

# Sustainability Report **2022**



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# Sustainability Report 2022

## 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 150-153.
- 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 2021 (from April 2021 to March 2022), though information on prior and later years is also included in parts.

## Scope and Boundary

Toppan Inc. and Group entities consolidated for accounting purposes. For details on the scope of the social and environmental performance data, see the "List of Indicators Assured by an Independent Assurance Provider" shown on page 148.

## Publication Dates (English version)

Previous report, December 2021; Current report, December 2022; Next report, December 2023 (planned)

## Contact Information

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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.

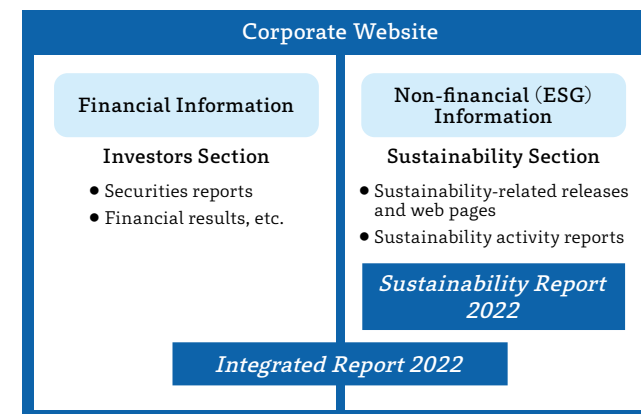
### Change of English Corporate Name

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 2022



### Sustainability

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

Visit this page to see Toppan's Sustainability Report 2022 (PDF), sustainability performance data, and the latest releases related to sustainability.



### Sustainability Report 2022

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.



### Integrated Report 2022

<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.

# Toppan Group Business Outline

The Toppan Group comprises Toppan Inc. and 207 subsidiaries and 29 equity method associates engaged in manifold businesses in three fields: Information & Communication, Living & Industry, and Electronics.

## Corporate Profile (As of March 31, 2022)

### Corporate name

Toppan Inc.

### President & Representative Director

Hideharu Maro

### Established

January 17, 1900

### Capital

104,986,430,314 yen

### Net sales

1,547,533 million yen

### Head office

1-3-3, Suido, Bunkyo-ku, Tokyo

112-8531, Japan

Phone: +81-3-3835-5111

### Number of employees

54,336 (consolidated)

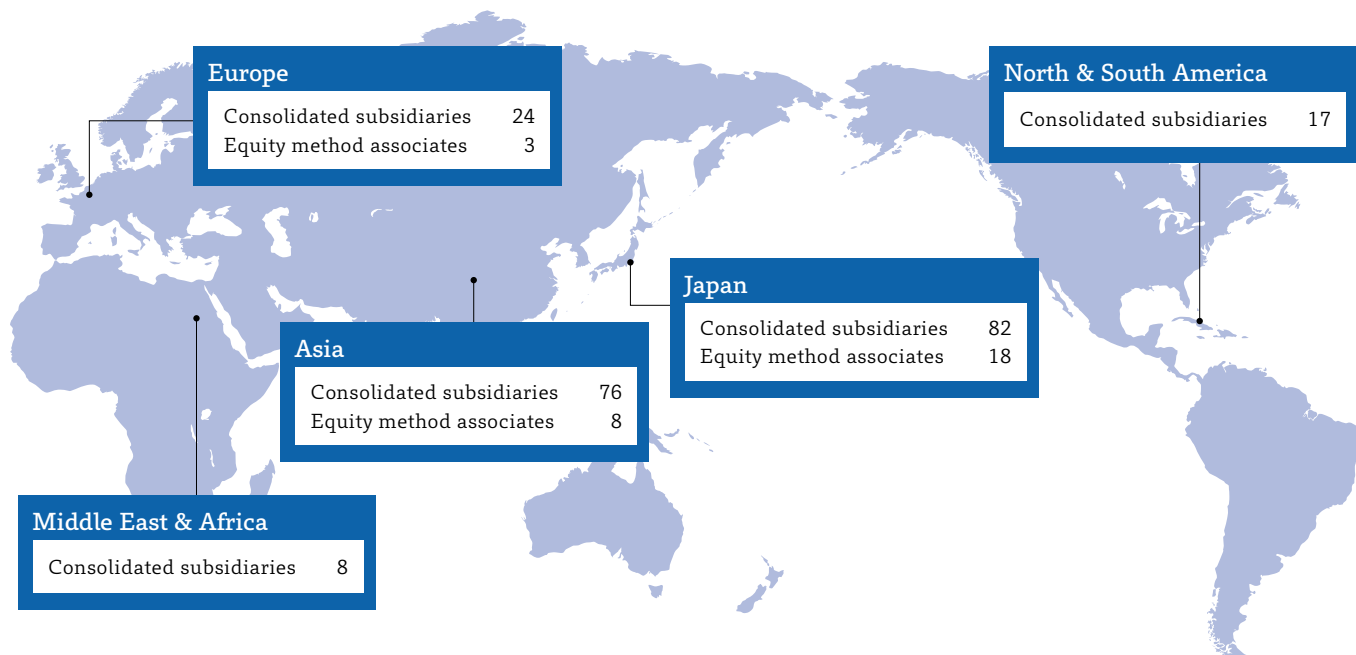
### Number of consolidated subsidiaries

207

### Number of equity method associates

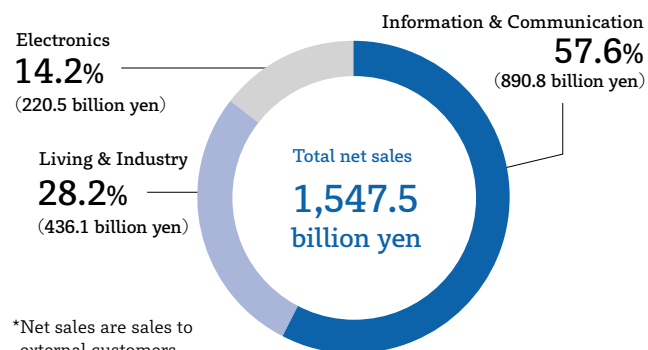
29

## Number of Operational Sites by Region



## Business Composition

(Breakdown by net sales, Year ended March 2022)



## Business by Segment

### Information & Communication

Providing solutions to enhance the value of information and deliver it effectively to customers who require smooth communication.

- Security
- Content & Marketing
- BPO

### Living & Industry

Providing a wide range of products and services globally to create living environments that offer comfort and peace of mind.

- Packaging
- Décor Materials

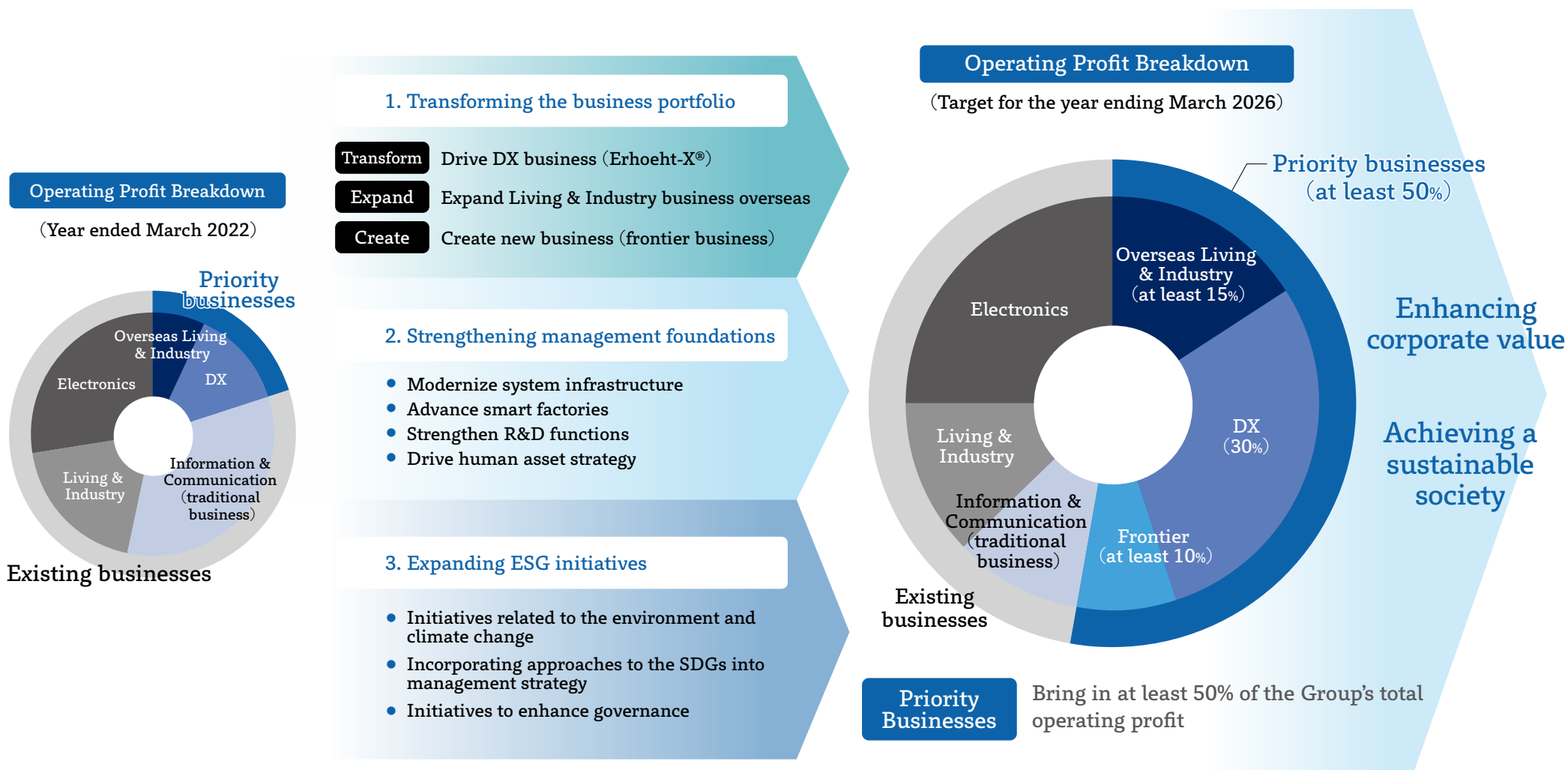
### Electronics

Providing products related to displays and semiconductors developed based on core microfabrication technologies.

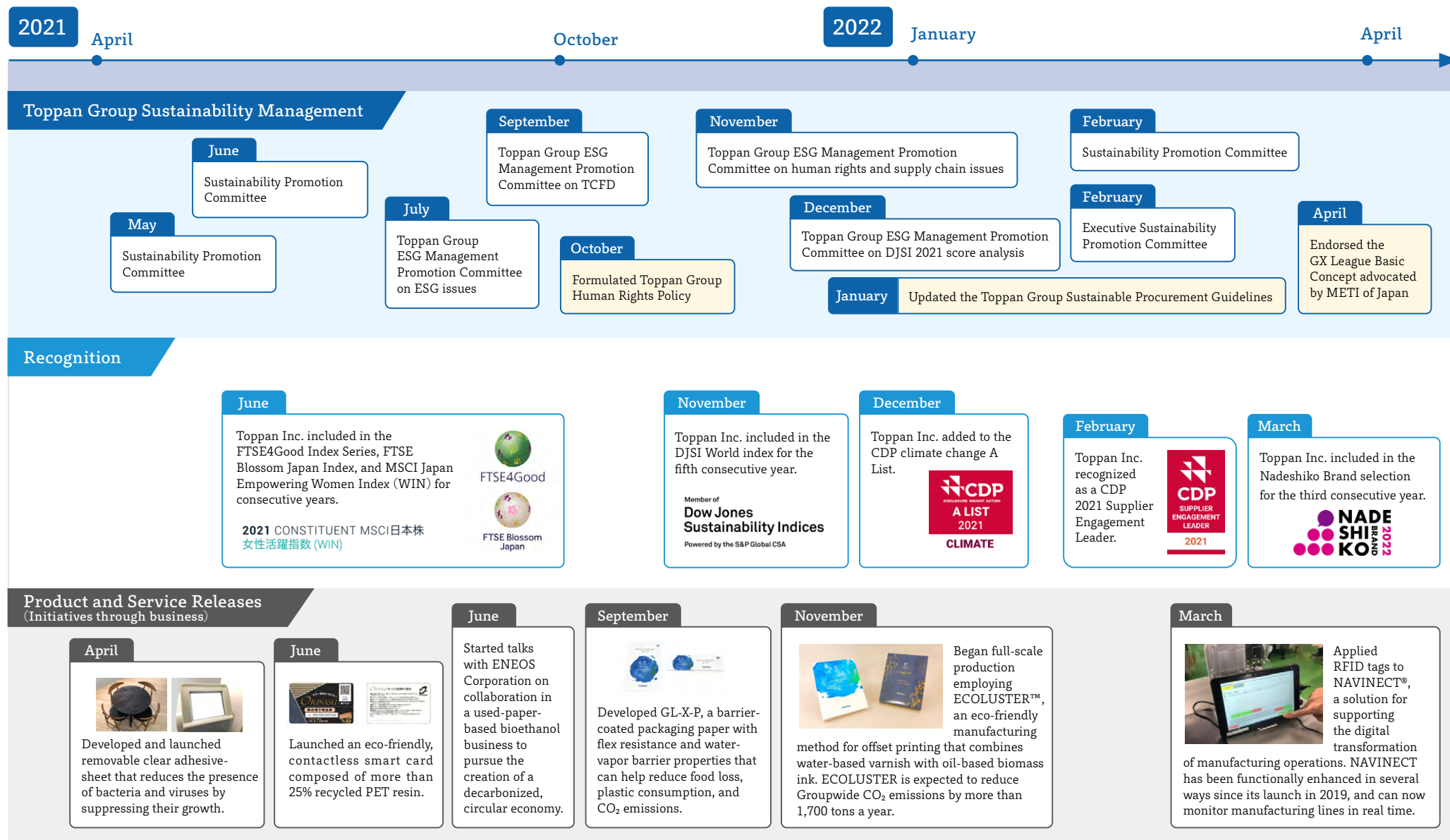
- Semiconductors
- Displays

# Transforming Toppan's Business Portfolio

The Toppan Group is transforming its business portfolio in pursuit of a “Digital & Sustainable Transformation.” The Group continues to execute its Medium Term Plan to grow operating profit generated by priority businesses to more than half of the total operating profit by the year ending March 2026. As a leading provider of solutions for social issues worldwide through digital and sustainable transformation (DX and SX) businesses, Toppan aims to consistently enhance its corporate value and steer towards the creation of a sustainable society.



# Sustainability Activity Highlights for the Year





# Management

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# To Our Stakeholders



## Accelerating Sustainability Initiatives on a Global Scale across the Group

I would like to express my sincere gratitude to our stakeholders for their ongoing support.

Toppan has accelerated sustainability initiatives since I took over as president. Societies and economies have been impacted significantly in recent years by natural disasters and a prolonged pandemic. The geopolitical risk associated with the situation in Ukraine has also increased, and the resulting energy crisis, raw material price hikes, and inflation are negatively affecting people's lives and the performance of businesses.

In uncertain and unpredictable times, it is even more important for companies to take the initiative in addressing environmental problems accompanying climate change and human rights issues in supply chains. It is not sufficient to simply pursue profits as in the past. We are living in a chaotic world, which is why we must clarify what we can do now and integrate that with business to drive solutions.

Toppan is a global company with 30% of its sales outside Japan, more than 150 overseas locations, and employees, customers, and suppliers throughout the world. To fulfill our responsibilities and mission, we devised the *TOPPAN SDGs STATEMENT* in 2019, setting out material issues under the themes of Business Materiality and Companywide Materiality. Initiatives focused on specific targets are based on TOPPAN Business Action for SDGs to further incorporate and integrate the Sustainable Development Goals into our business activities. We have also declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), based on which we have analyzed climate change risks and opportunities, considered countermeasures, and disclosed

information.

However, in a world of upheaval and increasing uncertainty, we need to accurately identify changes ahead and transform our business with urgency. We must expand in global markets to achieve sustainable growth.

It is imperative that we expand sustainability initiatives in Japan to the rest of the world to promptly address risks and social issues on a global scale. If we fail to do so, we cannot expect to see growth or be trusted by society in the future.

## Generating Value for Society through Technology and Co-creation

As announced in the Medium Term Plan, we are transforming our business and putting in place foundations for future growth. We are actively investing in growth businesses as we aim for 50% of total profit in the fiscal year ending March 2026 to come from our priority businesses of digital transformation (DX), Living & Industry overseas, and new (frontier) business.

With growing global demand for sustainable solutions, in the Living & Industry business overseas we are leveraging GL BARRIER, a material offering world-class barrier performance, and undertaking M&A to expand globally with a focus on sustainable packaging. In fiscal 2021 we increased revenue through M&A and by expanding flexible packaging sales, particularly in Southeast Asia.

The key concept for the Medium Term Plan is Digital & Sustainable Transformation, or DX and SX. We will leverage DX and SX to become a leader in providing solutions to social issues globally. In the DX business, we fuse digital technologies and advanced operational know-how for Erhoeht-X® ("erhoeht cross"), a hybrid DX business centered on leveraging data. One example is a platform spanning supply chains to reduce loss through manufacturing and logistics DX. In SX, GL BARRIER

underpins our push to reduce food loss by extending shelf lives and our efforts to lower CO<sub>2</sub> emissions across packaging life cycles.

Toppan was launched by engineers who left the Ministry of Finance's Printing Bureau to start their own business in 1900. It is a technology-focused company that has driven the evolution and application of "printing technologies." We deliver new value and solutions by combining the needs of the market and society with our five core technologies of Marketing Solutions, Information Processing, Microfabrication, Surface Treatment, and Material Forming. We have the know-how to make things and the operational expertise to run things and create entire schemes. Toppan's greatest strength is fusing these diverse technologies and elements to create new products and services with clients and stakeholders. Taking full advantage of this will be key to being a leader in tackling global social issues.

## Pushing for a Sustainable Future

Toppan has contributed to society and culture by providing diverse products and services, meeting customers' needs, and supporting social infrastructure. As a result, we serve roughly 20,000 companies. This customer base, the know-how acquired through our networks, and, above all, the relationships developed with customers are dividends of the tireless efforts of our predecessors and the hard work, diligence, and integrity of our employees today. As I mentioned, however, in a drastically changing global business environment, we must not be bound by conventional ways of thinking and doing things.

Toppan has always driven the evolution of its "printing technologies" and retained the innovative DNA that has provided solutions to all kinds of social issues. I hope our employees, inheriting this DNA, take on even greater challenges.

In October 2021 we established the Toppan Group Human Rights Policy, addressing issues such as forced labor and respect for diversity. It also relates strongly to employees' job satisfaction and fulfilling their potential, and consequently to the growth of the business.

I firmly believe that the most important management resource determining the path and growth of a company is its "human assets." We are advancing various measures to develop and effectively deploy human assets with skills necessary for digitalization and globalization. These include hiring new talent, enhancing reskilling programs, and shifting personnel to new areas of growth. We will also transform personnel systems, by for example introducing treatment based on job type, and accelerate efforts focused on diversity and inclusion.

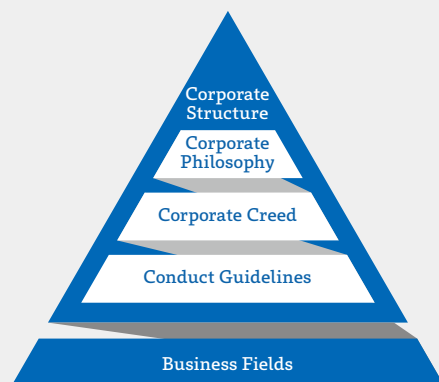
The concept of "well-being" is receiving considerable attention. Businesses are expected to enhance not just what they provide but also fulfillment of the heart and mind. By providing value in tangible and intangible ways, Toppan has been extensively involved in society, supported information and culture, and contributed to fulfilling living. There are not many companies like us. I feel pride and responsibility in leading Toppan and will make every effort to ensure happiness for our employees, fulfilling lives for people everywhere, and a sustainable society for the future.

The support of all our stakeholders is greatly appreciated.

# 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 Toppan's 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. Chapter 1 of the guidelines stipulates the basic principles. Chapter 2 sets forth specific actions to take based on the basic principles.

### 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

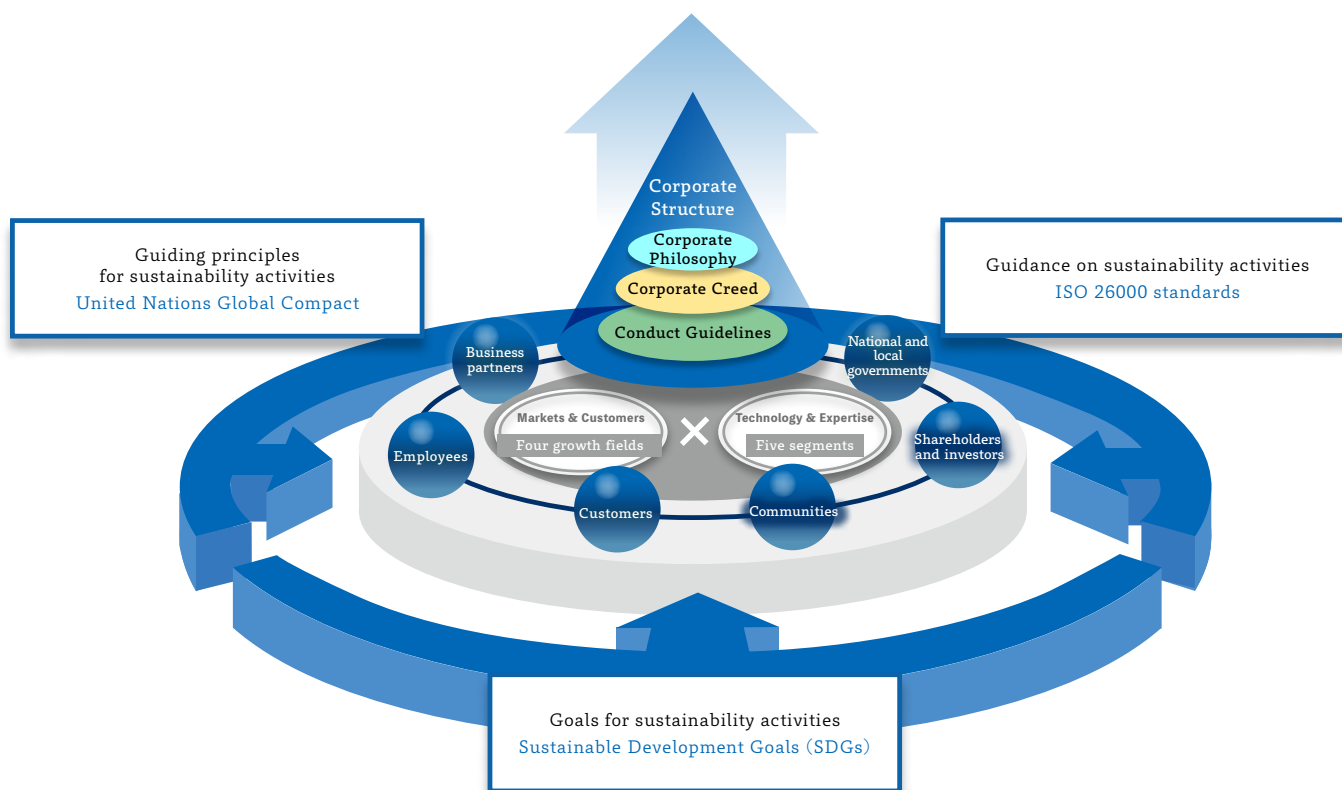
<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html>

## 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's Approach to Sustainability

### *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.

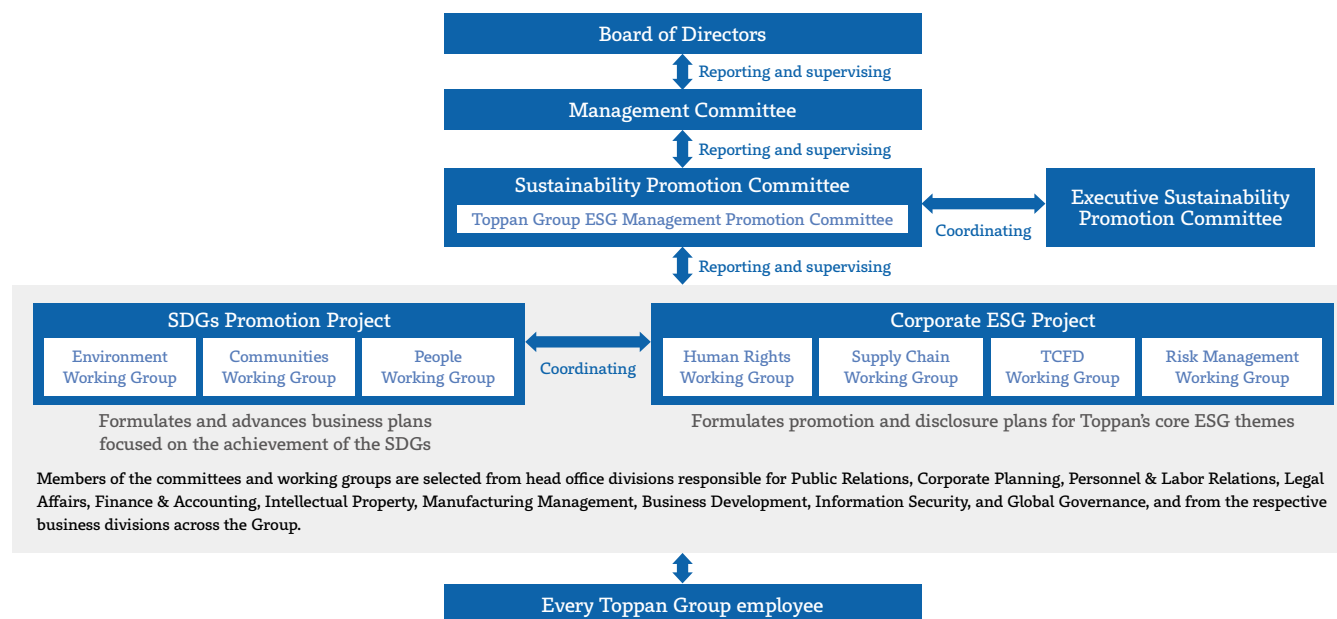
Since its foundation in 1900, Toppan has supported client companies in their efforts to overcome the challenges they face in business. The solutions Toppan offers to meet the ever-changing needs of markets and clients are based on wide-ranging specialist knowledge and expertise that have been derived from printing for more than a century. Toppan continues to widen the business fields of the Group by applying its printing technologies on various fronts. 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.

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 address the issues covered under the SDGs. The SDG agendas are the same issues Toppan is committed to addressing as a corporation that strives to realize a sustainable society through *TOPPAN VISION 21*.

Toppan also formulated and announced the *TOPPAN SDGs STATEMENT* in 2019 to declare the Group's commitment to initiatives for achieving the SDGs and actions for integrating those initiatives with management. As a specific initiative in 2020, Toppan formulated and announced "TOPPAN Business Action for SDGs," a set of action plans and target values for the Group's ongoing business activities focused on the SDGs.

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



In April 2020, Toppan established a Sustainability Promotion Committee chaired by the President & Representative Director to address issues and formulate a promotion structure for sustainability initiatives. The committee has advanced Groupwide sustainability efforts as a cornerstone of Toppan's corporate governance structure.

The scope of the Group's sustainability activities was expanded in fiscal 2021 to cover the endeavors of Group entities across the globe. Toppan strengthened interdepartmental coordination, incorporated external viewpoints, and implemented a diverse range of promotion measures.

Toppan also added new committees to drive sustainability management and enhance Groupwide coordination, and formed a project to address diverse ESG issues.

1. Executive Sustainability Promotion Committee: A new committee including outside experts and external directors, established to provide Toppan with suggestions and opinions about the Group's sustainability issues of focus.
2. Toppan Group ESG Management Promotion Committee: A new body of presidents and ESG officers from related companies in the Toppan Group, established to form a broader recognition of ESG and SDG issues by sharing key themes and enhancing mutual cooperation.
3. Corporate ESG Project: An interdepartmental project comprising the Human Rights, Supply Chain, TCFD, and Risk Management working groups. It reinforces Group initiatives addressing ESG issues and coordinates with the SDGs Promotion Project.

## Sustainability Promotion Committee

Toppan convened the Sustainability Promotion Committee three times, the Toppan Group ESG Management Promotion Committee three times, and the Executive Sustainability Promotion Committee once, in fiscal 2021 (see the "Sustainability Activity Highlights for the Year" on page 6 for details).

Toppan also upgraded its Corporate ESG Project initiatives. The TCFD Working Group performed a series of in-depth analyses to determine how business divisions can exploit the business opportunities that climate change may bring, and worked to enrich the Group's TCFD information disclosure. The Supply Chain, Human Rights, and Risk Management working groups applied ESG approaches to update the Toppan Group Sustainable Procurement Guidelines, formulate the Toppan Group Human Rights Policy, and identify the significant risks for fiscal 2022, respectively.

Toppan also continued to implement measures to meet the benchmarks required by the Dow Jones Sustainability™ World Index (DJSI), Carbon Disclosure Project (CDP), and other leading ESG rating providers, disclosed information in the sustainability section of Toppan's corporate website, and participated in the Nikkei SDGs Forum in Japan.

## Challenges Ahead

Fiscal 2022 is the second year of Toppan's plan to strengthen the foundations for its growth into a truly sustainable corporation. Toppan will intensify the efforts of the Corporate ESG Project and proactively join initiatives aligned with emerging sustainability themes for the advancement of Groupwide sustainability activities across the globe.

## Action Points in the Corporate ESG Project

1. Human Rights Working Group: Conduct due diligence to ensure human rights throughout the entire Group
2. Supply Chain Working Group: Apply supply-chain-wide ESG initiatives across the Group
3. TCFD Working Group: Further expand the scope of scenario analyses (to cover more Group companies)

## Involvement in Emerging Initiatives

1. Participation in the GX League, Japan
2. Participation in the Well-being Initiative, NIKKEI Japan
3. Enriched sustainability information disclosure, ongoing measures for ESG ratings, etc.

## Material Issues to Address

### 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.

### Materiality Selection Criteria

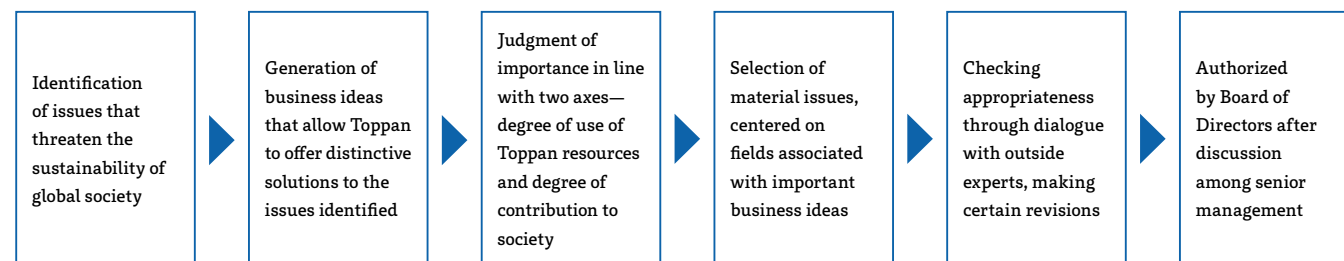
In selecting the material issues, Toppan prioritized the principles of the Corporate Philosophy, Corporate Creed, and Conduct Guidelines presented in *TOPPAN VISION 21*, the master plan plotting out the basic direction for the corporate activities of the Group. Along with the “markets & customers”

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.

## Selection Process

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

### 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.

## “TOPPAN Business Action for SDGs” to Address Business Materiality Issues

Toppan formulated and announced its “TOPPAN Business Action for SDGs” in November 2020 to further accelerate the Group's initiatives focused on the Business Materiality themes.

Senior management and business-department personnel have held a series of discussions as part of the SDGs Promotion Project under the Sustainability Promotion Committee. By backcasting from 2030, project members have identified nine areas of focus where Toppan can leverage the distinctive strengths of the Group and its own unique technologies and expertise to realize “fulfilling, sustainable living.”

### TOPPAN Business Action for SDGs: Nine areas of focus



## TOPPAN Business Action for SDGs: Activities and Targets

### Environment Sustainable global environment

#### Creating a circular economy\*<sup>1</sup>

Percentage of barrier-technology-based packaging switched to mono-material

Fiscal 2025 **25%** (overseas 40%) ▶ Fiscal 2030 **30%** (overseas 50%)

Number of proofs of concept for establishing recycling schemes for packaging and sales promotion materials\*<sup>2</sup>

Fiscal 2025 **30** ▶ Fiscal 2030 **35**

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

#### Decarbonizing\*<sup>1</sup>

Number of services contributing to greenhouse gas reduction\*<sup>2</sup>

Fiscal 2025 **20** ▶ Fiscal 2030 **30**

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.

#### Expanding eco-friendly products and solutions\*<sup>1</sup>

Percentage of sales of sustainable packaging

Fiscal 2025 **50%** ▶ Fiscal 2030 **100%**

SX priority theme sales

Fiscal 2025 **200** billion yen ▶ Fiscal 2030 **300** billion yen

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

\*1 Targets updated in May 2022.

\*2 Target values are cumulative totals leading up to the target year. Values for other items not marked with "\*\*2" are single year targets.

### Communities Creation of safe, secure, enriched communities

#### Contributing to enhanced quality of life for communities

Number of local authorities providing services for residents optimized for the community\*<sup>2</sup>

Fiscal 2025 **70** ▶ Fiscal 2030 **100**

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

#### Creating a safe society in which we can be ourselves

Number of services enriching people's lives\*<sup>2</sup> (Use of VRM platform)

Fiscal 2025 **5** ▶ Fiscal 2030 **10**

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.

#### Showcasing and preserving culture

Number of archives of materials related to culture and industry\*<sup>2</sup>

Fiscal 2025 **100** ▶ Fiscal 2030 **150**

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.

### People Empowerment and fulfillment of body and mind

#### Using innovative digital technologies to enhance health

Number of services that contribute to health by using digital technologies\*<sup>2</sup>

Fiscal 2025 **20** ▶ Fiscal 2030 **30**

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

#### Reducing food loss to help eliminate hunger\*<sup>1</sup>

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

Fiscal 2025 **300** kilotons ▶ Fiscal 2030 **400** kilotons

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.

#### Creating obstacle-free educational environments

Number of people whose learning we contribute to

Fiscal 2025 (Japan) **20** million ▶ Fiscal 2030 (Japan) **30** million (Overseas) **100** million

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

## Companywide Materiality: Targets and Results

### Environmentally Friendly & Sustainable Production

#### Toppan Group Medium-and-Long-Term Targets for Fiscal 2030 [→ See pages 97-98 for details](#)

Reduction Targets for Greenhouse Gas Emissions		Fiscal 2021 Results
Scope 1 and 2 greenhouse gas (GHG) emissions	Reduce by 32.5% compared to the fiscal 2017 level	Reduced by 13.5% compared to the fiscal 2017 level
	Renewable energy ratio of 6.5%	Renewable energy ratio of 0.67%
Scope 3 GHG emissions	Reduce by 20% compared to the fiscal 2017 level	Reduced by 4.7% compared to the fiscal 2017 level

Reduction Target for Final Landfill Waste Disposal		Fiscal 2021 Result
Final landfill waste disposal	Reduce by 60% compared to the fiscal 2017 level	Reduced by 7.2% compared to the fiscal 2017 level

Improvement Target for Waste Plastic Material Recycling Rate		Fiscal 2021 Result
Waste plastic material recycling rate	Increase by 12% compared to the fiscal 2017 level	Increased by 4.1% compared to the fiscal 2017 level

Targets for the Optimal Use of Water	Fiscal 2021 Results
Reduce water consumption, improve water efficiency, and avoid water pollution risks (Quantitative targets will be set going forward)	Evaluated water consumption and measured effluent quality at individual sites Examined system specifications for adoption of IoT technologies

### Employee Health & Job Satisfaction


#### Prevention of Serious Illness (Fiscal 2030 Targets) [→ See page 45 for details](#)

Fiscal 2030 Targets				Fiscal 2021 Results
Employees	Risk of serious illness	Obesity risk	20.0%	27.5%
		High blood pressure risk	8.0%	11.3%
		Diabetes risk	8.0%	10.3%
		Lipid risk	28.0%	31.1%
	Medical examinations	Gynecological screening rate	75.0%	79.9%
Families	Health checkups	Family health checkup rate	95.0%	83.1%

#### Support for Employees with Children (Fiscal 2030 Targets) [→ See page 53 for details](#)

Targets for the "Hagukumi (nurturing) Program"		Fiscal 2021 Results
Hagukumi Art Salon	Participation rate: 45%	15%
Hagukumi Seminar	Full attendance by managers	70.3%
Hagukumi Circle	Participation rate: 10%	1.2%

#### Elimination of Gender Disparities (Fiscal 2030 Targets) [→ See pages 52-53 and 55 for details](#)

Fiscal 2030 Targets		Fiscal 2021 Results
Percentage of managers and supervisors by gender* <sup>1</sup>	Eliminate disparities in manager and supervisor ratios by gender	Women: 59.2% Men: 81.4%
Percentage of eligible male employees taking childcare leave* <sup>2</sup>	Percentage of eligible male employees taking childcare leave: 80%	65.8% 
10-year retention rate by gender* <sup>3</sup>	Eliminate disparity in the 10-year retention rate by gender	Women: 55.1% Men: 61.2% 

\*<sup>1</sup> Percentages of employees working as managers and supervisors, out of all current employees recruited as regular hires from 2003 to 2012 (as of March 31, 2022)

\*<sup>2</sup> A percentage calculated by dividing the number of male employees who took childcare leave in fiscal 2021 by the total number of male employees with children born from April 2021 to March 2022 (The method for calculating this percentage has been changed in accordance with the applicable Japanese act requiring disclosure of the percentage.)

\*<sup>3</sup> Average 10-year retention rates by gender for regular hires from fiscal 2010 to fiscal 2012 (new graduates from technical colleges, universities, and graduate schools)

# Message from an External Director

## Toward Sustainability as Something People Want to Do and Toppan as a Unified Global Business



**Ryoko Toyama**  
External Director

### Materiality and “TOPPAN Business Action for SDGs”

I believe Toppan is a company that acts with sincerity in everything it does. My feeling is also that the Company approaches sustainability head-on and takes it seriously. I applaud Toppan's efforts to contribute to society by linking its wide-ranging businesses to spur innovation and create new value across the themes of Environment, Communities, and People under Business Materiality.

The nine areas of focus in TOPPAN Business Action for SDGs are of significant scale and importance. This could lead to an unfocused approach, but because Toppan has a broad range of businesses, I believe it has the resources to make meaningful contributions in each area.

Toppan takes an earnest approach and tends to focus on the task at hand. Due to the breadth of its business, it has often approached things in terms of individual fields. The targets of TOPPAN Business Action for SDGs will not be achieved without the concerted efforts of the entire Group. It provides a roadmap from a new perspective, transcending existing domains.

### Assessment and Expectations Regarding Sustainability Initiatives

Toppan is advancing sustainability management and proactively discloses information. This no doubt led to Toppan earning the highest rating in the climate change category of the 2021 Carbon Disclosure Project (CDP) survey. As an external director, I attend meetings of the ESG Management Promotion Committee. This is an important venue for sharing information and aligning understanding, and I have learned a great deal.

Going forward, I hope to see Toppan achieving its ambitious targets and plans, which will not be easy. However, challenging targets drive innovation, so I look forward to innovative approaches that produce consistent results. I would also like to see a change in the approach to sustainability management, from “something that has to be done” to “something that people want to do” or “something that is fun to do.” People tend not to continue things they are compelled to do. Sustainability management initiatives will truly become sustainable when Toppan's employees want to pursue them.

### Growing as a Truly Sustainable Global Company

Another challenge to address is how Toppan will become a global company. The global market's importance is recognized, but there remains a tendency to divide domestic and overseas business and focus on domestic first.

For ESG practices, the approach has been to start from Japan. If Toppan is to grow as a truly sustainable global company, rather than expecting those responsible for overseas business to take care of it, there needs to be a more widespread consciousness that Toppan is a single global business.

# Stakeholder Engagement

Toppan values communication with stakeholders in its sustainability activities. Their opinions are a guiding factor in the planning of future upgrades in the Group's stakeholder engagement strategy.

## Stakeholder Engagement: Themes and Activities

### 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 day-to-day sales activities
- 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 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 *Integrated Reports* and *Toppan Story* newsletters
- Posting IR information on the Toppan corporate website
- Answering questionnaires from environmental, social, and governance rating agencies

### Business Partners

#### Promoting sustainable procurement

- Cooperating with business partners based on the Toppan Group Sustainable Procurement Guidelines
- Setting up the Supplier Hotline as a portal for receiving reports from business partners
- Assessing human rights risks
- Controlling chemical components of products
- Conducting surveys and holding workshops on business continuity planning for business partners
- Verifying the legality of lumber as a paper material

#### Providing fair and equal business opportunities

- Concluding basic sale & purchase agreements with business partners
- Conducting business partner surveys on compliance in procurement operations by Toppan personnel

### 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.
- Designing various working arrangements for flexible working styles
- 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 *CONVEX*, *CONVEX Online*, and *CONVEX International* in-house Group newsletters
- Surveying Group employees on wide-ranging topics
- Convening a Toppan Group Human Resource Development Committee and sharing personnel development information across the Group

#### Facilitating labor-management partnership

- Convening business councils on a Companywide level and operational site level
- Convening special committees to discuss pertinent issues of the day
- Holding labor-management events
- Holding labor-management committees for enhanced job satisfaction

#### Providing information on occupational safety and health; implementing measures for mental healthcare

- Developing safety promotion systems (e.g., building an information-sharing network linking Group sites throughout the world; standardizing safety measures)
- Operating *Anzen Dojo* safety training facilities; delivering and sharing information on *dojo* initiatives (e.g., conducting *dojo* tours with hazard simulators at domestic and overseas sites; organizing safety training; posting regular newsletters on safety; etc.)

