the major focus of the Toppan Group's business continuity planning (BCP) for many years, are also occurring with greater regularity. To illustrate, 29 of the 30 quakes rating a lower six or above on the Japanese seismic intensity scale since records began have occurred since the Tohoku earthquake and tsunami of 2011. Most recently, a quake with an intensity in the higher six range occurred in February 2021 off the coast of Fukushima Prefecture. Amid the constant concern about flooding and earthquakes, there is still no end in sight for the COVID-19 pandemic.

Moving forward with preparations for complex disasters,

Toppan has specified measures for addressing severe flooding and infectious diseases in the Group's Basic Plan for Countermeasures against Disasters.

In revising the plan, Toppan has included infectious disease measures among the responsibilities of the support team for Groupwide countermeasures and incorporated coordinated actions with team members working remotely. Toppan will organize drills as new procedures set in line with the revised basic plan to enhance the effectiveness of onsite and remote disaster measures across the Group.

Risks to Be Addressed in Toppan's BCP



Organizing Drills on New-normal Ways of Working

Training, education

To mitigate the spread of COVID-19, Toppan is experimenting with remote alternatives to the group training and drills the Group has organized to date. In an operation drill for the emergency taskforce, the Group has checked the procedures for online-meeting tools and chat systems to connect taskforce personnel with members of disaster-response teams working in separate rooms.

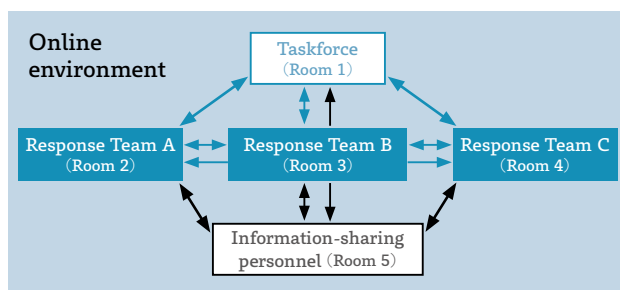
In walking-to-work drills held in accordance with dual scenarios on holidays or at night, Toppan requested

participating employees to prepare written reports on potentially dangerous spots identified on the routes they walked from their homes to their workplaces.

In damage-assessment training for buildings, instructors showed photos of structural-assessment points shot beforehand and explained how to perform remote assessments. Toppan also held BCP workshops for business partners online for the first time.

While full support is difficult to extend to participants through drills and training provided remotely, remote formats remove hurdles to participation by persons in distant locations. Toppan will upgrade the Group's remote training and drills to further improve their effectiveness going forward.

Coordinated Actions at Remote Taskforce Drill



Text for structural assessment training

Posting Information on Disaster-preparedness Websites

Training,
education

To enhance employee awareness of disaster preparedness, Toppan posts information on an internal BCP portal site for Group employees and a comprehensive disaster-preparedness website for external users.

The comprehensive disaster-preparedness website, “Bosai no Kokoro-e” (“Understanding Disaster-preparedness”), is accessible from a banner on the main page of the Toppan corporate website. This website presents information on three topics: prepare, protect, and know. Anyone can search the site for valuable safety tips. Disaster-preparedness solutions offered by the Toppan Group are also posted.



“Bosai no Kokoro-e” website (banner image) (in Japanese)
<https://www.toppan.co.jp/bousai/?id=topbnr>

The BCP portal, a site accessed exclusively from an intranet page of the Legal Affairs & Intellectual Property Division, carries information tailored to the needs of Toppan employees. Visitors to the portal can find case reports for internal training and drills, texts for internal education, procedural documentation such as Toppan’s Basic Plan for Countermeasures against Disasters, and various manuals on, for example, the Group’s safety verification system. Toppan will enrich the content of the portal site to provide Group employees and their families with information necessary for secure disaster preparedness.



BCP portal site (top page)
 *For internal use only

Tax Governance

Basic Approach

[Approach](#)
[Policy](#)

Toppan Inc. has established a Toppan Group Tax Policy that reaffirms the tax approaches the Company has taken to date, as a measure for reinforced governance throughout the entire Group.

The Toppan Group will bolster efforts to ensure tax

compliance and continue to strive for sustainable growth and increased medium-to-long-term corporate value by further strengthening tax governance and fulfilling its corporate social responsibility through appropriate tax payments.