- Offering comprehensive stress checks and support
- 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

#### Addressing human rights issues

- Setting up the Toppan Group Helpline
- Assessing human rights risks

### 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 Toppan Hall
- Holding the Graphic Trial exhibitions

#### 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 *SPORTRAIT* website (in Japanese)

#### Communicating with the community

- Holding plant tours
- Welcoming community members to in-house events

#### Collaborating with NGOs and NPOs

- Holding the *Toppan Charity Concert* series to support literacy improvement
- Organizing the Kanosei Art Project to support persons with disabilities
- Organizing the Mirai Ne! (for a better-tomorrow) project to support SDG education

### National and Local Governments

#### Preparing for disasters

- Participating in anti-disaster and fire-safety activities in the community

#### Stimulating communities

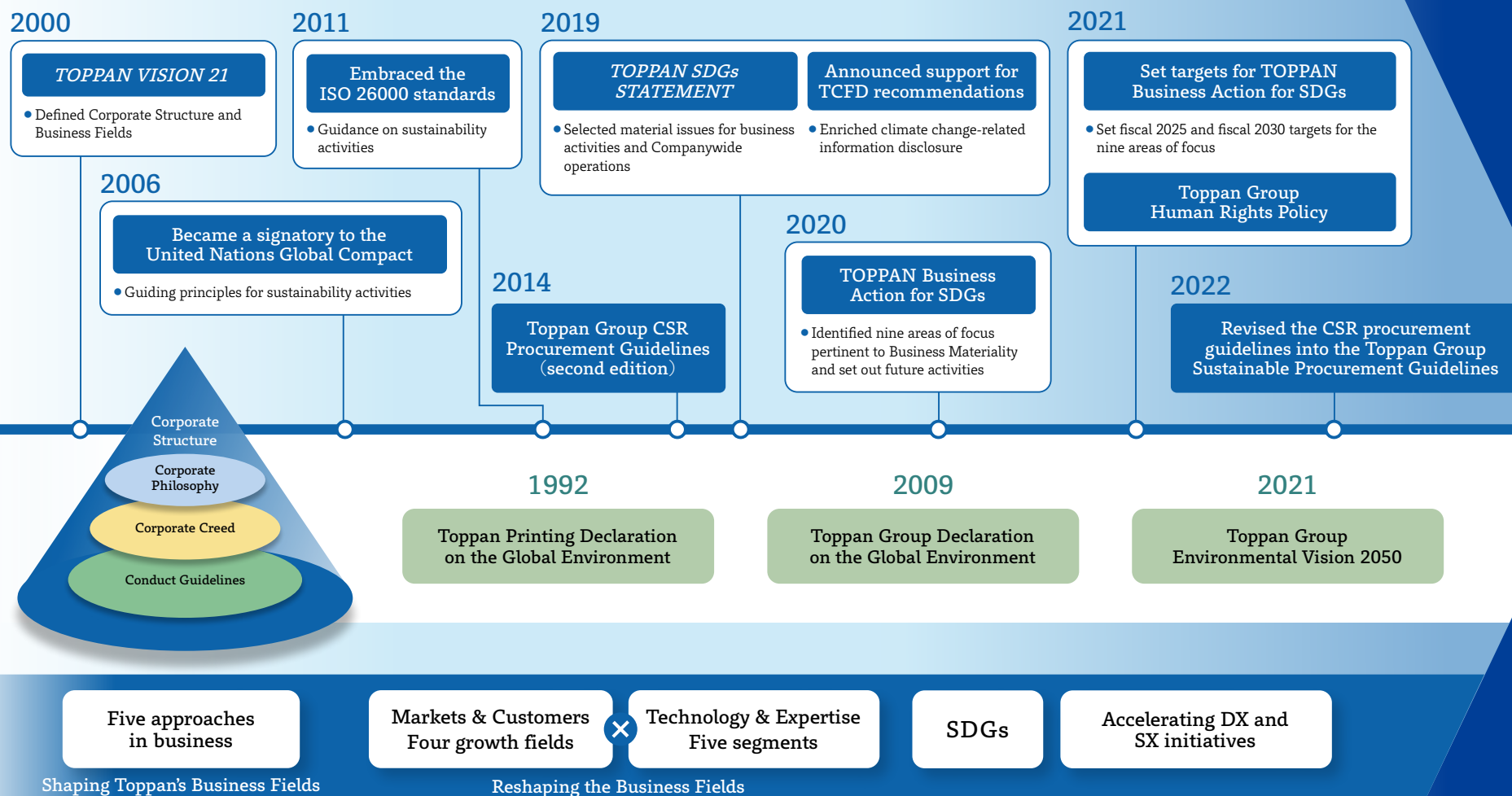
- Supporting governments through business operations
- Participating in community festivals and events

#### 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)
- Organizing and participating in events to present Toppan technologies, etc. to public offices and municipalities

# Progress in Toppan's Sustainability Initiatives

Contributing to achievement of the SDGs Growing into a truly sustainable corporation



A corporation that creates social value

A leading provider of solutions for social issues worldwide through DX and SX



[Special Reports / TCFD](#)

# Feature

- P. 21** Special Report 1: The Aims of Toppan's Human Rights Policy
- P. 25** Special Report 2: Sustainable Procurement
- P. 27** Special Report 3: Evolution of Activities Focused on the TCFD
- P. 30** Climate Change Disclosure According to TCFD Recommendations

# Special Report 1: The Aims of Toppan's Human Rights Policy

## Overview of the Toppan Group Human Rights Policy

### A policy devised to promote respect for human rights across the Toppan Group

The fundamental tenet for the Toppan Group's business is "respect for human beings." This is expressed in the Corporate Philosophy of *TOPPAN VISION 21*, which sets out the values to be upheld by everyone working in the Group.

We will ensure Groupwide awareness of the policy through training, conduct due diligence to understand, prevent, and mitigate violations associated with business, and begin full risk assessment in fiscal 2022.

## Toppan Group Human Rights Policy

### Our Approach to Human Rights

This policy is based on *TOPPAN VISION 21* and the Toppan Group Conduct Guidelines. It sets out our commitment to address human rights issues in order to fulfill our responsibility to all stakeholders. To achieve this, we support and respect international human rights norms, including the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and treaties pertaining to labor rights, such as those related to wages and working hours. Toppan is a signatory to the United Nations Global Compact and supports its Ten Principles as well as the Guiding Principles on Business and Human Rights. Our practices are based on these principles.

\* The following are stipulated under the basic approach.

- Scope of Application • Compliance with Applicable Laws and Regulations • Responsibility to Respect Human Rights
- Human Rights Due Diligence • Stakeholder Engagement
- Remedy • Education and Training • Management Responsibility for Human Rights • Information Disclosure

### Approach to Individual Issues

- Child Labor, Forced Labor, and Human Trafficking
- Discrimination and Harassment • Diversity & Inclusion
- Right to Collective Bargaining and Freedom of Association
- Occupational Safety and Health • Right to Privacy

### Timeline of Initiatives Related to Human Rights

- 1991 "Respect for human beings" stipulated in management policy
- 2000 *TOPPAN VISION 21* established and respect for human rights included in Conduct Guidelines
- 2003 Toppan Group Helpline established
- 2006 Toppan joins United Nations Global Compact
- 2015 Diversity & Inclusion Promotion Team formed
- Health Management Declaration established
- 2019 Diversity & Inclusion Promotion Office launched
- 2020 Agreement on prevention of harassment concluded
- 2021 Toppan Group Human Rights Policy established

For details of the Toppan Group Human Rights Policy  
<https://www.toppan.com/en/about-us/our-corporate-approach/human-rights-policy.html> >

## Message

### Shinichi Ohkubo

Executive Vice President &  
Representative Director



We have now formulated and published our human rights policy. We have always made "respect for human beings" the cornerstone of our activities and valued employees as "human assets." These concepts are firmly entrenched in *TOPPAN VISION 21*.

The new policy is strongly related to the vision of the Medium Term Plan published in May 2021. We aim to be a leading provider of solutions to social issues worldwide through digital and sustainable transformation. Priorities are transforming our portfolio, strengthening management foundations, and expanding ESG initiatives. Human rights are closely linked to all of these. It is vital to consider them across global supply chains. Human rights are also integral to ESG practices and human asset management, which are critical for strengthening management foundations.

Our policy is based on the UN Guiding Principles on Business and Human Rights, a global standard. To make the vision in our Medium Term Plan a reality, we will consistently put the policy into practice across the Group.



**Atsuko Miwa**  
Co-Chair  
SDGs Japan



**Hideo Okumura**  
Executive Officer  
Personnel & Labor Relations Division  
Toppan Inc.

## Talking to a Civil Group about Toppan's Human Rights Policy

### Continuously enhancing awareness and sensitivity regarding human rights to advance sustainability management

It is essential to give validity to the Toppan Group Human Rights Policy by engaging in dialogue with stakeholders. We need to ensure initiatives are meaningful and look at the approach required to drive sustainability management globally. Hideo Okumura, Executive Officer heading Toppan's Personnel & Labor Relations Division, spoke to Atsuko Miwa, a Co-Chair of SDGs Japan.

**Okumura** First, I'd like to ask for your thoughts on the Toppan Group Human Rights Policy.

**Miwa** It is a well-conceived policy that fully considers a range of relevant issues. I am particularly encouraged by the fact that responsibility to protect human rights covers the entire value chain and by the clear inclusion of remedy for issues arising.

Remedy is an important pillar of the UN Guiding Principles on Business and Human Rights. To protect human rights, it is

vital to not just express respect for them, but to explicitly state access to remedy. Unfortunately, few companies in Japan have been able to do that. What was the background to Toppan taking this global perspective?

**Okumura** "Respect for human beings" is fundamental to all our activities. In a way, respect for human rights is part of our DNA. However, having that in our DNA alone is not enough. Following publication of the *TOPPAN SDGs STATEMENT* in



**Atsuko Miwa**  
Co-Chair  
Japan Civil Society Network on  
SDGs (SDGs Japan)

2019, discussion surrounding human rights intensified. We thought about whether we were doing enough and the extent to which we could make commitments. We took a fresh look, not wanting to take human rights for granted. The new policy expresses our approach based on the expectations of international society.

**Miwa** There is great value in what you have done by taking a fresh look at human rights and refusing to take them for granted. In Japan there is a tendency to think of human rights issues as being about discrimination. It is definitely one of the most serious violations, but understanding will be limited if thinking is confined to discrimination alone.

**Okumura** I also feel there is a tendency towards a narrow view of human rights. Even if you believe you are addressing the issue properly, you have to ask yourself if you are fulfilling responsibilities when held up to global standards. I want to be proactive in engaging with external parties to get an objective understanding of the expectations of global society and where we are in relation to them.

**Miwa** It is important to refresh your awareness through dialogue.

**Okumura** The next step is to ensure that the human rights policy is instilled across the Group, identify risks, and define specific action. What are the key points for human rights due diligence?

**Miwa** Working to identify human rights risks, creating systems and frameworks, and simply applying them mechanically may not be successful. Systems are often created but not used properly. This applies to many companies. For example, if someone encounters potential harassment, the key factors influencing whether they report it via a helpline or not are their awareness and the effectiveness of the system. If everyone fully understands human rights, they can pull out yellow and red cards for violations when they or someone else could be affected. To prevent violations by raising the awareness of employees, you have to listen to what people are actually dealing with and conduct relevant training.

**Okumura** Toppan conducts a wide range of training, in particular with respect to LGBTQ issues and other aspects of diversity. We want to enhance programs to ensure people take ownership of the issues. I hope to foster a culture in which we intuitively protect each other's human rights. One in which people understand human rights properly and we see an end to the kind of microaggressions where an offhand comment can be

hurtful. Even when such incidents occur, someone should be able to step in and deal with it. As we raise awareness, what kind of approach or mindset is expected outside the Company?

**Miwa** When you expand globally, you can be subject to allegations regarding human rights from local communities and companies. When that happens, constructive dialogue is important. You must not end dialogue by saying you can only respond so far because frameworks like the UN Guiding Principles on Business and Human Rights are not legally binding. As a company with a human rights policy from a global perspective, I hope you can identify pragmatic and effective remedies through dialogue.

**Okumura** The way in which you respond to each individual case has a significant bearing on how things develop thereafter.

**Miwa** Sometimes things that don't seem directly related to human rights are in fact strongly linked to them. For example, the structure of industry is changing drastically to drive decarbonization, but this means some industries will fall into decline and people will lose jobs. "Just transition" is an important concept for advancing change in a way that safeguards human rights. I hope Toppan takes a comprehensive approach without drawing lines between human rights, the environment, and economy.

**Okumura** Toppan began in the printing business and is now diversified, but the desire to "communicate information" is always at our core. I'm sure that won't change as the means to communicate expand from paper to digital media and possibly to completely new forms in 20 or 30 years' time. With the establishment of the Toppan Group Human Rights Policy, I want to ensure that everyone is reminded that respect for human rights is the foundation for our business and to create



value that contributes to society going forward.

**Miwa** If employees' actions are based on an understanding of the links between human rights and society, it can bring tremendous value. I look forward to seeing Toppan's policy being implemented across the Group and to the Company publishing information on specific activities and outcomes.

**Okumura** This has been thought-provoking and reemphasized the importance and extent of human rights. We will continue to engage with a wide range of stakeholders and consistently work to enhance our awareness and sensitivity on human rights. Thank you very much.



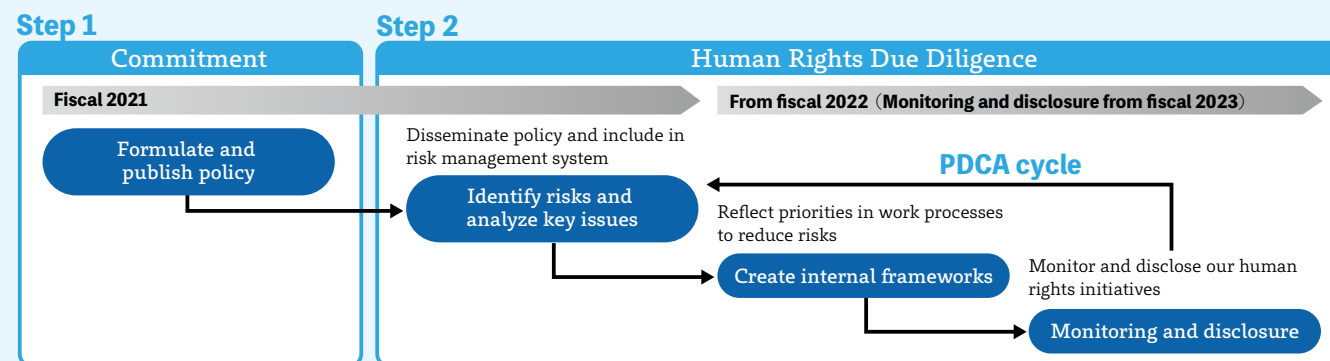
Facilitator  
**Hidenori Imazu**

General Manager  
SDGs Project  
Experience Design Department  
Marketing Subdivision  
Information & Communication  
Division

## Project Initiatives and Challenges to Address

The Toppan Group Human Rights Policy was established in October 2021. Related initiatives will be advanced across the Group worldwide.

Plan for the Toppan Group Human Rights Policy



### Activities in Fiscal 2021

Jun 2021	Launched Toppan's Human Rights Working Group
Jul 2021	Joined Global Compact Network Japan Working Group on Human Rights Due Diligence
Aug 2021	Drafted Toppan Group Human Rights Policy
Sep 2021	Human rights policy and risks discussed by Toppan's officers
Oct 2021	Established Toppan Group Human Rights Policy Identified Toppan Group's main human rights risks
Nov 2021	Informed leaders of related companies of the policy Established Toppan Group Sustainable Procurement Guidelines
Jan-Mar 2022	Established framework for assessing, rectifying, and monitoring risks
Mar 2022	Conducted human rights training for all employees of Toppan Inc. (To be expanded to Group companies globally in fiscal 2022)

### Future Initiatives

We have identified our five main risks as forced labor/human trafficking, discrimination, inhumane treatment, right to privacy, and human rights governance across the Group.

We will conduct training at Toppan companies throughout the world to ensure that the human rights policy is understood. We also plan to implement the PDCA cycle for human rights due diligence in fiscal 2022. Specifically, we will assess risks for Toppan's companies and stakeholders, conduct training and other activities to mitigate and remedy risks identified, and disclose information as appropriate.

## Interview

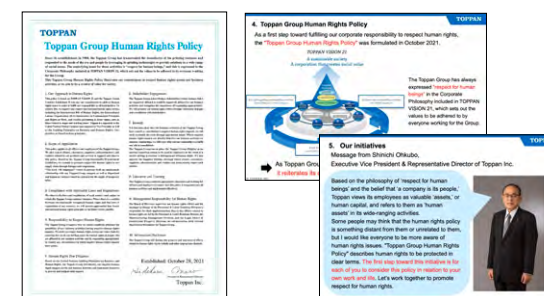
Taking ownership to change mindsets and behavior



Yui Nakamura

Supervisor  
Personnel Department  
Personnel & Labor Relations Division

Interest in business and human rights is intensifying as companies globalize. Toppan and other Japanese companies have addressed issues such as harassment and occupational safety and health, but we need to go beyond conventional thinking and recognize our responsibility across supply chains, consumers, and communities. It is vital that we renew our awareness and encourage employees and business partners to take ownership of human rights issues, prompting change in how people think and act. In addition to training, we plan to fulfill our responsibility to respect human rights by conducting due diligence at roughly 200 Toppan companies globally and implementing corrective and preventative measures accordingly.



# Special Report 2: Sustainable Procurement

## Revising the Procurement Guidelines

### Raising value for Toppan and suppliers by enhancing sustainable procurement from a global perspective

The Toppan Group CSR Procurement Guidelines have been the foundation for activities conducted in cooperation with suppliers and subcontractors. With growing attention on human rights, occupational safety and health, and the environment, businesses must now take specific and broad-ranging approaches to supply chain management. We therefore added to and revised our guidelines, renaming them the Toppan Group Sustainable Procurement Guidelines in January 2022.

### Key Points of Revision

#### ① Reorganized into nine themes

##### Version 2 (2014)

Human Rights	Human Rights and Labor	Added: Prohibition of infringing on the rights of local communities, etc.
Labor	Health and Safety	Added: Maintaining occupational health and safety; occupational injury; industrial hygiene; etc.
The Environment	Environment	Added: Environmental permits; decarbonization; air emissions; water use; etc.
Anti-Corruption	Fair Business and Ethics	Added: Preventing corruption; inappropriate benefits; disclosure of information; etc.
Added		Legal Compliance and Respect for Internationally Recognized Standards
		Quality and Safety
		Information Security
		Business Continuity Planning
		Establishing a Management System

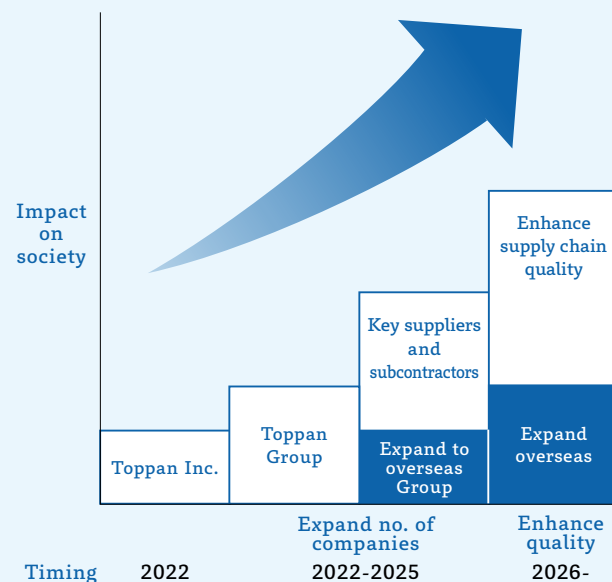
##### Revised (2022)

#### ② Added and clarified

- Revised content based on international guidelines
- Clarified requirements for suppliers and subcontractors
- Identified and clarified as headings what needs to be achieved

Details of the Toppan Group Sustainable Procurement Guidelines  
[https://www.toppan.com/assets/en/pdf/sustainability/The\\_Toppan\\_Group\\_Sustainable\\_Procurement\\_Guidelines.pdf](https://www.toppan.com/assets/en/pdf/sustainability/The_Toppan_Group_Sustainable_Procurement_Guidelines.pdf) >

### Supply Chain Management



By ensuring awareness of the guidelines across the supply chain and driving a cycle of implementation, audit, and correction, we will work with suppliers and subcontractors to accelerate sustainable procurement and enhance supply chain quality.

### Message

#### Hironori Majima

Director & Executive Officer  
 Manufacturing Management  
 Division



The Toppan Group has grown with its suppliers and subcontractors. A variety of social issues have recently presented challenges for sustainable procurement, including the COVID-19 pandemic, human rights violations, and damage due to climate change. To overcome these, we need to work with suppliers and subcontractors to drive sustainability across supply chains.

The new guidelines are composed of the Basic Procurement Policy and the Sustainable Procurement Standards. The policy states that Toppan employees will observe the law and build fair and cooperative relationships of trust with suppliers and subcontractors. The standards present a wide range of social issues that companies should address.

Toppan employees are expected to understand the guidelines and collaborate with suppliers and subcontractors to target a sustainable society.

We ask our suppliers and subcontractors for their continued understanding and cooperation with the new guidelines.



**Takuya Motohashi**

Printing Group  
Printing Paper Sales Department II  
Printing Paper Sales Division  
Nippon Paper Industries Co., Ltd.

**Makiko Kobayashi**

Supply Chain Management Team  
Purchasing & Cost Management Center  
Manufacturing Management Division  
Toppan Inc.

## Advancing Sustainability throughout Supply Chains

### Working with suppliers to address social issues and create sustainable value

We spoke to Nippon Paper Industries about the Toppan Sustainable Procurement Guidelines as seen from the supplier's perspective and about the importance of working together throughout supply chains. (Interviewer: Makiko Kobayashi, Toppan)

#### **Q1** Can you tell us about major sustainability initiatives and material procurement at Nippon Paper Industries?

Our slogan is to be a “comprehensive biomass company shaping the future with trees.” We provide products that contribute to a circular economy. We do this by leveraging diverse technologies and know-how to make the best possible use of wood resources under a business model based on three types of circulation—circulation of sustainable forest resources, circulation of wood resources, and product recycling.

Wood resources form the foundation for our group. It is important to establish a sustainable supply chain considerate of

links with society and the environment. Our raw material procurement sections conduct regular surveys of wood material suppliers to confirm sustainability. We have acquired certification for all 170,000 hectares of our forests in Japan and overseas. We also employ our unique technologies to make forests function even better as carbon sinks.

#### **Q2** What do you think of the Toppan Group Sustainable Procurement Guidelines?

They are robust guidelines for sustainable procurement that not only confirm legality, but also consider human rights, labor,

communities, and biodiversity.

We recognize the growing importance of preventing human rights violations and addressing country risk. We procure about 60% of our lumber from overseas. We keep an eye on the international situation as a supplier and as a purchaser. Toppan's guidelines reemphasize the importance of doing so while identifying and countering potential future risks in view of global circumstances.

#### **Q3** What is your thinking on advancing sustainability activities across supply chains?

For a sustainable society, we need to reduce negative impacts on society and the environment at every stage of product life cycles. Our paper is made into products by customers like Toppan. It is important to ascertain environmental impact over the life cycle of our paper up to and including use, recovery, recycling, and disposal. We also need to identify risks and challenges throughout supply chains, implement countermeasures and improvements, and disclose information appropriately.

#### **Q4** What are your expectations for Toppan's sustainability management going forward?

We would like to pursue activities with Toppan over the long term to address issues facing society, including climate change, resource circulation, biodiversity preservation, and respect for human rights.

We also need to maintain and reinforce supply chains to prepare for events and risks that are difficult to predict, as with the pandemic and Russian invasion of Ukraine.

By working closely with Toppan and the entire supply chain, we hope to create and deliver sustainable value to society.

# Special Report 3: Evolution of Activities Focused on the TCFD

Toppan recognizes the scale of climate change's impact on the Group's business. We view analyzing climate change risks and opportunities and taking countermeasures to be vital management issues. We announced our support for the recommendations of the TCFD in 2019, starting scenario analysis in accordance with the recommendations in fiscal 2020 and disclosing related information in fiscal 2021.

Based on issues identified in fiscal 2020, relevant business divisions also participated in fiscal 2021, stimulating discussions to enhance the accuracy of analysis and countermeasures. The results have been disclosed in line with the four thematic areas of the TCFD recommendations. Details can be found on page 30.

## Issues Identified in Fiscal 2020 Scenario Analysis

### 1. Expanding scope

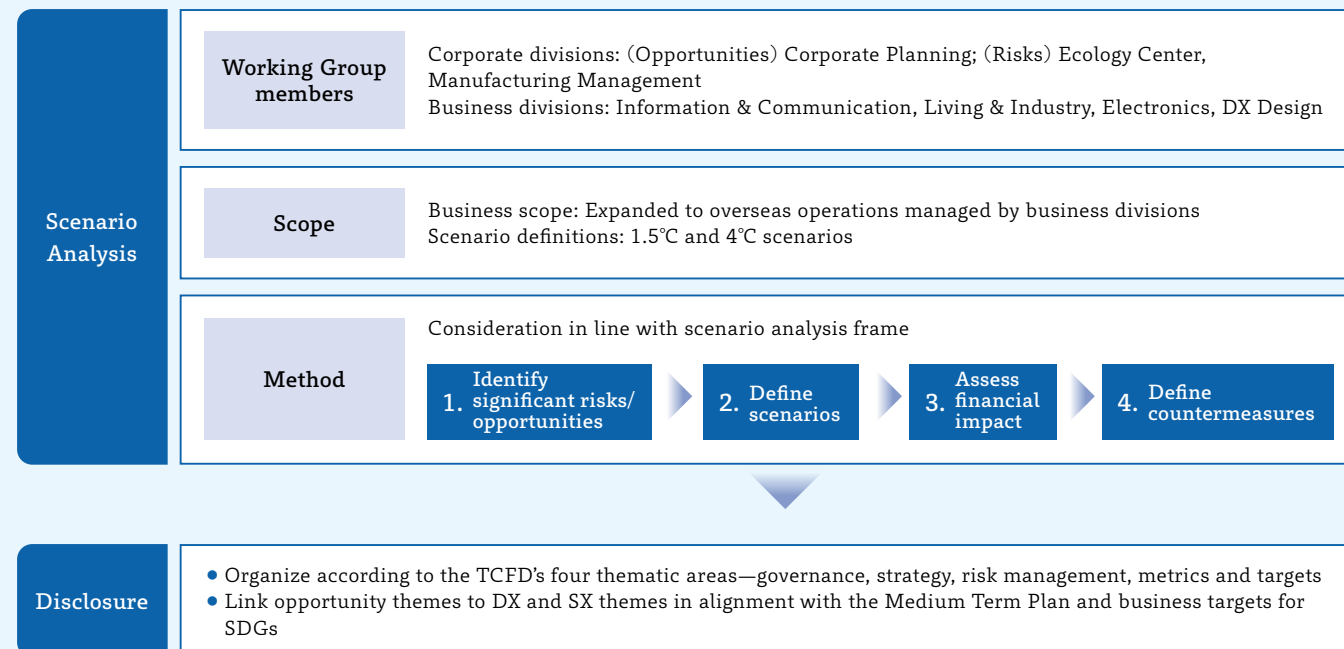
Climate change risks in overseas business need to be monitored as we expand globally.

### 2. Enhancing content of opportunities

- Enhance content based on characteristics of the business and link to the Medium Term Plan in financial impact assessment
- Raise the accuracy of financial impact assessment and countermeasures

## Fiscal 2021 Scenario Analysis and Disclosure

Business divisions participated in our TCFD Working Group to ensure a scenario analysis that reflects the characteristics of the business.



### About the TCFD



The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board to enhance disclosure of climate-related information in financial reporting. Companies are expected to recognize and incorporate climate change risks and opportunities into their management strategies, and disclosed information is referenced for ESG investing.

## Interview

### Taking a fresh look at Toppan from multiple perspectives

To address the challenge of giving shape to business opportunities, we performed scenario analysis again in fiscal 2021 with a working team including staff from business divisions. Our discussions on the impact climate change will have on the business environment went beyond the boundaries of business divisions. We identified opportunities to exploit Toppan's strengths, organizing them systematically and linking them to the Medium Term Plan. It was a chance to reassess Toppan's distinctive characteristics and the challenges we need to address from multiple perspectives. Going forward, we will enhance collaboration across the Group, reexamine analyses as the environment changes, and work to realize opportunities.



**Gaku Satomi**  
Junior Manager  
Corporate Strategy  
Department  
Corporate Planning Division

## Interview

### More precise analysis and assessment

With the IPCC's Sixth Assessment Report stating there is no doubt that global warming is human-induced, and agreement being reached on the 1.5°C target at COP26, we reviewed the 1.5°C and 4°C scenarios for climate change risks to reflect the acceleration of mitigation initiatives. For transition risks, we applied a new scenario to reassess and calculate carbon pricing and other financial impacts under the expanded scope. BCP and facilities personnel joined us for assessment of physical risks. We were able to conduct a more precise financial impact assessment than last year by reviewing sites that could be damaged and going through potential damage point by point. We will continue to work to enhance resilience to climate change risks.



**Hiroshi Asakawa**  
General Manager  
Global Environmental Policy  
Department  
Ecology Center  
Manufacturing Management  
Division

## Takeaways from Scenario Analysis Discussions

In the words of leaders from business divisions who joined the working group in fiscal 2021.

## Information & Communication



### Driving commitment to targets based on forecasts for the future

**Yoshiyuki Nishikawa**  
Manager  
Business Transformation Office and  
SDGs UNIT Promotion Project  
Business Strategy Department  
Information & Communication Division  
(Current position: Manager, Group  
Management Strategy Office)

The most challenging part of scenario analysis was plotting the business risks, which are extensions of the present, against the opportunities that are part of the strategy to address the risks. Our business division will have to continue extensive discussions on this.

We had to rely on qualitative information for forecasts, and it was difficult to assess their appropriateness because it depended largely on each person's own sensitivity to changes in the environment. The challenge now will be to set quantitative targets based on the forecasts and drive commitment to them, so we need to keep working on it.

## Environmentally Friendly Products and Services

Our division is working to enhance ethical sales promotion offerings. We plan, design, and pitch sales promotion tools based on Toppan's guidelines for environmentally friendly products, which cover material selection, printing, processing, packing, use, disposal, and recycling. We also hold supplier workshops to inform subcontractors of the guidelines.

We are advancing a range of activities for a circular economy with other Toppan divisions, customers, and our external partners.

## Living & Industry



**Addressing the TCFD aligns with the key theme for our business**

**Kenji Shinohara**

General Manager  
Sales Planning 1  
Business Strategy Department  
Living & Industry Division

The fundamental policy for the Living & Industry business going forward is to provide solutions to social issues through sustainable transformation from a global perspective. The TCFD advocates disclosure of business risks and opportunities brought by global warming and other aspects of climate change. Addressing this aligns with the key theme for our business. The business opportunities also line up with the Medium Term Plan. This process has allowed us to understand the importance of the TCFD in relation to our business.

Our packaging business is divided into various types, such as flexible packaging, folding cartons, and rigid plastics. The opportunities and risks of each business line can sometimes conflict with respect to TCFD-related impacts, so the process has reemphasized the importance of optimizing business mix and portfolio when looking at packaging as a whole.

### Environmentally Friendly Products and Services

Demand for more readily recyclable mono-material packaging is growing globally to drive a circular economy.\* Toppan's GL BARRIER film delivers world-class moisture barrier performance. We have a lineup using various materials and will accelerate development of mono-material barrier packaging for all kinds of products and contents.

\*Many types of film packaging consist of multiple materials that fulfill different roles. Mono-material packaging is composed of film of a single material, enabling significant improvement in recyclability by eliminating the need for separation.

## Electronics



**Reassessing strengths and weaknesses within the context of climate change**

**Ryota Hosoya**

Manager  
Administration  
Business Strategy Department  
Electronics Division

Discussing the effects of rising temperatures furthered my understanding of the impact of climate change and prompted me to take ownership with a more focused sense of urgency. Assessing our activities in the context of climate change allowed me to reconfirm the strengths and weaknesses of each business.

In identifying opportunities and making quantitative assessments, it was difficult to pinpoint the extent of the impact of climate change. It was also challenging to estimate the impact for individual electronic components, which are the focus of what we supply.

We need to continue efforts to clarify risks and opportunities and conduct quantitative assessment taking into account factors other than climate change. I also think we should always be mindful of the impact our activities have on society and reflect that perspective in the products and solutions we create.

### Environmentally Friendly Products and Services

e-Platch is a solution that uses ZETA networks and IoT technologies to monitor environmental conservation activities at factories. It can support efforts targeting zero emissions through services such as visualization of power consumption, which is in development.



# Climate Change Disclosure According to TCFD Recommendations

Toppan conducts business worldwide, and we recognize the scale of the impact of climate change on the Group. We consider climate change to be an important issue in sustainability management. In 2019, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board. In 2020, we commenced scenario analysis based on the recommendations. We disclose the financial impact related to climate change, and our responses, in accordance with the TCFD recommendations.

After announcing our support for the TCFD recommendations in 2019, we have been conducting scenario analysis and disclosing related information since 2020.

In 1992, Toppan formulated the Toppan Printing Declaration on the Global Environment, which set out our basic philosophy on environmental conservation activities. In April 2009 we revised this declaration to create the Toppan Group Declaration on the Global Environment, our basic philosophy for more proactive Groupwide conservation activities.

In November 2019, we established the *TOPPAN SDGs STATEMENT*, setting out a commitment to integrate the SDGs into management. The statement describes the “fulfilling, sustainable living” that Toppan wants to enable and identifies environmental issues, including climate change, to be addressed through Companywide activities and specific business activities, respectively.

## Thematic Area 1: Governance

### a) Board of Directors' Oversight of Climate-related Risks and Opportunities

#### 1) Organizational initiatives and the responsibilities of the Board of Directors

Under the key concept of “Digital & Sustainable Transformation,” the Medium Term Plan from fiscal 2021

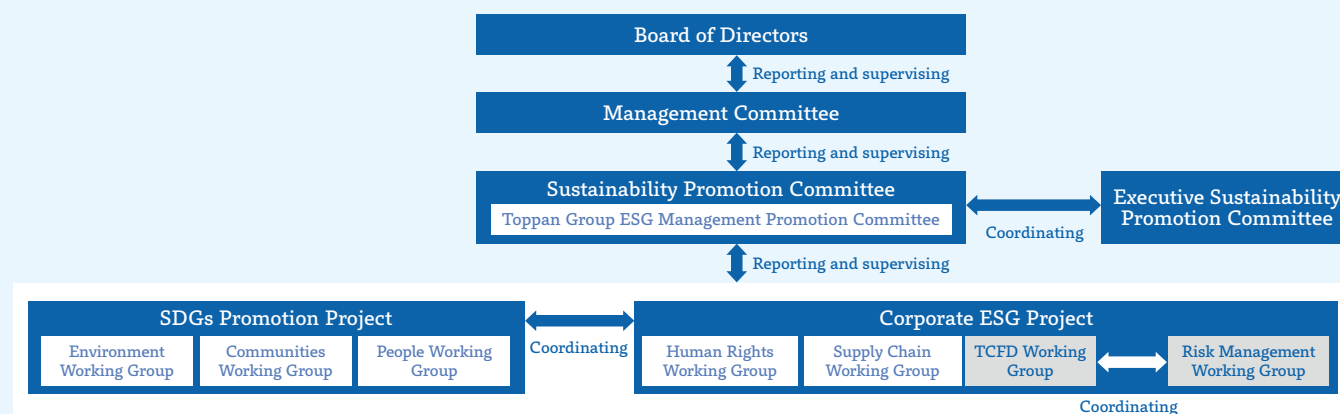
defines “expanding ESG initiatives” as a priority measure for the medium to long term, and we are strengthening efforts related to environmental, social, and governance (ESG) issues, including climate change.

The Board of Directors recognizes climate change as an important issue in management strategy, and consideration is given to climate change risks and opportunities in investments for business growth (including business portfolio transformation centered on DX and SX for social issues).

As for specific initiatives that address ESG issues, through the Management Committee, the Board of Directors receives reports regarding the details of actions considered and discussed by the Sustainability Promotion Committee. The Board discusses, monitors, and supervises target setting and progress.

Toppan's Medium Term Plan  
<https://www.toppan.com/en/ir/management/policy.html>

### Governance Structure for Addressing Climate Change and Other ESG Issues



## 2) Receipt of reports by the Board of Directors regarding climate-related issues—process and frequency

Each year in April, the Board receives and approves reports regarding greenhouse gas (GHG) emission results for the previous fiscal year under the Toppan Group Environmental Vision's Medium-and-Long-Term Environmental Targets, and reports regarding single-year GHG emission targets for the current fiscal year.

On a quarterly basis, the Board receives reports regarding the assessment and status of climate-related issues. In addition, the Board implements comprehensive decision-making with regard to such matters as management strategy, taking climate-related issues into account.

As for nonscheduled reports, in the event that new regulations, systems, or the like pertaining to climate-related issues are announced, through the Sustainability Promotion Committee, the Board receives reports regarding evaluations and responses from related internal departments. Based on these, the Board then discusses and decides on responses.

### b) Management's Role in Assessing and Managing Climate-related Risks and Opportunities

The Board of Directors has assigned responsibility for climate-related issues to the Sustainability Promotion Committee (Chair: President & Representative Director).

The committee coordinates climate-related issue assessments and countermeasures while cooperating with the TCFD Working Group, the Risk Management Working Group, and the SDGs Promotion Project, which are under the committee.

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

## Thematic Area 2: Risk Management

### a) Organization's Processes for Identifying and Assessing Climate-related risks

Climate-related risks are identified in terms of several risk types in relation to Toppan's business activities and the products and services provided. Specifically, these risk types are existing regulations, new regulations, technologies, legislation, markets, reputation, and rapid and gradual physical change. The TCFD Working Group under the Sustainability Promotion Committee identifies potential risks and opportunities associated with each risk type and assesses financial impact and impact on brand image. Risks and opportunities are then organized in terms of their relationship with the priority measures defined in the Medium Term Plan, such as driving the DX business and advancing global business centered on SX, and arranged in order of priority based on assessment of level of importance.

The TCFD Working Group periodically monitors existing and new regulations related to climate change, including not only international agreements, related laws and ordinances, and regulations but also rules and guidance on matters such as corporate governance and disclosure.

### b) Organization's Processes for Managing Climate Change Risks

The Risk Management Working Group is responsible for formulating and advancing plans to address climate change risks. Risks identified and assessed by the TCFD Working Group are reported to the Risk Management Working Group, and the two working groups coordinate to define countermeasures.

Countermeasures are reported to the Sustainability Promotion Committee, and the approval of the Board of Directors is obtained.

### c) How Processes for Identifying, Assessing, and Managing Climate-related Risks Are Integrated into the Organization's Overall Risk Management

Toppan's overall risk management is handled by the Risk Management Working Group, which is administered by the Legal Affairs Division's Compliance Department.

In identifying and assessing risks, those that could exert a significant impact on management are considered to be "significant risks." Significant risks are identified each year by the Risk Management Working Group based on the results of assessments by head office divisions responsible for each type of risk. Consideration is given to such factors as the results of risk assessments at business divisions, subsidiaries, and Group companies; social conditions; and risks that could arise over the medium to long term.

Climate-change issues are also identified as significant risks and included in the framework for overall risk management.

[See Risk Management on page 139](#) >

## Thematic Area 3: Strategy

### a) Climate-related Risks and Opportunities the Organization Has Identified over the Short, Medium, and Long Term

#### 1) Review status for risks and opportunities in the organization's time frames (short-, medium-, and long-term perspectives)

The time frames for risks and opportunities are as follows: short term, within 1 year; medium term, 2 to 3 years; and long term, 4 to more than 30 years. They are coordinated with the Company's business action plans, which are the fiscal-year plans, medium-term plans, and long-term vision. Assessments of climate-related risks and opportunities are conducted by related departments.

#### 2) Processes used to determine which risks and opportunities could have a material financial impact on the organization

In implementing the scenario analysis, Toppan established the TCFD Working Group under the Sustainability Promotion Committee. Personnel from relevant head office divisions and business divisions participate in the TCFD Working Group to identify significant risks and opportunities related to climate change, assess the financial impacts, and consider measures based on those assessments.

Business strategy personnel from major business divisions participated in the consideration of business opportunities in fiscal 2021. Scenario analysis consideration was coordinated with the medium-term plans of each business division. Financial impacts were assessed with a focus on more specific businesses, and countermeasures were considered.

In the fiscal 2021 scenario analysis, the Company utilized two scenarios: the 1.5°C and 4°C scenarios. In addition to operations in Japan, where the majority of Toppan's business is conducted, scope was expanded to include overseas bases, and the entire supply chain was considered, including R&D, procurement, production, and product supply. Long-term forecasts up to 2050 were considered.

[See Special Report 3: Evolution of Activities Focused on the TCFD on page 27](#) >

### 3) Climate-related issues with a large financial impact

Under the 1.5°C scenario, we reconfirmed that there are risks of increased costs accompanying the introduction of a carbon tax and higher prices for purchased energy, and that, based on changes in consumer preferences, there are opportunities for increased sales of low-carbon-emission products and services and for gains in corporate value.

Under the 4°C scenario, increased wind and flood damage resulting from higher atmospheric temperatures could lead to such risks as stoppages at major plants. However, Toppan is advancing countermeasures, such as BCP formulation.

### b) Impacts of Climate-related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning

\*Provided on the following page.

### c) Resilience of the Organization's Strategy, Taking into Consideration Different Climate-related Scenarios

The following scenarios were used in scenario analysis. For the 1.5°C scenario, the IEA's World Energy Outlook 2021, Net Zero Emissions by 2050 Scenario was used. For the 4°C scenario, the IEA's World Energy Outlook 2021, Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS) were used. The period covered was 2030 to 2050.

As a result of the scenario analysis, transition risks include increased operational costs against a background of expansion of carbon pricing systems targeting the realization of carbon neutrality worldwide. In addition, physical risks include halts in production due to water damage, such as flooding, at production sites, and increases in expenses for restoration. Countermeasures include introducing renewable energy in a step-by-step manner, strengthening disaster-preparedness measures, and aiming to create and expand business opportunities related to such changes, based on the Medium Term Plan's key concept of Digital & Sustainable Transformation. Specifically, we will advance the development of DX solution services that contribute to the reduction of greenhouse gas emissions in the supply chain and expand the lineup of sustainable packaging that offers improved recyclability and contributes to reducing food loss.

By continuing to conduct scenario analysis, Toppan will enhance its accuracy, further drive its integration into management strategy, and strengthen resilience to an uncertain future.

## b) Impacts of Climate-related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning

### 1) Impact of identified climate-related issues on business strategy

Time frames: short term, within 1 year; medium term, 2 to 3 years; long term, 4 to more than 30 years  
Financial impact: small, less than 1 billion yen; medium, 1 billion yen to 10 billion yen; large, more than 10 billion yen

Scenario	Change in Social Trends	Risks and Opportunities	Time Frame	Financial Impact	Principal Countermeasures / Business and Services That Will Become Opportunities
Transition 1.5°C Scenario	Introduction of / increase in carbon tax	Cost increases due to imposition of carbon tax, emission credit trading	Medium term	Medium Increase of 6.4 billion yen from fiscal 2020	Implement Scope 1 + 2 GHG emission reduction activities in the Medium-and-Long-Term Environmental Targets for Fiscal 2030, focused on the Toppan Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc., from long-term viewpoint
	Increase in renewable energy ratio	Increase in operational costs due to rise in purchased energy prices	Medium term	Small to medium	Implement Scope 1 + 2 GHG emission reduction activities in the Medium-and-Long-Term Environmental Targets for Fiscal 2030, focused on the Toppan Group Environmental Vision 2050; monitor systems, renewable energy technologies, etc., from long-term viewpoint
		Expansion of green-energy-related markets	Medium to long term	Medium	Strengthen production/sales of battery packaging materials for EVs, enter renewable-energy-related businesses
	Strengthening of GHG reductions at client companies	Decline in existing paper media accompanying digital shift	Medium term	Medium	Accelerate initiatives for business portfolio transformation, a priority measure in the Medium Term Plan
		Increase in customer needs for reducing GHG emissions across the entire supply chain	Short term	Large	Strengthen resources for Erhoeht-X business, such as manufacturing DX support (NAVINECT, etc.) and digital BPO <span>DX</span>
	Strengthening of forest protection	Expansion of opportunities for the use of pulp from forest thinnings and FSC-certified paper	Short term	Small	Promote use of Cartocan, FSC-certified related products (paper products, etc.) <span>SX</span>
	Strengthening of regulations for fossil fuel-derived plastic	Expansion of needs for recycling of plastic from packaging and materials	Medium to long term	Large	Establish new recycling schemes; develop and bolster sales of recyclable products, such as mono-material packaging <span>SX</span>
	Increase in raw materials prices	Increase in procurement costs	Medium term	Large	Research suppliers and develop new suppliers, research/consider alternatives, monitor systems/markets from long-term perspective
Physical 4°C scenario	Increasing severity of acute, extreme weather conditions	Decrease in demand for carbon-emitting products, such as disposable plastic products	Medium term	Small to medium	Accelerate initiatives for business portfolio transformation, a priority measure in the Medium Term Plan
		Increase in demand for low-carbon products, reduced-plastic products	Short term	Large	Strengthen development/sales of ethical sales promotion products, sustainable packaging <span>SX</span>
		Increase in risk of halt in operations at plants due to flooding / water damage	Medium term	Large	Continue to consider alternative production plans for the long term, periodically gather information about and take steps to address technology to prevent flooding
	Changes in rainfall and weather patterns	External discharge of chemical substances due to flooding / water damage	Medium term	Small	Consider the possibility of leakage of chemical substances, formulate and implement countermeasures
		Expansion of next-generation communications market due to growth in remote monitoring needs	Medium to long term	Medium	Create communications-related products, such as products that use ZETA, and metaverse-related products <span>DX</span>
	Increase in temperature	Water usage restrictions	Long term	Small	Consider alternative production plans to address water use restrictions; from a long-term viewpoint, assess water usage and stress by region
		Increase in needs related to food loss / hygiene	Medium to long term	Small to medium	Strengthen sales of functional barrier packaging, strengthen development of food loss countermeasure solutions <span>SX</span>

Risk  Opportunity

DX SX Products and services related to Digital & Sustainable Transformation (DX and SX), the key concept of the Medium Term Plan

### 2) Organization's consideration of impact on business and strategy

To contribute further to the net zero society targeted by the Toppan Group Environmental Vision 2050, we are advancing business portfolio transformation centered on DX and SX as part of the Medium Term Plan. We are in the process of executing a plan to invest approximately 60 billion yen in growth areas related to DX and SX, including R&D investment, between fiscal 2020 and 2022.

## Thematic Area 4: Metrics and Targets

### a) Metrics Used by the Organization to Assess Climate-related Risks and Opportunities in Line with Its Strategy and Risk Management Process

For climate-related risks, we have established the following as indicators: Scope 1, 2, and 3 greenhouse gas (GHG) emissions; renewable energy ratio; final landfill waste disposal; waste plastic material recycling rate; and optimal water use.

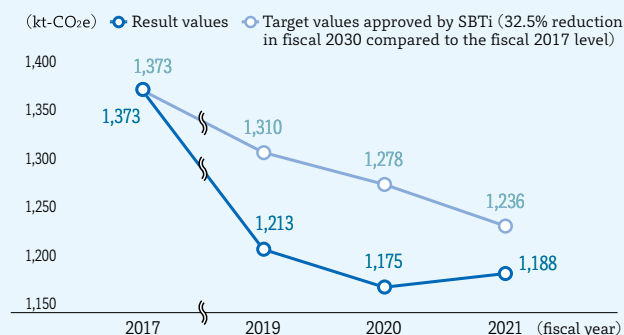
For climate-related opportunities, we have established the following indicators for business contribution to addressing social issues, including climate change: percentage of operating profit contributed by DX, SX, and frontier businesses; percentage of barrier-technology-based packaging switched to mono-material; number of proofs of concept for establishing recycling schemes for packaging and sales promotion materials; number of services contributing to GHG reductions; percentage of sales of sustainable packaging; and SX priority theme sales.

### b) Scope 1, 2, and 3 Greenhouse Gas Emissions

In fiscal 2021, for the Toppan Group as a whole, Scope 1 and 2 emissions were 1,188 kt-CO<sub>2</sub>e, and Scope 3 emissions were 5,833 kt-CO<sub>2</sub>e. In comparison with targeted emissions for the fiscal year, the target for Scope 1 and 2 emissions was achieved, but the target for Scope 3 emissions was not achieved. Scope 1, 2, and 3 emissions are calculated based on the GHG Protocol methodology, and have been assured by an independent assurance provider.

[See Mitigation of Global Warming on page 104](#) >

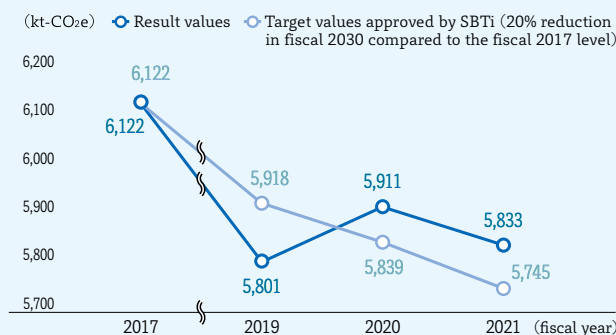
### Scope 1 and 2 Greenhouse Gas Emissions



\*For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, 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 the Business Activities of Specified Dischargers.

### Scope 3 Greenhouse Gas Emissions



\*Methods for calculating the Scope 3 GHG emissions are presented on page 106.

### c) Organization's Targets for Management of Climate-related Risks and Opportunities and Progress against Targets

The Toppan Group's targets for management of climate-related risks and opportunities are set out in the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030, which target carbon neutrality cited in the Toppan Group Environmental Vision 2050; the Medium Term Plan; and TOPPAN Business Action for SDGs, which defines the areas of focus for Toppan to contribute to the SDGs.

For Scope 1 and 2 greenhouse gas (GHG) emissions, in fiscal 2021 a 13.5% reduction compared to the fiscal 2017 level was achieved. We will continue monitoring and take consistent measures to work towards target achievement. For Scope 1 GHG emissions, such measures include systematically replacing utility facilities used for long periods with high-efficiency alternatives, installing systems to abate high-global-warming-potential (GWP) gases emitted from semiconductor production processes, and replacing those high-GWP gases with lower-GWP alternatives. Measures for Scope 2 GHG emissions include making sure that operation of equipment used continuously is suspended during long vacation periods.

[See environment-related results on page 16](#) >

## 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-CO<sub>2</sub>e) compared to the fiscal 2017 level (1,373 kt-CO<sub>2</sub>e).

(Renewable energy ratio of 6.5%)

Reduce Scope 3 greenhouse gas emissions by 20% (1,224 kt-CO<sub>2</sub>e) compared to the fiscal 2017 level (6,122 kt-CO<sub>2</sub>e).

### ② Contributing to Resource Circulation

Reduce final landfill waste disposal by 60% (4,444 t) compared to the fiscal 2017 level (7,407 t).

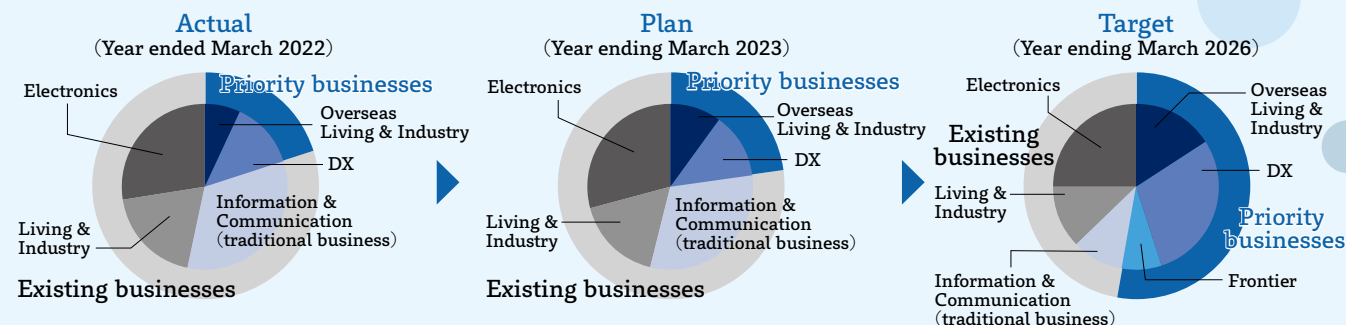
Increase waste plastic material recycling rate by 12% (to 65%) compared to the fiscal 2017 level (53%).

### ③ Optimal Water Use

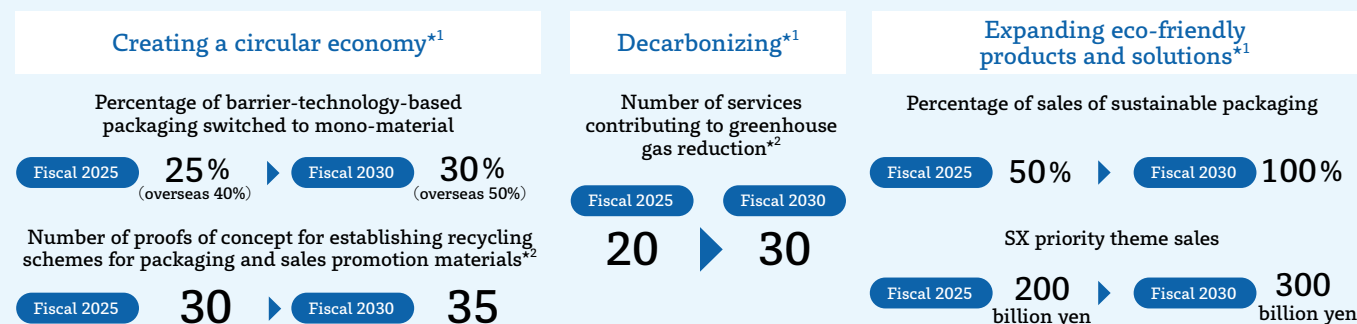
Reduce water consumption, improve water efficiency, and avoid water pollution risks.

(Quantitative targets will be set going forward.)

## Breakdown of Operating Profit in the Medium Term Plan



## TOPPAN Business Action for SDGs (Environment: Sustainable Global Environment)



\*1 Targets revised in May 2022.

\*2 Target figures are cumulative figures over the years leading up to the target year. (Other targets are for single fiscal years.)

# Social

- P. 37** Human Rights
- P. 41** Supply Chain Management
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- P. 82** Social Contribution Activities



# Human Rights

## Basic Approach

### Approach

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

Toppan continues to operate the Group's business under the foundational ethos of "respect for human beings." A Toppan Group Human Rights Policy based on this tenet was formulated in October 2021. The Group calls for respect for human beings, or more specifically respect for human rights, as the first behavioral norm set under the Toppan Group Conduct Guidelines. Basic Principle 1 of the guidelines includes protecting individual dignity, prohibiting discrimination and harassment, prohibiting child labor and forced labor, and promoting diversity and inclusion.

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

### Policy

## Supporting Human Rights Principles under the UN Global Compact

Toppan has been participating in the United Nations Global Compact and therefore supporting its six principles of human rights and labour since 2006.

### 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.



## Formulating the Toppan Group Human Rights Policy

From its very beginnings, the Toppan Group has leveraged its printing technologies to provide solutions to wide-ranging social issues in an unstinting effort to transcend the boundaries of the printing business by responding to the needs of people and of the times. The underlying tenet for these endeavors is respect for human beings. The Toppan Group Human Rights Policy is an expression of Toppan's commitment to respecting human rights across the Group's operations as Toppan grows as a creator of social value.

### The Structure of the Toppan Group Human Rights Policy

- |  |   |
|--|---|
| 1. Our Approach to Human Rights                    | 6. Stakeholder Engagement                     |
| 2. Scope of Application                            | 7. Remedy                                     |
| 3. Compliance with Applicable Laws and Regulations | 8. Education and Training                     |
| 4. Responsibility to Respect Human Rights          | 9. Management Responsibility for Human Rights |
| 5. Human Rights Due Diligence                      | 10. Information Disclosure                    |

#### Approach to Individual Issues

- Child Labor, Forced Labor, and Human Trafficking
- Discrimination and Harassment
- Diversity & Inclusion
- Right to Collective Bargaining and Freedom of Association
- Occupational Safety and Health
- Right to Privacy

More details on the Toppan Group Human Rights Policy  
<https://www.toppan.com/en/about-us/our-corporate-approach/human-rights-policy.html>



## Promotion Framework

### Promotion framework

Toppan has established a Groupwide framework for promoting human rights initiatives led by the Corporate ESG Project, a cross-divisional team driving sustainability activities under the Sustainability Promotion Committee chaired the President & Representative Director. The Board of Directors supervises the Group's key human rights efforts, while the head of the Personnel & Labor Relations Division oversees their implementation. The Personnel & Labor Relations Division, Manufacturing Management Division, and Legal Affairs Division steer day-to-day human rights activities in collaboration with related departments throughout the Group.

## Human Rights Due Diligence

### Approach

### System

Toppan supports the United Nations Guiding Principles on Business and Human Rights and recognizes the need for due diligence to ensure human rights. Toppan has analyzed and assessed human rights risks in the printing industry and identified five risks specific to the Group, in accordance with the Toppan Group Human Rights Policy formulated in October 2021. In fiscal 2021, Toppan participated in the Human Rights Due Diligence Working Group organized by the Global Compact Network Japan. The Group has spoken to companies at the forefront of human rights initiatives as it works to develop its operational framework for human rights due diligence. Starting from fiscal 2022, Toppan plans to mitigate and remedy human rights risks, mainly the five risks identified, through surveys and interviews with Toppan Inc. and Group company stakeholders.

## Identifying Human Rights Risks in the Printing Industry

Human Rights Issue	Toppan Employees	Supply Chain	Cus-tomers	Users	Communities
Forced labor / Human trafficking	Medium	High	—	—	—
Child labor	Low	Low	—	—	—
Discrimination	High	High	—	—	—
Inhumane treatment	Medium	High	—	—	—
Freedom of association Right to collective bargaining	Low	High	—	—	—
Working hours	Low	High	—	—	—
Wages	Low	High	—	—	—
Right to privacy	High	High	High	High	—
Ethical/responsible marketing	—	—	Low	Low	—
Freedom of expression	—	—	High	Medium	—
AI and human rights	—	—	Low	Low	—
Product safety and quality	—	—	Low	Low	—
Health of local residents	—	—	—	—	Medium
Sanitation of soil, water, etc.	—	—	—	—	Medium
Rights of indigenous peoples	—	—	—	—	Low

\*Toppan has categorized human rights issues by prioritizing human rights risks as they relate to the characteristics of the Group's businesses, competitor trends, and international human rights standards. Five core human rights risks facing the Group have been identified through the process: **the four risks shown above in red** and "human rights governance across the Group" (not shown in the list).

## Grievance Mechanism

Upon detecting a negative human rights impact caused or contributed to by its business activities, the Toppan Group will work to remedy the issue through appropriate means. If the negative impact is found to be directly linked to the Group's corporate activities through business relationships, Toppan will work with the relevant stakeholders to fulfill its role in remediation.

The Toppan Group Helpline has been established as an internal reporting system to be used by Group employees when an infringement of human rights is suspected or discovered. The Group also operates a Supplier Hotline for the anonymous

reporting of related matters by business partners.

[More details on the Toppan Group Helpline \(see page 131\) >](#)

[More details on the Supplier Hotline \(see page 43\) >](#)

## Human Rights Training and Harassment Prevention

### Activity results, performance data

### Training, education

Toppan organizes diverse forms of human rights training for employees based on a fundamental ethos of respect for human beings.

While new managers and supervisors have been routinely trained on human rights issues focused on harassment prevention, a new program for the prevention of workplace harassment covers all Group employees under an agreement on harassment prevention reached with the Toppan Printing Labour Union in April 2020. If any form of harassment comes to light, the Group will investigate the case appropriately, mainly through interviews with the parties involved, and strive to resolve the matter promptly through measures such as corrective or disciplinary actions against the persons responsible.

The Conduct Guidelines Promotion Leaders also present case studies on human rights issues as a means of disseminating the Conduct Guidelines at their assigned workplaces and enhancing the understanding of human rights across the Toppan Group.

In fiscal 2021, all employees of Toppan Inc. and a number of selected Group companies took part in e-learning courses on the Toppan Group Human Rights Policy and recent social trends concerning human rights. Similar training will be conducted across the Group in fiscal 2022.

## Labor Rights

Approach   System   Activity results, performance data

### Labor-Management Initiatives for Human Rights

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 Inc. 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.

### 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 union and the management shall contribute to society through business operations and collectively work for the benefit of Toppan and the long-term stability of the livelihood of employees. The union and the management both uphold this policy as a common goal. Article 2 of the agreement clearly stipulates that the union has all the rights established by

law and that the Company shall respect the union's rights to organize and collectively bargain and act.

### Ensuring Appropriate Working Conditions

Toppan convenes labor-management committees every month to review the actual working hours of employees and discuss measures to regulate them at each Group site. The committees check and take steps to ameliorate cases of long working hours occurring either chronically or over extended periods. The measures for reducing overtime work range from direct communications, such as the sending of alerts to employees and their superiors through the Group's work management system, to environmental adjustments, such as scheduled shutdowns for PCs and office lighting.

Toppan also strives to adapt to the "new normal" in the post-pandemic world and ensure appropriate working conditions that support the autonomy of individual employees on all fronts. Smart work and remote work systems have been introduced throughout the Group, along with smart devices that can be used in the same ways inside and outside of office environments.

### Securing Occupational Safety and Health

Safety masters, safety personnel, employees in charge of engineering and safety, and other safety experts have been deployed to operational sites across Japan under the safety promotion structure of the Group. Toppan organizes safety training for all Group employees, both regular and contract hires, as prescribed by the Basic Policy on Safety, Health, and Fire Protection, a policy that prioritizes safety over all other considerations. Training content is extensive, including safety programs mainly for forepersons as well as enhancement of intrinsic safety for machines and equipment through risk assessment. *Anzen Dojo* safety-training facilities outfitted to

simulate and alert employees to workplace hazards are operated at five Group sites around the world. A cumulative total of 37,750 people have received *dojo* training as part of an ongoing effort to refine Toppan's Groupwide safety promotion activities for the prevention of occupational accidents. The Group also works with industrial physicians and the Toppan Group Health Insurance Union to drive primary prevention activities aimed at ensuring workplaces are free of mental health problems.

### Paying Appropriate Wages

Toppan pays appropriate wages to Group employees by considering the local living costs and the minimum wages set under the laws and regulations of each country or region. In addition to providing the monetary remuneration and welfare and benefits legally required, the Group offers non-monetary support such as programs for enhanced job satisfaction, self-actualization, and career development. The average annual salary at Toppan Inc., the parent company, was 7.00 million yen in fiscal 2021. The Company's remuneration system for determining employee wages is based mainly on the individual's capabilities and roles and imposes no differential standards based on gender. Remuneration is also determined uniformly across the Group companies in Japan based on similar criteria. Toppan plans to adopt an original job-based personnel treatment system in fiscal 2022 as a remuneration structure that enables diverse employees to work actively in wide-ranging business fields across the Group.

## Gender Pay Gap between Male and Female Employees at Toppan Inc.

Fiscal 2021	Basic Salary (Female / Male)	Total Remuneration (Female / Male)
Managers	1:1.03	1:1.03
Non-managers	1:1.12	1:1.30

Shows the ratio of the average remuneration paid to female employees compared with that paid to male employees.

The same salary system is applied to both male and female employees; Differences arise mainly from differences in the grade and age compositions of the employees.

\*Basic salary: Monthly basic salary of regular employees

\*Total remuneration: Annual total remuneration, including bonuses for regular employees, overtime pay, and other allowances (including all shortened-hour workers and employees who went on temporary leave midway through the fiscal year; excluding new graduates not working for the full year, mid-career hires, retirees, and employees on full-year leave)

\*Average employee age: Female employees 35.9, male employees 45.0

## Starting Salary at Toppan Inc.

The starting salary of new university graduates was 213,000 yen (1,343 yen per hour) uniformly throughout Japan in fiscal 2021.

## Properly Operating Technical Internship Programs

Toppan's head office personnel collaborated with local general affairs staff in a fact-finding survey conducted in fiscal 2021 to assess human rights risks for foreign technical interns working at Group sites across Japan. They employed the Group's original check sheets to verify the actual living and working conditions for the interns and whether the internship programs were being run in accordance with the requirements stipulated by the Ministry of Health, Labour and Welfare of Japan.

Toppan organized technical internship programs at 11 plants operated by three manufacturing subsidiaries in Japan (as of fiscal 2021).

The survey confirmed the following: that the employment contracts concluded with foreign interns were explained in

either their native languages or in languages that they could understand, that there were no cases of unpaid wages or long overtime hours worked, that appropriate wages were paid in accordance with the hours worked, and that the living conditions provided to the interns were comparable to those provided to Toppan employees.

## Pursuing Diversity and Inclusion

Toppan positions diversity and inclusion initiatives as a critical management strategy to further advance the Group's progress as a corporation that creates social value. The Group facilitates ongoing dialogue and promotes awareness to ensure mutual respect and create psychologically safe workplaces where every person can speak and act with dignity and without inhibition. Toppan provides Group employees with support systems to balance their work with childcare or nursing care, promotes the employment of people with disabilities, and takes positive action to advance the role of women. These measures have led to increases in the percentage of persons with disabilities in the workforce and the number of female managers and supervisors.

The Toppan Group also implements various LGBTQ-related initiatives to ensure that every employee works to create inclusive environments where every participant can feel at ease. In addition to holding LGBTQ seminars open to employees across the Group, Toppan has launched the TOPPAN ALLY initiative to encourage employees to express their alliance with LGBTQ individuals and introduced a system to extend the benefits granted to employee spouses to same-sex and/or common-law partners.

## Providing an Open Recruitment Environment

Toppan Inc. recruits university and high school graduates, mid-career personnel, and persons with disabilities regardless of

nationality, gender, age, or disability. The Company hires diverse human assets by delivering information on working at Toppan to a broad range of people through company presentations, websites, and other media.

Toppan personnel who interview applicants receive a recruitment manual and training on fair selection practices. Questions deemed to be inappropriate in an interview setting are listed in the manual to ensure that the interviewers avoid any topics that could constitute employment discrimination. The Company also takes comprehensive steps to protect applicants' human rights in recruitment. The interviewers, for example, are required to sign written pledges regarding the handling of personal information.

## Arranging Self-directed Career- and Skill-enhancement Programs

Toppan Inc. 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.

# Supply Chain Management

## Basic Approach

### Approach

Toppan believes that sustainable procurement throughout the supply chain is key to fulfilling social responsibilities and supporting a sustainable society and has advanced activities with suppliers and subcontractors based on the CSR Procurement Guidelines. Businesses must address human rights issues, ensure occupational safety and health, protect the environment, and fulfill other corporate responsibilities. Toppan understands that it must manage the supply chain with more concrete and diverse measures.

The Group has therefore revised its CSR Procurement Guidelines into the Sustainable Procurement Guidelines, adopting new themes aligned with society's expectations. Toppan will share the revised guidelines throughout the supply chain and accelerate sustainable procurement practices with suppliers and subcontractors through a cycle of operations, audits, and refinements to enhance corporate value for all stakeholders.

## Updating the Procurement Guidelines

In January 2022, the Toppan Group revised its CSR Procurement Guidelines (established in 2007, previously revised in 2014) in line with recent trends in sustainable procurement such as new international standards and social demands. They are now called the "Toppan Group Sustainable Procurement Guidelines."

The guidelines consist of the Basic Procurement Policy, a framework to be observed by every Toppan department responsible for procurement or involved in operations linked to products and services, and the Sustainable Procurement

Standards, which are to be satisfied by suppliers and subcontractors.

The Sustainable Procurement Standards comprise nine sections: "legal compliance and respect for internationally recognized standards," "human rights and labor," "health and safety," "environment," "fair business and ethics," "quality and safety," "information security," "business continuity planning," and "establishing a management system."

Based on the Toppan Group's Human Rights Policy, Declaration on the Global Environment, and Basic Policy on Biodiversity, procurement departments also implement human rights initiatives and environmental conservation activities across the supply chain and take a proactive approach to the sustainable use of raw materials to avoid or minimize impacts

on biodiversity and the environment.

More details on the Toppan Group Sustainable Procurement Guidelines (third edition)

[https://www.toppan.com/assets/en/pdf/sustainability/The\\_Toppan\\_Group\\_Sustainable\\_Procurement\\_Guidelines.pdf](https://www.toppan.com/assets/en/pdf/sustainability/The_Toppan_Group_Sustainable_Procurement_Guidelines.pdf)



More details on the Toppan Group Human Rights Policy

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



More details on the Toppan Group Declaration on the Global Environment

[https://www.toppan.com/assets/pdf/sustainability/The\\_Toppan\\_Group\\_Declaration\\_on\\_the\\_Global\\_Environment.pdf](https://www.toppan.com/assets/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf)



More details on the Toppan Group Basic Policy on Biodiversity

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



## The Structure of the Toppan Group Sustainable Procurement Guidelines

### Basic Procurement Policy

This is a basic policy that applies to all workers involved in procurement activities at the Toppan Group.

We fairly and impartially offer opportunities to all Business Partners and potential Business Partners.

We comply with domestic and overseas laws and regulations and conduct fair business transactions based on corporate ethics.

We strictly control the information obtained through procurement activities.

We work to conserve the environment and reduce impact on the environment.

We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.

We work to foster mutual cooperation and build relationships of trust with Business Partners.

We promote sustainable procurement throughout the entire supply chain.

### Sustainable Procurement Standards

These are sections that set out requirements for suppliers and subcontractors\*.

1. Legal Compliance and Respect for Internationally Recognized Standards
2. Human Rights and Labor
3. Health and Safety
4. Environment
5. Fair Business and Ethics
6. Quality and Safety
7. Information Security
8. Business Continuity Planning
9. Establishing a Management System

\*"Subcontractors" are referred to as "Business Partners" in these guidelines.

## Promotion Framework

### Promotion framework

Toppan has introduced the following policies and guidelines to evolve sustainability management in the Group year by year: the CSR Procurement Guidelines in 2007, the Toppan Group Declaration on the Global Environment in 2009, the Basic Policy on Biodiversity in 2010, and the Toppan Group Sustainable Procurement Guidelines in 2022.

Personnel from the Purchasing & Cost Management Center in the head office Manufacturing Management Division and other procurement departments across the Group lead initiatives (see the list on the right) to implement sustainable procurement in close cooperation with suppliers and subcontractors.

### Operational Framework for Sustainable Procurement



### 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
Human Rights Policy	Human rights initiatives	In-house risk assessment	Identification of areas of risk in the supply chain	Management metric: Dissemination and observance of the Human Rights Policy	Key suppliers and subcontractors*
Sustainable Procurement Guidelines	Basic Procurement Policy		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 suppliers and subcontractors*
	Sustainable Procurement Standards		Procurement risks affecting the entire supply chain	KPI benchmark: Number and percentage of business partners (meeting the Group's sales criterion) that have signed cooperation agreements and basic sale & purchase agreements stipulating the observance of the Toppan Group Sustainable Procurement Guidelines	Key suppliers and subcontractors*
				Management metric: Evaluation of paper and material suppliers	Key suppliers and subcontractors*
			Development and preparation of business continuity planning (BCP)	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 the business continuity competencies of business partners (through surveys and workshops on BCP)
Declaration on the Global Environment	Effective use of resources and reduced environmental burden of any type		Admixture of hazardous substances into raw materials	Management standards: Toppan Group Standards for the Management of Chemical Components of Raw Materials	All suppliers and subcontractors
Basic Policy on Biodiversity	Proactive approach to the sustainable use of raw materials to avoid or minimize impacts on biodiversity		Risks in relation to the sustainable use of forest resources, materials with potentially significant impact on biodiversity	KPI benchmark: Verification of the legality of lumber to promote the sustainable use of forest resources for paper production	All paper manufacturers in the supply chain
			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	Management standards: Paper Procurement Guidelines for the Sustainable Use of Forest Resources	All paper manufacturers in the supply chain

\*Key suppliers and subcontractors are the top 90% of business partners rated by transaction amount and partners that provide materials and components essential for the Group's business continuity.

## Sustainable Procurement Initiatives

### Approach

### Applying the Sustainable Procurement Guidelines

The Toppan Group will implement the following measures in fiscal 2022 to apply the Sustainable Procurement Guidelines throughout the entire supply chain, in cooperation with suppliers and subcontractors.

- Hold briefing sessions on the Sustainable Procurement Guidelines
- Perform self-assessments with questionnaires on the observance of the procurement guidelines
- Conclude cooperation agreements and basic sale & purchase agreements (stipulating the observance of the procurement guidelines)
- Check efforts to act ethically in accordance with the Toppan Group Human Rights Policy
- Check efforts to safeguard business continuity in the event of a wide-scale disaster

The 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.

More details on the Toppan Group Standards for the Management of Chemical Components of Raw Materials (ver. 4.8)  
<https://www.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.8en.pdf>

### Advocating the Basic Procurement Policy (Fair transactions by procurement departments)

Sustainable procurement should be built upon trust between the Toppan Group and its suppliers and subcontractors. Toppan has set up a Supplier Hotline to enhance transparency and fairness in transactions and deepen relationships of trust with business partners. The hotline is open for use by all suppliers and subcontractors of the Group.

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

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

### Conserving Biodiversity

The Toppan Group promotes sustainable procurement based on the Basic Policy on Biodiversity. To govern the procurement of raw materials, Toppan 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.

To assure the sustainable use of forest resources, the Group cooperates with paper manufacturers in the supply chain to confirm that the lumber they use for paper production is legally obtained.

More details on the 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](https://www.toppan.co.jp/assets/pdf/about-us/sustainability/2014/proc2014_06.pdf)

## Main Activities and Results

### Activity results, performance data

### Briefing Partners on Guidelines and Concluding Agreements

Toppan has been promoting sustainable procurement throughout the entire supply chain by asking suppliers and subcontractors to conclude cooperation agreements and basic sale & purchase agreements stipulating the observance of the Toppan Group Sustainable Procurement Guidelines. As of fiscal 2021, Toppan has concluded the agreements with 86% of the business partners with annual transactions amounting to more than 10 million yen a year. The Group's goal is to conclude agreements with all business partners that meet this sales criterion by no later than fiscal 2025.

Turning to the environment, Toppan advances sustainable 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 Procurement Guidelines

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Number of business partners briefed	4	9	19
Cumulative total of business partners	2,108	2,117	2,136

### Percentage of Business Partners that Have Signed Agreements (Partners with annual transactions amounting to more than 10 million yen)

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Cumulative percentage of agreements	81%	84%	86%

## Enhancing the BCP Competencies of Suppliers (Surveys and workshops on BCP)

Suppliers need to prepare procedures in advance to ensure that production can be promptly resumed when a wide-scale natural disaster or other emergency affects their operations. Toppan has surveyed the business continuity planning (BCP) of key suppliers and called for their participation in the Group's BCP

workshops.

Out of the 185 suppliers surveyed, 20 participated in online workshops and discussed BCP-related matters in fiscal 2021.

### BCP Survey Results

	Fiscal 2019			Fiscal 2020			Fiscal 2021		
	Primary Suppliers	Secondary Suppliers	Total	Primary Suppliers	Secondary Suppliers	Total	Primary Suppliers	Secondary Suppliers	Total
Suppliers surveyed	81	60	141	48	115	163	63	122	185
Suppliers involved in workshops	Suspended due to the spread of COVID-19			13	4	17	14	6	20
Suppliers with enhanced BCP competencies	2	7	9	2	1	3	2	1	3
Suppliers with enhanced BCP competencies (cumulative total)	2	7	9	4	8	12	6	9	15

## Monitoring Compliance in Procurement Departments

Toppan regularly asks suppliers 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.

Information gleaned from the responses of 10 suppliers in fiscal 2021 led to improvements in compliance in the Group's procurement operations.

### Monitoring Results

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Suppliers that answered the questionnaire	10	17	10
Cumulative total of suppliers responding	134	151	161

## Verifying the Legality of Lumber in Paper Production

The Toppan Group formulated the Basic Policy on Biodiversity in May 2010.

The basic policy stipulates that Toppan “will take a proactive approach to sustainable use by avoiding or minimizing the impact on biodiversity” during raw material procurement operations. As a major procurer of paper, a resource representing 70% of the Group's material input, Toppan promotes the sustainable use of forest resources by surveying the legality of lumber as a raw material component of paper.

Toppan monitors paper manufacturers to verify that the lumber used for their products (representing more than 90% of the Group's total paper purchases by monetary value) is obtained through legal channels. In a survey of 20 sites of 13 business partners around the world in fiscal 2021, the Group confirmed that all of the lumber procured from them was obtained legally. In yen terms, these 20 partner sites supplied 91.8% of the paper used by Toppan in fiscal 2021.

More details on the Toppan Group Basic Policy on Biodiversity  
<https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

### Survey Results on the Legality of Lumber for Paper Production (Paper suppliers representing over 90% of the Group's paper purchases)

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Paper suppliers surveyed	16*	13*	13*
Purchase price basis	92.4%	90.0%	91.8%
Percentage of lumber sources verified as legal	100%	100%	100%

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

# 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 Group 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 initiatives 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, Toppan has undertaken various activities 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 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 organized by the Group and the health insurance union. Two aims are pursued. The first is to further promote the health of employees and their families through various approaches, such as measures 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 will maintain its efforts to eliminate occupational accidents in fiscal 2022.

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

## Promotion Framework

### Promotion framework

The Personnel & Labor Relations Division in the Toppan head office coordinates with general affairs departments in business divisions across the Group 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 throughout the Group.

## 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 cross-divisional 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 safety and health. Individual labor-management committees meet whenever necessary to discuss specially designated subjects, such as the creation of a working environment amenable to enhanced job satisfaction.

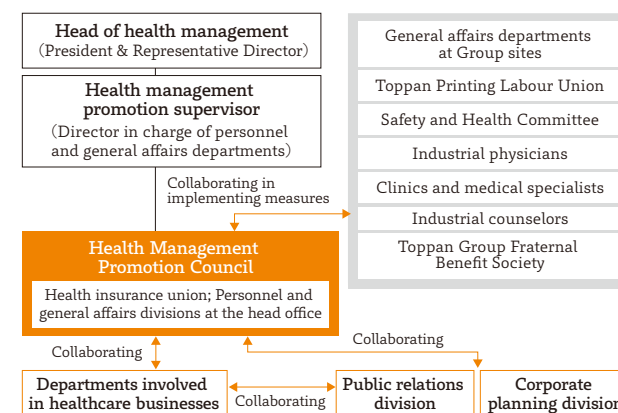
Toppan Inc. has adopted a union shop system. In principle, all non-managerial employees belong to the labor union as members.

\*7,064 union members out of Toppan Inc.'s total workforce of 10,951 employees

## 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

### Structure for Health Management Promotion



council discusses, implements, verifies, and improves various healthcare measures to achieve the targets and benchmarks.

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

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

## Occupational Safety and Health

Approach    Activity results, performance data

Safety masters, safety personnel, employees in charge of engineering and safety, and other safety experts have been deployed to operational sites across Japan under the safety promotion structure of the Group. Toppan organizes safety training for all Group employees, both regular and contract hires, in accordance with the Basic Policy on Safety, Health, and Fire Protection. The training takes many forms, from safety programs mainly for forepersons to risk assessment courses to enhance the intrinsic safety of machines and equipment.

### Anzen Dojo

*Anzen Dojo* safety-training facilities outfitted to simulate and alert employees to workplace hazards 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 fiscal 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 Groupwide safety promotion activities to prevent occupational accidents, with support from the five *dojos* 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.

The Kawaguchi *dojo* is equipped with a virtual reality (VR) simulator to train employees and guests in the handling of workplace hazards. The *dojo* also uses 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> >

### Operating *Anzen Dojos* 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 employee awareness of potential dangers in workplaces 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).

On a cumulative basis, more than 37,750 Group employees and visitors from around the world have taken safety training since the *dojo* facilities opened. The number of trainees from companies and organizations outside of the Group has been limited to about 200 per year since fiscal 2020, mainly as a consequence of site closures during the COVID-19 pandemic. Notwithstanding the 2020 slowdown, a cumulative total of 5,607 visitors from 716 entities have been trained at the *dojo* facilities since they were launched.

Toppan has also been using VR technologies to produce hazard simulation content since 2019.

In total, 17,497 Group employees have been trained on simulated workplace hazards in *Anzen Dojo* VR tours organized at 55 operational sites across Japan. The innovations adopted at the *dojos* for remote hazard simulation training during the COVID-19 pandemic have heightened the safety awareness of Group employees overall.



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

## ■ Anzen Dojos Opened

### Domestic Group Sites

Fiscal 2010 Kawaguchi Plant (Kawaguchi, Saitama)  
 Fiscal 2015 Takino Plant (Kato, Hyogo)  
 Fiscal 2015 Fukuoka Plant (Koga, Fukuoka)  
 Fiscal 2020 Gunma Central Plant (Ora, Gunma)  
 Fiscal 2021 Shiga Plant (Higashiomi, Shiga)

### Overseas Group Sites

Fiscal 2017 Siam Toppan Packaging Co., Ltd. (Thailand)  
 Fiscal 2017 Toppan Leefung Packaging & Printing  
 (Dongguan) Co., Ltd. (PRC)

## 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. The scheduled onsite meetings during the COVID-19 pandemic in fiscal 2020 were cancelled 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. By reviewing records of occupational incidents in fiscal 2020, Toppan selected which of the operational sites were to hold safety meetings, mainly in a remote format, in fiscal 2021. The Group plans to resume the onsite meetings from the latter half of fiscal 2022, if COVID-19 conditions permit.

## Data on Occupational Accidents

The Toppan Group continued safety activities towards the complete elimination of occupational accidents in fiscal 2021. 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.

## ■ Occupational Accidents

		2017	2018	2019	2020	2021
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	0.048	0.144	0.095	0.046
	Toppan Inc. and some of its subsidiaries*3	0.307	0.210	0.342	0.238	0.444
Severity rate*2 	Toppan Inc.	0.000	0.001	0.003	0.001	0.001
	Toppan Inc. and some of its subsidiaries*3	0.005	0.008	0.007	0.004	0.014

2021	Deaths from Occupational Accidents	Frequency Rate*1	Severity Rate*2
Toppan Inc. 	0	0.046	0.001
Some of its subsidiaries*3 	0	0.759	0.024
Subtotal	0	0.444	0.014
Domestic related companies*4 	0	0.645	0.016
Overseas affiliates*5	0	2.016	0.048
Total	0	1.008	0.026

\*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 Entities covered: 27 domestic subsidiaries under the control of Toppan Inc.'s business divisions

\*4 Entities covered: 36 domestic related companies

\*5 Entities covered: 79 overseas affiliates

## 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 training materials attuned to its internal mental healthcare needs by making extensive use of diverse knowledge and research from outside of the Group. Training programs embrace theories and methods such as cognitive behavior therapy, clinical art therapy (via the 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's educational training also takes many forms, 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 Group'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 Original Stress Check System

The Toppan Group has analyzed extensive data from employee stress-checks 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 physical and mental conditions linked to unhealthy lifestyles and major changes in personal and working environments. Toppan has developed a comprehensive stress check and support system using an original algorithm based on these

findings. This system automatically prescribes tailored forms of mental hygiene support, such as video coaching programs that employees in need can access without surrendering personally identifiable information. Stress checks are also arranged two times yearly for graduates who have been hired in the previous 48 months. These checks attest to the Group's redoubled mental healthcare efforts for new hires.

In parallel, managerial staff receive feedback on the results of group analyses to help them improve their workplace environments across the Group.

## Overview of Mental Healthcare Activities

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

## Work Styles

Approach   System   Activity results, performance data

Labor representatives and management at Toppan Inc. have been engaged in a vigorous dialogue since 2019 to devise approaches to achieving flexible work styles. A remote work system was adopted on October 1, 2020, after the completion of a series of teleworking trials. This new system covers working arrangements of three types: working from home, working from satellite offices, and mobile working. The Company has also abolished the regulation requiring that core working-times be set for employees under the smart work system introduced in 2018. In parallel, the Company's discretionary work system has been expanded to achieve full-time working from home. To spur innovation, Toppan has revised existing working arrangements and introduced new systems to align with a new-normal work style suitable for the post-COVID-19 world.

Beyond these work system improvements, employees continue to receive training that encourages and equips them to establish their own work styles within the new-normal environment. Employees learn to set individual goals, commit themselves to completing incremental tasks towards their goals, and strive to actively collaborate with diverse people inside and outside of the Toppan Group.

### 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. 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.

### Annual Paid Leave Used at Toppan Inc.

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Average paid leave used (days)	10.3	10.3	11.1	10.3	10.5
Average ratio*	55.1%	54.9%	60.6%	55.2%	57.0%

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

### Achieving a Good Work-Life Balance

Various systems and measures are in place at Toppan Inc. to balance work and life for employees: worksite cafeterias and exercise equipment, dormitories for single employees, and resort facilities at offsite locations; a system to encourage property accumulation through savings and financing; asset-building support through stock ownership and various types of collective insurance; enhanced support systems to maintain good work-care balance for employees with children and nursing care responsibilities; sick leave and extended leave; retirement benefits and corporate pension; and enriched 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, the Company's spouse-related systems were revised to accommodate same-sex partners and common-law marriage on July 1, 2020. Employees with same-sex and/or common-law partners are now

granted leave for celebration and condolence and receive allowances, wedding gifts, and other benefits.

### Announcing a Common Employer's Action Plan

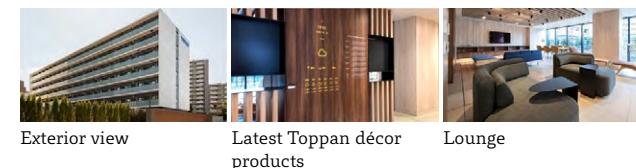
Toppan Inc. has been publishing its common employer's action plan based on the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children.

The common employer's action plan 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](https://www.toppan.co.jp/assets/pdf/sustainability/toppan20200630_actionplans5.pdf)

### Housing for Single Employees

Toppan Inc. 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 developed 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.



## Main Leave Systems and Family Benefits

### Leave Systems, Family Benefits, and Work-Life/Next-generation Support Measures

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 15% of their regular salaries from the Company (until their child reaches the age of two years) and subsidies of 1,000 yen a day 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. A leave system for newborn care will be introduced from October 2022 in line with the amended Child and Family Care Leave Act of Japan. Regardless of gender or length of service, an employee can take up to four consecutive weeks (28 days) of leave within the first eight weeks from the date the child is born or is expected to be delivered, whichever is later. The 28 days allotted can also be split into two periods, if desired.
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 1,000-yen subsidy per day 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 their 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.

## Second-job and Side-business Arrangements

Toppan allows employees to engage in second jobs or side businesses, as a basic rule, unless they are in any way unable to avoid prolonged work or fulfill their duties of security,

confidentiality, non-competition, or good faith in their work at Toppan.

Thirty-six employees used these arrangements at Toppan Inc. in fiscal 2021.

## Office Environments Designed for Diverse Work Styles

Office environments in the Toppan Group have been adapted to a diversity of new and flexible work styles that drive further innovation. In addition to shared offices in-house, the Group has opened “Atte,” an office designed for the new normal, where people generate innovation by augmenting the value of face-to-face meetings. Toppan has also established ICT KÖBÖ™ studios in two locations, one in Iizuna (Nagano Prefecture) and the other in Uruma (Okinawa Prefecture). The ICT KÖBÖ studios function as bases to reinforce Toppan's system development departments, the driving forces behind the Group's DX business. More studios will be set up across Japan to further strengthen the development structure of the Toppan Group. Development bases distributed throughout the country also encourage Group employees to choose diverse ways of working to optimize work-life balance primarily through remote work and shortened commuting times. Toppan expects these bases to generate new businesses through interactions with local people and companies and to activate communities through increased local employment and the various other benefits they bring to the regions.



In-house shared office



Atte



ICT KÖBÖ™

## Employee Engagement

Approach    Activity results, performance data

### Labor-Management Approach to “Respect for Human Beings”

Toppan understands how deeply it depends on its employees. The working environments the Group has been developing are designed to help employees accomplish their tasks vigorously, earnestly, and with strong motivation. The Group organizes various site-based initiatives primarily for employee health and job satisfaction through collaborations with the labor union, the health insurance union, and other related entities. In-house club activities and various events such as health awareness campaigns and labor-management recreation events have been held to facilitate communication and build a sense of unity throughout the Toppan Group.



Club activity



Health awareness campaign

### Surveying Employee Engagement

Toppan has selected “employee health & job satisfaction” as a Materiality theme to drive the Group’s growth as a creator of social value, the goal of its sustainability management.

Toppan sees increased employee engagement as a key underpinning for achieving its management strategy. The integrated strengths of the Group will be further improved when employees find their work rewarding, feel fulfilled, and work proactively.

Toppan launched an annual employee engagement survey in fiscal 2021. The 2021 survey analyzed the responses of about 21,000 employees at Toppan Inc. and 22 Group companies to assess the expectation-perception gaps in their experiences working within their organizations (eight categories surveyed; see the table on the right). The surveys will identify factors that enhance or hinder employee engagement, in order to deliberate and implement measures that will reliably enhance employee engagement and to verify the effectiveness of those measures. Senior management and section managers act together to solve organizational issues based on the feedback from employees revealed through the survey.

### Engagement Survey Summary for Fiscal 2021

Employees Covered	21,006 people, from Toppan Inc. and 22 Group companies
No. of Respondents (Response rate)	18,414 (87.7%)
Dates	From January 31 to February 25, 2022
Categories	Performance of tasks, personnel evaluation, personnel development, personnel placement, working environment, corporate culture
Total No. of Questions	108 questions in 6 categories *Two additional categories (“recruitment” and “onboarding”) were added for the fiscal 2021 hires, bringing the total up to 133 questions in 8 categories.
Aggregated Index (EX score)	Toppan Group average 69.8 (maximum 78.6, minimum 52.4) *Reference index: Toppan Inc. average 69.3; Japanese manufacturing industry average 64.5 *This index is a metric for assessing organizational conditions. The value is higher when expectations and perceptions are both high and the gap between them is small. (With EXintelligence service from HRBrain, Inc.)

### Toppan Sports Festival 2017

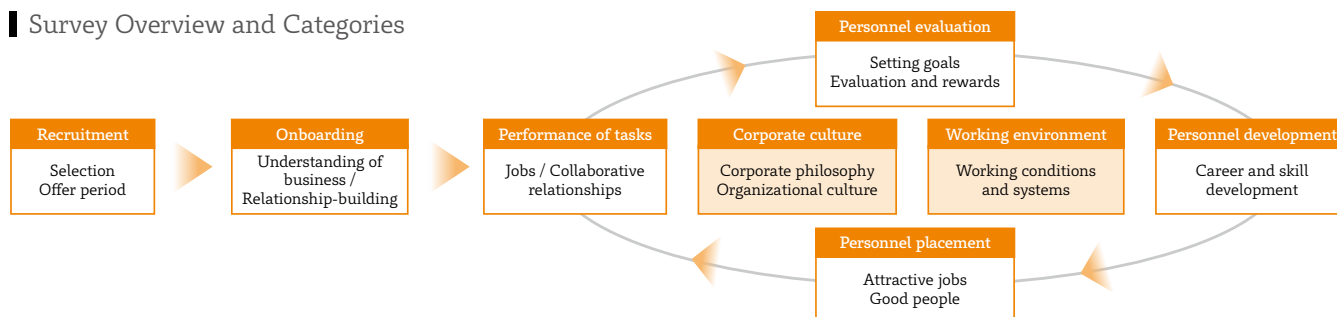
The Toppan Sports Festival is a Groupwide, labor-management event held biennially for Toppan employees and their families. Younger employees lead the planning, organization, and operation of the festival.