Toppan Group Tax Policy

In accordance with the Toppan Group's Corporate Philosophy, Corporate Creed, and Conduct Guidelines, we, the Toppan Group, position sustainable growth and medium-to-long-term enhancement of corporate value as vitally important challenges for management.

To achieve them, we have formulated the following Toppan Group Tax Policy and will establish and implement a tax management framework covering the Toppan Group throughout the world.

1. Purpose

The Toppan Group has established the Toppan Group Tax Policy as a set of norms for making decisions on tax-related matters based on a fundamental approach of building relationships of trust with stakeholders, contributing to society, and enhancing corporate value by complying with the tax-related laws and regulations of each country and region and fulfilling obligations to pay taxes in an appropriate manner.

3) Tax Risk

We give sufficient prior consideration to tax risk associated with business activities and aim to reduce tax risk based on advice and guidance from external specialists whenever necessary.

We strive to resolve uncertain tax positions promptly by seeking advice and guidance from external specialists or by consulting with the tax authorities in advance as necessary in the event of any doubt regarding the treatment or interpretation of tax matters.

2. Basic Policy

1) Tax Compliance

We fulfill our corporate social responsibility by filing tax returns and paying taxes as appropriate when they are due in accordance with international rules and the tax-related laws and regulations of each country and region in which we conduct business.

We endeavor to maintain and enhance tax compliance by conducting training and ensuring that officers and employees of Toppan Group companies are kept fully informed of policies and other matters related to tax.

2) Tax Planning

In the consideration and operation of business activities, we implement effective tax planning in accordance with relevant laws and legislative principles. We endeavor to maximize consolidated cash flow and enhance corporate value through such measures as eliminating double taxation and making effective use of tax incentives.

We pay taxes as appropriate in the countries and regions in which we conduct business, take a basic approach of contributing to local communities, and do not engage in tax avoidance practices, which seek to excessively reduce tax payments.

4) Tax Governance

We establish and implement a global tax governance system to ensure that the companies of the Toppan Group comply with international rules and the tax-related laws and regulations of each country and region and file tax returns and pay taxes appropriately when required.

5) Transfer Pricing

We analyze the functions, assets, and risks of each of the parties for transactions between related parties based on the arm's length principle and endeavor to ensure that profits are allocated appropriately in accordance with level of contribution.

6) Relationship with Tax Authorities

We strive to build and maintain sound and proper relationships with tax authorities in the countries and the regions in which we conduct business and communicate with them in good faith by providing sincere and factual explanations.

If any issues are raised or any instructions are given by tax authorities, we clarify the cause of such issues, take appropriate action to rectify them or make improvements, and strive to prevent their recurrence.

Management Framework

Promotion
framework

The head of the Finance & Accounting Division of Toppan Inc. is responsible for building and maintaining a tax management framework across the Toppan Group. The head office tax departments work together with accounting departments at Group companies around the world to identify and address challenges and risks related to tax. The tax departments duly

consider the proper operation of the management framework based on the Toppan Group Tax Policy.

Toppan handles tax matters in a timely and appropriate manner in accordance with advice and guidance from external specialists whenever necessary.

Toppan Group Business Outline

The Toppan Group comprises Toppan Inc. and 195 subsidiaries and 29 equity-method affiliates engaged in manifold businesses in three fields: Information & Communication, Living & Industry,

and Electronics.

Financial results and materials for results briefings
<https://www.toppan.com/en/ir/material/index.html>

Corporate Profile (As of March 31, 2021)

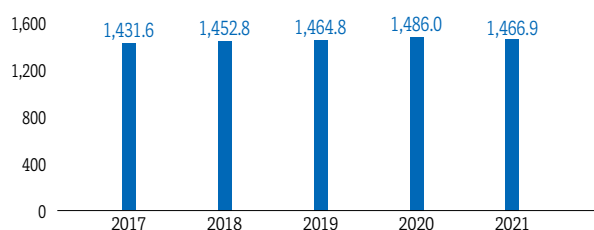
Corporate name	Head office	Established	Capital	Number of employees
Toppan Inc.	1-3-3, Suido, Bunkyo-ku, Tokyo 112-8531, Japan Phone: +81-3-3835-5111	January 17, 1900	104,986,430,314 yen	52,401 (consolidated)