### TOPPAN eSports Festival 2021

In January 2021, the Toppan Group held the first TOPPAN eSports Festival, an online labor-management event organized as a substitute for the traditional non-virtual sporting events the Group has been holding for many years.

All 50,000 Group employees and their families were welcome to participate from around the world. Teams placing first in preliminary rounds came together to show off their skills in esports competitions. Side events such as an art workshop and quiz contest held in tandem online allowed a wider range of participants to join in.

### Survey Overview and Categories



# Diversity & Inclusion

## Basic Approach

### Approach

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

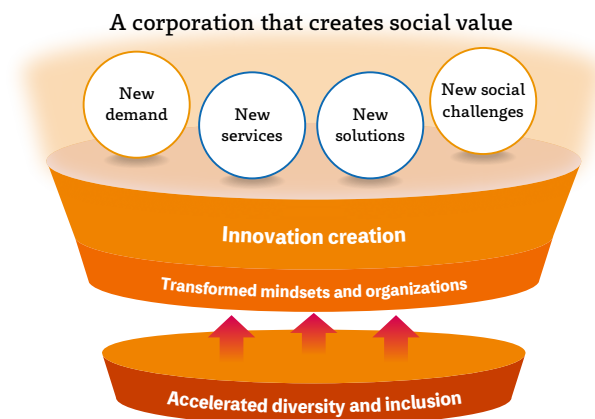
Toppan values its employees as precious “human assets” and understands how deeply it depends on them. Under the foundational concept of “respect for human beings,” the Group has been undertaking various initiatives to promote rewarding working conditions. Toppan will continue to adhere to D&I principles that harness differences among its diverse human assets as drivers of innovation. The Group will promote workplace 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, 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.

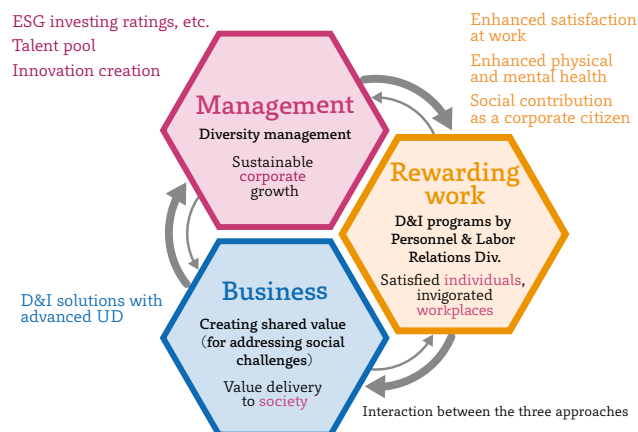
### Toppan Diversity and Inclusion Policy

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.

### Toppan’s vision for diversity and inclusion



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

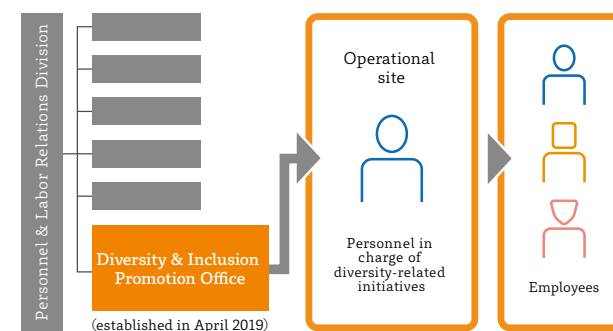


## Promotion Framework

### Promotion framework

Toppan Inc. 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 initiatives while diversity committee members at each operational site implement specific diversity programs attuned to their locations. These personnel provide consultations for site members and share and address issues that have been identified with the office to ensure heightened diversity awareness throughout the workplace.



## Support Systems for Employees with Children

The Toppan Group has striven to create a working environment in which employees can achieve better work-life balance. Various programs have been developed at Toppan Inc. to provide childcare and nursing care leave, reduced working hours, higher family allowances for dependents, and other employee benefits. The support systems in place for employees

with children, for example, have been continuously expanded and enriched. From October 2022, the Company will introduce leave for newborn care for both mothers and fathers in line with the amended Child and Family Care Leave Act of Japan. This system will allow employees to take leave flexibly, regardless of their gender or length of service.


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

### Employees Taking Maternity or Childcare Leave

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Employees taking maternity leave	111	79	93	105	110
Employees taking childcare leave*	334 (160)	363 (197)	342 (155)	302 (138)	355 (154) 

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

### Hagukumi (nurturing) Program



## Systems for Good Work-Care Balance

Toppan Inc.'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 its internal website, 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.

## Seminars for Supporting Care at Home

Operational 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 Inc. 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 brief participants on the Company's internal websites and support systems for

employees with family members in need of nursing care (e.g., nursing care leave and the reduced working hour system for nursing care).

In-person seminars held at operational sites in the Kansai, Chubu, and Kyushu areas were followed by online seminars

arranged in fiscal 2021 to reach target employees throughout Japan. 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.

### Four Approaches Taken in Toppan's 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"> <li>• "In need of long-term care" as specified in the Child and Family Care Leave Act of Japan</li> <li>• "In need of long-term care" as specified in the Long-term Care Insurance System of Japan</li> <li>• "In need of support" as specified in the Long-term Care Insurance System of Japan</li> </ul>
Ways to More Flexibly Adjust Working Hours for Care	<ul style="list-style-type: none"> <li>• Nursing care leave</li> <li>• Reduced working hours for nursing care (reduced working hours, flexible work schedules, reduced number of prescribed working days per week)</li> </ul> <p><small>*Nursing care leave and reduced working hours for nursing care can be taken in installments. *Employees are allowed to switch between the two systems.</small></p> <ul style="list-style-type: none"> <li>• Leave for nursing care (entitlement for one-hour-based allotments, as necessary)</li> <li>• Commuting by Shinkansen bullet train for family care reasons</li> </ul>
Financial Support during Nursing Care Leave	<ul style="list-style-type: none"> <li>• Allowance for nursing care leave (40% of the employee's average wage)</li> <li>• Entitlement for paid leave for nursing care</li> </ul>
Provision of Information on Work-Care Balance	<ul style="list-style-type: none"> <li>• Launch of an internal website to provide information on work-care balance</li> </ul> <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> <ul style="list-style-type: none"> <li>• Launch of a nursing-care consultation desk run by outside experts</li> </ul> <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>



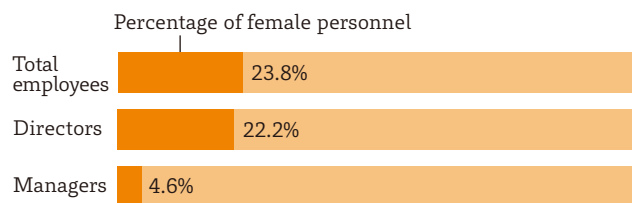
## Empowering Women

### Approach

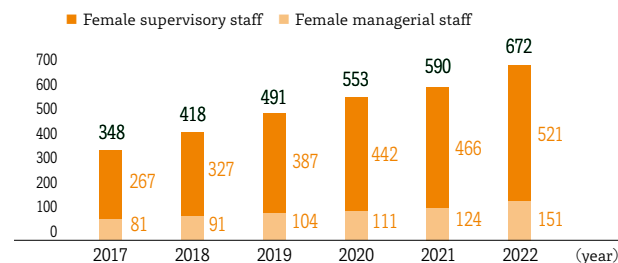
### Activity results, performance data

The Toppan Group promotes female empowerment under the basic concept that every employee can continue to work, enjoy good health, and play active roles according to their abilities, regardless of gender. The Group promotes positive action to ensure gender-equal treatment in promotion to managerial positions based on individual abilities through work style reforms, work-life support systems, and various other improvements in the working environment. Tailored training and seminars on diversity & inclusion reflecting diverse employee perspectives have also been developed to raise awareness about unconscious gender biases throughout the workplace. In total, 151 and 521 female employees at Toppan Inc. hold management positions and supervisory positions, respectively, as of April 2022. With these appointments, women now make up a 13.2% of all managerial and supervisory staff.

### Fiscal 2021 Rank-based Percentages of Female Personnel at Toppan Inc. (%)



### No. of Female Managerial and Supervisory Staff at Toppan Inc. (As of April)



### Recognition for Empowering Female Employees

Toppan Inc. was included in the Fiscal 2021 Nadeshiko Brand list compiled by the Japanese Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). 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 announce their Nadeshiko Brand selections every year.

Toppan Inc. also acquired the 2nd grade Eruboshi mark (top 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](https://www.toppan.co.jp/assets/pdf/sustainability/women_act_plan_02.pdf)



## Initiatives for Gender and Sexual Diversity

### Approach

### System

### Activity results, performance data

The Toppan Group has implemented various initiatives to enhance awareness about gender and sexual diversity (SOGI\* and LGBTQ\*\*) with a view to achieving an inclusive working environment comfortable for everyone. Toppan has held Groupwide LGBTQ seminars since 2018 and partially revised its systems for the treatment of matters related to employee marriages and spousal relations in July 2020 to support diverse employee lifestyles. Employees with same-sex and/or common-law partners are now granted leave for celebration and condolence and receive allowances, wedding gifts, and other benefits. All employees are required to take training programs on basic diversity knowledge, harassment prevention, and gender and sexual diversity. Toppan has also launched TOPPAN ALLY\*\*\*, an initiative to encourage employees to express their alliance with LGBTQ individuals and nurture inclusive workplaces where everyone feels at ease through the concerted actions of Group employees.

\*Sexual orientation and gender identity

\*\*Lesbian, gay, bisexual, transgender, and queer or questioning persons

\*\*\*Allies are persons who understand and empathize with the diversity of sexual orientation and gender identity and are guided by awareness of workplace diversity in their actions to ensure that everyone feels at ease in their working environment.

## “Gold” Recognition in the PRIDE Index

Toppan Inc. was bestowed a “Gold” ranking in the PRIDE Index 2021, an index formed to evaluate corporate efforts towards the achievement of LGBTQ-inclusive workplaces.

More details on “Awards and Recognition for ESG” (see page 147) >



## Employing Persons with Disabilities

Activity results, performance data

The Toppan Group actively hires persons with disabilities to develop workplaces that accommodate all abilities. Model cases at offices and plants have been shared with all of the Group sites to create more job categories in which persons with disabilities are empowered to work in the ways best suited to their various abilities. Toppan Inc., the parent company, is collaborating with its special subsidiary T.M.G. Challenged Plus Toppan Co., Ltd. to develop new job categories and design measures to encourage them to continue working. Toppan 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

	2018	2019	2020	2021	2022
Employees	274	312	325	339	338
Percentage of total workforce*	2.25%	2.29%	2.31%	2.39%	2.43%

\*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.

## Working with T.M.G. Challenged Plus Toppan

### Office support work:

“Friendly Staff” teams at Toppan Group sites are composed of employees with disabilities. They provide office support with tasks such as the input of data, digitalization of hard copy documents, internal mail delivery, and the sorting of items to be distributed to Group employees. Their job categories have been increased to encompass office sanitization and cleaning since 2021.

These staff working at offices and plants foster diverse perspectives and bring change in how Toppan employees work overall. They are currently performing office support work at five Group sites, as of March 2022. Toppan will continue assigning them to more operational sites across Japan.



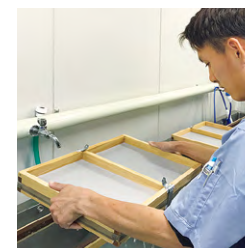
### Handmade papermaking business:

Employees with good dexterity make paper manually using the waste by-products generated from the processing of Cartocans (beverage containers) and EP-PAK liquid containers at Toppan's folding-carton plants.

The aim of this business is to manufacture value-added products while providing Group



employees and clients with opportunities to experience handmade papermaking and gain an enhanced understanding of material recycling and the ways in which people with disabilities can be rewardingly engaged.



## Diversity Training

Training, education

Activity results, performance data

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 also organized in rank-based training sessions, including several sessions for new employees. In parallel, e-learning-based diversity and inclusion (D&I) programs have been arranged for all employees since fiscal 2019.

In addition to holding D&I training for managerial staff and seminars on D&I management for Group officers, Toppan nurtures diversity mindsets across Group workplaces by asking employees at general affairs departments to participate in workshops to learn about the issues faced by LGBTQ persons and persons with disabilities.

### 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 2021)

# Human Assets

## Basic Approach

### Approach

Mindful of how deeply it depends on its employees, Toppan strives to foster employees who will one day go on to create new knowledge and skills. The Group 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.

Toppan values its employees as human capital, that is, as precious “human assets” who offer far more than what can be gained from their labor. Toppan is convinced that maximizing the value of human assets will generate human-led innovation that drives the business growth of the Group.

The Toppan Group Human Rights Policy calls for appropriate personnel treatment based on individual work performance to motivate employees to perform to their full potential. The Group provides diverse personnel development programs as learning platforms where human assets can develop abilities suited to their individual jobs and careers.

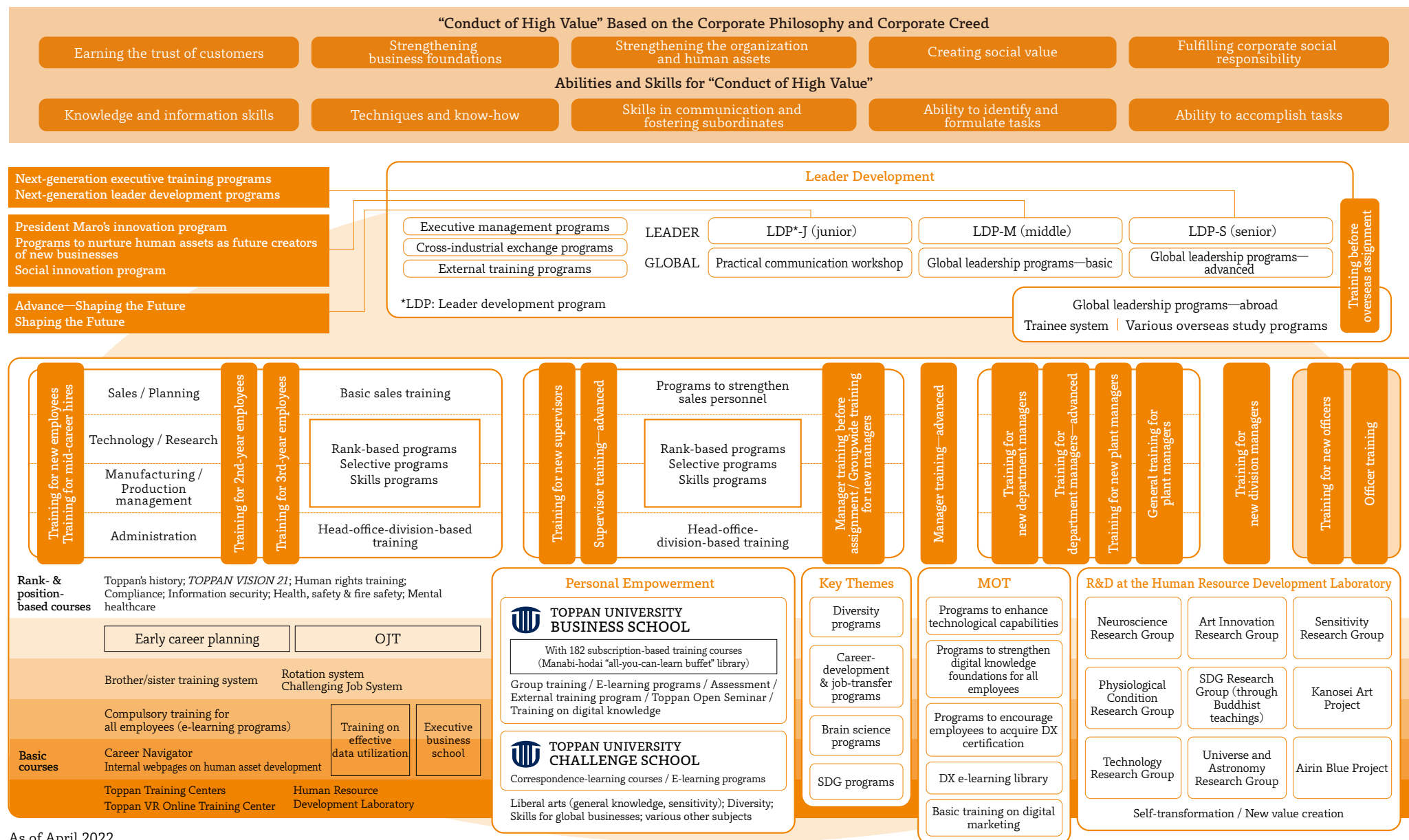
## Human Asset Development Programs

### System

The Human Resource Development Center in the head office Personnel & Labor Relations Division coordinates with persons in charge of human asset development across departments throughout the Group to institute personnel training programs. These programs to develop and nurture human assets are organized systematically around Toppan University, a platform that strives to foster leaders while supporting the skill and career enhancement of Group employees through basic and special programs, leader development programs, and personal empowerment programs. The center deploys the Human Resource Development Laboratory as an R&D base to study, research, and verify ideal programs for personnel innovation that inspire self-transformation and expand individual potential and abilities to create new value.

Toppan Inc. has been organizing annual employee questionnaires on personnel development measures since fiscal 2012. Their appetite for learning, evaluations of the measures currently practiced, and opinions on workplace support for learning have been collected as important data to be used in the design of new development programs. Of 9,307 respondents in fiscal 2021 (RR 89.6%), 7,859 (84.4%) employees evaluated the Company's personnel measures as favorable.

## Systematic Human Asset Development Programs



As of April 2022

## Fostering Human Assets Active in the DX Arena

System   Training, education   Activity results, performance data

The Toppan Group organizes employee training programs that seek to expand the individual skills and competencies of human assets throughout the Group who will go on to drive the digital transformation (DX).

The Group asks every employee to take basic training programs to raise their DX knowledge to an appropriate level. The courses are designed to prepare employees and the Group to make the most of the fast-coming paradigm shift in the digital era. In the recognition that constant self-improvement and deeper knowledge beyond the expectations of customers will be key for propelling DX, Toppan nurtures an organizational culture that emphasizes continuous learning.

Toppan Inc. works with Amazon Web Services Inc. (AWS, the world's most broadly adopted cloud platform provider) to provide AWS-certified programs for employees working in wide-ranging fields, from sales and planning to technology. These programs encourage employees to acquire skills for AWS certification and cloud knowledge essential for DX business.

Toppan Inc. became Japan's first company with 1,000 or more AWS-certified employees (1,042 as of April 2022), excluding systems integrators (SIers). The AWS-certified personnel have strengthened Toppan's capacity to offer DX solutions to customer companies.

Toppan has also adopted a digital learning platform for subscription-based training on digital technology to keep employees constantly up to date on the latest digital knowledge necessary for their individual jobs and career plans. Many employees have been using this learning platform for personal empowerment, while supervisors have been using it for department-based training sessions. By adding new specialist

training on digital marketing and other DX curriculums, Toppan is further developing its DX training programs to foster human assets who will advance the digital transformation.

[More details on the "Data on DX Human Asset Development Programs" \(See page 65\) >](#)

## Fostering Human Assets Active in the SX Arena

System   Training, education   Activity results, performance data

Toppan organizes training programs to foster human assets adept in sustainable transformation (SX) as members of a corporation that creates social value and contributes to a sustainable society through environmental, social, and governance (ESG) initiatives.

Toppan runs a Social Innovation Program, the "Advance—Shaping the Future" program, and fieldwork programs sending managers to Fukushima Prefecture, an area affected by the Great East Japan (Tohoku) Earthquake. In total, 1,583 employees have visited Fukushima since 2013. Toppan focuses on fostering human assets who can develop innovative businesses employing a balanced approach to solving social issues and creating economic value.

### • Personnel dispatches to JICA-JOCV (selective program)

To foster human assets contributing to Japan's future, Toppan Inc. dispatches young employees to developing countries through the Private-sector Partnership Volunteer System, part of the Japan Overseas Cooperation Volunteers (JOCVs) program of the Japan International Cooperation Agency (JICA). Employees leverage business knowledge and skills to help solve social issues and acquire objective perspectives by

comparing Japan's industrial, legal, and other systems with those of the countries where they work.

### • Social Innovation Program (selective training)

The theme is "to think what the Toppan Group can do to solve social issues and take action." In the first half, participants learn about global social issues and social businesses and about how contradictions can spur value creation. In the second half, they try to transform their own approaches and create new business through projects and financial workshops. Toppan aims to equip employees with creative thinking abilities for developing innovative next-generation businesses that balance solutions to social issues with economic value creation.

### • "Advance—Shaping the Future" (selective training)

Young employees visit areas affected by the Tohoku Earthquake to see the current situation for themselves and explore "what they can do to make the Toppan Group admired and needed by the community." The aim is to create networks and drive the integrated strengths of the Group by encouraging employees to think and act independently.

### • SX basic training (Companywide program)

This e-learning-based training for SX aims to change how employees act by taking them from the basics through to what they actually need to do. They gain an overall understanding of SX, related trends, and initiatives implemented by other companies.



Fieldwork in areas affected by the Tohoku Earthquake in Minamisoma, Fukushima

## Fostering Human Assets Active in the Global Arena

System Training, education

Toppan has been hiring non-Japanese individuals and arranging frequent personnel exchanges between overseas Group companies as part of an overall effort to adapt to the Group's more globalized business operations.

The Group also fosters human assets who can thrive in global business arenas. Annual assessments of English communication skills have been underway at Toppan Inc. since fiscal 2020 to gauge the Companywide level of English language competence and identify how many of the Company's human assets are cut out for global business, and to what degree. Out of the top-scorers, the Company invests in a select group as personnel expected to be indispensable for its global growth. A total of 2,570 employees have been tested so far. The results have been used to inform personnel assignments and other talent plans through linkage with the Company's human asset database. Toppan's personnel training programs include a trainee system to provide employees with practical training in day-to-day business activities at overseas affiliates, a selective training course on globalization to support candidates for overseas assignments, and a program to send employees to courses at international business schools. Toppan also dispatches several young employees to work as Japan Overseas Cooperation Volunteers (JOCVs) for the Japan International Cooperation Agency (JICA) each year. The volunteers take part in JICA projects to address global development agendas while developing themselves as individuals.

(The system to deploy trainees to overseas affiliates is currently suspended due to COVID-19 restrictions.)



Course at IMD

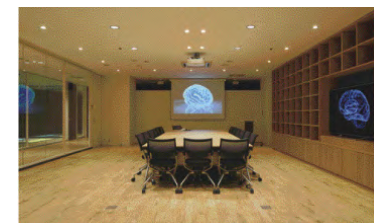
## R&D at the Human Resource Development Laboratory

Activity results, performance data

In April 2017 Toppan launched the Human Resource Development Laboratory, an R&D base to study, research, and verify ideal programs for personnel innovation. The fields of interest range from neuroscience and brain research to physiological condition analyses and business support technologies.

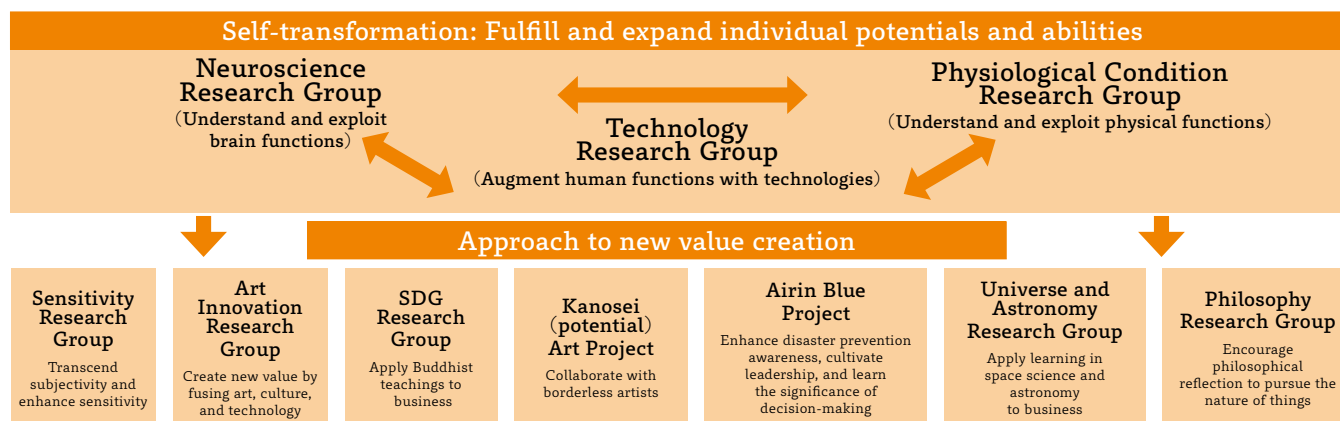
The laboratory applies scientific knowledge to design original personnel development models that promote self-transformation and inspire individuals to fulfill and expand their potentials and abilities. The research outputs are expected to spur Toppan's brand of new value creation.

This laboratory operates various research groups and projects. Hypotheses based on knowledge gained through their activities have been tested, verified, and applied to the Group's existing training programs. Through these innovative programs, the Toppan Group has been fostering new talent who can adapt flexibly to a new era and new technologies, and take the initiative to address issues towards the realization of *TOPPAN VISION 21*.



Human Resource Development Laboratory

### Systematic R&D at the Human Resource Development Laboratory in 2022 (for innovative human asset development)



## 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.

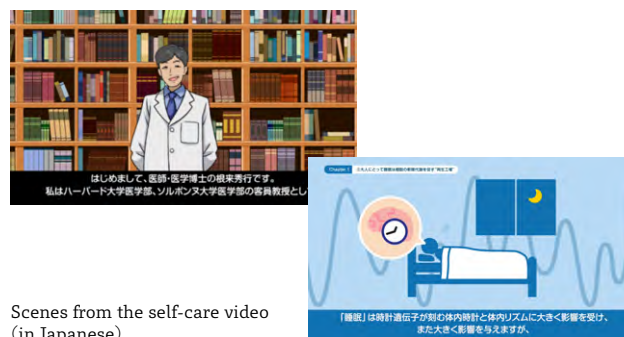


From the latest brain science program (right; in Japanese)

## Physiological Condition Research Group

The Toppan Group advances health management as a means of maintaining and enhancing the health of its employees and enabling higher performance and productivity. The Group has adopted a next-generation approach to fostering human assets. Toppan has entered into an advisory contract with Professor Hideyuki Negoro, a lecturer of medicine at the Harvard Medical School and a visiting professor at the Sorbonne University School of Medicine, to seek guidance on the Group's health management endeavors. At the Physiological 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.

The video also offers tips on a break-taking method that is proven to heighten concentration and learning receptivity during online training courses, based on the professor's expertise in healthcare science.

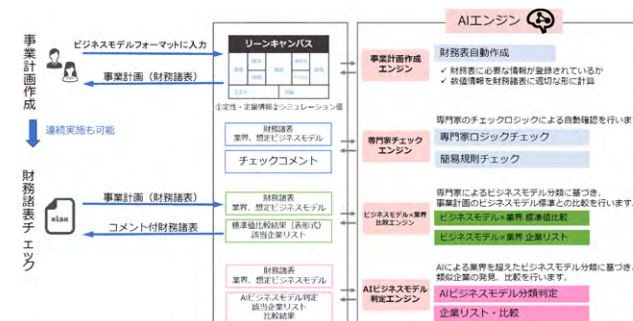


Scenes from the self-care video (in Japanese)

## Technology Research Group

The Technology Research Group explores ways to expand individual potentials and abilities by building a technology-based support system that broadens human functions through an approach that transcends human-capacity building. By combining AI algorithms with human expertise, the researchers in the group seek to devise a human asset development framework that increases the efficiency and effectiveness of work and encourages Toppan employees to produce solutions and create value at levels never before seen.

In 2021, the research group developed a business-plan creation support system that compares and proposes business models using a combination of AI and financial expertise. This system is now incorporated into Toppan's in-house personnel training on business development, a program that trains Group employees to prepare financial statements and documents more quickly by drawing from AI suggestions and the advice of financial experts. Trainees can effectively examine the business models they have devised from broader perspectives and hone the models to improve their practical potential.



Outline of the business-plan creation support system (in Japanese)

## Sensitivity Research Group

This research group aims to inspire the creativity of human assets and link their creativity with innovation. To explore ways to enhance sensitivity, the group works with external research organizations specialized in human sensitivity in the realms of sound and scent. The group researches spatial designs and develops sensitivity-enhancing programs to merge human sensitivity into business.

A program the group has developed provides interactive workshops that ask participants to use non-verbal dimensions such as smell, color, physical expression, sensitivity engineering, perception, and hearing. The workshops familiarize Group employees with the sensitivity gap between the senders and receivers of images and messages, and with strategies to expand non-verbal communication to verbalization and objective evaluation. The workshop participants acquire a deeper understanding of non-verbal dimensions that tend to be only superficially considered in daily business. The Sensitivity Research Group will enhance the individual creativity of Group employees with a view to applying their sensibility-focused designs in the development of specific business plans.

## Art Innovation Research Group

The Art Innovation Research Group 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.

The Art Innovation Framework thinking method is 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. The research group has produced an animated video explaining the art innovation framework, for use in personnel development programs aiming to foster human assets who can create value never before seen. Business ideas born from these programs are being implemented as prototypes on limited scales to verify their effectiveness.

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



Art Innovation Framework™



## SDG Research Group

The SDG Research Group applies Buddhist teachings 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.

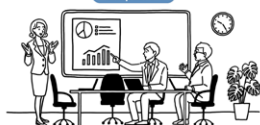
The group recently produced *Buddhist Teachings in Business*, an animated video introducing the teachings of Buddhism, a religion dating back 2,500 years. With examples of Buddhist principles applied to business, the video inspires innovative ways of thinking about work in modern society, the value of 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 employees as a resource for absorbing a novel form of business knowledge.

The research group also organizes online fieldwork for senior management. Participants take virtual visits to Koyasan, a sacred mountain in Wakayama Prefecture, to rediscover the meaning of life by contemplating death and reflect on questions such as the meaning and significance of work, the existing value of a corporation, and the ethics required of a corporation.

### *Buddhist Teachings in Business*

Why Buddhism now?

Chapter 1-1



Few wants, knowledge of sufficiency (*shoyoku-chisoku*)



Altruism (*rita*)

Four Dharma Seals (*shihoin*)

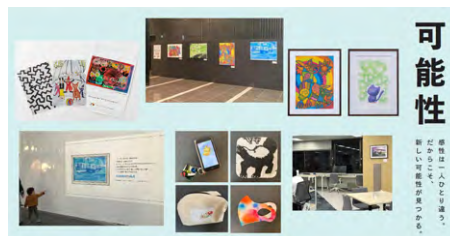


Distinguishing oneself from others (*gatapishi*)

## 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 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. In total, 4,248 employees, officers, and audit & supervisory board members took part in a Groupwide online vote to select the works to be shown at the 2022 exhibition, out of 579 works submitted by 146 borderless artists.

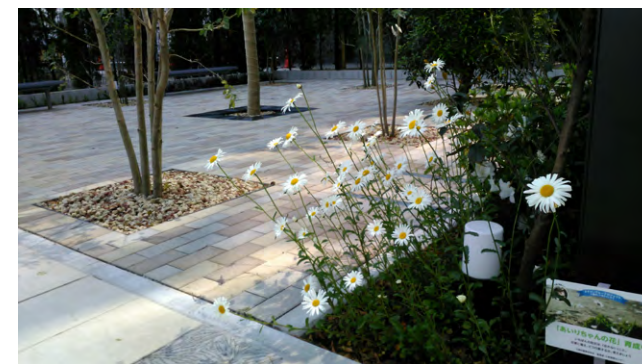
[More details on the Group’s social contribution activities \(See page 89\)](#) >



## Airin Blue Project

Flowers in bloom always mark the final resting place of Airi Sato, a child who died in the tsunami disaster caused by the Tohoku Earthquake of 2011. The flowers signify the need for disaster preparedness and timely and effective action when a disaster strikes. The organizers of the Airin Blue Project seek to give people a daily reminder of the value of life.

The project calls upon people to remember the 2011 disaster and the importance of individual awareness, proper leadership, and concerted action to prevent tragedy from repeating itself. Toppan, which supports the project mission, has received a share of “Airi’s Flowers.” In an internal seminar on the project, 451 Toppan employees learned about the leadership required during disasters and vital disaster prevention measures to be taken at workplaces, homes, and communities. The seminar is one of the several activities Toppan takes to raise disaster awareness and ensure that Group employees understand for themselves that routine thinking and preparations will save their own lives and the lives of their loved ones when a disaster strikes.



Ishinomaki City, Miyagi Prefecture

## Universe and Astronomy Research Group

This research group aims to apply learning and findings from space science and astronomy to modern business initiatives that can create new value.

Research group members learn to think things macrocosmically in order to defy stereotypes, seize new trains of thought, refine insight and sensitivity, and think for themselves.

Their efforts to reveal and schematize the thinking logic applied in space science and astronomical research will lead to the development of training programs that boost the creativity of human assets of the Toppan Group.

The members also learn about the latest discoveries in space science on visits to the National Astronomical Observatory of Japan and consider ways to help Group employees leverage those discoveries for their work and value creation.



## Philosophy Research Group

The Toppan Group launched a Philosophy Research Group in 2022. The members of the group seek to accomplish three things: to leverage philosophical knowledge and knowhow to contemplate the nature of things and apply the wisdom gained to business scenarios; to explore ways to leverage philosophical viewpoints to devise training programs for human asset development; and to take advantage of philosophical principles to create new services, solutions, and businesses. The knowledge and knowhow learned from philosophy have many implications for the business of the day. Research group members will become more adept in pursuing the nature of things by learning the latest philosophical principles while approaching challenges in business, in society, and in their own lives with philosophical insights.

The research group will also explore the styles of human asset development Toppan envisions for the future from a philosophical perspective. The group ultimately aims to integrate wide-ranging findings from other research groups operating under the Human Resource Development Laboratory to create new value and further innovate the activities at the laboratory.

## Lively Communication among New Hires

The Toppan VR Online Training Center, an online resource launched in fiscal 2021 for new employee training, allows trainees to come to work virtually. The Group plans to deploy the Metapa®\* communication platform produced by Toppan Inc. in fiscal 2022. Customized to the needs of the Group, the Metapa app will encourage new hires to interact in the metaverse.

\*An online shopping-mall application developed by Toppan Inc. to consolidate virtual stores on the Internet into a single location like a real shopping mall.



## Human Asset Development Initiatives

Activity results, performance data

### Data on Human Asset Development Programs

Program	Outline	No. of Participants (cumulative)
Rank-based programs	A set of programs for acquiring the knowledge, skills, and mindsets employees will need in their careers, mainly for new postings.	4,604
Leader development programs	A series of selective training programs to foster leaders of tomorrow, including a program for creating frontier businesses and a program for developing human assets active in global business arenas.	566
Personal empowerment programs	A series of self-initiated programs that give employees the choice of what they learn. Three learning styles are available:	11,180
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.	2,111
Manabi-hodai (all-you-can-learn buffet) e-learning library	A new personal empowerment program made up of 187 subscription-based courses for employees. Training is available at any time or place and can be repeated as many times as a participant wants.	6,335
Challenge School	A personal empowerment program with correspondence-learning courses to acquire knowledge and skills.	2,734
Groupwide basic education	E-learning-based programs to give every Group employee the opportunity to learn requisite business knowledge.	132,003
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.	63
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 <sup>*1</sup>
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).	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

### Human Asset Development Expenditure

	Expenditure on Training, etc. per Employee	Usage Rates of Toppan Training Centers <sup>*1</sup>	
		Kawaguchi	Yugawara
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	— <sup>*2</sup>	— <sup>*2</sup>
Fiscal 2021	56,070 yen	— <sup>*2</sup>	— <sup>*2</sup>

<sup>\*1</sup> 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.)

<sup>\*2</sup> No usage in fiscal 2020 and 2021, because the training was shifted online under COVID-19 restrictions.

<sup>\*</sup>Average training hours per employee taking part in human asset development programs in fiscal 2021: 39.2 hours.

<sup>\*1</sup> Dispatch suspended in fiscal 2021 due to COVID-19 restrictions.

### Data on DX Human Asset Development Programs

Program	Outline	No. of Participants (cumulative)
DX basic training	An e-learning program (online video viewing: about 6 hours in total, divided into 7 sessions) for acquiring basic knowledge and essential skills for accelerating DX business.	8,889
Training for acquiring AWS-certification	A program focused on basic-level training for employees seeking to become AWS-certified cloud practitioners. Trainees come not only from the digital departments, but also the sales, planning, and technology departments, to acquire cloud knowledge and skills.	1,429 *AWS-certified employees: 1,042 (as of March 2022)
Udemy / Aidemy	A set of MOOCs with the latest digital training content for department-based training and personal empowerment training through online digital learning platforms.	1,290
Co-learning	A one-year, cross-departmental digital marketing program for learning knowledge and business practices across marketing fields.	200

## Information on Employees

Activity results, performance data

### Number of Employees at Toppan Inc. (As of March 31)

		Directors	Total Employees	Management Class	Supervisors	Average Tenure	Average Age	Sum Total Employees	Part-time Workers	Dispatched Staff
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			
Fiscal 2021	Male	7	8,347	2,485	1,865	14.7	45.0	10,951	153	584
	Female	2	2,604	120	455	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: 20.5 years for male employees and 10.9 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.

### Employees by Age-group at Toppan Inc. (As of March 31)

	Sex	Age-group	Total Employees	Management Class	Supervisors
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



	Sex	Age-group	Total Employees	Management Class	Supervisors
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 Employees at the Toppan Group (As of March 31)

		Sex	Management Class	Non-manual Staff	Total Employees
Fiscal 2021	Domestic	Male	5,494	23,006	28,500
		Female	311	7,187	7,498
	Japan				35,997
	Overseas				18,339
	Groupwide				54,336

	Sex	Age-group	Total Employees	Management Class	Supervisors
Fiscal 2021	Male	1. Below 30 years old	1,105		
		2. 30-50 years old	4,024	1,230	1,642
		3. Over 50 years old	3,218	1,255	223
	Female	1. Below 30 years old	966		
		2. 30-50 years old	1,347	77	427
		3. Over 50 years old	291	43	28

## Number of Recruits at Toppan Inc.

			Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Regular recruitment of new graduates from universities and graduate schools	Sales, admin- istration, etc.	Male	105	102	115	109	105	90
		Female	65	86	100	98	123	105
	Technical	Male	115	86	108	109	128	138
		Female	36	45	55	54	53	63
Regular recruitment of new graduates from high schools and colleges of technology		Male	1	6	4	5	3	6
		Female	33	30	29	29	26	29
Total number of regular recruits (percentage of women) 			355 (37.7%)	355 (45.4%)	411 (44.8%)	404 (44.8%)	438 (46.1%)	431 (45.7%)
Mid-career recruitment of experienced personnel (outside recruitment) 		Male	55	46	51	61	100	—
		Female	22	13	17	36	42	—

## Reasons for Leaving Toppan Inc.

	Sex	Age-group	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021*
Personal reasons*	Male	1. Below 30 years old	53	70	94	44	89
		2. 30-50 years old	61	104	105	49	71
		3. Over 50 years old	41	39	57	42	57
	Female	1. Below 30 years old	41	50	50	25	58
		2. 30-50 years old	20	40	37	25	32
		3. Over 50 years old	1	2	4	4	9
Retirement	Male		119	124	180	174	247
	Female		1	8	5	0	17
Requested by the Company	Male		0	0	0	0	0
	Female		0	0	0	0	0
Other	Male		88	90	90	92	92
	Female		20	3	6	6	10
Total	Male		362	427	526	401	556
	Female		83	103	102	60	126
Turnover rate			4.5%	5.2%	5.9%	4.3%	6.1%

\*Five female and 38 male employees who left the Company for personal reasons in fiscal 2021 took advantage of Toppan's support system for employees leaving the Company to pursue new careers.

## Retention Rates for Recruits at Toppan Inc.

(Percentage of fiscal 2019 hires still working at the Company)

	Male	Female
Hired on April 1, 2019	227	184
Still with Toppan as of April 1, 2022	196	165
Retention rates	86%	90%
Average for male and female employees	87.8%	
Percentage who leave the Company before working three years	12.2%	

## Average Annual Salary at Toppan Inc.

	Average Annual Salary
Fiscal 2017	6,910,163 yen
Fiscal 2018	6,644,621 yen
Fiscal 2019	6,811,464 yen
Fiscal 2020	6,775,518 yen
Fiscal 2021	7,001,363 yen

## 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.

Fiscal 2019	Fiscal 2020	Fiscal 2021
22%	24%	28.8%

# Research and Development

## Basic Approach

### Approach

In the more than 120 years since its foundation, the Toppan Group has evolved its original specialization of printing techniques into the art of printing. Technical advances in printing, coupled with the fusion of varied knowledge and expertise with processing technologies, have enabled Toppan to systemize “printing technologies” of its own. Five core technologies now drive the Group's businesses: Information Processing, Microfabrication, Surface Treatment, Material Forming, and Marketing Solutions. These five technologies and the distinct benefits they offer are combined into the new solutions the Group offers.

By strengthening core technologies to maximize synergies within the Group, Toppan continues to generate new value for society through co-creation with clients, universities, and startups. Toppan will continue deepening and expanding its unique technologies to develop new businesses that provide solutions to global social challenges and transform the Group's business portfolio.

## Research and Development Structure

### Promotion framework

Toppan advances research and development activities centered on its core technologies from a market-oriented perspective. The R&D Strategy Office and Business Development Division work together with technology development departments at business divisions across the Group. The R&D Strategy Office seeks to build a cross-departmental technical administration infrastructure, while the Business Development Division engages in research, new business development, and strategic investment to create new businesses as a disruptive innovator.

Toppan also builds and uses intellectual property strategically, generates R&D synergies within the Group, and collaborates creatively with clients and external research institutions to advance the Group's R&D activities. In these ways, Toppan delivers new value to address today's shifting society and global environment.

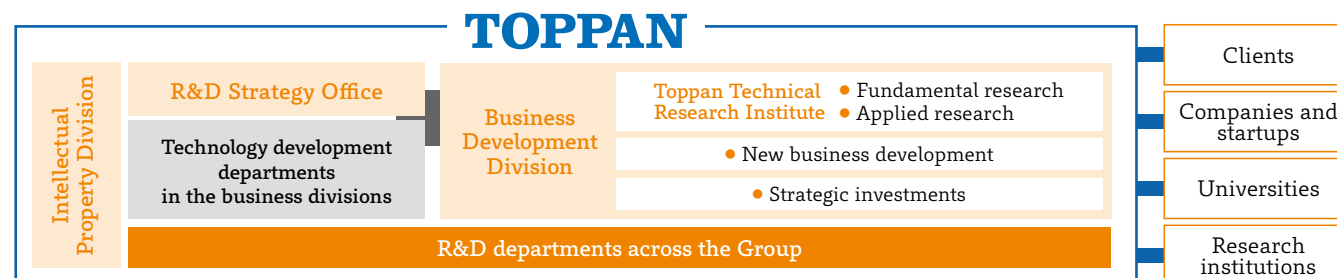
## Toppan Technical Research Institute

### Promotion framework

The Toppan Technical Research Institute was established in 1986 in Sugito, Saitama Prefecture, Japan. As the Toppan Group's central research facility, the institute aims to promote research integration, research exchanges and technological development projects that engage researchers from different fields, and Groupwide collaboration involving worldwide departments. Its primary focus is fundamental research with the potential to usher in next-generation technologies. Another core target is the application of innovative technologies for the development of original and competitive products and services. The institute also provides technical support to business divisions working with highly specialized technologies across the Group.

As a move into frontier fields, the institute established a research course at the Graduate School of Engineering, Osaka University of Japan, in 2017. The Joint Research Laboratory (TOPPAN) for Advanced Cell Regulatory Chemistry carries out fundamental and applied research on a 3D cell culture technology. One project using this technology seeks to create artificial cellular tissues with high biomimetic properties for use in drug evaluation methods for the advancement of fundamental research on drug discovery in fields such as anti-cancer therapy. Another project seeks to develop a method to produce various types of cultured meat, including a type with nearly the same marbling attained naturally in Wagyu beef. Toppan expects the 3D cell culture technology to help the Group contribute further to the realization of a sustainable society.

## Research and Development Structure



## New Business Creation Themes

### Policy

The Toppan Group has been creating new businesses that address social and industrial issues by leveraging business models and technologies that give the Group a competitive edge. Healthcare and energy solutions are examples of the Group's frontier businesses pursued on a priority basis.

A specific venture Toppan carries out is the capital and business alliance with ICI Inc., a certified enterprise that can be trusted to handle anonymized medical data under the Next Generation Medical Infrastructure Act of Japan. Through this alliance, Toppan distributes health-related big data collected

from hospitals, clinics, local governments, nursing care facilities, and other medical institutions across Japan for use in research and development in healthcare, medicine, and welfare fields and for the creation of new businesses that will help society achieve long healthy life spans and inclusive communities.

## Strategic Investments

### Policy

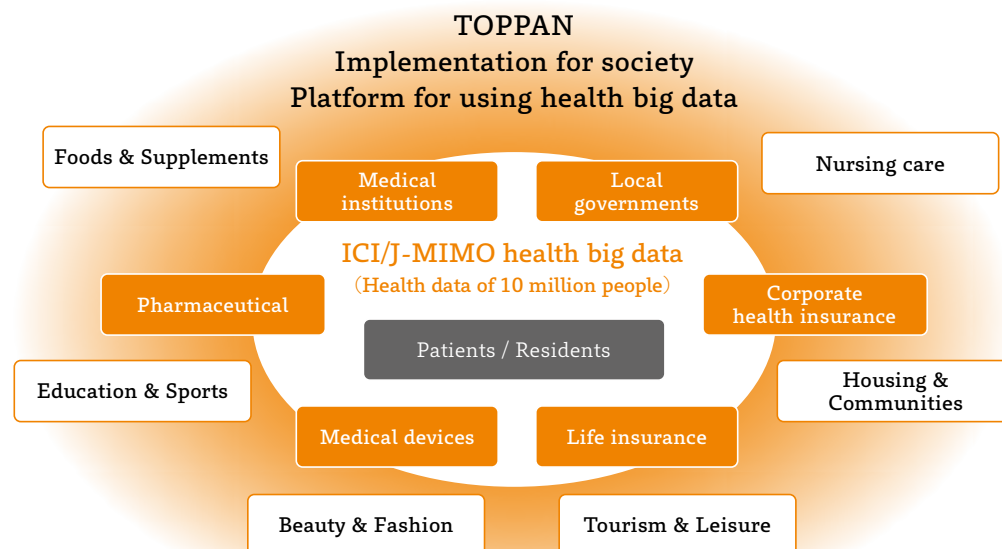
### Activity results, performance data

The creation of new businesses and markets has been identified as one of Toppan's main challenges for the medium term. Toppan has been developing new businesses for the dynamic

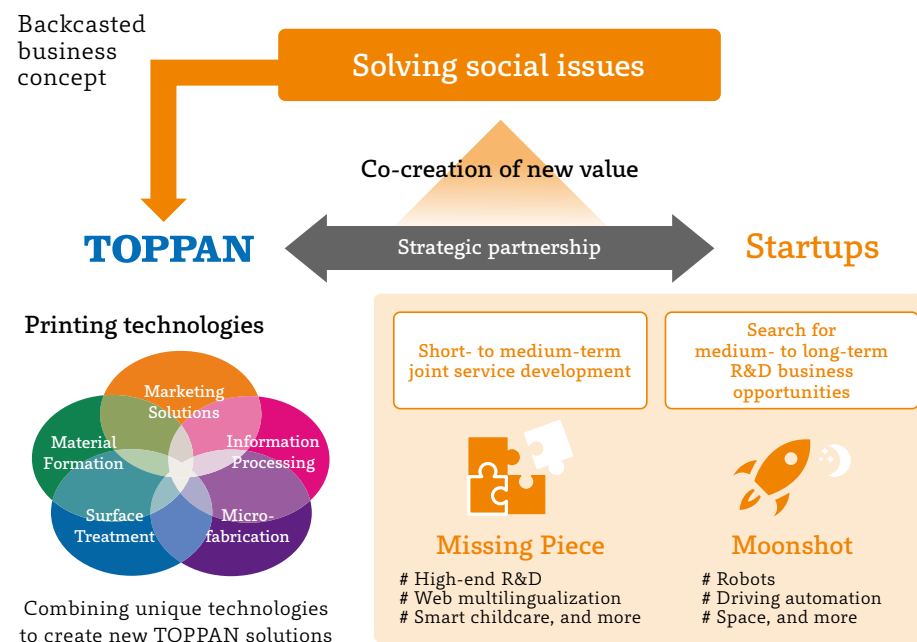
growth of the Group by making small-scale investments in growth fields such as digital transformation (DX) business, cutting-edge technologies, and SDG-focused initiatives. The Group has invested in and formed capital and business alliances with more than 50 startups around the world since July of 2016.

Toppan is generating new value for society by combining the advanced technologies and business models of startups with the planning and technical capabilities throughout the Group, from both short-term and medium- to long-term perspectives. Toppan will continue to enhance collaborations with startups to accelerate DX initiatives and create novel businesses that the new normal society requires.

## Users of Health Big Data Services



## Collaboration with Startups



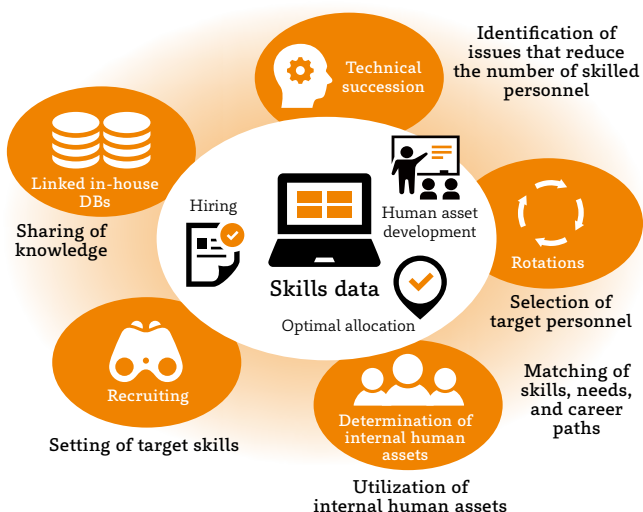
## Visualizing Technical Skills

### Policy

The Toppan Group strives for technological enhancements through the strategic utilization of its human capital. From fiscal 2020 onward, for example, Toppan has been surveying human assets in technology departments across the Group to rate their technical skills.

The surveys are structured by subdividing the Group's five core technologies into elemental technologies of several types, from currently trending technologies to practical technologies applied to products and services. The experience and skills of individual employees in each of these elemental technologies are consolidated into a skill map that can be used to formulate policies for strengthening technical capabilities through the training, hiring, and optimal allocation of human assets.

### Overview of Skill Map Utilization



## R&D Investments

### Policy

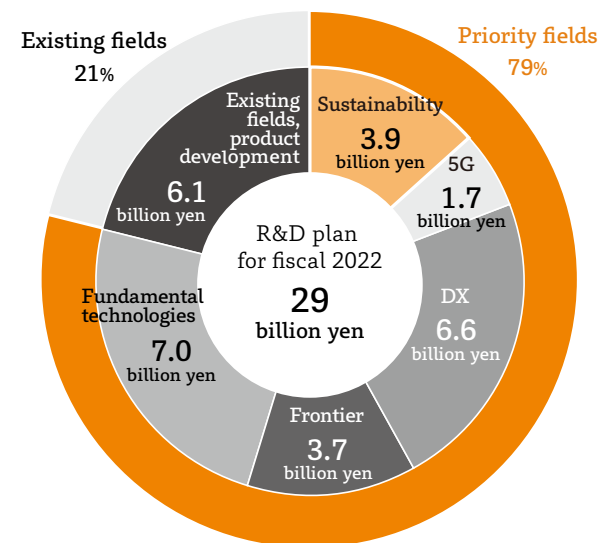
### Activity results, performance data

Toppan advances research and development to create new businesses with a view to transforming its business portfolio. The Group has defined key fields in which to invest R&D resources on a priority basis, starting from fiscal 2020. Fiscal 2020-2022 and fiscal 2023-2025 are positioned as the “foundation building phase” and “result delivery phase,” respectively.

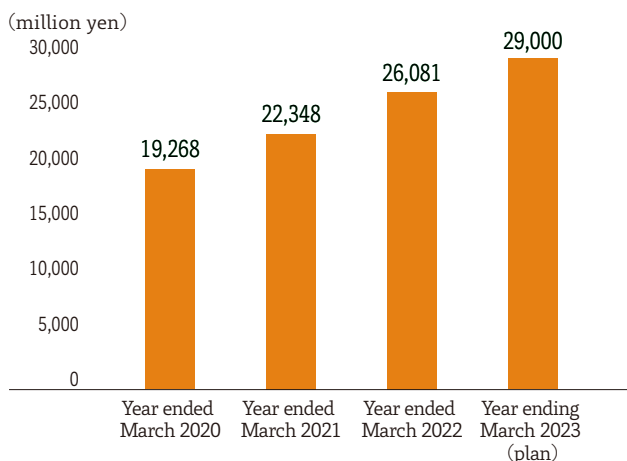
Toppan has been planting seeds to achieve results in fiscal 2023 and beyond by increasing the Group's R&D budgets to fund technological enhancements and the faster creation of new businesses. The bulk of the R&D funding is spent in key investment fields to address social issues and follow technological trends (shown on the table on the right), and the establishment of foundations such as technological platforms that support the Group's efforts in the key fields.

Key Investment Fields	
Sustainability	Switch to paper materials, recycling/upcycling technology, mono-material compositions, etc.
5G	Next-generation FC-BGA substrates, 5G antennas, electromagnetic wave control/absorption sheets, etc.
DX	Digital platform business, communication business, BPO, solutions for local government administration, etc.
Frontier	Healthcare business, energy business, genome editing, agribusiness, COVID-19-related business, etc.
Fundamental technologies	Converting technology, materials/analysis technology, microfabrication technology, AI/data analysis platforms, etc.

### Breakdown of R&D Investment Fields



### R&D Expenditure



# Intellectual Property

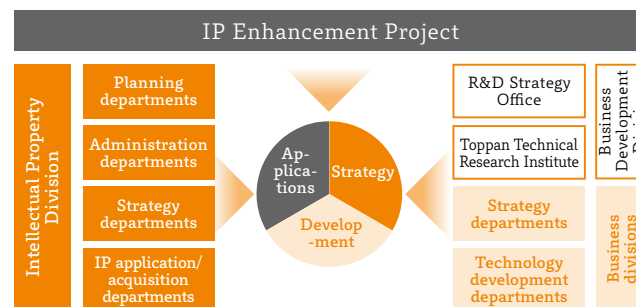
## Basic Approach

### Approach

Toppan sees intellectual property (IP) as a core source of competitiveness in business. The IP strategy executed by Toppan seeks to secure competitive advantages in markets.

Developing its IP strategy in line with the business and R&D plans of the Group, Toppan continues to link its IP activities more closely with R&D and market-oriented activities and to acquire intellectual property rights for the products and services generated from those activities. Accelerated IP activities will enhance IP capabilities that bolster the business portfolio transformation and business management of the Group.

charge of activities focused on IP issues throughout the Group.



## IP Management Initiatives

Activity results, performance data

### Foundations for Patent Portfolio Management

Toppan maintains an accurate picture of its intellectual property portfolio by classifying all of the patents the Group holds in products, services, and technologies in accordance with a set of in-house criteria. Efforts are also underway to quantify the value of the patents held by assessing them with a set of in-house indicators in combination with external indicators conventionally used. These activities, applied together, form foundations for managing Toppan's patent portfolio in ways optimal for the ongoing transformation of the Group's business portfolio.

### IP Management for DX and SX Businesses

Toppan's Medium Term Plan sets a goal of growing the Group into a leading provider of solutions for social issues through DX

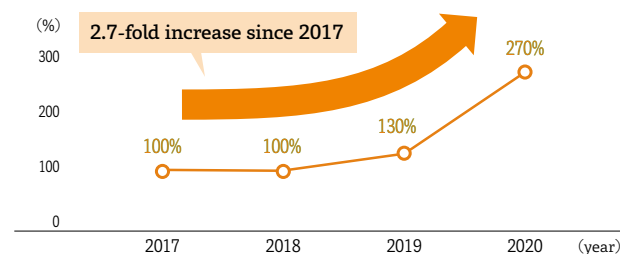
and SX initiatives. As such, Toppan continues to examine the patents the Group holds in DX and SX businesses and to enrich its DX/SX patent portfolio in line with the Medium Term Plan.

## IP Support for Exploring the Frontier

Toppan's intellectual property supports the creation of new businesses at frontiers to adapt to shifts in the business environment. The frontier businesses are managed through IP landscape analysis, a process that combines information on business, management, and intellectual property rights. Toppan strives to secure business advantages by formulating IP plans and strategies to intensify the acquisition of patents across the Group. To give one example, the IP departments and research departments work together to file patent applications strategically towards the creation of a network of patents for a forefront 3D cell culture technology that enables the creation of artificial cellular tissue with high biomimetic properties.

### Patent Applications for 3D Cell Culture Technology (Japan)

(\*No. of applications as a percentage relative to the total no. of applications filed in 2017)



IP landscape analysis is also used to select startup investments for creating and expanding businesses.

## Intellectual Property Structure

### Promotion framework

Toppan has launched a project to enhance IP by integrating business, R&D, and IP strategies across the Group. Project participants discussed the ideal structure for the future and concluded that the IP function must be strengthened, leading to the establishment of an Intellectual Property Division spun out from the Legal Affairs & Intellectual Property Division in April 2022. Meanwhile, IP strategy departments newly set up in the business divisions are coordinating with the strategy departments in the Intellectual Property Division to build the foundation for advancing IP initiatives at Toppan.

IP and technical managers from the business divisions direct the IP enhancement project to comprehensively take

## Global IP Initiatives

At present, the Toppan Group has filed applications for intellectual property rights and acquired the rights in about 40 countries and regions across the globe. Toppan works directly with overseas patent offices in major countries to back up the Group's global business activities.

Toppan will further increase IP applications in countries with important markets for the Group's businesses and countries where the Group operates major production sites. The applications will be focused mainly on security solutions, packaging, and décor materials, the three business segments targeted for expansion in the Medium Term Plan.

## Protecting Designs and Brands

Toppan recognizes that patents to protect proprietary technologies and property rights to protect designs and brands are essential to ensuring the uniqueness and high competitiveness of the businesses developed under the TOPPAN brand. And recognizing the importance of designs and

trademarks, the Group works to register and protect design and brand rights for its products and services. Toppan also focuses on brand protection by appropriately filing trademark applications for services in DX business, especially for Erhoeht-X®, the brand symbolizing Toppan's DX expansion. Turning to trademarks in SX business, Toppan delivers services under S-VALUE®, a brand that offers fulfilling, comfortable lifestyles in a sustainable society. In addition to the designs for packaging and other products and services, Toppan has also filed applications for image-based designs for the graphical user interfaces (GUIs) often used for the Group's DX services, based on the extended set of design categories to be protected under the amended Design Act of Japan.

Through these activities, Toppan strives for the proper utilization of design and trademark rights and patents to secure a mix of intellectual property rights that bring the Group a competitive edge in business.

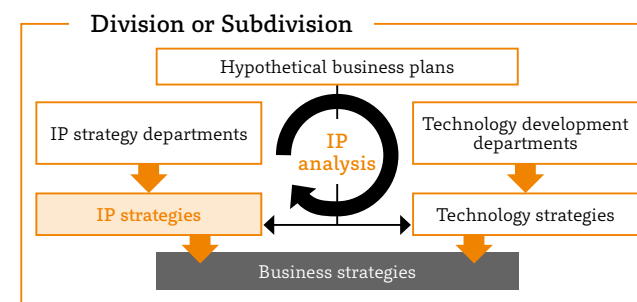
## Intellectual Property Strategy

### Approach

Toppan aims to establish a framework that promotes the formulation and implementation of a customized IP strategy in line with the Group's business plan in every division. Following are the measures so far taken to form this framework: IP analysis to determine the direction of technology development based on hypothetical business plans (e.g., a clear understanding of positioning); construction of an IP portfolio linked to technology development aiming at gaining business advantages; planning and execution of IP strategies for clearing obstacles posed by the intellectual properties of competitors.

Strategy, technology, and IP departments formulate a Groupwide IP strategy by jointly preparing an original IP

strategy sheet. Each department has been using this sheet to identify Toppan's strengths in the businesses it handles by reviewing market environments, technological trends, and the intellectual property rights held by the Group and competitors. Once the Group's strengths are confirmed, Toppan searches for the optimal approach to IP application and acquisition throughout the Group's businesses.



## IP Training and Talent Development

### Training, education

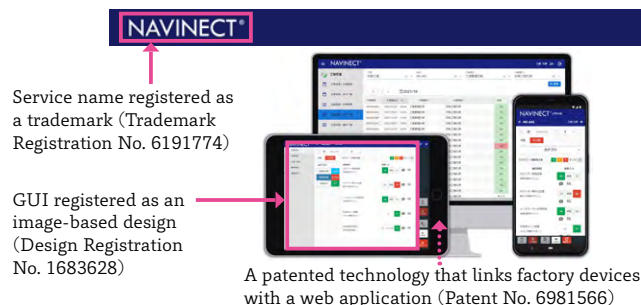
The Intellectual Property Division leads Toppan's Groupwide IP training programs. The division releases news on intellectual property at regular intervals and arranges e-learning and group-training programs tailored to each employee's experience and duties. Toppan continues to enhance the IP knowledge of individual employees, along with their abilities to effectively use that knowledge.

Personnel at the Intellectual Property Division also provide IP support through all the stages from invention consultation to IP application, to any investee companies that need IP resources. The division personnel boost customer trust by visiting SME business partners across Japan to hold onsite IP training on topics such as patents and trademarks.

## Design and Brand Protection

Erhoeht-X<sup>®</sup> S-VALUE<sup>®</sup> Packaging

IP mix for a DX business



## Commendation

Activity results, performance data

### FY 2022 Intellectual Property Achievement Award

Toppan Inc. won an award from the Commissioner of the Japan Patent Office (JPO) at the Intellectual Property Achievement Awards organized by the Japanese Ministry of Economy, Trade and Industry (METI) and JPO in fiscal 2022. METI and JPO recognized Toppan as a corporation that effectively utilizes intellectual property rights, especially patents.

Toppan will advance activities under an IP strategy closely linked to its business and R&D strategies to enhance the corporate value of the Group through the transformation of its business portfolio.

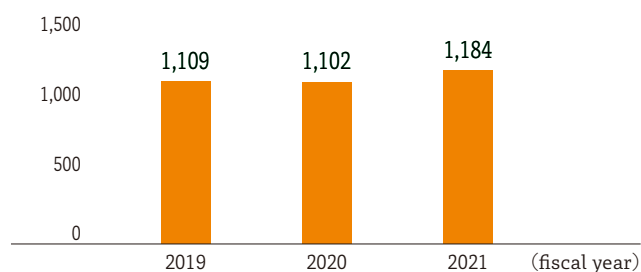


## Acquisition of Intellectual Property Rights at Toppan Inc.

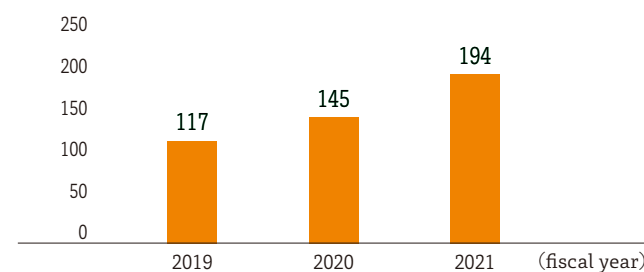
Activity results, performance data

\*The no. of applications, etc. may increase or decrease when the in-house aggregation methods change.

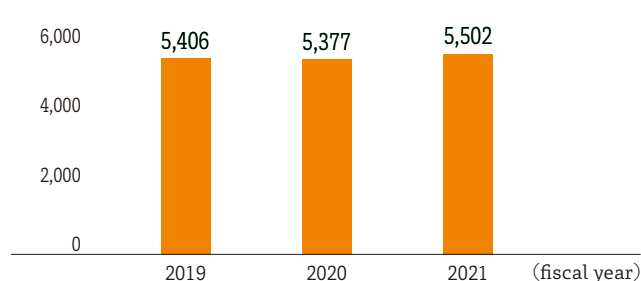
### Number of Patent Applications (Japan)



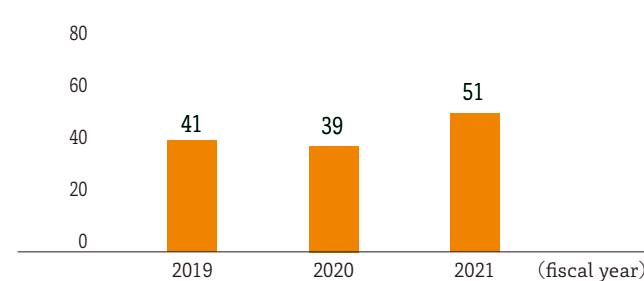
### Number of Overseas IP Applications (PCT)



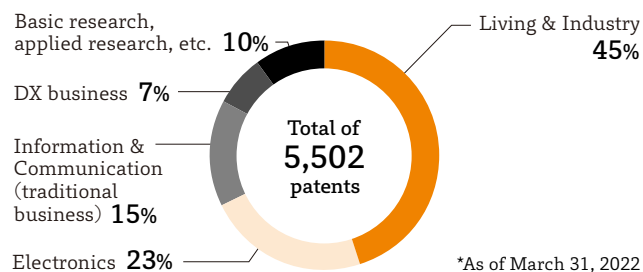
### Number of Patents Held (Japan)



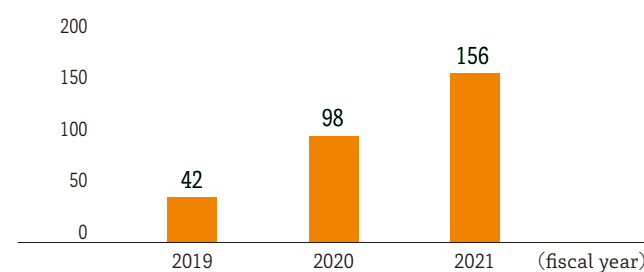
### Number of Design Applications (Japan)



### Portfolio of Patents Held by Business Field (Japan)



### Number of Trademark Applications (Japan)



# Universal Design

## Basic Approach

### Approach

The Toppan Group pursues diversity and inclusion (D&I) through three approaches: management, rewarding work, and business. For business, the Group creates universal design (UD) products and services by embracing UD as a viewpoint to practice D&I principles.

Toppan first launched its UD packaging consulting service back in 1999. Two years later, the Group formulated Toppan's Six Principles on Universal Design, a series of principles to guide the development of products and services that value diversity throughout the business fields. Ten years later, in 2010, the Group announced the Toppan Declaration on Universal Design and revised the six principles into Toppan's Seven Principles on Universal Design. A set of Guidelines for Universal Design in communication design and packaging was also formulated under the seven principles. In 2020, Toppan consolidated its UD businesses into "D&I solution," an enterprise that continues to provide a widening scope of services.



Corporate  
Philosophy

Toppan Declaration on  
Universal Design

Toppan's Seven  
Principles on  
Universal Design

Guidelines for  
Universal Design

### 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

### 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.

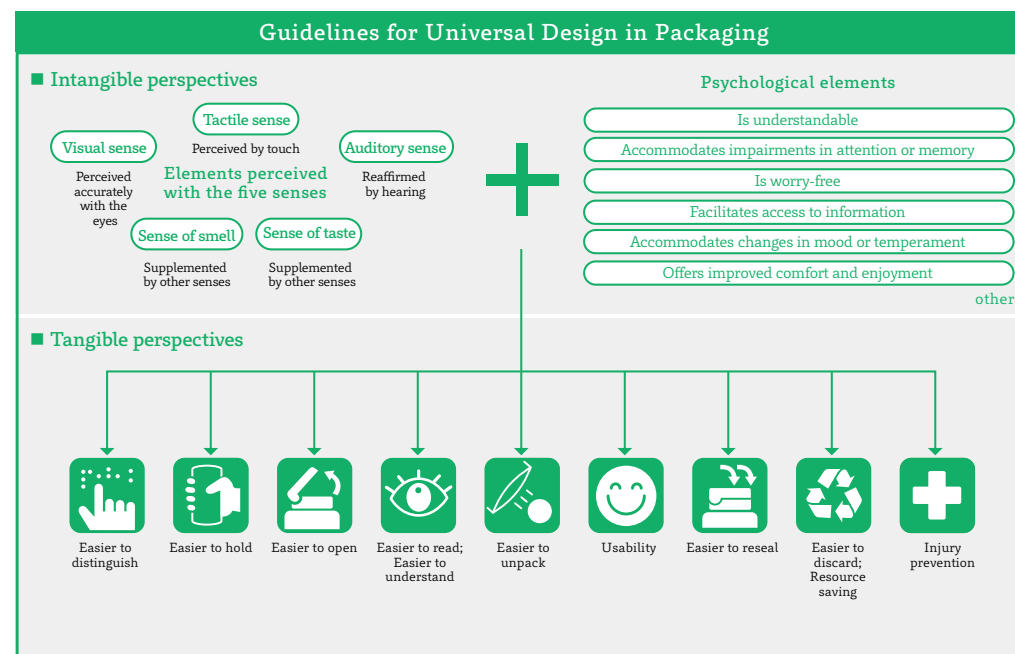
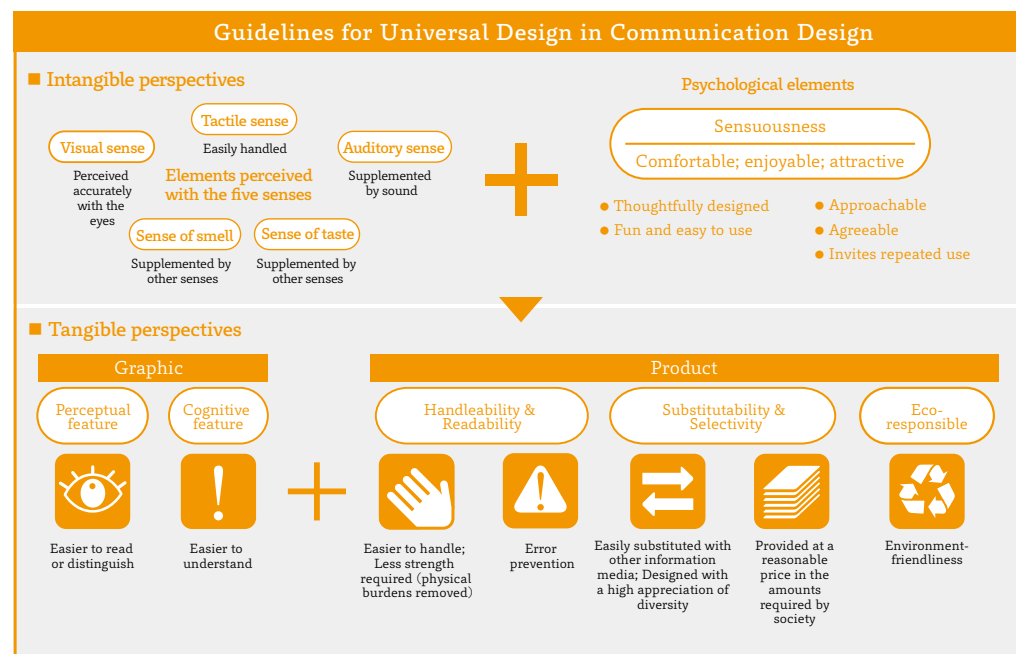
Established in 2001  
Revised in April 2010

## Action Policy

### Policy

### 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 2021

Activity results, performance data

### Communication Design

#### Multilingual Digital Assistant BotFriends® Vision

##### Barrier-free Signage for Interfacing with AI



The BotFriends® Vision signage system is a multilingual, AI-powered digital assistant that provides users with audio, text, and image guidance optimally matched to their queries.



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 2021

##### Demo BotFriends Vision Terminal Installed at Osaka-umeda Station

BotFriends Vision was selected by Hankyu Railway for a long-running test on customer guidance. A BotFriends Vision terminal installed at Osaka-umeda Station from July 2021 to March 2022 automatically responded to inquiries from passengers. Visitors to the terminal received information on train services, transfers, station facilities, and the complex geography of the Osaka-umeda area. The contactless CleanTouch Display helped ensure safety and offered enhanced convenience and hospitality for rail passengers.



#### 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 for Fiscal 2021

##### VoiceBiz Customized for Tea Ceremonies

Terminology specific to the tea ceremony and etiquette is registered on VoiceBiz for use in related courses at Vietnam-Japan University in Vietnam.

Toppan and the Japan-Vietnam Tea Ceremony and Cultural Exchange Association have donated bilingual texts to Japan's National Institute of Information and Communications Technology to support its translation database and R&D on AI translation technology. Toppan encourages public and private-sector organizations in Japan and Vietnam to introduce VoiceBiz as a tool for cultural exchange between the countries.



VoiceBiz in use in the tea ceremony course



Customized phrases for the tea ceremony

#### 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 for Fiscal 2021

##### IoANeck® Launched for Remote Experiences

An advanced wearable developed by Toppan. Worn around the neck like a necklace, IoANeck® enables the sharing of experiences from remote locations. Toppan has officially launched an IoA remote experience service pack for IoANeck as a tool for easily introducing services designed for IoA Virtual Teleportation, a technology that gives remote users the feeling of being physically present. The service pack has already been applied for business uses such as factory and showroom tours, business meetings, and factory safety inspections.



Remote brewery tour in collaboration with TIS Inc.

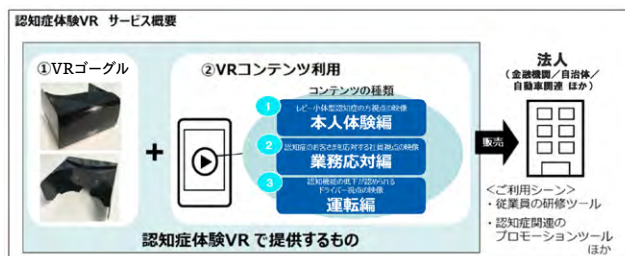


Remote safety inspection and training

## VR Experience of Dementia

### An Interactive Tool for Understanding Dementia Sufferers

A smartphone and paper-based VR goggles give users a simulated feeling of having dementia or of serving a customer with dementia. 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 2021

### Dementia Experience VR for Free in Tokyo

The Tokyo Metropolitan Government's Bureau of Social Welfare and Public Health distributed VR content enabling an experience of dementia to promote awareness (application period ended on November 30, 2021). Leaflets and paper-based VR goggles were sent free of charge to Tokyo residents who wished to learn more about dementia. The simulated experience helped people understand how it felt to suffer from dementia.



## DentatsuClinic®

### Universal Info Design for Enhanced Communication



DentatsuClinic® is a total solution for enhancing the understandability of corporate messages. The solution covers all aspects of a message, from visual elements such as the font, font size, and color schemes to things like the page structure, the appropriateness of the text expressions and information stated, and the user's affinity with the corporate branding. DentatsuClinic helps both the receivers and senders of information.

Related site (in Japanese)  
<https://solution.toppan.co.jp/creative/service/dentatsuclicin.html>



## Initiatives in Fiscal 2021

In response to growing interest in developmental disabilities, the solution has been enhanced by updating expertise in expression in consideration of various cognitive characteristics, along with issues to do with gender and sexual diversity. A workshop on leaflet communication in a diverse society was also held for employees of clients engaged in catalog design and production.

To support the official DentatsuClinic website launched in December 2021, Toppan lectured at an external seminar held in January 2022 on the concept of Editorial Universal Design (E-UD), the basis for the DentatsuClinic solution. The knowledge base on E-UD was expanded to the public through the meaningful exchange of information at the seminar. Toppan will continue to enhance the Group's know-how through exchanges with outside experts and work to improve communication in society at large.

## Packaging Design

### Easier-to-Use, Paper Container for Oil

#### People- & Earth-friendly Packaging



A drip-resistant, paper-based cooking-oil container with a double cap to adjust the poured volume to suit the use. The “Hold here!” mark and the grooves embossed on the sides make the container easy to hold.

The empty container can be easily collapsed along the folding lines into a compact form, reducing the waste volume by almost half.

Compared to conventional plastic bottles with the same capacity, this eco-friendly container cuts plastic use by over 60% and associated CO<sub>2</sub> emissions by 26% or more.



### Tube-Pouch™

#### Effortlessly Squeezable Package



A tube-shaped pouch made with a film processed into a cylindrical shape and a molded plastic spout attached to the tip. The uniquely shaped spout and a body film thinner than a conventional laminated tube allow the user to squeeze out the contents of the tube with just a light press. The elderly and children can easily dispense a product until it is completely consumed. The pouch is also eco-friendly, as it contains much less plastic resin.



### Reclose Pack

#### Easy-to-Open/Close, Excellent Preservation



A primary food pack with an adhesive function that enhances re-sealability. After the container has been opened and partially emptied, it can be resealed with a reusable adhesive for secure food storage. This excellent resealing performance eliminates any need for wrapping films or storage bags to preserve product freshness. The contents of the package are fully protected from drying and other forms of quality deterioration, which reduces food loss.

Once opened, a portion of the seal stays in place so that the user can easily see that the pack has been unsealed. This tamper-evident feature better ensures the safety of the food stored inside.



## Pouch with a Press-to-Close Zipper

### Easy-to-Open from Either Side



This pouch promises persons of any age simple access to the adhesive skin patches inside. Once the package has been torn open from either side, the edge of the seal on one side protrudes slightly so that it can be easily grasped by fingertip to make it easy to zip and unzip the package whenever a new patch is needed.

A tear-guard line, meanwhile, ensures that the pouch tears cleanly open along the scored dots without straying.

From left →



← From right



# 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.

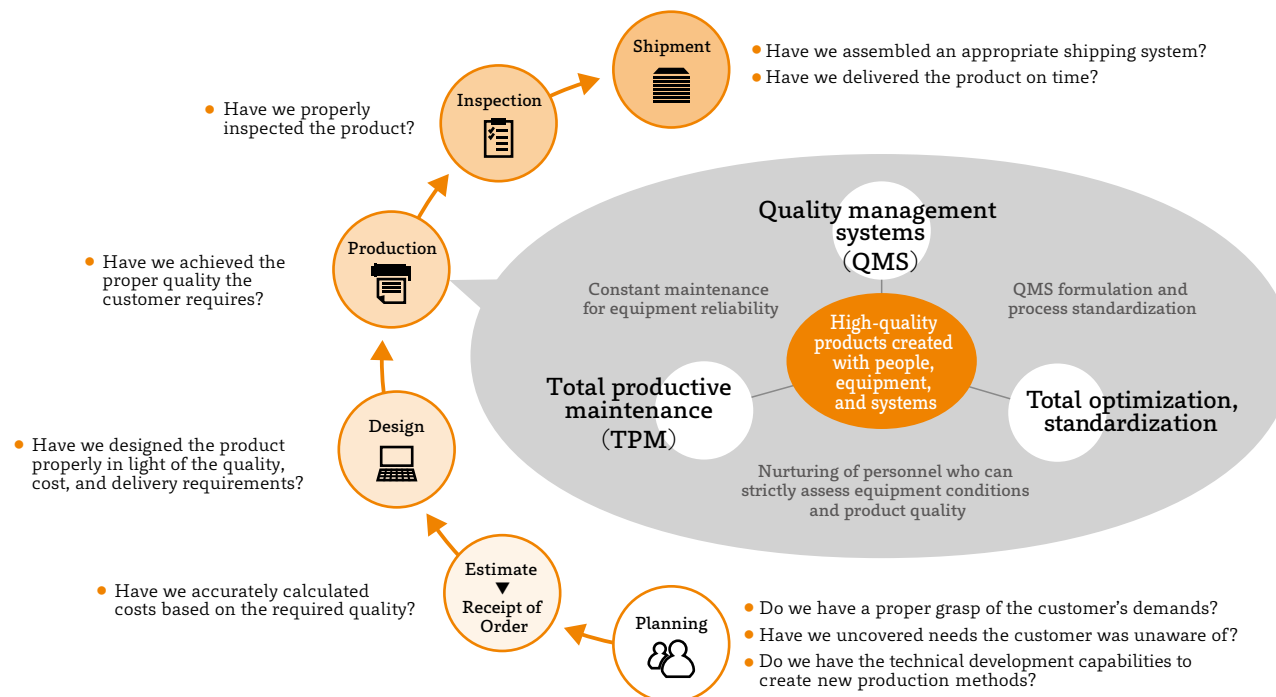
### Basic Stance on Product Safety Management

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.

More details on the Basic Stance on Product Safety Management and the 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.

More details on the Group's ISO 9001 accreditation and certification (in Japanese)  
<https://www.toppan.co.jp/about-us/our-corporate-approach/iso/iso9001.html> >

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.

## Activity Results

### Activity results, performance data

### Product Safety Management

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 the 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.

In fiscal 2021, a total of 281 seminar participants learned how to effectively use internal audits to detect potential defects in a QMS.

### 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 11 operational sites inside and outside of the Group in fiscal 2021.

### 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  
 6 sites run by production business partners

# Social Contribution Activities

## Basic Approach

### Approach

To “contribute to a fulfilling lifestyle as a mainstay of information and culture,” the Corporate Philosophy avows Toppan’s commitment to supporting society and people’s lives through business. Toppan addresses social issues through extensive engagement with society by delivering wide-ranging goods and services.

Recognizing the strong links between its business and society, Toppan works to fulfill its responsibilities as a good corporate citizen and foster mutual understanding through interaction and dialogues with local communities. Toppan believes that building relationships of trust and growing with communities is essential for a sustainable society. Basic principle 10 of the Conduct Guidelines is “striving to improve corporate value through social contribution activities and proper information disclosure/communication.” Toppan sees these activities as important drivers of corporate value.

Toppan is strengthening community involvement through social contribution activities across the entire global Group and uses its resources to support donations, the arts and culture, education, and sports, as well as environmental conservation and volunteer activities in which employees address the needs of communities.

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

## Activity Policy

### Policy

Toppan devises and applies guidelines, themes, and an overall Groupwide policy for social contribution activities (shown below) built upon the Corporate Philosophy, the Corporate Creed, the Conduct Guidelines, and various essential features of the Group’s businesses. To determine these principles, Toppan also refers to the three conceptual frameworks the Group has incorporated into its sustainability management: the United Nations Global Compact, the ISO 26000, and the SDGs.

### Activity Policy

- ① To focus on global and local social issues and engage in activities that contribute to the achievement of the SDGs, which are worldwide goals for sustainability.
- ② To engage in activities to protect the global environment, communicate information, foster culture, and contribute to fulfilling living.
- ③ To proactively support the social contribution activities of employees.
- ④ To make effective use of the Group’s management resources.

### Activity Guidelines

Activities should:

- ① be implementable on a continuous basis;
- ② generate public benefit;
- ③ be voluntarily selected;

- ④ have an association with the Toppan Group’s business;
- ⑤ be something that employees support;
- ⑥ not be motivated by an intent to advertise or promote; and
- ⑦ be undertaken with a consciousness of objectives and outcomes.

### Activity Themes

- ① The Environment: Conservation and nurturing of community environments
- ② Education: Initiatives sustained by Toppan resources
- ③ Culture: Sports promotion and support for the arts and culture for the community
- ④ Community: Initiatives conducted with community groups, NPOs, NGOs, etc.

## Amounts Donated to Support Communities

### Activity results, performance data

Toppan has donated to initiatives that support environmental conservation, education, culture, and communities. Toppan has also provided donations to aid disaster victims and affected communities.

Donations/Contributions	Fiscal 2021
Cash	170,898,428 yen
Time	247,429,507 yen
In-kind/Management	474,211,228 yen

## Overview of Toppan's Community Contribution Activities

### Policy

### The Environment

#### Conservation and Nurturing of Community Environments

##### Major Activities

1. Holding events on environmental conservation, biodiversity, etc.
2. Organizing in-house beautification and cleanup activities around plants and operational sites
3. Participating in beautification and cleanup activities organized by the community
4. Holding meetings with community members to report environmental initiatives
5. Teaching environmental classes at neighboring schools, etc.



### Culture

#### Sports Promotion and Support for the Arts and Culture for the Community

##### Major Activities

1. Supporting the arts and culture
2. Promoting printing culture
3. Promoting borderless art and para-sports
4. Participating in, cooperating with, and cosponsoring community festivals, sports and other events, etc.



### Education

#### Initiatives Sustained by Toppan Resources

##### Major Activities

1. Holding off-site classes in schools
2. Holding plant tours for children and students
3. Organizing SDG-related programs, workshops, etc.
4. Holding practical training sessions and working experience sessions for students
5. Arranging educational programs to improve literacy, reading comprehension, and creative skills



### Community

#### Initiatives Conducted with Community Groups, NPOs, NGOs, etc.

##### Major Activities

1. Donating cash, books, goods, etc. to various institutions and organizations (hospitals, schools, facilities for the elderly, etc.)
2. Holding events and providing scholarships to support people with disabilities
3. Participating in and cooperating with anti-disaster and fire-safety campaigns in the community
4. Participating in and cooperating with safety promotion activities and traffic safety campaigns in the community
5. Opening site premises and facilities and providing water resources, etc. to community members
6. Interacting with community members through in-house events
7. Organizing blood donation drives



## 1. The Environment: Conservation and Nurturing of Community Environments

Activity results, performance data

### Biodiversity-learning Events by the Ecology Center

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 center has refrained from holding nature workshops over the past two years since the breakout of the COVID-19 pandemic in fiscal 2020. Two events were held in fiscal 2021 in place of the real-life workshops: an online tour of the Tokyo Sea Forest and an online creature-finding workshop for students during their summer breaks.

Group employees, employee families, and other Toppan stakeholders logged into the events to explore biodiversity in native and foreign species. Toppan expects its nature events to motivate participants to conserve the environment in their communities.

#### Activities in Fiscal 2021

##### ● “What is this creature? Tips for summer science projects”

Date: August 22, 2021

Participants: 27 people from 16 employee families

Collaborator: Ecosystem Conservation Society–Saitama, Japan

Staff from the Ecosystem Conservation Society–Saitama offered information on the creatures shown in photographs posted online in advance by Toppan

employees and their families.



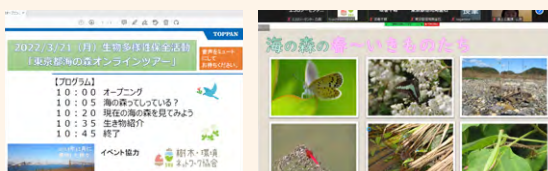
##### ● Tokyo Sea Forest Online Tour

Date: March 21, 2022

Participants: 71 people from 38 employee families

Collaborator: Environmental NPO “SHU”

Toppan Inc. is a member of the Tokyo Sea Forest Club, a network of organizations collaborating on a tree-planting project to transform a former landfill site in the Tokyo Bay into a beautiful forest on the sea. This virtual tour explored the sea forest as it is today, now that the saplings Toppan employees helped to plant have grown and creatures have migrated into the leafy environment.



### Environmental Improvement around Sites

Employees at Toppan sites across Japan regularly clean up the communities around them.

Group sites also cooperate with community members, NPOs, NGOs, and other local organizations in various community activities to beautify and clean up public spaces such as riversides and parks.



## Activities in Fiscal 2021 in Japan

### Hokkaido & Tohoku Areas

#### Sapporo Plant

Employees continued to clean up the streets and parks around the plant once a year. A team of volunteers from the plant also took part in My Bottle Eco Action Hokkaido, an ocean cleanup campaign run under the Hokkaido SDGs Promotion Platform.



### Kanto Area

#### Kawaguchi Plant

Employees continued to beautify the plant periphery as exemplary members of the community.



#### Kashiwa Plant

Employees continued to beautify the plant premises and periphery and trim trees outside the site to clear the way for passers-by.



### Kanto Area

#### Toppan Technical Research Institute

Employees continued to beautify the streets and public spaces around the plant once a month. Some 200 instances of employee participation in cleanup activities have been recorded annually.



### Chubu Area

#### Matsusaka Plant

Employees beautified the plant periphery in a joint cleanup campaign at the Matsusaka industrial estate.



#### Mikkabi Plant

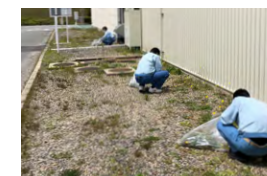
Employees continued to beautify the plant periphery.