DATA (Year ended March 2021)

Net Sales 1,466.9 billion yen

Net sales

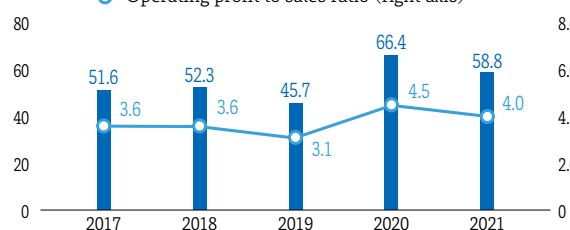
(billion yen)



Operating Profit 58.8 billion yen

Operating profit & Operating profit to sales ratio

(billion yen) ■ Operating profit (left axis) (%) ○ Operating profit to sales ratio (right axis)

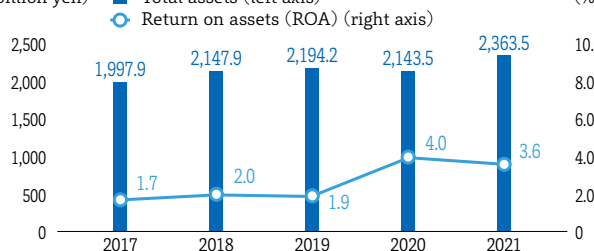


Total Assets 2,363.5 billion yen

Return on Assets (ROA) 3.6%

Total assets & Return on assets (ROA)

(billion yen) ■ Total assets (left axis) (%) ○ Return on assets (ROA) (right axis)

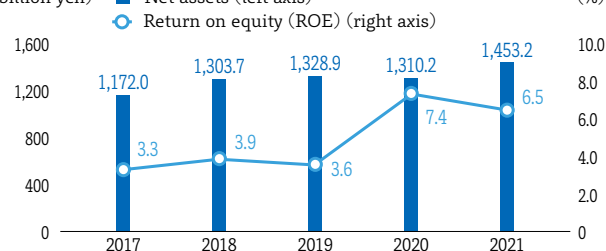


Net Assets 1,453.2 billion yen

Return on Equity (ROE) 6.5%

Net assets & Return on equity (ROE)

(billion yen) ■ Net assets (left axis) (%) ○ Return on equity (ROE) (right axis)



Results by Segment (Year ended March 2021)

Information & Communication

Providing solutions to enhance the value of information and deliver it effectively to customers who require smooth communication.

Net sales 878.2 billion yen

Operating profit 51.1 billion yen

Living & Industry

Providing a wide range of products and services globally to create living environments that offer comfort and peace of mind.

Net sales 425.9 billion yen

Operating profit 27.7 billion yen

Electronics

Providing products related to displays and semiconductors developed based on core microfabrication technologies.

Net sales 183.7 billion yen


Operating profit 12.0 billion yen

List of Indicators Assured by an Independent Assurance Provider

The following sustainability performance indicators in this report (*Sustainability Report 2021 PDF*) are assured by KPMG AZSA Sustainability Co., Ltd., an independent assurance provider.

Performance Indicators Assured by an Independent Assurance Provider and Scope of the Performance Data

- ① Toppan Inc. (“the Company”)
- ② 13 domestic subsidiaries under the control of the Company or the Company's business divisions and subsidiaries with production facilities (subject to the Company's medium-term environmental targets in Japan)
- ③ 20 domestic Group companies (not subject to the Company's medium-term environmental targets in Japan)
- ④ 34 overseas subsidiaries of the Company
- ⑤ 7 overseas Group subsidiaries
- 75 companies and subsidiaries in total**

Every indicator assured by an independent assurance provider on the preceding pages is marked with an assurance stamp .