### Kansai Area

#### Takino Plant

Employees continued to beautify the site periphery and the pathways, streets, roadside ditches, and other public spaces around the plant on the second Monday every month.



### Chugoku & Shikoku Areas

#### Fukuyama Plant

Employees continued to beautify the plant premises and the industrial estate three times a year.



### Kyushu & Okinawa Areas

#### Kumamoto Plant

Employees continued to weed and clean up the sidewalks and shoulders along the city roads around the plant once a year.



## 2. Education: Initiatives Sustained by Toppan Resources

Activity results, performance data

### “Mirai Ne!” for a Good Future for Everyone

Toppan has been organizing Mirai Ne! (for a better-tomorrow), a project to motivate children to think about things that will be good for the future. The project creates learning and hands-on events by linking companies with educational sites to introduce various corporate sustainability initiatives in fun ways.

Along with online classes, the project is developing products through Makuake, a cloud-funding platform organized by industry, government, and academia in Japan. Makuake users choose ideas they would like to support and then purchase merchandise or experiences to fund them.

Toppan will continue to develop content focused on the themes of the Mirai Ne! project in order to expand co-creation with customer companies.



### Activities in Fiscal 2021

- Osaka Business Frontier Senior High School, Osaka Prefecture

Date: October 6, 2021

Class: An online/real-life hybrid workshop linked with the Yasuda Factory, a producer of “Akabako (red box),” a beauty soap from the Cow Brand Soap Kyoshinsha of Japan.

- Jonan Elementary School, Izumiotsu, Osaka Prefecture

Date: March 8, 2022

Class: A workshop on Glico products with an online factory tour to learn about the healthcare and environmental initiatives organized by Ezaki Glico of Japan.

Toppan has been holding online classes linking companies with educational institutions as part of Mirai Ne!, a project that gives students the opportunity to learn about the sustainability initiatives undertaken by companies and to think about the actions they themselves can take.



- Mirai Ne! Card Game for Learning the SDGs

Toppan produced this game jointly with Kyoto University venture companies and students from game development circles. The viewpoints of all kinds of children were reflected in a game design endowed with creative ideas and rules that everyone would enjoy.



### Toppan Charity Concerts

Toppan has been holding 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. In fiscal 2021, Toppan organized the 13th *Toppan Charity Concert*, “*Kotoba no Shirabe (harmony of words)*,” a series of literary readings accompanied by classical music. The ticket revenue from the concerts has been donated to the Asia-Pacific Cultural Centre for UNESCO (ACCU) to fund SMILE Asia, a project that supports literacy education for Cambodian women, especially mothers who are raising young children or have children on the way. Toppan aims to grow the total amount donated from 29,691,751 yen (total as of fiscal 2021) to 35 million yen by fiscal 2025.



More details on the *Toppan Charity Concerts* (in Japanese)

<https://www.toppan.co.jp/sustainability/charityconcert/index.html>

### Activities in Fiscal 2021

- 13th *Toppan Charity Concert “Kotoba no Shirabe”*

Date: Oct 31, 2021

Venue: Toppan Hall\* \*Later stream-able

Performers: Motoyo Yamane (reading), Kie Nakai (reading), Misako Konno (reading), and Masako Shindo (reading), with accompaniments by Yoshiko Kawamoto (viola) and Haruo Uesugi (piano)

Donation: 2,005,091 yen

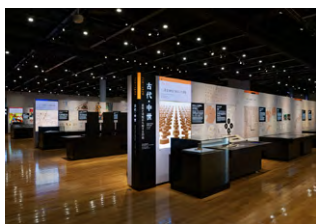


### 3. Culture: Sports Promotion and Support for the Arts and Culture for the Community

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. Over the last two decades, 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 classes and lectures on “printing culture studies”). Workshop instructors at the Printing House introduce visitors to the traditional craft of letterpress printing and get them to explore printing culture. The museum revamped its basement floor Exhibition Room and several other museum facilities in 2020, its 20th anniversary year.



General Exhibition Zone redesigned in 2020



Letterpress workshop held outside of the museum



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

#### Activities in Fiscal 2021

- Comprehensive collaborative agreement concluded with Jissen Women's University
- Printing Museum, Tokyo podcasts commenced
- Temporary exhibitions
  - Renaissance of Japanese Classics—Exploring tradition and innovation in the literary works of the Edo and early Meiji periods
  - Graphic Trial 2020—Baton
  - Japanese Packaging—Complexity and Simplicity: Jōmon and Yayoi DNA in Japanese Package Design
  - World Book Design 2020-21
- Classes, lectures, workshops, etc.
  - “A global history of printing” (online class) at Sagami Women's University
  - “Japanese history of printing” (face-to-face class) at Meiji University
  - At Kanatomi Elementary School, Bunkyo, Tokyo (online and face-to-face classes)
  - The 2nd Printing Culture Studies Conference “The rise and fall of print media and content seen through books” (held online and in person)
  - Online commentary on the general exhibitions
  - Printing House, live stream on Instagram
- A special award from the Japan Society of Publishing Studies

#### 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 the Toppan Hall itself as an outstanding contributor to the development of musical culture in Japan. The performances at the hall have also attracted notice throughout Europe and influenced the European chamber music scene.

Though the number of concerts decreased in fiscal 2021 with the ongoing COVID-19 restrictions, various talented young musicians, most of them Japanese, impressed music-loving audiences with masterful performances throughout the year.



TOPPAN HALL

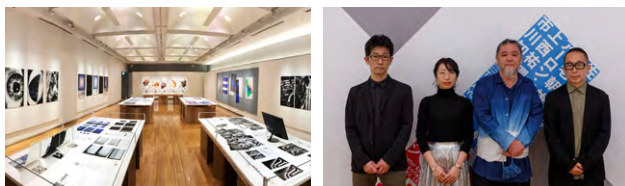
Toppan Hall  
<https://www.toppanhall.com/en/>

#### Activities in Fiscal 2021

- 2020/2021 season performances  
<https://www.toppanhall.com/en/concert/lineup/2021.html>
- 2021/2022 season performances  
<https://www.toppanhall.com/en/concert/lineup/2122.html>

## 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.



More details on the 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.printing-museum.org/en/collection/exhibition/g20210424.php>

To limit the spread of novel coronavirus infection, Toppan also opened an online gallery to display all of the posters shown at the non-virtual P&P Gallery exhibition.



## 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 presents books published by the Printing Museum, Tokyo to prize-winning students. These students also receive replicas of famous Japanese-style paintings produced using Toppan technologies.

### Activities in Fiscal 2021

- **33rd Central Contest for Book Report Drawings**

Areas: 38 prefectures around Japan (excluding Yamaguchi Prefecture and the 8 prefectures of the Kyushu region)

Pictures: 583,797 entries from 5,652 schools

Related site (in Japanese)

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



## Kanosei Art Project

Toppan has been collaborating with Support Center DREAM and the Borderless Art Organisation as co-organizers of the Kanosei Art Project (*kanosei* means “potential” in Japanese) since fiscal 2018. The project undertaken with the two NPOs is structured to support the greater independence of persons with disabilities and to promote business and personnel development in companies through art. Toppan and a Netherlands-based borderless art support organization held an online Kanosei Art Project Exhibition in Daitokuji Zuihoin, from December 2021 to March 2022. Works by borderless artists were displayed in a virtual reality space replicating the Zuihoin, a sub temple of the Daitokuji temple in Kyoto. To grow their value, the borderless artworks were also featured in desktop calendars with company names and various other exhibition goods sold in the museum shop at the online exhibition. The Toppan Group has been playing an active role in promoting borderless art by returning the usage fees earned through this project to the artists and the groups supporting them.

### Activities in Fiscal 2021

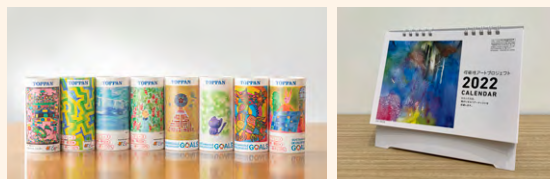
- Kanosei Art Project Exhibition 2021 in Daitokuji Zuihoin (Kyoto; held online)

Dates: December 20, 2021 to March 31, 2022



- Examples of value added to the art

Exhibition goods (for sale) and a desktop calendar decorated with borderless artworks



Related site (in Japanese)

[https://www.toppan.co.jp/solution/service/kanousei\\_art.html](https://www.toppan.co.jp/solution/service/kanousei_art.html)

## Para-Sports Popularization

Toppan promotes para-sports as a partner of the Tokyo 2020 Paralympic Games and the Japanese Para-Sports Association (JPSA). Toppan Inc. introduced an employee athlete program\* in 2014 to hire and support people specializing in sports, including para-sports athletes, and also operates a para-sports information website called *SPORTRAIT*. Toppan has been popularizing para-sports by holding hands-on para-sports events for 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 five 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/>

- Para-sports athlete Takashi Sanada: Online events for meeting up and cheering for the athletes at the Tokyo 2020 Games

Takashi Sanada, one of Toppan's para-sports athlete employees, competed in the wheelchair tennis in the Tokyo 2020 Paralympic Games. Toppan set up an online cheering event to give Group employees the chance to watch his performance in real time and send him encouraging messages via chat. Shortly after the games, Sanada presented a series of talks for Toppan employees and elementary school students from his hometown (Nasu-Shiobara, Tochigi Prefecture) to look back on the competition and share the story behind the games. Children and Group employees cheered on the para-sports athletes with their love and support.

## “This is MECENAT 2022” Certification

Toppan Inc. has been certified as a “This is MECENAT\* 2022” contributor and granted the Mécénat Mark (shown below), in recognition of the following efforts. The Association for Corporate Support of the Arts of Japan commends outstanding activities (for supporting the arts and culture to enrich society) undertaken by corporations and corporate foundations in Japan.

- Toppan Charity Concert series
- Exhibitions, education, and promotion to establish “printing culture studies”
- Graphic Trial 2022 “Change”
- Kanosei Art Project



\*A movement founded in 2014 to highlight diverse corporate support for the arts and culture and demonstrate the social significance and presence of the arts and culture across Japan.

## 4. Community: Initiatives Conducted with Community Groups, NPOs, NGOs, etc.

Activity results, performance data

### Signing Mutual Cooperation Agreements on Disaster Response

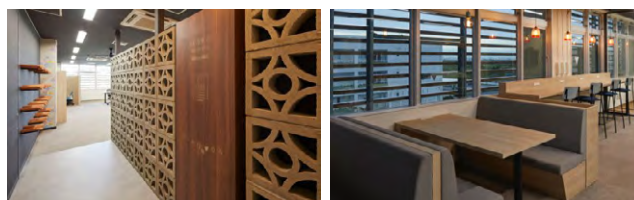
In July 2021, the Koishikawa Site concluded mutual cooperation agreements on disaster response with the Bunkyo City Office and the Tokyo Metropolitan Police Department (Otsuka Police Station).

The welfare building at the site will be opened to community members for vertical evacuation during storms or floods and to stranded commuters who need temporary shelter during disasters.



### Opening a System Development Base

Toppan opened an ICT KÔBÔ™ URUMA studio in the Okinawa IT Shinryo Park in June 2021. The Group seeks to stimulate the Okinawan community by increasing local employment through the recruitment of new graduates from schools in the prefecture and experienced personnel wishing to return to their hometowns or to move from mainland cities to Okinawa.



### Blood Donation Drives

Blood donation drives are held at Group sites in collaboration with Red Cross blood centers.



Blood donation at the Kumamoto Plant

### Offering Facilities and Stockpiles to the Community

Toppan Group sites open their tennis courts and parking areas, distribute emergency stockpiles of food, and arrange other disaster relief for the members of their communities.

### Taking Part in Traffic Safety Campaigns

Toppan participates in various traffic safety campaigns in the community. Group sites help to produce traffic safety leaflets and provide instructions on traffic rules and etiquette to employees who commute by car. Site members also guard commuters at nearby crossings.

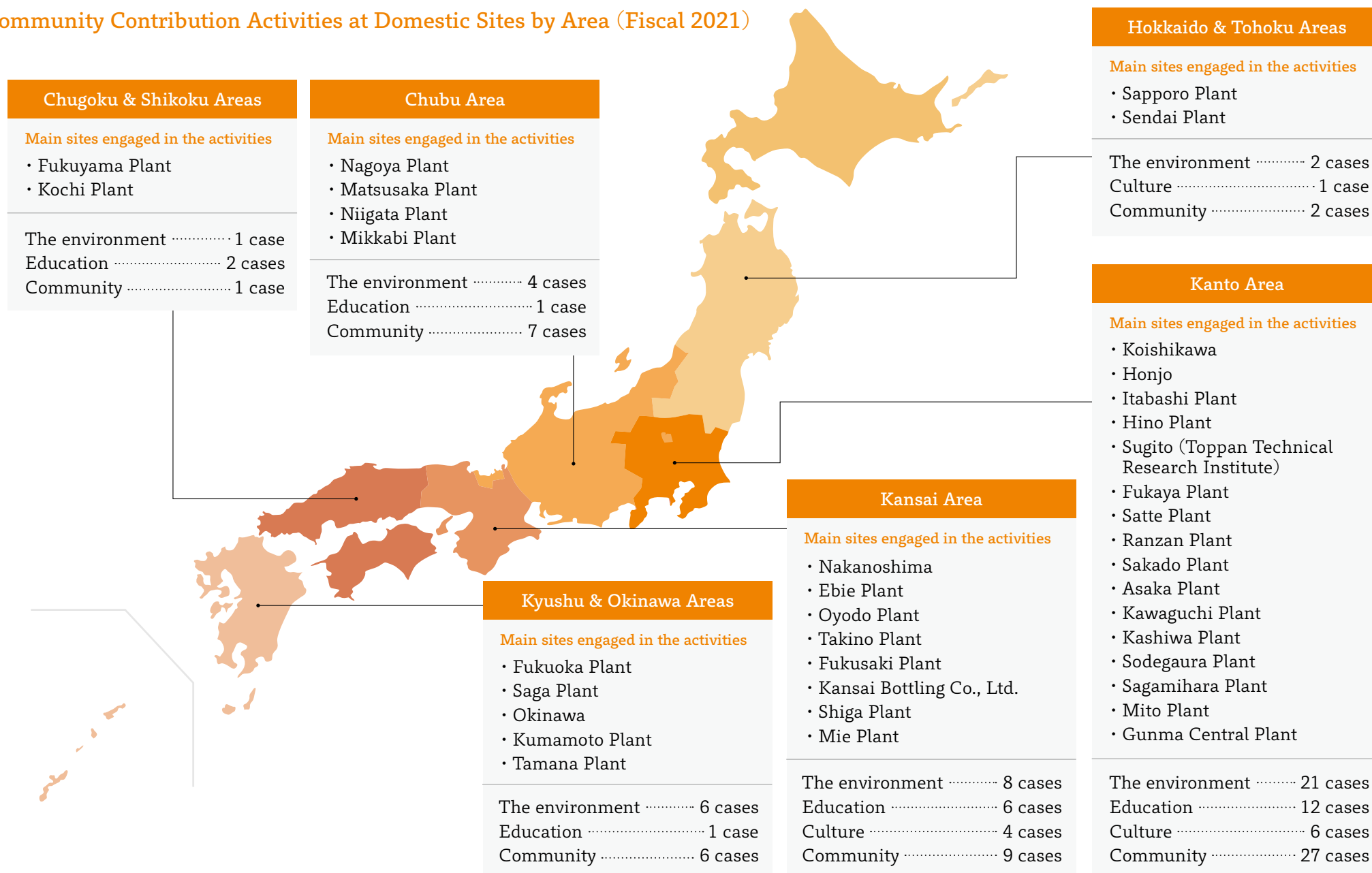
### Taking Part in Community Events

Group employees participate in and cooperate with community events and celebrations such as the local summer-evening festivals.

### Engaging in Anti-disaster/Fire-safety Activities

The Toppan Group cooperates with the community in earthquake preparation activities and fire- and disaster-response drills, etc.

## Community Contribution Activities at Domestic Sites by Area (Fiscal 2021)



## Major Community Contribution Activities at Overseas Sites (Fiscal 2021) (Relevant country or region in brackets)

Activity results, performance data

### INTERPRINT Polska Sp. z o.o. (Poland)

#### Playground Equipment Repair

Repaired playground equipment to ensure the safety of children.



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

#### Fire Extinguisher Instruction for Monks

Donated 10 fire extinguishers to the local Srichan Praditpat temple, trained the monks on their use, and conducted a fire-fighting drill.



### Max Speciality Films Private Limited (India)

#### Facilities for Village Cremation Ground

Installed toilet and drinking water facilities at the cremation ground in Rail Majra Village to upgrade amenities for families attending cremations.



#### Enhanced Literacy

Built libraries at four local public schools to improve the literacy and reading comprehension of students.



### Giantplus Technology Co., Ltd. (Taiwan)

#### Canvas Tote Bags to All Employees

Presented canvas tote bags to all employees on Mother's Day (May 9) to reduce the use of plastic bags.



#### Employment of Visually Impaired Masseuses

Hired visually impaired persons as massage therapists and had them treat employees at an in-house stress relief facility. The employees saw improvements in their work efficiency after receiving the massages.



## PT. Indonesia Toppan Printing (Indonesia)

### Donation for Eid al-Adha Festival

Donated a cow and two goats to the community for the Eid al-Adha 2021 festival.



### Donation for Orphans

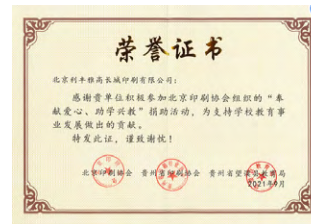
Donated to Yayasan Al-Ikhlâs, an orphanage in Tibitung, Bekasi province.



## Toppan Leefung Changcheng Printing (Beijing) Co., Ltd. (China)

### Involvement in a Book Donation Program

Took part in a public-interest activity organized by the Beijing Printing Association to support learning in rural China.



### Practical Training and Work Experience

Provided internship opportunities to local students majoring in printing and engaged them in printing operations for effective practical learning backed by theory.



## Toppan Photomasks Korea Ltd. (Korea)

### Ongoing Interaction with a Senior Center

Maintaining a bond with a senior care center adjacent to the Ichon plant for more than eight years. Employees regularly visit the center to donate facemasks and offer snacks and drinks.



## Toppan Photomasks Germany GmbH (Germany)

### Community Contribution through Donation

Held regular sessions for practical training and work experience for local students, organized student career fairs, ran an annual blood donation drive, and donated cash to flood victims in western Germany.



## Toppan Merrill Limited (Hong Kong)

### Donation to a Society for the Blind

Donated to the Hong Kong Society for the Blind to help enrich its services. Nominated by the society as a Caring Company.



## Toppan Merrill Technology Services Private Limited (India)

### Donation to a Social Service Center

Presented stationery goods, clothes, backpacks, and other school supplies to children and college students at the Renuka Susikaran Social Service Centre, stayed in touch with them, and bolstered their futures by helping them learn and graduate.



## Toppan Merrill LLC (U.S.A.)

### Donation

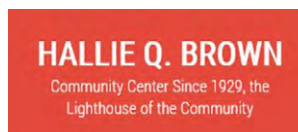
Donated to the World Central Kitchen, a non-profit NGO that provides meals in response to humanitarian, climate, and community crises.

Donated to Oceana, 365.org, and the Rainforest-Alliance to commemorate Earth Day.

Donated to New York Cares, the Coalition for the Homeless, and other organizations that aid the homeless.



The Workplace Enrichment team, meanwhile, launched a donation drive, a social contribution project to solicit online donations to various social organizations.



## Toppan Merrill LLC (U.K.)

### White Eagle Club

The EMEA sales team visited the White Eagle Club in London on their community day to help sort and load supplies to be sent to Poland for the aid of Ukrainian refugees.



# Environment

- P. 96** Environmental Policy
- P. 100** Environmental Management
- P. 104** Mitigation of Global Warming
- P. 109** Building of a Recycling-oriented Society
- P. 111** Control of Chemical Substances
- P. 113** Pollution Control
- P. 115** Biodiversity
- P. 118** Environmental Data



# Environmental Policy

## 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 aims to create 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.

The Annex to the Toppan Group Declaration on the Global Environment (first edition), released in March 2022, presents requirements and recommendations for the following: legal observance and decarbonization (approach to climate change), atmospheric pollution prevention, optimal water use, resource circulation, hazardous substance control, management of chemical substances in products, natural resources, and biodiversity. Environmental activities have been intensified across the Group based on this annex.

The Group'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

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

More details on the Toppan Group Declaration on the Global Environment

[https://www.toppan.com/assets/pdf/sustainability/The\\_Toppan\\_Group\\_Declaration\\_on\\_the\\_Global\\_Environment.pdf](https://www.toppan.com/assets/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment.pdf)



More details on the Annex to the Toppan Group Declaration on the Global Environment (first edition)

[https://www.toppan.com/assets/en/pdf/sustainability/The\\_Toppan\\_Group\\_Declaration\\_on\\_the\\_Global\\_Environment\\_AnnexV1.pdf](https://www.toppan.com/assets/en/pdf/sustainability/The_Toppan_Group_Declaration_on_the_Global_Environment_AnnexV1.pdf)



## 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 Medium-and-Long-Term Environmental Targets for Fiscal 2030

Toppan has established the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030 to achieve the Toppan Group Environmental Vision 2050. The performance indicators set for the 2030 targets are shown below.

- 1) Contributing to decarbonization: “Scope 1 & 2 and Scope 3 greenhouse gas emissions,” “Renewable energy ratio out of total power consumption”
- 2) Contributing to resource circulation: “Final landfill waste disposal,” “Waste plastic material recycling rate”
- 3) Optimal water use: “Scores calculated using a water-risk assessment tool (water risks in river basins),” “Water consumption (business impact)”

### Single-year Environmental Targets

The Ecology Center (overseeing Toppan's eco-activities) aggregates the Group's annual environmental performance data on each goal of the Toppan Group Medium-and-Long-Term Environmental Targets for Fiscal 2030, reports the aggregation results to the Board of Directors, decides on a set of Groupwide

single-year targets, and develops measures for the current year with authorization from the Board of Directors. Site-specific targets set in line with the Groupwide targets are treated as key

performance indicators for managing the progress of environmental conservation activities carried out at individual sites.

#### 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.

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

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

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

### Environmental Targets for Fiscal 2022

	Performance Target	Performance Indicator	Target Value for Fiscal 2022
① Contributing to decarbonization	Reduce CO <sub>2</sub> emissions	Scope 1 and 2 greenhouse gas emissions	1,117 kt-CO <sub>2</sub> e
		Scope 3 greenhouse gas emissions	5,651 kt-CO <sub>2</sub> e
② Contributing to resource circulation	Reduce final landfill waste disposal	Final landfill waste disposal	5,579 t
	Circulate resources	Waste plastic material recycling rate	57.0%
③ Optimal water use	Set quantitative targets according to regional risks		

## Environment-related Data

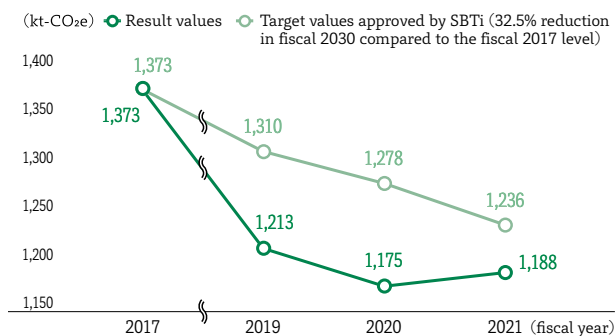
Activity results, performance data

### Toppan Group Medium-and-Long-Term Environmental Targets (Fiscal 2021 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

In fiscal 2021 the Toppan Group achieved its single-year Scope 1 and 2 greenhouse gas (GHG) emission reduction target in line with progress towards the target for 2030 approved by the Science Based Targets initiative (SBTi).

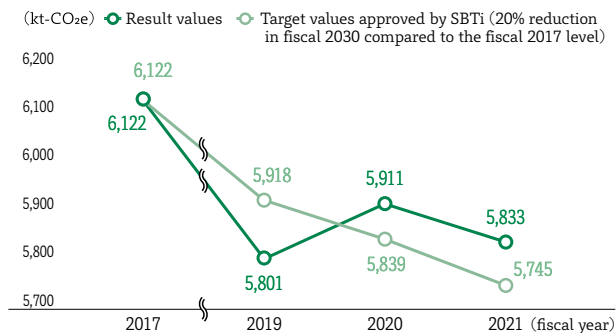


\*For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, 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 the Business Activities of Specified Dischargers.

#### Scope 3 Greenhouse Gas Emissions

In fiscal 2021 the Toppan Group failed to attain its single-year Scope 3 GHG-emission reduction target in line with progress towards the target for 2030 approved by the SBTi.



\*Methods for calculating the Scope 3 GHG emissions are presented on page 106.

#### Renewable-derived Energy: Amount and Ratio

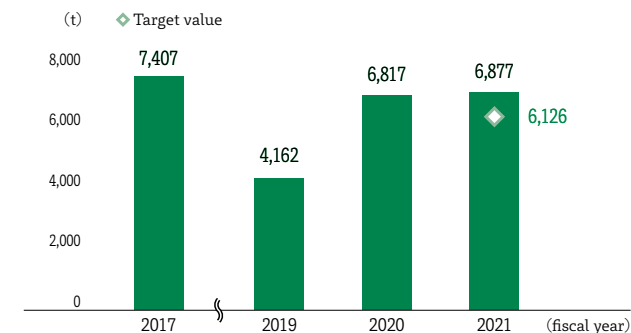
Fiscal Year	Renewable-derived Energy (GWh/year)	Ratio (%)
2021	11.10	0.67

\*Renewable-derived energy (electricity derived from renewable energy sources) is the renewable energy procured from electricity retailers plus the total energy generated at renewable energy power facilities (for solar power and hydro power) installed at Toppan Group sites.

\*The ratio of renewable-derived energy is the percentage of electricity derived from renewable energy sources out of the Group's overall power consumption.

#### Final Landfill Waste Disposal

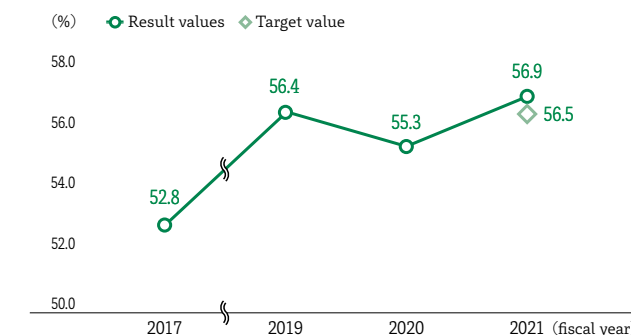
The Toppan Group failed to attain its reduction target in fiscal 2021. In fiscal 2021, the Group began activities to attain single-year targets set in line with the medium-and-long-term targets for fiscal 2030.



\*The data for fiscal 2020 and earlier are adjusted based on revised calculation methods.

#### Waste Plastic Material Recycling Rate

The Toppan Group achieved its recycling-rate target in fiscal 2021. In fiscal 2021, the Group began activities to attain single-year targets set in line with the medium-and-long-term targets for fiscal 2030.



## 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.

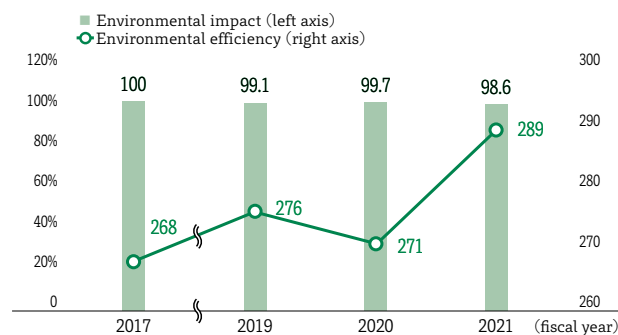
## Quantifying Environmental Impact based on LIME

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 1.4% reduction in environmental impact and an 8% enhancement in environmental efficiency in fiscal 2021, compared with the baseline values in fiscal 2017 (the base year in the LIME 3 calculation).

## LIME 3 Assessment Across the Group

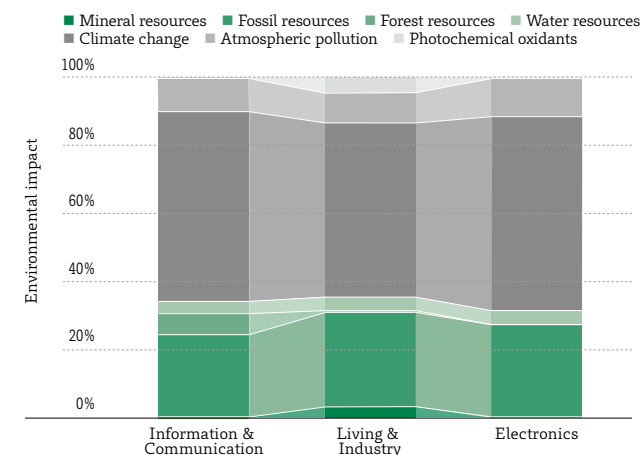
### Global Environmental Impact and Environmental Efficiency



\*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.

### 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.

# Environmental Management

## Promotion Framework

Approach Promotion framework

### Promotion Framework

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 the verification results to the Board of Directors.

The Toppan Group has established an environmental conservation framework in which the heads of every business 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 business 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.

## Managing Climate Change Risks

The Toppan Group has set up a TCFD Working Group composed of personnel from relevant head office departments 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.

### Environmental Management Structure



## Environmental Management Systems

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 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 (for details, see the "List of Indicators Assured by an Independent Assurance Provider" on page 148). The center discloses the verified performance data via the Toppan corporate website and other communication channels.

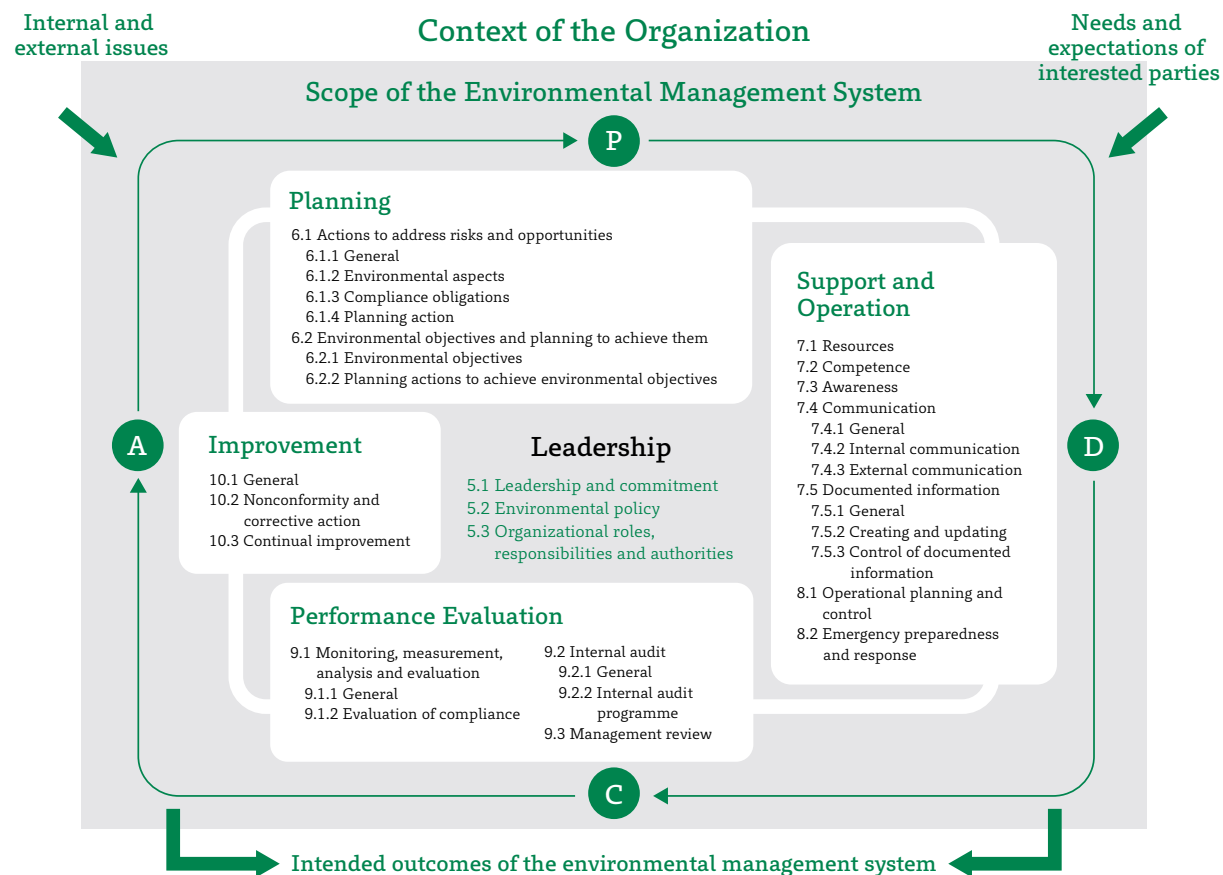
For environmental targets, in particular, the Ecology Center decides a set of site-specific, single-year targets based on the Groupwide targets and develops current-year measures with authorization from the Board of Directors. These site-specific targets are treated as key performance indicators for 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 the Group's ISO 14001 EMS certification (in Japanese) <https://www.toppan.co.jp/about-us/our-corporate-approach/iso/iso14001.html> >

More details on the "Independent Assurance Report" (see page 149) >

More details on the monitoring of soil and groundwater pollution in the Group (see page 114) >

## Management Cycle under ISO 14001:2015



## Numbers of Internal Environmental Audits and Issues in Need of Improvement (Fiscal 2021)

Domestic Sites Audited	54
Issues in Need of Improvement Identified at Domestic Sites	26
Domestic Sites Reviewed	4

**ISO 14001 Certification (54 systems at 91 sites, as of March 31, 2022)****ISO 14001 Certification Obtained at Toppan Inc. and Domestic Subsidiaries**

Operational Site (Division or 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 Prosprint 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
Head office, Saitama Plant (Livrettech 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 (Dongguan) Packaging and Printing 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 Systems 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 Optonics Display Technology Co., Ltd.	SGS	June 2012
Siam Toppan Packaging Co., Ltd.	MASCI	April 2002
Gravity Group IND. LLC	URS	February 2015

## Environmental 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 2021)

Training	Number of Trainees
New employee training: General environmental education	464
E-learning-based program on Toppan's sustainability initiatives	18,300
E-learning-based program for personnel in charge of the environment in fiscal 2021	526
Toppan Challenge School (15 courses)	28
Toppan Business School (7 courses)	2,374
Internal environmental auditor training program	175

## Environmental Communication

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.

# Mitigation of Global Warming

## Basic Approach

### Approach

### Policy

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

Global climate change has huge impacts on corporate activities and the lives of people around the world. Recognizing this burden, Toppan positions global warming mitigation as a critical challenge for management. Based on the Toppan Group Declaration on the Global Environment, every person in the Group is firmly committed to the creation of a sustainable society and strives to address climate change as a responsible member of the international community.

Toppan 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 encourage the broad use of renewables into the future.

## Activities

### Activity results, performance data

### Reducing Greenhouse Gas Emissions

The Toppan Group has been reducing total emissions of carbon dioxide (CO<sub>2</sub>) 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 utility facilities used for long periods 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 those gases 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 CO<sub>2</sub> 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.

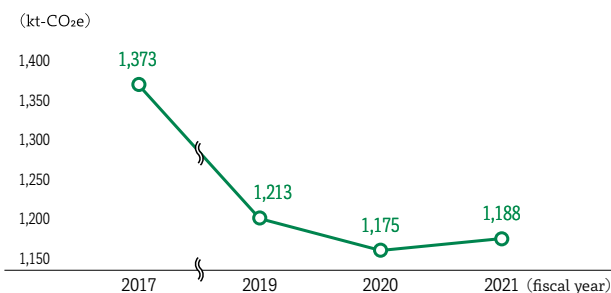
## Data on Greenhouse Gas Emissions

Activity results, performance data

### Greenhouse Gas Emissions

#### Scope 1 and 2 Greenhouse Gas Emissions


(subject to the Group medium-and-long-term environmental targets) 

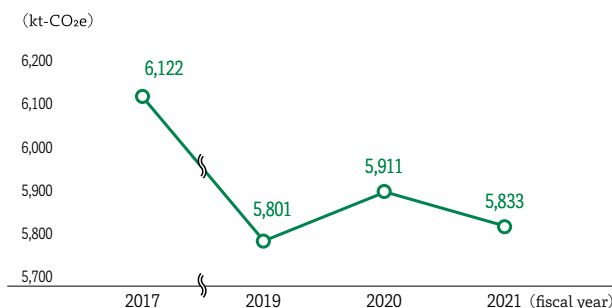


\*For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, 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 the Business Activities of Specified Dischargers.

#### Scope 3 Greenhouse Gas Emissions

(subject to the Group medium-and-long-term environmental targets) 

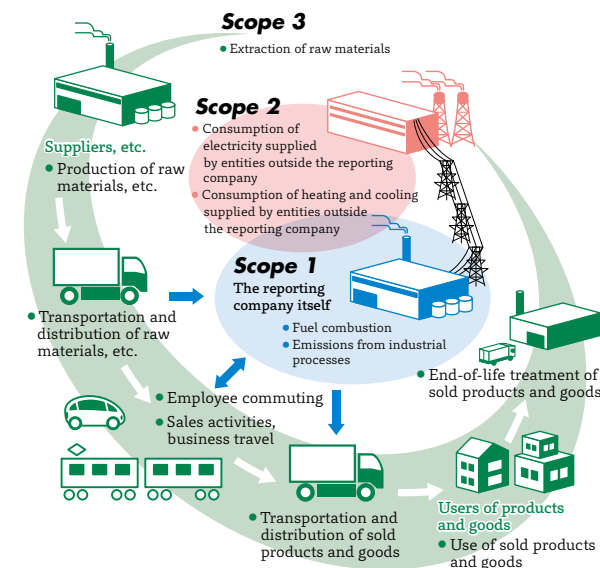


\*Methods for calculating the Scope 3 GHG emissions are presented on page 106.


#### Scope 1, 2, 3 Greenhouse Gas Emissions

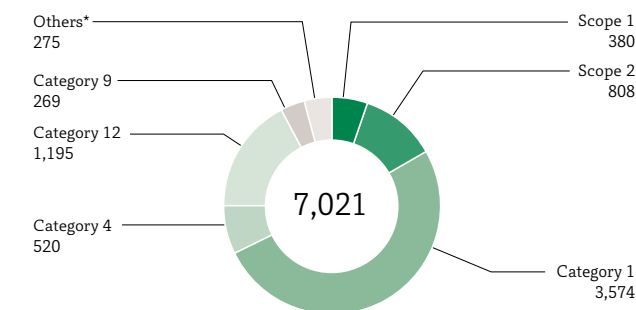
Based on the fiscal 2021 results, Toppan calculated Groupwide Scope 3 greenhouse gas (GHG) emissions (indirect emissions not included in Scope 2, associated with business operations throughout the entire value chain of the Group) to identify the categories of corporate activity that emitted more GHGs and to establish priority targets in the Group's GHG-emission reduction strategy. This calculation showed that several categories related to raw material consumption collectively accounted for the largest share of the Group's GHG emissions, primarily: category 1 (manufacturing of products purchased by Toppan), categories 4 and 9 (transportation and distribution of products purchased and sold by Toppan), and category 12 (end-of-life treatment of products sold by Toppan).

#### Calculating Scope 3 Greenhouse Gas Emissions



#### Scope 1, 2, 3 Greenhouse Gas Emissions

(kt-CO<sub>2</sub>e) 



\*Others:

Category 2	147
Category 3	95
Category 5	3
Category 6	5
Category 7	24
Category 8	1

## 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 adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, 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 the Business Activities of Specified Dischargers.

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 <sup>*2</sup>
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 <sup>*1</sup>
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 <sup>*1</sup> 2. CFP-DB <sup>*2</sup>
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 <sup>*2</sup>
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 <sup>*1</sup>
Category 6	Business travel	Emissions associated with business travel by employees	Business travel expenses by transport mode	MOE-DB <sup>*1</sup>
Category 7	Employee commuting	Emissions associated with the commuting of employees between their homes and worksites	Commuter fares or petrol costs	MOE-DB <sup>*1</sup>
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 <sup>*2</sup>
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 <sup>*2</sup>
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.

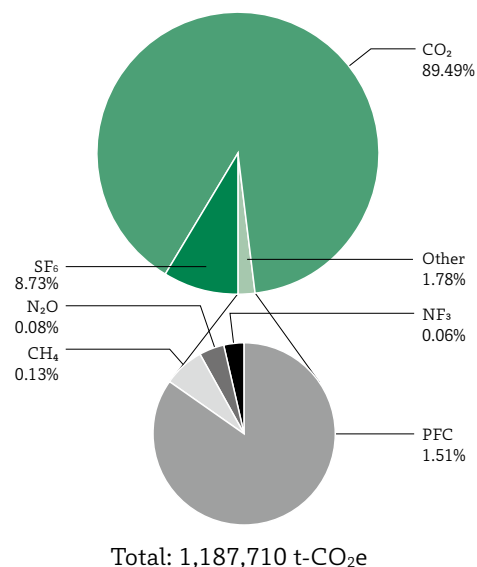
• The calculation boundary covers Groupwide GHG emissions associated with Toppan Inc. and Group entities consolidated for accounting purposes.

• 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.

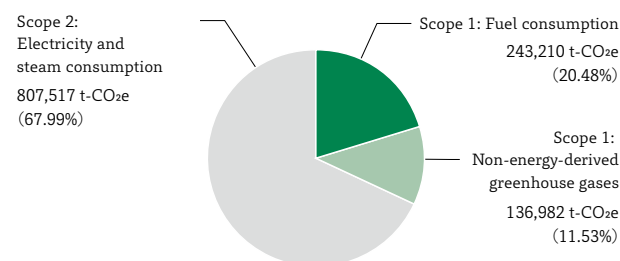
\*1 MOE-DB: Emission unit database for calculating the greenhouse gas emissions, etc. of organizations throughout the entire supply chain (ver. 2.5) issued by the Ministry of the Environment of Japan

\*2 CFP-DB: Standard database (ver. 1.01) of the Japan Environmental Management Association for Industry (JEMAI) Carbon Footprint of Products (CFP) Communication Program

## Percentages of Greenhouse Gas Emissions by Type (in tons of CO<sub>2</sub> equivalent)



## Percentages of Greenhouse Gas Emissions by Source (in tons of CO<sub>2</sub> equivalent)



### Notes

- For Scope 1 and 2 emissions, greenhouse gas (GHG) emissions associated with electricity consumption at domestic sites are calculated using the adjusted emission factor according to the method specified in the Ministerial Ordinance Concerning the Calculation of Greenhouse Gas Emissions from the Business Activities of Specified Dischargers issued by the Ministry of the Environment (MOE) of Japan. Meanwhile, 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 the Business Activities of Specified Dischargers.

- Fiscal 2021 GHG emissions from domestic sites (including Group company sites) and overseas sites are based on calculations of energy-derived CO<sub>2</sub> emissions and non-energy-derived GHG emissions (namely, CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, and NF<sub>3</sub> 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 CO<sub>2</sub>-equivalent values are included.



## Calculated Level of Fluorocarbon Leakage (Fiscal 2021)

Domestic Sites	1,097 t-CO <sub>2</sub> e
Overseas Sites	1,435 t-CO <sub>2</sub> e

### Notes

- The value shown for domestic sites (including Group company sites) is 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 is calculated by a method corresponding to the Japanese Act on Rational Use and Proper Management of Fluorocarbons.

## Values, Results, and Evaluation of Environmental Targets for Fiscal 2021

	Performance Target	Performance Indicator	Fiscal 2021			
			Target Value	Result	Achievement Rate	Evaluation
Contributing to decarbonization	Reduce CO <sub>2</sub> emissions	Scope 1 and 2 greenhouse gas emissions	1,174 kt-CO <sub>2</sub> e	1,188 kt-CO <sub>2</sub> e 	98.8%	B
		Scope 3 greenhouse gas emissions	5,745 kt-CO <sub>2</sub> e	5,833 kt-CO <sub>2</sub> e 	98.5%	B

### Evaluation criteria

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

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

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

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

Achievement rate: 200 – (values actually achieved / target values) × 100 [%]

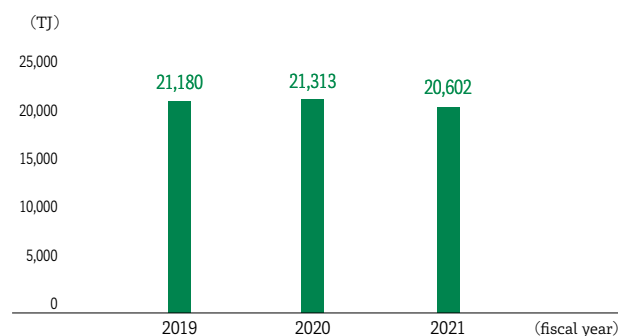
## Associated Data

Activity results, performance data

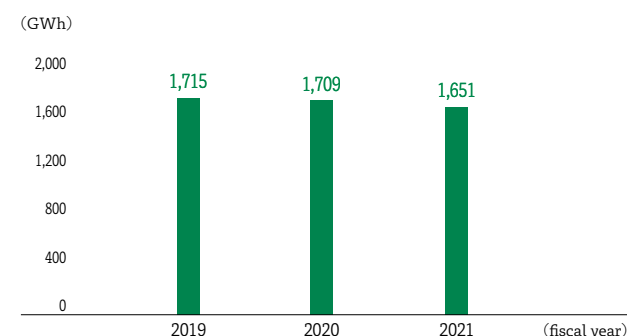
### Energy Consumption

Toppan evaluates and discloses Groupwide environmental data, including data at overseas Group subsidiaries.

#### Energy Consumption

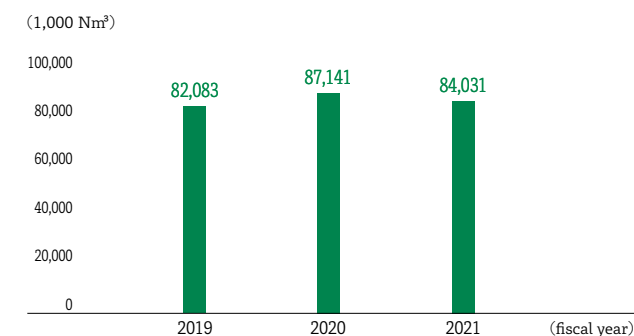


#### Electricity Consumption

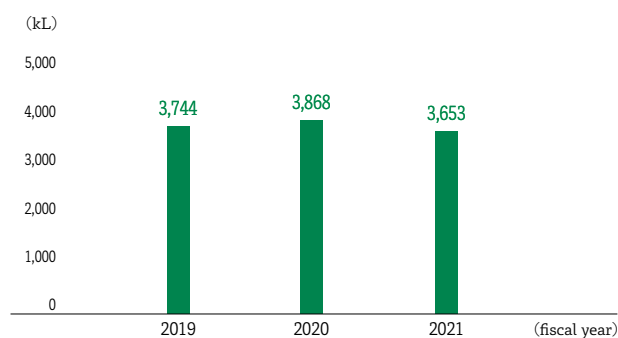


\*The Group consumes electricity derived from renewable energy sources, in addition to the electricity shown above.


#### Natural Gas Consumption



#### Kerosene Consumption



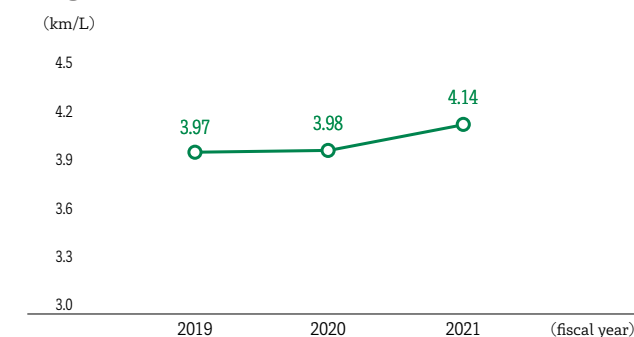
#### Renewable-derived Energy: Amount and Ratio

Fiscal Year	Renewable-derived Energy (GWh/year)	Ratio (%)
2021	11.10	0.67 

\*Renewable-derived energy (electricity derived from renewable energy sources) is the renewable energy procured from electricity retailers plus the total energy generated at renewable energy power facilities (solar power and hydro power) installed at Toppan Group sites.

\*The ratio of renewable-derived energy is the percentage of electricity derived from renewable energy sources out of the Group's overall power consumption.

#### Fuel Efficiency of Vehicles Owned by Toppan Logistics



# Building of a Recycling-oriented Society

## Basic Approach

### Approach

The Toppan Group has formulated a set of priority policies towards the building of a recycling-oriented society as a critical challenge for 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; and 3) Third priority is given to the application of appropriate treatment methods to industrial waste and waste materials not reused or recycled.

The order of priority may be revised if another order of priority is deemed to be more effective for reducing

environmental burden.

## Activities

### Activity results, performance data

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 64%) of the total waste discharged at Group sites. The next largest portions are waste plastics derived from plants in the Living & Industry field (17%)

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. The list on the left below shows the targets for the discharge, discharge-reduction, and recycling of plastic industrial waste, including plastics used in products. These are the Group's primary measures for plastic circulation undertaken to comply with the Plastic Resource Circulation Act enforced in Japan in April 2022. As for the sustainable use of water, a limited resource, individual Group sites assess water risks, reduce the levels of water consumed, and control the quality of effluents discharged into water systems.

Toppan will continue to strive for the effective use of limited resources by reducing overall waste discharge and promoting material recycling across the Group.

## Plastic Circulation Targets Based on Japanese Legislation\*

	Company Name	Fiscal 2021 Discharge(t)	Fiscal 2022 Reduction/Recycling Target
High-volume waste dischargers	Toppan Packaging Products Co., Ltd.	13,993	Increase the material recycling rate by 1.8% year over year
	Tamapoly Co., Ltd.	1,649	Reduce roll-film rewinding loss to below the previous year's level
	Toppan Decor Products Inc.	1,414	Increase the material recycling rate by 1.8% year over year
	Toppan Communication Products Co., Ltd.	836	Increase the material recycling rate by 1.8% year over year
	Toppan Inc.	732	Increase the material recycling rate by 1.8% year over year
	Toppan Infomedia Co., Ltd.	549	Increase the material recycling rate by 1.8% year over year
	Toppan Plastic Co., Ltd.	483	Increase the material recycling rate by 1.8% year over year
Waste dischargers	Toppan TOMOEGAWA Optical Films Co., Ltd.	380	Increase the material recycling rate by 1.8% year over year
	Toppan Packaging Service Co., Ltd.	244	Increase the material recycling rate by 1.8% year over year
	Toppan Electronics Products Co., Ltd.	104	Increase the material recycling rate by 1.8% year over year
	Toppan Techno Co., Ltd.	33	—
	Toppan Media Printech Tokyo Co., Ltd.	11	Increase the material recycling rate by 1.8% year over year
	Kansai Bottling Co., Ltd.	7	—
	Toppan Prosprint Co., Ltd.	6	—
	Toppan Graphic Communications Co., Ltd.	0.2	—

\*Targets for the discharge, discharge-reduction, recycling of plastic industrial waste (including plastics used in products), and other plastic circulation measures based on the Plastic Resource Circulation Act of Japan

## Values, Results, and Evaluation of Environmental Targets for Fiscal 2021

	Performance Target	Performance Indicator	Fiscal 2021			
			Target Value	Result	Achievement Rate	Evaluation
Contributing to resource circulation	Reduce final landfill waste disposal	Final landfill waste disposal	6,126 t	6,877 t	87.7%	B
	Circulate resources	Waste plastic material recycling rate	56.5%	56.9%	100.7%	A
Optimal water use	Evaluate water consumption according to use at individual Group sites and implement an automatic water-quality monitoring system to prevent water pollution across the Group		Evaluate water consumption and measure effluent quality at individual Group sites Examine system specifications for adoption of IoT technologies			

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:  $200 - (\text{values actually achieved} / \text{target values}) \times 100$  [%]

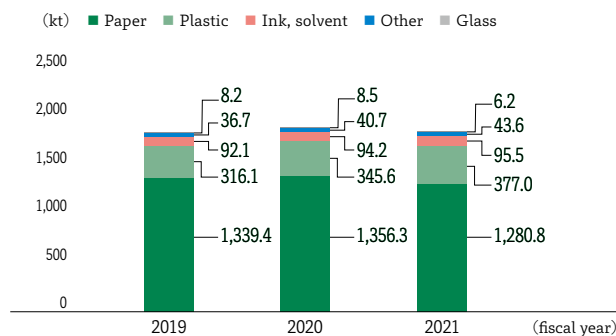
\*Every indicator assured by an independent assurance provider is marked with an assurance stamp

## Associated Data

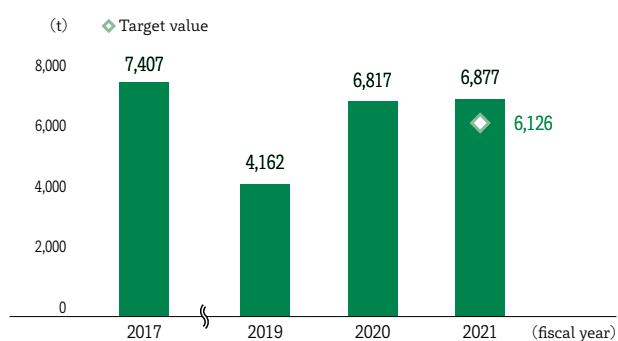
### Activity results, performance data

Toppan evaluates and discloses Groupwide environmental data, including data at overseas Group subsidiaries.

#### Material Input

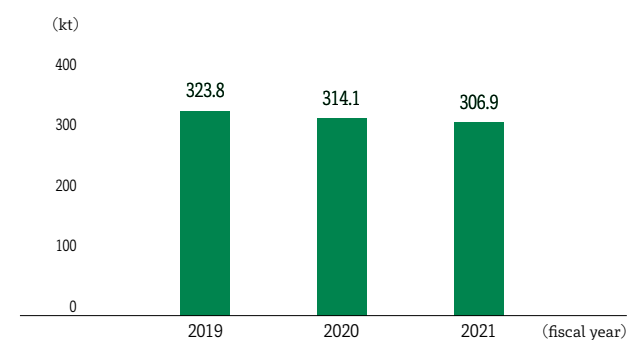


#### Final Landfill Waste Disposal

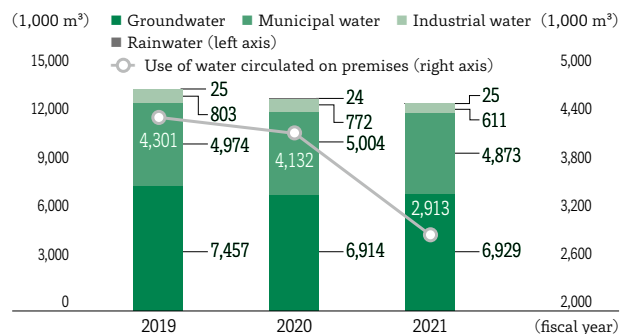


\*The data for fiscal 2020 and earlier are adjusted based on revised calculation methods.

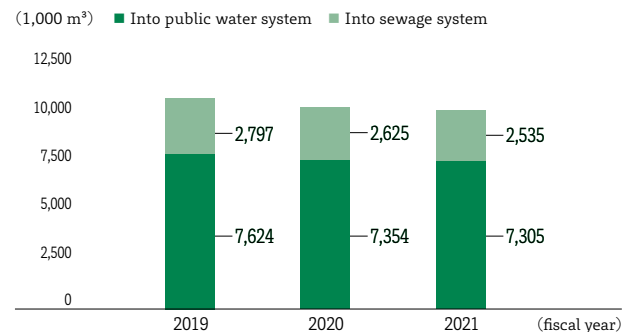
#### Waste Recycling



#### Water Consumption



#### Effluent Discharge



#### Waste Plastic Material Recycling Rate



# 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

### 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 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.

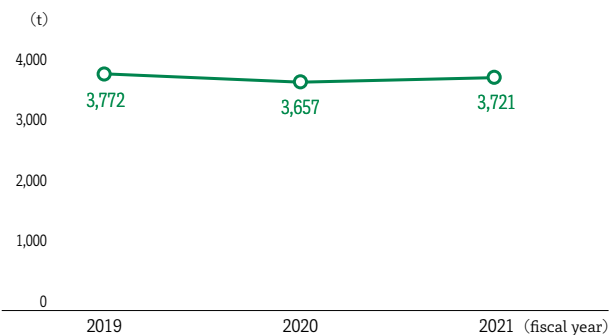
More details on the Toppan Group Standards for the Management of Chemical Components of Raw Materials (ver. 4.8)  
<https://www.toppan.com/assets/en/pdf/about-us/our-corporate-approach/chemical-components-of-raw-materials-v4.8en.pdf>



## Associated Data

### Activity results, performance data

#### VOC Emissions into the Atmosphere (Domestic sites, including Group company sites)



#### Chemical Substances Designated under the PRTR law of Japan (Domestic sites, including Group company sites)

(Unit: kg/year)

PRTR No.	Chemical Substance	Handled	Released (1 + 2 + 3)				Total Transferred
			1. Atmosphere	2. Water	3. Soil		
20	2-aminoethanol	39,129	752	0	752	0	12,712
44	Indium and its compounds	1,532	0	0	0	0	0
53	Ethylbenzene	10,199	698	698	0	0	320
59	Ethylenediamine	1,619	0	0	0	0	1,619
71	Ferric chloride	3,175,876	2	0	2	0	3,118,481
76	Epsilon-caprolactam	2,254	0	0	0	0	284
80	Xylene	46,561	886	886	0	0	324
87	Chromium and chromium (III) compounds	22,070	10	0	10	0	14,141
88	Chromium (VI) compounds	13,064	0	0	0	0	1,264
151	1,3-dioxolane	24,395	244	244	0	0	4,030
213	N,N-dimethylacetamide	3,126	234	234	0	0	500
243	Dioxins	770	7	7	0	0	763
245	Thiourea	1,932	2	0	2	0	1,929
272	Copper salts (water-soluble, except complex salts)	383,192	224	0	224	0	197,080
296	1,2,4-trimethylbenzene	97,052	2,839	2,839	0	0	7,556
297	1,3,5-trimethylbenzene	11,546	493	493	0	0	1,691
300	Toluene	837,226	50,958	50,958	0	0	83,459
308	Nickel	29,946	0	0	0	0	0
309	Nickel compounds	10,561	5	0	5	0	8,270
374	Hydrogen fluoride and its water-soluble salts	15,588	354	9	345	0	13,804
392	n-Hexane	2,050	21	21	0	0	339
411	Formaldehyde	7,965	56	56	0	0	1,027
412	Manganese and its compounds	2,639	135	0	135	0	1,768
438	Methylnaphthalene	14,055	70	70	0	0	0
448	Methylenebis (4,1-phenylene) diisocyanate	37,825	0	0	0	0	0
	Total	4,791,402	57,984	56,509	1,475	0	3,470,597

#### Notes

- Period covered: April 1, 2021–March 31, 2022
- 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. The Group positions the control of pollution as a critical challenge for management and places utmost priority on environmental conservation initiatives to attain zero 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

### Activity results, performance data

### 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. Toppan works to reduce environmental burden and prevent pollution by observing 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 organic solvents and appropriately controlling combustion facilities.

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.

Despite these efforts, the Fukusaki Plant of Toppan Packaging Products Co., Ltd. in Hyogo Prefecture was involved in an environmental accident in December 2021. An organic solvent leaked from storage equipment into a retention pond outside of the plant premises. Toppan immediately reported the leak to local government bodies and took countermeasures. The prefectural government resumed operations to sluice water from the pond in March 2022, after confirming that the quality of the water was unaffected. The Fukusaki Plant purified the soil and groundwater by removing rainwater drainage that had contaminated the plant premises and excavating and removing contaminated soil around the leakage point. The remediation

work was completed in July 2022.

### 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 2021 Results

Toppan has used the Group's in-house environmental database for operational sites across Japan to identify any risk that the limits stipulated under laws, ordinances, agreements, and other applicable regulations are or will be surpassed. 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 and another site recorded one case of excessive water contamination by BOD, relative to standards set under laws, ordinances, agreements, or other applicable regulations, in fiscal 2021. The Toppan Group took immediate corrective measures in both cases, including steps to inspect the 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.

Communities around Toppan plants filed four complaints at four sites in fiscal 2021. One was related to odor and the other three involved noise. The Group has identified the plant facilities responsible for the odor and noise and taken steps to mitigate any inconvenience experienced by the surrounding communities.

Toppan will continue enhancing the quality of the Group's environmental management through earnest dialogue with the members of surrounding communities.

Fiscal 2021	Excessive Levels Relative to Applicable Legal Standards	Complaints
Cases	2 (1 case involving water contaminant [BOD]; 1 case involving odor)	4 (3 cases involving noise; 1 case involving odor)

## 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 under 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 2 completed

## Organizing Pollution Control Training

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 positions the conservation of biodiversity as a critical challenge for management. As a guide to drive conservation initiatives, the Group established a Basic Policy on Biodiversity in April 2010. A set of Paper Procurement Guidelines for the Sustainable Use of Forest Resources was also formulated in September 2011 to avoid or minimize the impacts on biodiversity during raw material procurement operations. For intensified biodiversity efforts, Toppan undertakes community activities to conserve local environments through preventative and adaptive approaches formulated from long-term perspectives. These activities focus on cooperation with community members and various other stakeholders with links to biodiversity. The Group believes that biodiversity conservation and the sustainable use of biodiverse resources help mitigate global warming and enhance environmental security.

## Required Actions

### Policy

A list of actions required for biodiversity conservation throughout the Toppan Group is shown on the above right.

### Required Actions

1. Sustainable raw material procurement
  - 1) Sustainable paper procurement
  - 2) Thorough paper recycling
  - 3) Green purchasing
2. Consideration of land-use
  - 1) Use of site green space
  - 2) Conservation and restoration of site neighborhoods
3. Pro-biodiversity products and services

## Activities

### Activity results, performance data

### Sustainable Raw Material Procurement

#### 1) Sustainable paper procurement

The Toppan Group Sustainable Procurement Guidelines (version 3) set out requirements and recommendations for forest conservation. The guidelines state the following: “When using resources derived from forests, oceans, or living organisms, etc., Business Partners should avoid the use of resources that have been illegally extracted, cultivated, or treated. Business Partners are also expected to take resource conservation into consideration when using raw materials, including from the perspective of controlling deforestation and forest degradation.” The Toppan Group surveys the legality of lumber as a raw material for paper production, as a means of promoting the sustainable use of forest resources (see page 44).

#### 2) Thorough paper recycling

Toppan believes that maximum paper resource circulation discourages new use of forest resources. The Group thoroughly recycles paper materials that have not been processed into products.

The Group also collects used Cartocans (Toppan's paper-based beverage containers) within Group sites and processes them into toilet paper for use in Toppan offices and plants.

#### 3) Green purchasing

Toppan has been engaging in green purchasing for paper products based on the Group's in-house standards for stationery and office goods. The Group applies various measures to avoid the purchase of virgin wood-pulp products, such as the preferential purchasing of paper products composed of higher ratios of recycled pulp.

#### ECO-GREEN (Cartocan-recycled toilet paper) Purchasing

	Number of Cases
Fiscal 2021	2,585

Note: ECO-GREEN is a toilet paper composed of about 50% used Cartocan (paper-based beverage container) paper.

#### Green Purchasing of Stationery and Office Goods

	Level of Fulfillment
Fiscal 2021	74.0%

## Consideration of Land-use

### 1) Use of site green space

Toppan's land-use practices support biodiversity in green spaces across Group sites. To bolster biodiversity efforts, Toppan has received third-party certification from the Association for Business Innovation in harmony with Nature and Community (ABINC)\* for two Group sites (as of the end of fiscal 2021) and applied land-use self-assessments using the ABINC's Land Use Score Card. The Toppan Technical Research Institute (an ABINC-certified site in Sugito, Saitama Prefecture) has reproduced a living space for native plants found on the waterfronts and banks of the Edo River flowing through the Kanto Plain. This nature space has been created in the water-cycle biotope within the site premises, with help from the Ecosystem Conservation Society-Saitama. Toppan has also been a qualified member of the 30by30 Alliance for Biodiversity, a platform established by the Ministry of the Environment and other organizations in Japan, since April 2022. Group sites take steps to preserve native species and rare plants within their premises. They also work to conserve green spaces for habitats for assorted creatures through various green initiatives, such as nest boxes for birds and plant spaces to grow host plants for butterfly larvae.

\*A certification program for evaluating and accrediting biodiversity-friendly initiatives to be planned and managed in line with the principles stated in the Guidelines for Sustainable Business Site Management® using the Land Use Score Card. The guidelines and score card were established by the Japan Business Initiative for Biodiversity (JBIB).

### 2) Conservation and restoration of site neighborhoods

Toppan employees and their families take part in biodiversity conservation activities organized by environmental NPOs and local governments. Many of the activities focus on the cleanup of rivers and other natural surroundings in Toppan site neighborhoods. Before activities were suspended with the spread of COVID-19, Group sites across Japan invited nature

experts to lead “creature-discovery” events where kids learned about biodiversity around rivers and in natural parks. The children taking part in these events had seminal experiences with nature as future protectors of biodiversity.

The Group has also been cooperating with a project to grow flowers along the Arakawa River with support from the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure and Transport of Japan. In July 2022, the Sakado Plant in Saitama Prefecture began setting planters to preserve agrimony and motherwort, two native species grown in the Arakawa basin. In the years to come, Sakado Plant personnel will plant the agrimony and motherwort seeds and seedlings in their original habitat, the Mitsumata-numa Biotope extending through Ageo, Kawagoe, and the town of Kawajima in Saitama Prefecture.



Biotope at the ABINC-certified Toppan Technical Research Institute



Receiving nursery plants from the Ecosystem Conservation Society-Japan



Nursery agrimony and motherwort plants



Growing plants at the Sakado Plant

## Pro-biodiversity Products and Services

The Toppan Group promotes the sound nurturing of forests and strives to develop products and services that alleviate the overuse of forest resources.

### 1) Nurturing sound forests—Forest-thinning paper product

The paper-based Cartocan beverage container exemplifies the Group's ongoing product development efforts to make preferential use of paper made partially from lumber harvested from forest-thinning operations conducted to encourage a sounder forest cycle.



### 2) Alleviating overuse—Recycled composite décor materials

Toppan Material Wood is a composite wood substitute that can be molded for use in various types of décor. It is produced by mixing waste plastics of no value with powdered waste wood from factories and construction sites.



## Associated Data

Activity results, performance data

### Forest Management Certification

#### FSC® and PEFC Certification (As of July 5, 2022)

FSC: Forest Stewardship Council

PEFC: Programme for the Endorsement of Forest Certification Schemes

Operational Site (Division or Group Company)	Country	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	✓	
Nishinihon 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 Nishinihon Co., Ltd.)	Japan	✓	
Toppan Infomedia Co., Ltd.	Japan	✓	
Living & Industry Division (Toppan Inc.)	Japan	✓	✓
Kansai Living & Industry Subdivision (Nishinihon Division, Toppan Inc.)	Japan	✓	
Chubu Division (Toppan Inc.)	Japan	✓	
Mito Plant (Toppan Prosprint Co., Ltd.)	Japan	✓	
Higashinihon Subdivision (Higashinihon Division, Toppan Inc.)	Japan	✓	
Hokkaido Subdivision (Higashinihon Division, Toppan Inc.)	Japan	✓	
Kyushu Subdivision (Nishinihon Division, Toppan Inc.)	Japan	✓	
Chugoku & Shikoku Subdivision (Nishinihon Division, Toppan Inc.)	Japan	✓	
Tosho Printing Co., Ltd.	Japan	✓	✓

Operational Site (Group Company)	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	✓	
Decotec Printing S.A.	Spain	✓	✓
Barcelona Office (Toppan Europe GmbH)	Spain	✓	
London Office (Toppan Europe GmbH)	UK	✓	
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	PRC	✓	✓
Toppan Forms (Hong Kong) Ltd.	PRC	✓	
Toppan Merrill IFN Limited	PRC	✓	
Toppan Merrill Limited	Hong Kong	✓	
INTERPRINT Decor (Malaysia) Sdn. Bhd.	Malaysia	✓	
Toppan Security Printing Pte. Ltd.	Singapore	✓	
Siam Toppan Packaging Co., Ltd.	Thailand	✓	
InterFlex Group	UK	✓	
Toppan (Shanghai) Management Co., Ltd.	PRC	✓	
New Jersey (TOPPAN Merrill LLC)	USA	✓	

# Environmental Data

## Environmental Performance Data

Activity results, performance data

### Major Types of Environmental Burden (Groupwide: covering all Group companies around the world)

Category		Chief Component	Environmental Burden (Groupwide)
INPUT	Material (t)	Total input	1,803,104
		Paper	1,280,838
		Ink, solvent	95,515
		Plastic	376,978
		Glass	6,187
		Other	43,586
	Energy (TJ)*1	Total consumption	20,602
		Fuel	4,513
		Electricity, steam	16,088
	Water (1,000 m <sup>3</sup> )	Total consumption	12,438
		Industrial water	611
		Municipal water	4,873
		Groundwater	6,929
		Rainwater used	25
		Use of water circulated on premises	2,913
	Chemical substances (t)*2	Handling of chemical substances designated under the PRTR law	4,791

\*1 Energy consumption associated with fuel and electricity consumption is calculated using the conversion factor specified in the Act on the Rational Use of Energy of Japan.

\*2 The PRTR data and VOC emissions only cover domestic sites, including Group company sites.

\*3 CO<sub>2</sub> emissions are calculated using the adjusted emission factor according to the method specified in the Guidelines for Calculating Greenhouse Gas Emissions from Businesses issued by the Ministry of the Environment (MOE) of Japan. CO<sub>2</sub> 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). Scope 1 greenhouse gas emissions include CO<sub>2</sub> emissions derived from combustibles burned in incinerators.

Category		Chief Component	Environmental Burden (Groupwide)
OUTPUT	Atmosphere	CO <sub>2</sub> emission (t-CO <sub>2</sub> )*3	1,187,710
		Scope 1	380,193
		Scope 2	807,517
		Release of chemical substances designated under the PRTR law (t)*2	57
		VOC emission into the atmosphere (t)*2,4	3,721
	Water and soil environments	Total effluent discharge (1,000 m <sup>3</sup> )	9,840
		Into public water system	7,305
		Into sewage system*6	2,535
		BOD (kg)	25,435
		COD (kg)	52,692
		Nitrogen discharge (kg)	23,789
		Phosphorous discharge (kg)	12,371
		Release of chemical substances designated under the PRTR law (t)*2	1
	Waste (t)	Total discharge*5	315,512
		Recycled	306,900
		Final landfill disposal	6,877

\*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).

\*6 Includes 10,415 m<sup>3</sup> of spring water from the premises of the Akihabara Sales Building.

## Environmental Accounting

Activity results, performance data

### Capital Investment for Environmental Conservation

(million yen)

	Item	Major Content	Fiscal 2021	Increase/ Decrease from Fiscal 2020	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)	591 (99)	286 (25)	1,131 (444)
2	Investment in equipment to conserve the global environment	Investment in equipment to conserve the global environment by mitigating global warming, etc.	1,514	100	1,156
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)	167 (7)	39 (2)	145 (4)
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	15	9	17
	Total		2,287	434	2,449

### Environmental Conservation Benefit

Item	Major Content	Increase/Decrease from Fiscal 2020	Fiscal 2021
Energy	Total energy consumption (TJ)	-711	20,602
Water	Water consumption (1,000 m <sup>3</sup> )	-276	12,438
Atmosphere	CO <sub>2</sub> emission (kt-CO <sub>2</sub> )	13	1,188
	Emission of dioxins (mg-TEQ)	1	7
Water and soil environments	Total effluent discharge (1,000 m <sup>3</sup> )	-139	9,840
	BOD (t)	1	25
	COD (t)	7	53
Waste	Total discharge (kt)	-7	316

## Environmentally Friendly Products (98 products as of August 2022)

Activity results, performance data

Business Field	Product	Standard Categories
Information & Communication	Ecothrough Card	Suitability for disposal
	Bulky Waste Processing Sticker	Resource saving (reduced use of materials)
	Eco Pack (life-size POP display)	Resource saving (reduced use of materials)
	Paper Desk Calendar	Use of recycled materials
	Ecology Calendar	Use of recycled materials
	Non-vinyl Chloride Lenticular Lens	Suitability for disposal
	Eco Pack Multipanel	Reusability
	Eco Floor Sticker	Suitability for disposal
	Eco Pack End Panel	Resource saving
	Eco Pack Stand (round type)	Resource saving
	Disk Tottokun Series	Resource saving, prolonged product life, recyclability, suitability for disposal
	Ultra-thin DM (brochures, etc.)	Resource saving, reduced energy consumption in production, recyclability
	Eco Pack Multipanel Mini	Reusability, prolonged product life, recyclability, easy separation and disassembly
	Multicube POP	Reusability, prolonged product life, recyclability, easy separation and disassembly
	Green Bankbook	Recyclability, suitability for disposal
	KAMICARD®	Biodegradability, use of safe materials, resource saving, recyclability
	KAMI-RFID CARD	Recyclability, use of safe materials, resource saving, easy separation and disassembly
	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
Electronics	Flip chip ball grid array [FC-BGA] substrate (halogen free)	Suitability for disposal
	Color filter (resin black matrix [BM])	Use of safe materials, energy saving, reduced release of chemical substances, suitability for disposal
	Palladium pre-plated leadframe	Use of safe materials, reduced release of chemical substances, suitability for disposal
	Flip chip ball grid array [FC-BGA] substrate (lead free)	Use of safe materials, reduced release of chemical substances, suitability for disposal
Living & Industry	Toppan Ecowall	Reduced release of chemical substances, use of safe materials, suitability for disposal
	TOPPAN ECO SHEET	Reduced release of chemical substances, extension of product life
	GL BARRIER (Exceptional*)	Use of sustainable resources, resource-saving efforts
	Stand-up Pouch	Resource-saving efforts
	Bottled Pouch	Resource-saving efforts
	Plastic container made from recycled materials	Use of recycled materials
	TT Paper Can	Use of sustainable resources
	Ecotainer	Recycling, improvement in transport efficiency
	TL-PAK	Recycling, improvement in transport efficiency
	EP-PAK (EP-GL)	Improvement in transport efficiency, recycling
	EP-PAK (Al)	Improvement in transport efficiency
	Stand-up Laminated Tube	Resource-saving efforts
	Recyclen Cap	Recycling

Business Field	Product	Standard Categories
Living & Industry	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
	Cylindrical paper-composite container for refill	Use of sustainable resources
	High-resistance Flexible Pouch	Resource-saving efforts, improvement in transport efficiency
	BIOAXX (label)	Use of sustainable resources
	Aluminum-free Lid Material	Use of sustainable resources
	Multi-layer Blow Tube	Resource-saving efforts
	Steam-release Packaging	Reduced environmental burden during use
	Air Hold Pouch	Resource-saving efforts
	BIOAXX (flexible packaging material)	Use of sustainable resources, resource saving, environmentally friendly disposal, visualization of environmental burden
	Square-bottomed Gazette Pouch	Improvement in transport efficiency, resource saving, environmentally friendly disposal
	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
	Printed Decorative Paper (Coated Paper)	Reduced use of chemical substances, reduced use of hazardous substances
	Printed Decorative Paper (Coated Paper, FSC-certified)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances
	Printed Decor Paper for HPL/LPL (Saturated Grade Paper)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances

Business Field	Product	Standard Categories
Living & Industry	Printed Decor Paper for HPL/LPL (Saturated Grade Paper, FSC-certified)	Use of sustainable resources, reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Transfer paper for padded floors	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	Lower-VOC wallpaper (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, reduced release of chemical substances
	SnapFit	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life
	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
	Sosogi Jozu	Resource saving, improvement in transport efficiency, environmentally friendly disposal
	Preform for PET bottles	Improvement in transport efficiency, visualization of environmental burden
	FORMANO	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life
	FORTINA	Reduced use of chemical substances, reduced use of hazardous substances, environmentally friendly disposal, reduced release of chemical substances, extension of product life
	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
	Smart Deli Bag	Reduced environmental burden during use
	Plastic UV ink container	Use of recycled materials, use of sustainable resources, improvement in transport efficiency, recycling
	Forest-certified-paper packaging	Use of sustainable resources, labeling with environmental logos
	Biodegradable plastic products	Use of biodegradable materials
	Cardboard with shrink wrap packaging	Resource saving, reduced energy consumption in production, improvement in transport efficiency, recycling
	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
	FINE FEEL (101 Materium)	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, extension of product life, environmentally friendly disposal
	EP-PAK Fold & Tear/ Easy Removal Cap (Exceptional*)	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, improvement in transport efficiency, recycling, environmentally friendly disposal, labeling with environmental logos
	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
	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

\*Exceptional environmentally friendly product

Business Field	Product	Standard Categories
Living & Industry	CNF Eco Flat Cup™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, extension of product life, environmentally friendly disposal
	Itadaki Pouch™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	Itadaki Pillow	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	KaruTech	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	Pitatto Paper Tray™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal
	Mono-Material Barrier Packaging	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, extension of product life, recycling, environmentally friendly disposal
	Microwavable Paper Tray™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, extension of product life, environmentally friendly disposal
	MAPKA® packaging**	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, environmentally friendly disposal
	CUBE PAK®	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, use of sustainable resources, environmentally friendly disposal
	Tube-Pouch™	Reduced use of chemical substances, reduced use of hazardous substances, resource saving, extension of product life, environmentally friendly disposal, visualization of environmental burden
	ECOLUSTER™ packaging	Reduced use of chemical substances, reduced use of hazardous substances, use of sustainable resources, reduced energy consumption in production, environmentally friendly disposal, visualization of environmental burden

\*\*MAPKA® is a registered trademark of Eco Research Institute Ltd. of Japan

## Environment-related Business

### Activity results, performance data

Thanks to the Group's projects focused on the United Nations Sustainable Development Goals, the total sales of environment-related businesses satisfying Toppan's in-house criteria (including, most notably, sales of environment-friendly products) rose to 781.8 billion yen in fiscal 2021.

To ensure consistency with the Group's management strategy, Toppan will treat sustainable transformation (SX) priority theme sales as the key performance indicator for environment-related business, starting from fiscal 2022.

## Green Procurement and Green Purchasing

### Activity results, performance data

#### ■ JFPI Green Procurement Standards for Paper and Level of Fulfillment

Green Principle	Level 1	Level 2	Fiscal 2021 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	4.2%
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 2021 Result*
1. Avoiding the use of substances harmful to the human body	Conformance with the NL regulations of the Japan Printing Ink Makers Association		98.5%
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 2021 Result
Copy machines and printers	Configured to automatically revert to low-power mode or off mode	91.4%
Stationery and office goods	Products listed in eco-friendly product catalogues of manufacturers	74.0%

## Participating in the Green Purchasing Network

### Activity results, performance data

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>



## CFP and Carbon Offsetting Initiatives

### Activity results, performance data

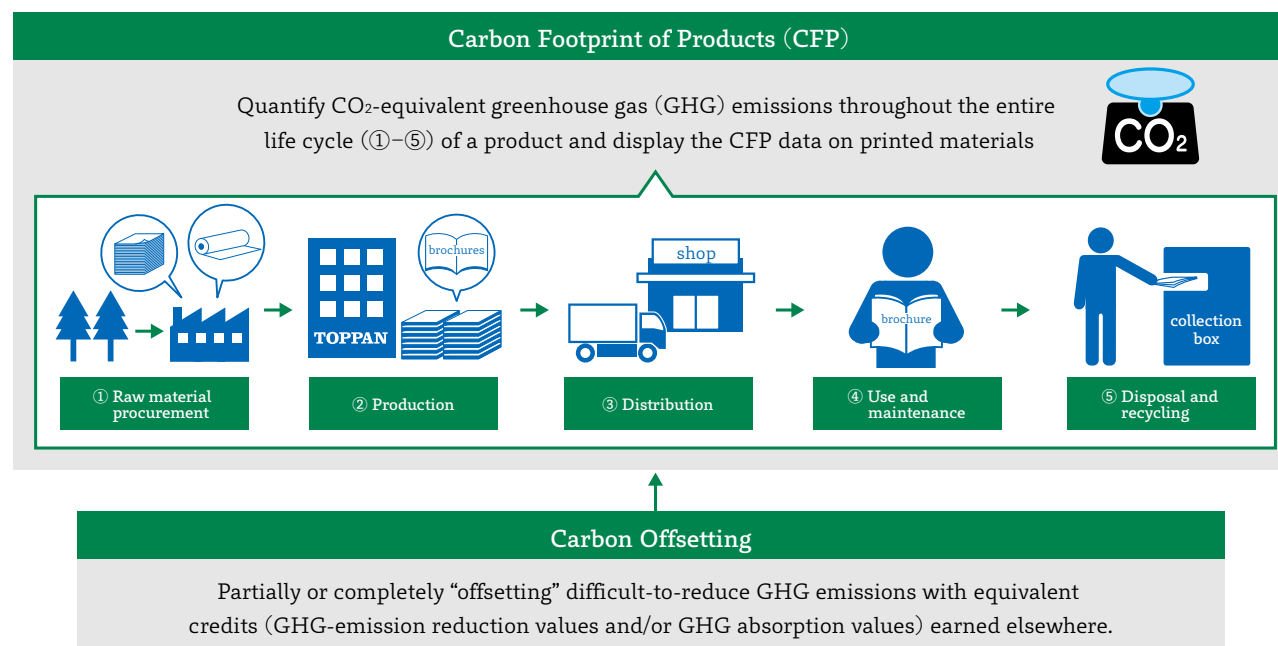
The Toppan Group has been visualizing CO<sub>2</sub> emissions associated with printed materials and events through CFP\* and carbon offsetting initiatives. The Group's one-stop service for client companies covers every step from CFP quantification to carbon-offset certification. This procedure has also been applied to the Group's own products and events. In fiscal 2021 the Group conducted CFP quantifications for 21 products, services, and events.

In self-initiated activities, CO<sub>2</sub>-equivalent greenhouse gas

emissions associated with printed materials issued by the Toppan Group have been 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.

\*"Carbon footprint of products (CFP)," a project advocated by the Japanese Ministry of Economy, Trade and Industry

### Framework for CFP and Carbon Offsetting



# Governance

- P. 124** Corporate Governance
- P. 128** Strict Compliance
- P. 132** Information Security
- P. 139** Risk Management
- P. 142** BCP / BCM
- P. 145** Tax Governance



# Corporate Governance

## Basic Approach

### Approach

Reinforced corporate governance serves as an integral foundation to achieve sustainable growth and medium- to long-term increases in the corporate value of the Toppan Group. Toppan has formulated the Basic Policy on Corporate Governance of Toppan Inc. to clarify the basic approach and framework of its corporate governance based on a full understanding of the principles and aims of the Corporate Governance Code established by the Tokyo Stock Exchange. Toppan revised the basic policy in March 2020 to better align it with efforts related to diversity and the SDGs. The policy was partially revised once more in December 2021 to further enhance corporate governance.

Toppan Inc. works with related companies in the Toppan Group to consolidate management under the Related Company Administration Regulations prescribed for the advancement of fair management within the Group. Toppan promotes governance aimed at maximizing the value of the entire Group through this approach.

More details on the Basic Policy on Corporate Governance of Toppan Inc.  
<https://www.toppan.com/en/ir/management/governance-policy.html>

## Promotion Framework

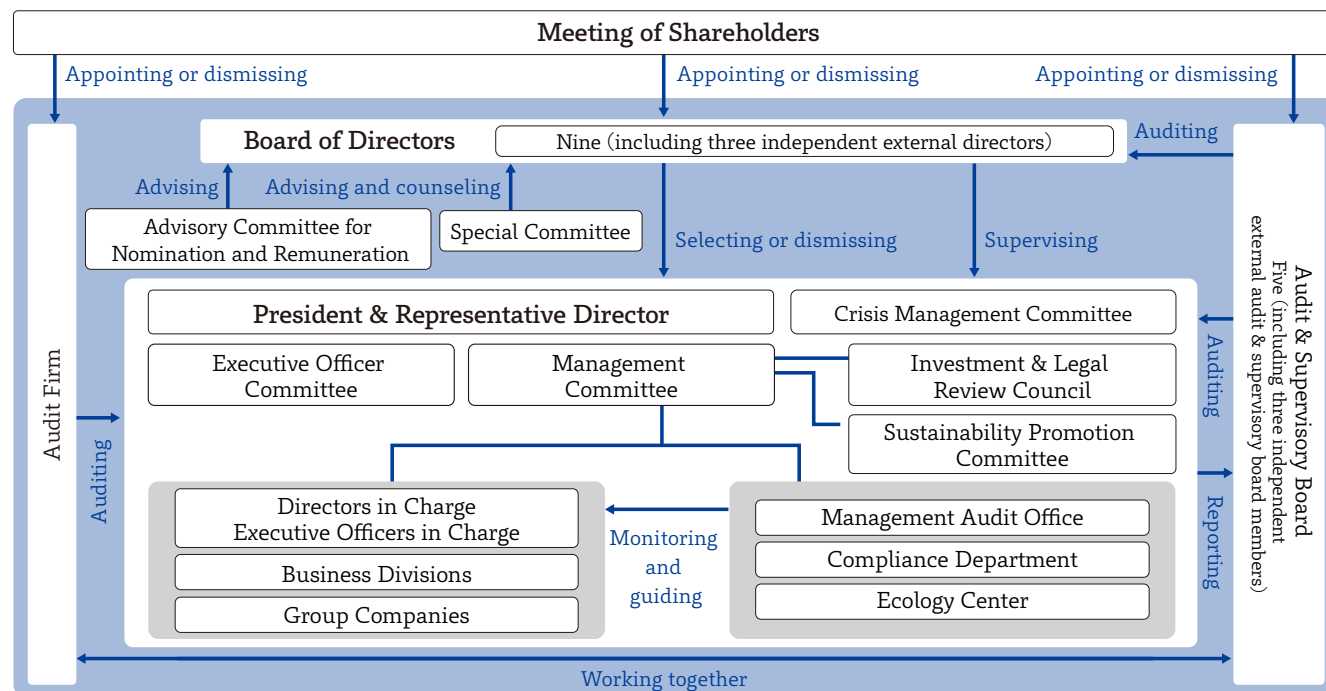
### Promotion framework

Toppan Inc.'s governance structure employs an Audit & Supervisory Board. As a body entrusted by shareholders, the Board of Directors strives to achieve sustainable growth and a medium- to long-term increase in the corporate value of the Toppan 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 of Directors 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, 2022)



## Directors, Board of Directors, and Various Meetings

The Articles of Incorporation of Toppan Inc. stipulate that the number of directors shall not be more than 15 and that resolutions for the appointment of directors shall be adopted by a majority of the votes of attending shareholders who hold one-third or more of the voting rights of the shareholders entitled to vote at the general meeting.

The Board of Directors is made up of six internal directors and three independent external directors (as of June 29, 2022). Toppan has also adopted an executive officer system to clarify the authority and responsibilities of those in charge of business execution and to enable prompt responses to changes in business environments. In addition to the executive officers concurrently serving as directors, the Company has 33 executive officers not concurrently serving as directors.

Ordinary meetings of the Board of Directors are held monthly as a basic rule to make decisions in accordance with the Regulations of the Board of Directors, receive reports from directors, and supervise their business execution. With consideration for the urgency of matters, in addition to ordinary meetings the Board holds extraordinary meetings as required. Eighteen board meetings were held in fiscal 2021.

Especially important managerial matters to be presented to the Board of Directors are deliberated beforehand by the Management Committee, a body made up of directors and several other officers nominated by the President & Representative Director. The committee makes certain decisions by laying weight on managerial efficiency in business decision-making. Nineteen committee meetings were held in fiscal 2021.

## Audit & Supervisory Board and Board Members

Toppan Inc. has five audit & supervisory board members, including three independent external members (as of June 29, 2022). In accordance with the audit standards set by the Audit & Supervisory Board, audit & supervisory board members attend meetings of the Board of Directors, the Management Committee, the Investment & Legal Review Council, and other important meetings. They also attend the meetings of executives and other meetings held by business divisions. In attending the foreshaid meetings, the audit & supervisory board members exchange opinions with representative directors, receive reports from directors and other officers on the execution of their duties, view approval documents and other important documents, and request business reports from consolidated subsidiaries. Through audits conducted mainly by these methods, the audit & supervisory board members supervise and audit management.

Full-time audit & supervisory board members, meanwhile, have striven to ascertain the situation regarding the execution of business by attending business-divisional executive meetings held in Japan and overseas and by visiting research facilities, plants, sales offices, and other Group sites around the world to interview personnel working there. In Fiscal 2021 they arranged a series of remote audits, in addition to their routine site visits. The board members also regularly convene a meeting of audit & supervisory boards from Group companies to exchange information and opinions, in order to monitor Group governance and confirm the operational status of management, primarily internal control.