Page	Category		Data	Indicator Assured by an Independent Assurance Provider	Companies	Scope		
P. 16	Results in Addressing Companywide Materiality Issues	Elimination of Gender Disparities	Proportion of eligible male employees taking childcare leave	○	1	①		
			10-year retention rate by gender	○	1	①		
P. 45	Employee Health & Safety / Work-Life Balance	Occupational Health and Safety	Deaths from occupational accidents; frequency rate; severity rate (at Toppan Inc.)	○	1	①		
P. 48		Employees Taking Maternity or Childcare Leave	Employees taking childcare leave	○	1	①		
PP. 51-52		Information on Personnel	Number of Personnel		○	1	①	
			Total number of regular recruits (percentage of women); mid-career recruitment of experienced personnel by gender		○	1	①	
P. 56	Diversity & Inclusion	Promoting Positive Action	Rank-based Percentages of Female Personnel	○	1	①		
			Number of Female Managerial and Supervisory Staff	○	1	①		
P. 102	Fundamental Approach to the Environment		Numbers of Internal Environmental Audits and Issues in Need of Improvement	–	14	①-③		
P. 103			ISO 14001 environmental management system certification	–	75	①-⑤		
P. 104			Results of Environmental Education	–	14	①, ②		
P. 106			Toppan Group Medium-and-Long-Term Environmental Targets	Scope 1 and 2; Scope 3	○	196	*1	
				Waste Plastic Material Recycling Rate	–	75	①-⑤	
				Final Landfill Waste Disposal	○	75	①-⑤	
P. 107			Medium-term Environmental Targets for Domestic Sites	CO ₂ Emissions	○	14	①, ②	
				Final Landfill Waste Disposal	○	14	①, ②	
				VOC Emissions into the Atmosphere	○	14	①, ②	
P. 108			Single-year Environmental Targets (Fiscal 2020 Results)	Values, Results, and Evaluation of Environmental Targets (CO ₂ ; waste; VOC)	○	14	①, ②	
P. 109			Quantifying Environmental Impact based on LIME	Global Environmental Impact and Environmental Efficiency	–	75	①-⑤	
				Types of Global Environmental Impact by Business Field	–	75	①-⑤	
P. 111			Mitigation of Global Warming	Greenhouse Gas Emissions	Scope 1 and 2; Scope 3	○	196	*1
P. 112					Scope 1, 2, 3 Greenhouse Gas Emissions	○	196	*1
P. 114	Greenhouse Gas Emissions	Percentages of Greenhouse Gas Emissions by Type (in tons of CO ₂ equivalent)			○	196	*1	
		Percentages of Greenhouse Gas Emissions by Source (in tons of CO ₂ equivalent)			○	196	*1	
		Calculated Level of Fluorocarbon Leakage			–	75	①-⑤	
P. 115	Energy Consumption	Groupwide energy consumption, including consumption associated with Group subsidiaries around the world			○	75	①-⑤	
		Energy consumption subject to the environmental targets in Japan			○	14	①, ②	
		Fuel Efficiency of Vehicles Owned by Toppan Logistics			–	1	Toppan Logistics Co., Ltd.	
P. 117	Building of a Recycling-oriented Society				Material Input	○	75	①-⑤
					Final Landfill Waste Disposal; Waste Recycling	○	75	①-⑤
			Waste Plastic Material Recycling Rate	–	75	①-⑤		
			Water Consumption (Water Consumption; Effluent Discharge)	○	75	①-⑤		
P. 118		Zero-emission Efforts	Zero-emission Sites	–	34	①-③		
P. 120	Control of Chemical Substances		VOC Emissions into the Atmosphere	○	14	①, ②		
			PRTR Data	–	14	①, ②		
PP. 121-122	Pollution Control		Approach to Environmental Compliance	–	18	①-③		
P. 123			Remediating Soil and Groundwater Pollution	–	18	①-③		
P. 124			ECO-GREEN Purchasing	–	14	①, ②		
P. 125	Biodiversity	Forest Management Certification	FSC® and PEFC Certification	–	75	①-⑤		
P. 126	Environmental Data	Environmental Performance Data	Major Types of Environmental Burden (Total burden; covering Group companies around the world)	○	75	①-⑤		
P. 127			Major Types of Environmental Burden (subject to the environmental targets in Japan)	○	14	①, ②		
P. 128			Environmental Accounting	Capital Investment for Environmental Conservation	–	72	①-⑤	
				Environmental Conservation Benefit	–	75	①-⑤	
P. 129			Environmentally Friendly Products		–	14	①, ②	
P. 130			Environment-related Business	Green Procurement and Green Purchasing	Total sales of environment-related business	–	77	①-⑤ + 2
	JFPI Green Procurement Standards for Paper and Level of Fulfillment	–			10 suppliers	–		
	JFPI Green Procurement Standards for Ink and Level of Fulfillment	–			4 suppliers	–		
			In-house Green Purchasing Standards and Levels of Fulfillment	–	14	①, ②		


*1 All Group entities consolidated for accounting purposes

Independent Assurance Report



Independent Assurance Report

To the President and Representative Director of Toppan Inc.

We were engaged by Toppan Inc. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with  (the “Indicators”) for the period from April 1, 2020 to March 31, 2021 included in its Sustainability Report 2021 (the “Report”) for the fiscal year ended March 31, 2021.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Niigata Plant of Toppan Electronics Products Co., Ltd. selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 1, 2021

Global Reporting Initiative Content Index

The *Sustainability Report 2021* has been prepared by referring to the Global Reporting Initiative (GRI) Standards.

GRI 102: General Disclosures		
102-1	Name of the organization	P. 152: Toppan Group Business Outline Back cover
102-2	Activities, brands, products, and services	PP. 05-07: To Our Stakeholders P. 152: Toppan Group Business Outline
102-3	Location of headquarters	P. 152: Toppan Group Business Outline
102-4	Location of operations	–
102-5	Ownership and legal form	P. 152: Toppan Group Business Outline
102-6	Markets served	PP. 05-07: To Our Stakeholders P. 152: Toppan Group Business Outline
102-7	Scale of the organization	P. 152: Toppan Group Business Outline
102-8	Information on employees and other workers	PP. 51-52: Information on Personnel P. 152: Toppan Group Business Outline
102-9	Supply chain	PP. 80-83: Sustainable Procurement
102-10	Significant changes to the organization and its supply chain	N/A
102-11	Precautionary Principle or approach	PP. 28-30: Efforts to Address COVID-19 through Business PP. 31-34: Addressing Climate Change and the TCFD PP. 64-65: Total Quality Assurance PP. 66-74: Information Security PP. 142-145: Risk Management and Control PP. 146-149: BCP/BCM
102-12	External initiatives	PP. 31-34: Addressing Climate Change and the TCFD P. 84: Human Rights P. 106: Toppan Group Medium-and-Long-Term Environmental Targets (Fiscal 2020 Results) P. 131: Participating in the Green Purchasing Network
102-13	Membership of associations	P. 110: Mitigation of Global Warming
102-14	Statement from senior decision-maker	PP. 05-07: To Our Stakeholders
102-16	Values, principles, standards, and norms of behavior	PP. 08-10: Toppan's Sustainability Initiatives PP. 136-137: Strict Compliance
102-18	Governance structure	PP. 133-135: Corporate Governance
102-40	List of stakeholder groups	P. 17: Stakeholder Engagement
102-41	Collective bargaining agreements	PP. 42-43: Forming Labor-Management Partnership P. 85: Labor-Management Initiatives for Human Rights
102-42	Identifying and selecting stakeholders	–
102-43	Approach to stakeholder engagement	P. 17: Stakeholder Engagement
102-44	Key topics and concerns raised	–
102-45	Entities included in the consolidated financial statements	PP. 02-03: <i>Sustainability Report 2021</i> P. 153: List of Indicators Assured by an Independent Assurance Provider
102-46	Defining report content and topic boundaries	PP. 02-03: <i>Sustainability Report 2021</i> PP. 13-15: Material Issues of Focus in Toppan's Sustainability Initiatives P. 153: List of Indicators Assured by an Independent Assurance Provider
102-47	List of material topics	PP. 13-16: Material Issues of Focus in Toppan's Sustainability Initiatives; Targets and Results in Addressing Companywide Materiality Issues
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	P. 2: <i>Sustainability Report 2021</i>
102-51	Date of most recent report	P. 2: <i>Sustainability Report 2021</i>
102-52	Reporting cycle	P. 2: <i>Sustainability Report 2021</i>
102-53	Contact point for questions regarding the report	P. 2: <i>Sustainability Report 2021</i>
102-54	Claims of reporting in accordance with the GRI Standards	P. 2: <i>Sustainability Report 2021</i>
102-55	GRI content index	PP. 155-157: Global Reporting Initiative Content Index

GRI 102: General Disclosures		
102-56	External assurance	P. 153: List of Indicators Assured by an Independent Assurance Provider P. 154: Independent Assurance Report
GRI 201: Economic Performance		
	Management approach disclosures	–
201-1	Direct economic value generated and distributed	P. 152: Toppan Group Business Outline
201-2	Financial implications and other risks and opportunities due to climate change	PP. 31-34: Addressing Climate Change and the TCFD P. 128: Environmental Accounting
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	–
GRI 202: Market Presence		
	Management approach disclosures	–
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	–
GRI 203: Indirect Economic Impacts		
	Management approach disclosures	–
203-1	Infrastructure investments and services supported	P. 22: Special Report 1: Creation of Safe, Secure, Enriched Communities
203-2	Significant indirect economic impacts	–
GRI 204: Procurement Practices		
	Management approach disclosures	PP. 80-83: Sustainable Procurement
204-1	Proportion of spending on local suppliers	–
GRI 205: Anti-corruption		
	Management approach disclosures	PP. 80-83: Sustainable Procurement PP. 84-87: Human Rights PP. 133-135: Corporate Governance PP. 136-141: Strict Compliance PP. 142-145: Risk Management and Control
205-1	Operations assessed for risks related to corruption	P. 139: Strict Compliance
205-2	Communication and training about anti-corruption policies and procedures	PP. 138-141: Strict Compliance
205-3	Confirmed incidents of corruption and actions taken	–
GRI 206: Anti-competitive Behavior		
	Management approach disclosures	–
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	–
GRI 207: Tax		
	Management approach disclosures	PP. 142-145: Risk Management and Control PP. 150-151: Tax Governance
207-1	Approach to tax	PP. 150-151: Tax Governance
207-2	Tax governance, control, and risk management	PP. 142-145: Risk Management and Control PP. 150-151: Tax Governance
207-3	Stakeholder engagement and management of concerns related to tax	–
207-4	Country-by-country reporting	–

GRI 301: Materials		
	Management approach disclosures	PP. 99-109: Fundamental Approach to the Environment P. 117: Material Input
301-1	Materials used by weight or volume	PP. 126-127: Environmental Performance Data
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	–
GRI 302: Energy		
	Management approach disclosures	PP. 99-109: Fundamental Approach to the Environment P. 110: Mitigation of Global Warming
302-1	Energy consumption within the organization	P. 115: Energy Consumption PP. 126-127: Environmental Performance Data
302-2	Energy consumption outside of the organization	PP. 112-113: Scope 1, 2, 3 Greenhouse Gas Emissions PP. 126-127: Environmental Performance Data
302-3	Energy intensity	PP. 112-113: Scope 1, 2, 3 Greenhouse Gas Emissions
302-4	Reduction of energy consumption	P. 115: Energy Consumption
302-5	Reductions in energy requirements of products and services	P. 129: Environmentally Friendly Products
GRI 303: Water and Effluents		
	Management approach disclosures	PP. 99-109: Fundamental Approach to the Environment PP. 121-123: Pollution Control PP. 142-145: Risk Management and Control
303-1	Interactions with water as a shared resource	PP. 121-123: Pollution Control
303-2	Management of water discharge-related impacts	PP. 121-123: Pollution Control
303-3	Water withdrawal	PP. 117: Water Consumption PP. 126-127: Environmental Performance Data
303-4	Water discharge	PP. 117: Water Consumption PP. 126-127: Environmental Performance Data
303-5	Water consumption	–
GRI 304: Biodiversity		
	Management approach disclosures	PP. 80-83: Sustainable Procurement PP. 99-109: Fundamental Approach to the Environment P. 124: Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	PP. 80-83: Sustainable Procurement PP. 124-125: Biodiversity
304-3	Habitats protected or restored	P. 124: Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions		
	Management approach disclosures	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 99-109: Fundamental Approach to the Environment P. 110: Mitigation of Global Warming P. 121: Pollution Control PP. 142-145: Risk Management and Control
305-1	Direct (Scope 1) GHG emissions	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 105-109: Environmental Targets PP. 111-114: Mitigation of Global Warming PP. 126-127: Environmental Performance Data
305-2	Energy indirect (Scope 2) GHG emissions	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 105-109: Environmental Targets PP. 111-114: Mitigation of Global Warming PP. 126-127: Environmental Performance Data
305-3	Other indirect (Scope 3) GHG emissions	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 105-108: Environmental Targets PP. 111-114: Mitigation of Global Warming PP. 126-127: Environmental Performance Data

GRI 305: Emissions		
305-4	GHG emissions intensity	PP. 112-113: Scope 1, 2, 3 Greenhouse Gas Emissions
305-5	Reduction of GHG emissions	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 32-34: Addressing Climate Change and the TCFD PP. 105-109: Environmental Targets PP. 110-111: Mitigation of Global Warming
305-6	Emissions of ozone-depleting substances (ODS)	P. 114: Greenhouse Gas Emissions
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 105-109: Environmental Targets PP. 126-127: Environmental Performance Data
GRI 306: Waste		
	Management approach disclosures	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 32-34: Addressing Climate Change and the TCFD PP. 99-109: Fundamental Approach to the Environment P. 116: Building of a Recycling-oriented Society P. 118: Zero-emission Efforts
306-1	Waste generation and significant waste-related impacts	P. 116: Building of a Recycling-oriented Society
306-2	Management of significant waste-related impacts	PP. 99-109: Fundamental Approach to the Environment P. 116: Building of a Recycling-oriented Society
306-3	Waste generated	P. 118: Zero-emission Efforts PP. 126-127: Environmental Performance Data
306-4	Waste diverted from disposal	P. 118: Zero-emission Efforts PP. 126-127: Environmental Performance Data
306-5	Waste directed to disposal	P. 117: Final Landfill Waste Disposal
GRI 307: Environmental Compliance		
	Management approach disclosures	PP. 31-32: Addressing Climate Change and the TCFD PP. 121-122: Approach to Environmental Compliance PP. 136-141: Strict Compliance PP. 142-143: Risk Management and Control
307-1	Non-compliance with environmental laws and regulations	PP. 121-122: Approach to Environmental Compliance
GRI 308: Supplier Environmental Assessment		
	Management approach disclosures	PP. 80-83: Sustainable Procurement
308-1	New suppliers that were screened using environmental criteria	PP. 80-83: Sustainable Procurement
308-2	Negative environmental impacts in the supply chain and actions taken	P. 83: Sustainable Procurement

GRI 401: Employment		
	Management approach disclosures	PP. 142-145: Risk Management and Control
401-1	New employee hires and employee turnover	PP. 51-52: Information on Personnel
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–
401-3	Parental leave	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 47-48: Work-Life Balance P. 54: Supporting Employees with Children
GRI 402: Labor/Management Relations		
	Management approach disclosures	P. 42: Forming Labor-Management Partnership P. 50: Planning Labor-Management Recreation Events PP. 84-87: Human Rights
402-1	Minimum notice periods regarding operational changes	–

GRI 403: Occupational Health and Safety		
	Management approach disclosures	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 42-46: Employee Health & Safety / Work-Life Balance PP. 142-145: Risk Management and Control
403-1	Occupational health and safety management system	PP. 42-46: Employee Health & Safety / Work-Life Balance
403-2	Hazard identification, risk assessment, and incident investigation	PP. 44-45: Occupational Health and Safety
403-3	Occupational health services	PP. 42-50: Employee Health & Safety / Work-Life Balance
403-4	Worker participation, consultation, and communication on occupational health and safety	PP. 42-50: Employee Health & Safety / Work-Life Balance
403-5	Worker training on occupational health and safety	PP. 44-46: Occupational Health and Safety
403-6	Promotion of worker health	PP. 46-50: Employee Health & Safety / Work-Life Balance
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	–
403-8	Workers covered by an occupational health and safety management system	P. 42-43: Promotion Framework
403-9	Work-related injuries	P. 45: Occupational Health and Safety
403-10	Work-related ill health	P. 46: Measures for Mental Healthcare
GRI 404: Training and Education		
	Management approach disclosures	PP. 24-27: New Work Styles Driving Innovation PP. 59-63: Human Asset Development
404-1	Average hours of training per year per employee	–
404-2	Programs for upgrading employee skills and transition assistance programs	PP. 59-63: Human Asset Development
404-3	Percentage of employees receiving regular performance and career development reviews	–
GRI 405: Diversity and Equal Opportunity		
	Management approach disclosures	P. 16: Targets and Results in Addressing Companywide Materiality Issues PP. 53-58: Diversity & Inclusion PP. 136-138: Reviewing the Toppan Group Conduct Guidelines
405-1	Diversity of governance bodies and employees	PP. 51-52: Information on Personnel PP. 56-57: Promoting Positive Action; Employing Persons with Disabilities P. 135: List of Directors and Audit & Supervisory Board Members
405-2	Ratio of basic salary and remuneration of women to men	–
GRI 406: Non-discrimination		
	Management approach disclosures	P. 53: Pursuing Diversity and Inclusion PP. 56-57: Promoting Positive Action; Employing Persons with Disabilities PP. 57-58: Initiatives for LGBTQ Inclusion PP. 84-87: Human Rights PP. 142-145: Risk Management and Control
406-1	Incidents of discrimination and corrective actions taken	–
GRI 407: Freedom of Association and Collective Bargaining		
	Management approach disclosures	P. 42: Forming Labor-Management Partnership PP. 84-87: Human Rights
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–
GRI 408: Child Labor		
	Management approach disclosures	PP. 84-87: Human Rights
408-1	Operations and suppliers at significant risk for incidents of child labor	–
GRI 409: Forced or Compulsory Labor		
	Management approach disclosures	PP. 84-87: Human Rights
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–

GRI 410: Security Practices		
	Management approach disclosures	–
410-1	Security personnel trained in human rights policies or procedures	–
GRI 411: Rights of Indigenous Peoples		
	Management approach disclosures	–
411-1	Incidents of violations involving rights of indigenous peoples	–
GRI 412: Human Rights Assessment		
	Management approach disclosures	PP. 84-87: Human Rights PP. 136-141: Strict Compliance
412-1	Operations that have been subject to human rights reviews or impact assessments	–
412-2	Employee training on human rights policies or procedures	PP. 57-58: Initiatives for LGBTQ Inclusion; Diversity Training PP. 84-87: Human Rights P. 139: Compliance Training
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	P. 83: Briefing Suppliers on CSR Procurement Guidelines and Concluding Agreements
GRI 413: Local Communities		
	Management approach disclosures	P. 88: Social Contribution Activities
413-1	Operations with local community engagement, impact assessments, and development programs	PP. 88-97: Social Contribution Activities
413-2	Operations with significant actual and potential negative impacts on local communities	–
GRI 414: Supplier Social Assessment		
	Management approach disclosures	PP. 80-83: Sustainable Procurement
414-1	New suppliers that were screened using social criteria	PP. 80-83: Sustainable Procurement
414-2	Negative social impacts in the supply chain and actions taken	P. 83: Sustainable Procurement
GRI 415: Public Policy		
	Management approach disclosures	–
415-1	Political contributions	–
GRI 416: Customer Health and Safety		
	Management approach disclosures	PP. 64-65: Total Quality Assurance PP. 75-79: Universal Design PP. 142-145: Risk Management and Control
416-1	Assessment of the health and safety impacts of product and service categories	PP. 64-65: Total Quality Assurance PP. 75-79: Universal Design
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417: Marketing and Labeling		
	Management approach disclosures	PP. 64-65: Total Quality Assurance PP. 75-79: Universal Design PP. 142-145: Risk Management and Control
417-1	Requirements for product and service information and labeling	P. 131: Promoting CFP and Carbon Offsetting Initiatives for Printed Materials and Events PP. 75-79: Universal Design
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
GRI 418: Customer Privacy		
	Management approach disclosures	PP. 66-74: Information Security PP. 142-145: Risk Management and Control
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A
GRI 419: Socioeconomic Compliance		
	Management approach disclosures	PP. 136-141: Strict Compliance PP. 142-145: Risk Management and Control
419-1	Non-compliance with laws and regulations in the social and economic area	PP. 138-141: Strict Compliance