Audit & supervisory board meetings are held monthly as a basic rule, and extraordinary meetings are held whenever necessary. The Audit & Supervisory Board determines audit plans, the division of audit duties, and other audit matters. The board also receives reports from board members on the status

and results of audits they have performed and reports from directors, executive officers, internal auditors, and audit firm personnel regarding the execution of duties. When reviewing the reports, the board requests explanations from them as necessary. Sixteen audit & supervisory board meetings were held in fiscal 2021.

## Internal Audits

Toppan Inc. has established a Management Audit Office independently from its business departments to enhance the soundness of management. The office audits operational sites, plants, and the sites of consolidated subsidiaries, primarily through management audits and operation audits. Twenty-two personnel in the Management Audit Office engage in audits, as of March 31, 2022. In performing the management audits, these personnel verify and evaluate consistency with management goals and confirm whether necessary-and-sufficient risk control is being implemented, by focusing on the management processes at work. In the operation audits, they verify and evaluate the mechanisms for the prevention of misconduct and for compliance with relevant laws, regulations, and in-house rules. They also confirm whether business operations are carried out efficiently and accurately without fail. Based on the operation audit results, the office makes recommendations for improvement whenever necessary. The management and operation audit results are reported to the representative directors, relevant directors, and audit & supervisory board members of Toppan Inc. and its subsidiaries, as required.

## External Directors

Toppan Inc. believes that the appointment of external directors and audit & supervisory board members with a high degree of independence from the Board of Directors is critical for sound governance. From this viewpoint, three external directors and three external audit & supervisory board members who are sufficiently independent from the Board of Directors are appointed. Toppan has confirmed that none of the external directors or audit & supervisory board members are major shareholders or stakeholders of the Company, receive monetary amounts or other assets from the Company apart from the remuneration they receive as officers, or bear any responsibility for the execution of the operations of any of the Company's major business partners.

The Company clarified its standards for assessing the independence of external directors and audit & supervisory board members by establishing the Independence Standards for External Officers of Toppan Inc. through a resolution of the Board of Directors on November 26, 2015. Toppan also assesses their independence based on relevant standards of the Tokyo Stock Exchange (TSE), in addition to the standards of the Company.

Toppan's external directors (Yoshinobu Noma, Ryoko Toyama, and Mieko Nakabayashi) and external audit & supervisory board members (Keiko Kakiuchi, Haruo Kasama, and Teruhiko Kawato) are independent officers pursuant to the TSE standards.

A support system for external officers has also been established. The external directors exchange information and opinions with other directors, as required, while the president's office provides them with necessary information from both inside and outside of the Company. The external audit & supervisory board members, meanwhile, receive internal and external information from other audit & supervisory board members and dedicated personnel working under them, as required. They also share information and exchange opinions with other members.

## Advisory Committee for Nomination and Remuneration of Directors

Toppan Inc. established an Advisory Committee for Nomination and Remuneration of Directors, pursuant to a resolution of the Board of Directors on May 26, 2016. This committee aims to further enhance the transparency and objectivity of decisions and decision-making processes regarding the nomination and remuneration of directors. In forming the committee, Toppan includes external directors who meet the requirements of Toppan's Independence Standards for External Officers and ensures that the external directors on the committee outnumber the total number of internal directors and audit & supervisory board members serving beside them. External audit & supervisory board members who meet the requirements of the independence standards can also be added. As of June 29, 2022, the advisory committee consists of two internal directors, three independent external directors, and one independent external audit & supervisory board member.

This advisory committee examines proposals from Toppan Inc. relating to the nomination and remuneration of directors (including the representative directors) and provides recommendations to which the Board of Directors or persons entrusted by the board must refer when deciding on the proposals.

## Evaluating the Effectiveness of the Board of Directors

To ensure that the Board of Directors executes duties appropriately and effectively, the Basic Policy on Corporate Governance of Toppan Inc. calls for an annual analysis and evaluation of the effectiveness of the Board of Directors and the disclosure of a summary of results. A summary of the results of the evaluation performed in March 2022 follows below.

### 1. Evaluation Method

With respect to the effectiveness of the Board of Directors, the Company surveyed and received responses from all nine directors and five audit & supervisory board members in relation to 1) the role of the Board of Directors, 2) the composition of the Board of Directors, and 3) the administration of the Board of Directors.

### 2. Summary of Evaluation Results

As a result of the survey, the Company confirmed that the Board of Directors functions appropriately in general and effectively overall.

With regard to 1) the role of the Board of Directors, the results indicated that the disclosure of non-financial information could be further enriched, while the Board of Director's dialogue on management strategy, management plans, and other management matters was significantly improved.

With regard to 2) the composition of the Board of Directors, the results indicated that the administration of discretionary advisory committees could be further improved in several areas. At the same time, many of the survey respondents expressed favorable views on the substantial re-composition of the Board of Directors effected in the previous year.

With regard to 3) the administration of the Board of Directors, the results indicated significant improvements achieved in the evaluation of administration (e.g., unrestricted discussions at board meetings realized through the re-composition of the Board of Directors), as well as the need for continuous reviews aimed at further administrative improvements.

## Group Management Approach and Policies

Policy    Activity results, performance data

Toppan aims to enhance corporate value across the entire global Group and strives to leverage both comprehensive strengths and the resources and core competencies of each company to create new value addressing challenges for clients and society. Toppan works to increase profitability by strengthening collaboration so that each Group company can be competitive in its field, and by leveraging economies of scale in areas such as joint purchasing and effective use of assets.

Toppan issued its Operating Guidelines for Overseas Subsidiaries in 2019 to reinforce Group governance. The third edition (2021) reflects factors such as changing business environments and revisions in relevant legislation and in-house rules. Toppan applies the guidelines across the Group to help overseas subsidiaries consolidate operating foundations and governance structures while maintaining autonomy.

## Sustainability Initiatives

Policy

Toppan has established a Sustainability Promotion Committee chaired by the President & Representative Director to discuss sustainability measures and make reports and recommendations to the Board of Directors. In fiscal 2020, Toppan positioned this committee as a cornerstone of corporate governance.

Details on Toppan's sustainability initiatives and approaches to matters including climate change, the TCFD, human capital, and intellectual property can be found in this report.

## Directors and Audit & Supervisory Board Members (As of June 29, 2022)

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 2021)	Number of Company Shares Held (thousands)	Expertise / Experience									
							Corporate Management	Finance / Accounting	Sales / Marketing	Internationality	Personnel / Labor Relations	Environmental / Social	Legal Affairs / Risk Management	Digital / ITC	Manufacturing	Knowledge of Other Companies
Shingo Kaneko	Chairman & Representative Director		2003	19	18/18	120	●		●			●		●		●
Hideharu Maro	President & Representative Director		2009	13	18/18	68	●		●	●				●	●	
Shinichi Ohkubo	Executive Vice President & Representative Director		2005	17	18/18	104	●				●	●	●			
Kazunori Sakai	Director & Senior Managing Executive Officer		2019	3	18/18	26	●		●	●	●			●		
Takashi Kurobe	Director & Managing Executive Officer		2018	4	18/18	14	●	●		●						
Hironori Majima	Director & Executive Officer		2021	1	14/14	9	●					●		●	●	
Yoshinobu Noma	Director (external)	✓	2010	12	18/18	34	●	●	●							●
Ryoko Toyama	Director (external)	✓	2016	6	18/18	—	●		●	●						●
Mieko Nakabayashi	Director (external)	✓	2020	2	18/18	—		●		●		●				
Masatoshi Hagiwara	Senior Audit & Supervisory Board Member		2022	—	Assumed office on June 29, 2022	8	●				●					
Itaru Kubozono	Audit & Supervisory Board Member		2019	3	16/18	5	●	●								
Keiko Kakiuchi	Audit & Supervisory Board Member (external)	✓	2016	6	18/18	—						●	●			●
Haruo Kasama	Audit & Supervisory Board Member (external)	✓	2018	4	17/18	—						●	●			●
Teruhiko Kawato	Audit & Supervisory Board Member (external)	✓	2022	—	Assumed office on June 29, 2022	—		●				●	●			

\*As a director or an audit & supervisory board member

Average tenure in years	6.42
Percentage of female officers	21.43%
Average attendance rate	98.58%

More details on the 176th securities report (in Japanese)  
[https://ssl4.eir-parts.net/doc/7911/yuho\\_pdf/S100OITA/00.pdf](https://ssl4.eir-parts.net/doc/7911/yuho_pdf/S100OITA/00.pdf)

## Remuneration to Directors and Audit & Supervisory Board Members

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.

# Strict Compliance

## Basic Approach

### Approach

Legal compliance in business operations is an indispensable condition that every corporation must satisfy to fulfill its responsibilities to society. Toppan firmly believes that every person working in the Group must fully recognize the importance of compliance, make proper judgments, and act with integrity under high ethical standards by respecting laws, regulations, in-house rules, social norms, and other standards of conduct.

Risks related to compliance increase as the Toppan Group globalizes business and intensifies its operations beyond borders.

Toppan's Conduct Guidelines were established in 2000 based on the Corporate Philosophy and Corporate Creed. The guidelines are a collection of fundamental provisions that set out the basic concepts and behavioral norms for Toppan personnel to follow in accordance with corporate ethics and the principles of legal compliance. Ten years later, in response to changes in business environments and social conditions, Toppan completely revised the guidelines into the Toppan Group Conduct Guidelines, a set of principles that all Group companies around the world, including Toppan Inc., are required to observe. The Group issued a revised set of Conduct Guidelines in April 2021 based on a comprehensive review conducted in 2020. The revised Basic Principles in the guidelines call upon employees “(to) achieve a sustainable society” and strive for “personnel diversity,” a “rewarding work environment,” and other sustainability requirements. The latest guidelines will guide accelerated efforts to address the material issues propounded in

the *TOPPAN SDGs STATEMENT*, and observance of them will help shape a sustainable society.

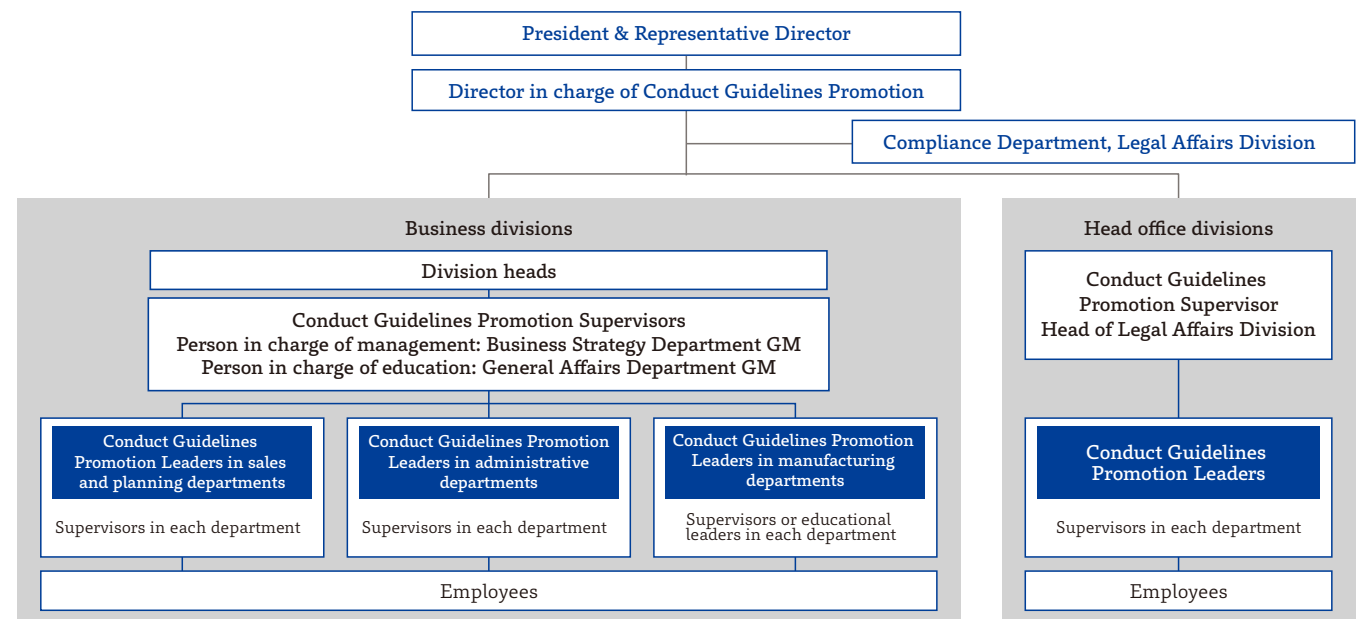
More details on the Toppan Group Conduct Guidelines  
<https://www.toppan.com/en/about-us/philosophy/conduct-guidelines.html> >

## Compliance Promotion Structure

### Promotion framework

Toppan has formulated the Toppan Group Conduct Guidelines

### Structure to Promote the Conduct Guidelines



as a set of basic rules to be fully observed by Group employees to ensure the legality of their execution of job duties. A Compliance Department set up under the Legal Affairs Division in the head office coordinates with the legal affairs departments and other related sections of Toppan's subsidiaries to secure legal compliance and establish corporate ethics across the Group. A Conduct Guidelines Promotion Leader (“Leader”) system supports guideline compliance in the workplace at Toppan Inc. and its subsidiaries. Leaders appointed under the system work to ensure guideline compliance in daily operations under the Director in charge of Conduct Guidelines Promotion.

## Conduct Guidelines Promotion Leaders

Seven hundred and thirteen Leaders were newly deployed across the Group in fiscal 2021, including 115 women (16.1% of the Leaders). A cumulative total of 11,845 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 2018	677	86 (12.7%)	9,732
Fiscal 2019	688	87 (12.6%)	10,420
Fiscal 2020	712	98 (13.8%)	11,132
Fiscal 2021	713	115 (16.1%)	11,845

## 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. In total, 104 training sessions were held online for 1,099 Leaders from Toppan Inc. and Group companies across Japan in fiscal 2021.

Group employees who wish to get a better understanding of the Conduct Guidelines can read through the *Conduct Guidelines Casebook* (revised on April 1, 2022). This casebook is especially useful for employees when they have doubts or wish for guidance in judging how to handle daily operations.

The casebook responds to changes in social conditions, legislative amendments, and other circumstances by

consolidating and modifying cases presented in the earlier edition while adding new cases associated with emerging risks in general or in Toppan's recent business operations. The Compliance Department in the Legal Affairs 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.

The Group has applied the Toppan Group Conduct Guidelines to overseas subsidiaries and held overseas briefing sessions to disseminate the guidelines and ensure strict compliance globally. Online sessions to brief participants on the latest revisions of the guidelines were arranged for 89 employees at Group affiliates in Shanghai, China in fiscal 2021. Toppan will continue to organize training on the guidelines for employees working at the Group affiliates in other countries and regions across the world.

## Main Revisions in the *Conduct Guidelines Casebook*

### • Cases involving human rights

Added human rights cases to alert Group employees to potential problems involving privacy invasion (one of the six forms of “abuse of authority” designated by the Japanese Ministry of Health, Labour and Welfare), child labor, forced labor, and other global human-rights abuses.

### • Cases involving anti-collusion measures

Added bid-rigging cases to present key points on proper bidding, as the Toppan Group is winning more contracts for public work projects.

### • Cases involving sustainable procurement

Added cases involving sustainable procurement focused on

transactions with suppliers and subcontractors, as society requires the Group to fulfill its corporate responsibilities throughout the entire supply chain.

### • Cases involving quality

Added cases involving falsified quality results linked to products and services, as conspicuous instances are emerging. Clearly indicated that falsified quality results can incite claims of contract violation and damage the Group's social credibility.

### • Cases involving diversity & inclusion

Added cases that further employees' understanding of diversity and inclusion in the workplace in accordance with “promoting diversity and inclusion,” a basic principle added to the Group's Conduct Guidelines in the 2021 revisions.

### • Cases involving intellectual property rights

Substantially revised existing cases on intellectual property rights to cover trademark rights, design rights, and the Group's efforts to file more patent applications for technologies and business models with a view to “securing and using intellectual property” as stated in the Conduct Guidelines.

### • Cases involving BCP

Added cases involving earthquake preparations and actions to be taken when a quake strikes, in order to minimize damage to the business activities of the Group in the event of an earthquake striking directly beneath the Tokyo metropolitan area or occurring on the ocean-floor trench off the coast spreading from Shizuoka to Kyushu, Japan.

### • Cases involving cyber security

Called attention to the risk of business email compromise (BEC) and required employees to use a “suspicious-email report form” on Toppan's internal website to report fraudulent email messages as soon as they are detected. These safeguards have high priority, as a surge of BEC incidents and other cyber-attacks against corporations have been causing considerable damage.

## Compliance in fiscal 2021

The Toppan Group was not involved in any serious incidents or violations of laws or regulations in the course of business in fiscal 2021.

## 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 bribery, Toppan established a set of anti-bribery rules and guidelines in March 2017 and formulated an anti-bribery framework led by the Director in charge of Legal Affairs 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. As a basic rule, Toppan prohibits Group employees from making “small facilitation payments” to public officials to facilitate or expedite routine governmental services such as visa issuance or customs clearance. No cases of inappropriate entertainment or gifts to public officials or the like were identified in fiscal 2021.

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. Thirty employees attended six sessions in Japan in fiscal 2021.

Toppan has also been formulating anti-bribery rules for overseas affiliates across the Group. In fiscal 2021, Toppan established a set of anti-bribery rules at Group affiliates in Shanghai, China and held briefing sessions for their employees.

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. Most of the target trainees are Group employees who are often assigned to sales and planning operations for public sector projects. Two hundred and ninety-six employees attended the training sessions in Japan in fiscal 2021.

## Training for Compliance with Transaction-related Legislation

Policy    Training, education

To enforce compliance with major transaction-related laws and regulations, the Toppan Group has been ensuring compliance with the Subcontract Law of Japan and comprehensively preventing improper import and export transactions.

In fiscal 2021, a total of 777 employees from departments that customarily conduct transactions with subcontractors were trained on compliance with the subcontract law, and 9,615 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 55

departments and the observance of export controls in 38 departments.

The audits in fiscal 2021 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 transactions with subcontractors or import or export transactions.

## Internal Reporting System

System    Activity results, performance data

When a person at Toppan discovers a legal violation or improper conduct somewhere in the Group, the person is 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.

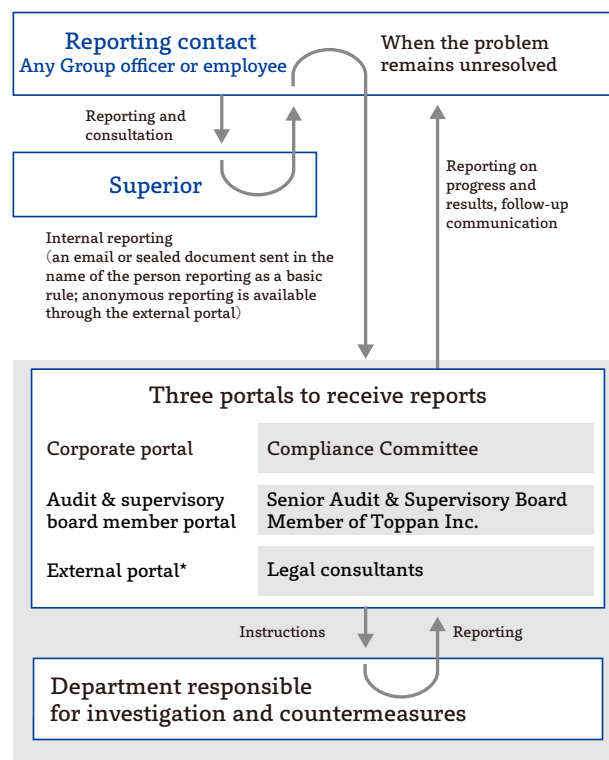
An internal website of the Group, meanwhile, posts topics on the intent of the reporting system, system outlines, and precautions regarding calls placed to the helpline, along with other helpline information. Toppan also holds rank-based training, training for new employees, and other types of training to inform Group personnel about the system.

Reporting rules were further revised in May 2022 to ensure compliance with the amended Whistleblower Protection Act enacted in Japan in June 2022.

## Number of Internal Reports

The Toppan Group Helpline was used in eight cases in fiscal 2021. No serious legal violations or cases of misconduct were reported. Seven of the helpline reports were on harassment. In the eighth, the reporting contact called for improvements in work processing. Every case was properly handled and followed up with necessary countermeasures to prevent recurrence.

### Toppan Group Helpline



(As of June 1, 2022)

\*The Compliance Committee investigates issues reported to the external portal and considers and formulates measures, etc. to handle them.

# Information Security

## Basic Approach

Approach Policy

Toppan controls information security and cyber security across the Group in the recognition that appropriate and safe management of information and systems necessary for business is a significant managerial challenge for the Group as Toppan grows as a leader in addressing global social agendas.

The threat of cyber-attacks has been mounting with the advancement of the IoT and rapid digital transformation. These attacks can result in the leakage of information assets, including personal information or confidential information, and endanger business continuity per se.

In keeping with the Toppan Group Basic Policy on Information Security, Toppan applies secure technologies and rigorous control in operations throughout the Group to drive digital transformation initiatives that enhance corporate value and reciprocate the trust of customers and society. The Group has been introducing various systems and tools to counter cyber-attacks and reinforcing safeguards across the tightly secured areas where personal information is handled throughout Japan.

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

More details on the 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

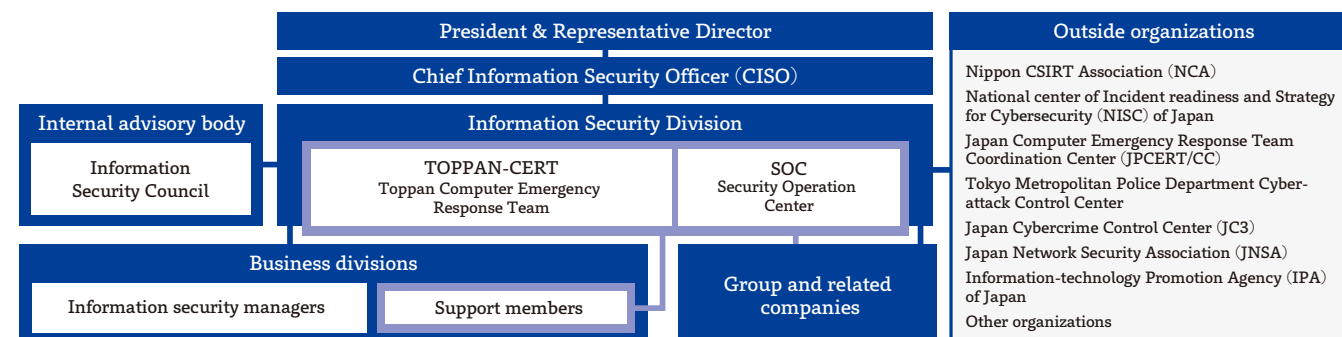
### Promotion framework

Under the direction of the Chief Information Security Officer (CISO), the Information Security Division and specialist

technical teams work together to manage information security at Toppan by overseeing business divisions and Group companies in cooperation with outside expert organizations.

In parallel, information security managers in the business divisions and Group companies work to ensure the safety of their organizations according to instructions issued by the head office.

## Organizational Structure for Information Security Management



## Information Security Management Structure

### Promotion framework

### Information Security Management

Under the Chief Information Security Officer (CISO), the 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 business divisions and related companies to share the details of information security policies and measures underway.

The Information Security Division also carries out regular audits of business divisions and related companies to check the quality of their security control and recommend corrective measures as necessary.

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

### Arranging Remote Working Environments

Toppan has reviewed the Group's information security rules for remote working and formulated standards for the use of communication tools to ensure safe working environments outside of the office. A system has been introduced to enable Group employees to promptly report suspicious incoming emails and virus-infection incidents while working from remote locations.

Remote approaches have also been adopted for internal audits and audits of various other types to confirm information security management throughout the Group.

### Revising Rules to Enhance Security Management

Toppan's rules and regulations on information security management have been established based on the ISO/IEC 27000 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 of information security throughout the entire Group, including overseas sites, and to better respond to emerging requirements in areas such as cyber security, the use of data, the IoT, and globalization. Toppan duly formulated a set of baseline standards for monitoring conformance with the Toppan Group Basic Rules on Information Security in fiscal 2021. The Group's control over information security has been reinforced through checks on conformance at Group companies.

## Complying with Laws and Regulations

### Activity results, performance data

The Toppan Group complies with the amended Act on the Protection of Personal Information of Japan, the EU General Data Protection Regulation, and other information-protection legislation around the world.

### Japan's Amended Act on Personal Information Protection

The Toppan Group has revised its rules on information security management within Toppan Inc. and various other Group rules related to the handling of personal information to ensure compliance with the amended Act on the Protection of Personal Information enforced in Japan in April 2022. The Group has also

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 are closely modeled after the guidelines announced by the Personal Information Protection Commission of Japan.

### 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.

### PrivacyMark Accreditation and ISMS Certification in Japan

Toppan's information security systems have received PrivacyMark accreditations and information security management system (ISMS) certification across Japan.

The Group is formulating in-house rules, building environments, and training personnel in charge to secure the handling of important information received from customers, personal or otherwise.

### Japan's Individual Identification Number System

The Toppan Group has added new requirements for its security control measures under in-house standards for tightly secured areas, based on guidelines for the proper handling of specific personal information issued by the Japanese government's Personal Information Protection Commission. These security

measures cover operations involving specific personal information, such as the handling of individual identification numbers under Japan's Social Security and Tax Number System and the collection of those numbers on behalf of Toppan's client companies.

Toppan has set up a room dedicated solely to the handling of these personal identification numbers, and a special team carries out accreditation audits on operations performed therein.

## Protecting Personal Information and Confidential Information

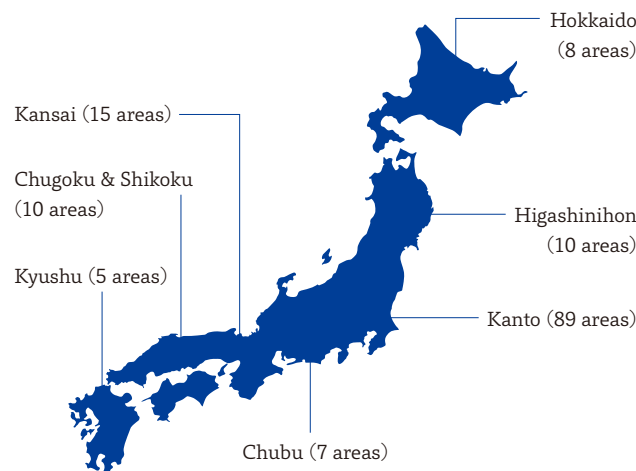
Activity results, performance data

### 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.

The Toppan Group found no instances of unauthorized information removal or other personal information-related incidents in fiscal 2021. Strict efforts to maintain a record of zero-incidents across the Group will be maintained.

### Secured Areas for Handling Personal Information in Japan (As of March 31, 2022)



### Controlling the Secured Areas

The Toppan Group seeks to ensure and upgrade security levels in the handling of personal information through regular internal audits and day-to-day operation checks based on operational management rules 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.

### Security Measures



Surveillance camera



Access control

### Controlling Security across the Supply Chain

Toppan entrusts some of its operations involving the handling of personal information and confidential information to Group and partner companies. Toppan also relies on the cloud services of external companies in performing some of the Group's business operations.

Toppan strives to mitigate supply chain risks by checking the safety of cloud services and auditing subcontractors to confirm that their controls satisfy the Group's security standards. The levels of control required of subcontractors depend on the types of information and operations entrusted to them.

## Countering Cyber-attacks

Activity results, performance data

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

### Installing the 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 system for detecting and countering sophisticated malware.

### Using 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. From fiscal 2020, Toppan began using a Cloud Access Security Broker (CASB) service that visualizes and controls computer usage in cloud environments. CASB enhances the safety of cloud-service usage by identifying risks associated with individual cloud services and detecting and restricting cloud usage subject to unduly high risk.

## Implementing Threat Intelligence and OSINT Activities

Toppan continues to implement threat intelligence and Open Source Intelligence (OSINT) activities to uncover signs of cyber-attacks against the Group and detect vulnerabilities visible to outside parties early on. Toppan strives to mitigate cyber-attack risks by addressing weaknesses detected within the Group before attacks can occur.

### Upgrading Website Vulnerability Assessments

Weaknesses in Toppan's web applications have been assessed to counter cyber-attacks targeting website vulnerabilities. An automatic vulnerability detection system is now installed to periodically diagnose the network and address vulnerabilities that become apparent from day to day. This system reinforces the Group's ability to provide customers with more tightly secured services.

## Countering Email Attacks

Cyber-threats continue to grow with the return of the malicious botnet Emotet and the rising frequency of fraudulent emails and business email compromise (BEC) crimes, where a cyber-criminal sends an email that appears to come from a familiar business acquaintance with the intent of stealing money or specific information. Starting from fiscal 2022, Toppan will be combatting these threats by launching an advanced service that uses AI analyses and machine learning to screen incoming emails. This service will mitigate targeted email attempts to steal money, exploit information, or compromise networks in other ways. Toppan will continue solidifying its systems to resist email attacks throughout the Group.

## 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.

### 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	

### 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
Livrettech 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
UNIWORX Co., Ltd.	21004696
Kirihara Shoten K.K.	24000459

## Information Security Training

Training, education

### Intensifying Training and Self-assessment

In fiscal 2021, regular group training was organized under the theme of “Staying ahead of change—Addressing risks as an advanced, reliable corporation.” Participants learned about evolving information security risks, security risks to be recognized in the teleworking era, and the newly established Toppan Group Basic Policy on Information Security.

Personnel using Toppan email addresses continued to receive e-learning-based training attuned to their individual working styles.

For employees engaged in production, courses on specific risks on manufacturing premises are also arranged online in place of group training.

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 security management at 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 item was added to the self-assessment sheet in fiscal 2021 to address a surge of cyber tricks triggered by virus-infected ZIP files delivered as email attachments with password prompts. This checklist item reminds Group employees of the need to use approved file transfer and storage services and to refrain from sending password-protected ZIP files as email attachments.



Self-assessment report on information security in fiscal 2021 (in Japanese)

### Armoris DOJO Training for Cyber Security Specialists

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 2021. Toppan aims to heighten the understanding of cyber security preparedness within and outside of the Group.



Content used for a regular training course in fiscal 2021 (in Japanese)

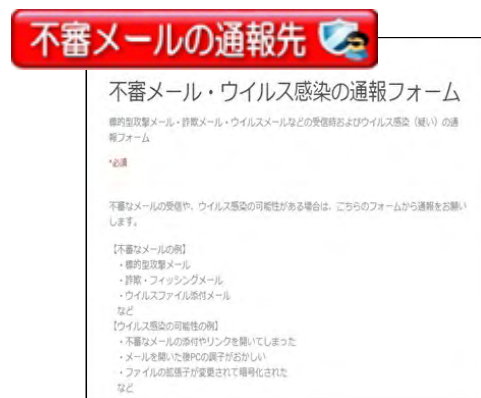
## Staying on Alert for Cyber Incidents

Training, education

### Organizing Drills to Address Virus-infected Emails

Toppan continues to hold suspicious email reporting drills twice a year. To prepare for the drills, all users of Toppan email addresses (about 23,000 users in total) are requested to add a shortcut link or icon that can be quickly clicked on their standing screens to report suspicious messages they have received or already opened. Starting from fiscal 2021, employees of overseas subsidiaries were asked to participate in the drills in parallel with employees from domestic subsidiaries and affiliated companies, expanding the coverage to about 39,000 persons in total.

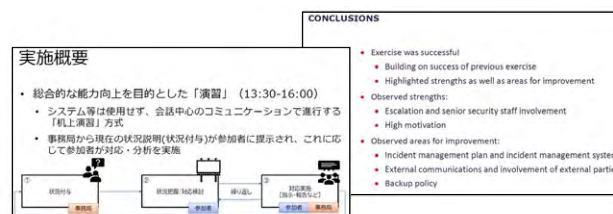
The training held in fiscal 2021 was demanding. Toppan's cyber security team prepared a fraudulent email and sent it out to employees without pre-warning in a simulated cyber-attack. When the e-mail arrived in their inboxes, some employees went ahead and clicked a fraudulent URL link in the message and failed to recognize that the webpage launched was fake.



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

## Alerting Senior Management to 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.



Operation guidance for the cyber security drill for senior management

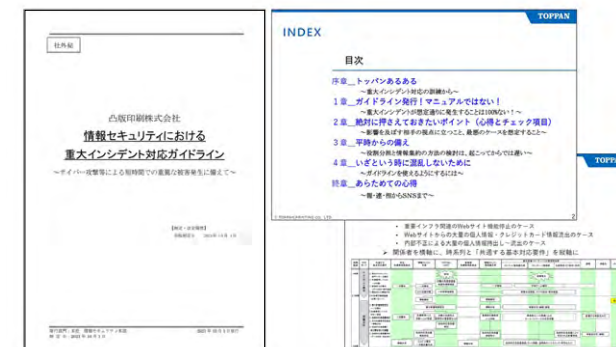
## Formulating Guidelines to Address Cyber Emergencies

Cyber threats have been escalating across borders. Their unprecedented malice and technical cunning can result in instant and severe damage in all directions. In many instances, the conventional methods used against cyber-attacks are useless.

Toppan has formulated a set of guidelines that summarize the Group's basic approach, preparations, and action flows to address serious information security incidents caused by cyber-attacks and other destructive acts. The Group is strengthening its responsiveness to cyber emergencies on the assumption that unforeseen incidents can always happen.

## 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, prepared for the games by gathering information on cyber threats through various channels, including an information-sharing system provided by the Cybersecurity Response Coordination Center of Japan. The Company also upgraded its emergency responsiveness by taking 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.



Guidelines for responding to serious information security incidents (in Japanese)

# Risk Management

## Basic Approach

### Approach

Risks surrounding corporations continue to diversify and grow more complex. The most pressing risks include global shifts in political and economic landscapes, environmental shifts brought by climate change, the growing sophistication of cyber-attacks with the advance of digitalization, and human rights issues such as forced labor.

As a group of companies engaged in manifold businesses, Toppan views accurate detection, appropriate management, and steady prevention of these impending risks as one of its principal management challenges. In keeping with this viewpoint, Toppan identifies a set of “significant risks” affecting the Group through annual risk assessments and takes steps to prevent their occurrence.

When a significant risk actually arises, Toppan immediately collects the 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.

## Promotion Framework

### Promotion framework

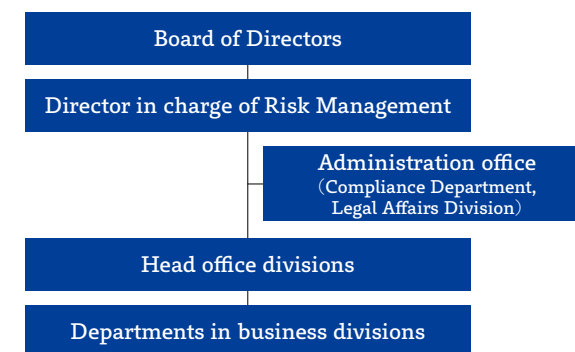
The Toppan Group manages individual risks specific to organizations such as business divisions, subsidiaries, and Group companies.

Risks associated with diverse businesses are assessed every year. The frequency and severity of possible risks are reviewed, and countermeasures are formulated based on the assessment results. Midway through each fiscal year, the Group monitors the progress of mitigation measures designed at the beginning of the year.

Among the risks identified, Toppan defines those that can exert severe adverse impacts on management as “significant risks.” Working as part of the Corporate ESG Project, the Risk Management Working Group (led by the Director in charge of Risk Management; attended by persons in charge of risk management at the responsible head office divisions; and administrated by the Compliance Department in the Legal Affairs Division) set under the Sustainability Promotion Committee (chaired by the President & Representative Director) reviews the results of risk assessments performed by relevant business divisions, subsidiaries, and Group companies. The working group also considers social conditions, the possibility of risks arising over the medium-to-long term, and various other risk-related circumstances surrounding the Group. Based on the review results, a significant risk designation for the current year is finalized with authorization from the Sustainability Promotion Committee.

Toppan designated 26 significant risks in fiscal 2022. The responsible head office divisions spearhead Groupwide efforts to plan countermeasures against these risks and implement comprehensive measures to control them (see page 140). The Director in charge of Risk Management regularly reports the outcomes of those measures to the Board of Directors.

## Risk Management Structure



[See the “Promotion Structure for Sustainability Initiatives” on page 12 for details](#) >

## Significant Risks and Countermeasures for Fiscal 2022

	Significant Risks	Main Initiatives
1	Human injury or damage to physical assets caused by infectious diseases or earthquakes, storms, floods, or other natural disasters	See pages 142-143 >
2	Climate change risks	See pages 30-35 >
3	Characteristics of the printing business <ul style="list-style-type: none"> <li>When failing to increase sales in new businesses or conduct adequate cost-cutting measures when the market shifts</li> </ul>	<ul style="list-style-type: none"> <li>Transform business portfolios</li> <li>Reinforce cost competitiveness with DX, AI, and other innovative solutions</li> </ul>
4	Risks associated with strategic partnerships, investments, or acquisitions <ul style="list-style-type: none"> <li>When failing to continue partnerships or gain expected results</li> </ul>	<ul style="list-style-type: none"> <li>Enhance due diligence efforts, intensify monitoring activities, devise improvement plans, and so on</li> </ul>
5	Risks associated with research and development <ul style="list-style-type: none"> <li>When progress is halted by delays in commercialization, launches, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Prevent delays by monitoring progress, judging step-up timing, and identifying risks</li> </ul>
6	Securing human resources to sustain business growth	See pages 57-67 >
7	Securing financing	<ul style="list-style-type: none"> <li>Diversify financing methods and time spans</li> <li>Maintain and solidify a sound financial position</li> </ul>
8	Risks associated with control of the Group	See page 127 >
9	Risks associated with overseas business <ul style="list-style-type: none"> <li>Political or economic instability in countries or regions</li> <li>Infectious disease, wide-scale disaster, conflict, or labor dispute</li> <li>Poor governance at Group overseas subsidiaries, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Build governance structures and systems based on the Operating Guidelines for Overseas Subsidiaries; comply with the guidelines, manage the structures, and operate the system</li> <li>Use business environmental risk-assessment systems provided by third-party institutions</li> <li>Organize safety training and risk- and crisis-management training before overseas assignments</li> </ul>
10	Intense market and price competition <ul style="list-style-type: none"> <li>Declining prices or a loss of product or service competitiveness due to fiercer competition in prices or product development</li> </ul>	<ul style="list-style-type: none"> <li>Devote resources to and reinforce development capabilities in DX business</li> <li>Help client companies offer customer experience (CX) services, develop Toppan's Hybrid-BPO™ services, and expand the global market for the Group's sustainable packaging materials</li> </ul>
11	Non-performing or long-term retained inventory assets, etc. due to inadequate asset management	<ul style="list-style-type: none"> <li>Improve the stock turnover ratio by promoting sales interdepartmentally</li> <li>Regularly check asset quality and monitor inventory management</li> </ul>
12	Incidents related to receivables (bad debt, customer bankruptcy, etc.)	<ul style="list-style-type: none"> <li>Set credit limits and review credit periodically based on in-house credit management standards</li> <li>Take credit protection measures in response to credit uncertainties or credit collection delays</li> </ul>
13	Fluctuations in the current value of marketable securities	<ul style="list-style-type: none"> <li>Periodically review strategic shareholdings and ascertain the financial condition, etc. of issuing companies</li> </ul>
14	Fluctuations in foreign exchange rates	<ul style="list-style-type: none"> <li>Formulate a set of risk management guidelines</li> <li>Use hedging instruments such as foreign exchange contracts</li> </ul>
15	Damage to Toppan's brand image caused by leakage, improper handling, etc. of information	See pages 132-138 >
16	Negative impact on business caused by cyber-attacks	See page 135 >
17	Loss of social trust resulting from shutdowns of production lines, digital service businesses, etc. caused by faulty ICT infrastructure	<ul style="list-style-type: none"> <li>Formulate a set of guidelines on the construction of core infrastructure</li> <li>Confirm the extent of impact on business, ascertain priorities and procedures for restoration, and organize training</li> </ul>
18	Quality-related incidents or self-imposed product recalls that can develop into issues in wider society	See pages 80-81 >
19	Risks encountered in raw material procurement	See pages 41-44 >
20	Risks associated with the leakage of toxic substances or environmental pollutants	See pages 111-114 >
21	Risks associated with waste <ul style="list-style-type: none"> <li>Unauthorized dumping, inappropriate disposal, etc. by waste-disposal service vendors</li> </ul>	See pages 109-110 >
22	Human rights risks	See pages 37-44 >
23	Fires or occupational accidents	See pages 45-47, 142-144 >
24	Risks associated with labor issues (violations of labor-related laws, labor disputes, etc.)	See pages 45-51 >
25	Infringements of patents, copyrights, or other intellectual property rights <ul style="list-style-type: none"> <li>Risk of being seen to have infringed the intellectual property rights of other parties; risk of being drawn into lawsuits; risk of being unable to prevent the unauthorized use of the Group's intellectual properties; etc.</li> </ul>	<ul style="list-style-type: none"> <li>Survey the intellectual property rights of other parties across the globe and follow up on the survey results</li> <li>Construct a strong intellectual property rights portfolio by obtaining rights in accordance with individual countries and regions</li> </ul>
26	Misconduct (serious improper conduct or inappropriate actions, etc.) or compliance violations (collusion, bribery, or other legal or regulatory violations)	See pages 128-131 >

\*For details, see the securities report (in Japanese) at: [https://ssl4.eir-parts.net/doc/7911/yuho\\_pdf/S1000ITA/00.pdf](https://ssl4.eir-parts.net/doc/7911/yuho_pdf/S1000ITA/00.pdf)

## Risk Management Structure

In accordance with the Rules on Risk Management, the Toppan Group has 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 involved.

When a risk actually arises somewhere in the Group, the responsible head office division coordinates with relevant business divisions to minimize the negative impacts on business and reports to the Board of Directors if the incident is severe. 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 outside experts.

## Risk Management Liaison Meeting

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 actions and develop preventive measures.

## Fostering Risk Awareness

### Training, education

Toppan's internal website posts its Rules on Risk Management, a list of risks facing the Group, details on the division-specific structure to address individual risks, and other risk management materials. This site is constantly updated to present the latest risk-related information for Group employees to check.

Based on the division-specific risk management structure, the responsible head office divisions spearhead Groupwide efforts to organize regular training and audits to foster employee awareness of the risks to be addressed. The impending risks facing Toppan include information and cyber security incidents, natural disasters, infectious disease outbreaks, occupational accidents, environmental issues, and compliance violations.

In parallel, the members of the Management Committee, external directors, external audit & supervisory board members, and the presidents and officers of Group companies convene a Toppan Group ESG Management Promotion Committee (see page 12 for details) to discuss key themes related to the environmental, social, and governance (ESG) issues faced by the Group. Meeting participants share their views on global risks associated with business operations across the Group. Outside experts were invited to hold seminars at the meeting in fiscal 2021. Participants also exchanged their opinions on issues such as human rights risks and climate change risks.

# 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.

Even if a disaster halts operations, Toppan will maintain its commitment to reciprocating the trust of client companies and society overall by minimizing damage to the Group's supply capacity.

Toppan adheres to a business continuity planning (BCP) protocol to ensure that Group employees remain safe and that business operations are promptly recovered when a disaster strikes. The basic policy and action procedures for disaster response are also reviewed annually to update the Group's Basic Plan for Countermeasures against Disasters. Toppan sees BCP as an essential process for fulfilling its social mission as a proponent of a sustainable society through the steady supply of products and services that society needs.

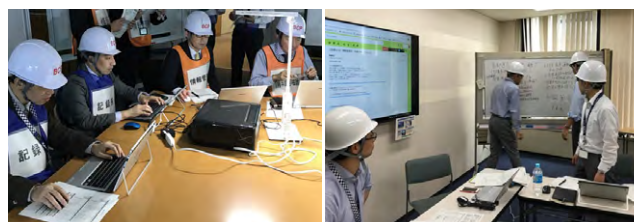
## Promotion Framework

### Promotion framework

### Activity results, performance data

### Disaster Preparedness

BCP administration offices at business divisions and subdivisions, major subsidiaries, and Group companies handle the development of BCP activities accommodated to their own operations. Groupwide taskforce members at the head office undergo regular drills to secure disaster preparedness. The BCP Promotion Office set up in the head office Legal Affairs Division in Tokyo oversees and advances these endeavors while coordinating with the BCP administration offices and related departments around Japan to enhance business continuity competence throughout the entire Group.

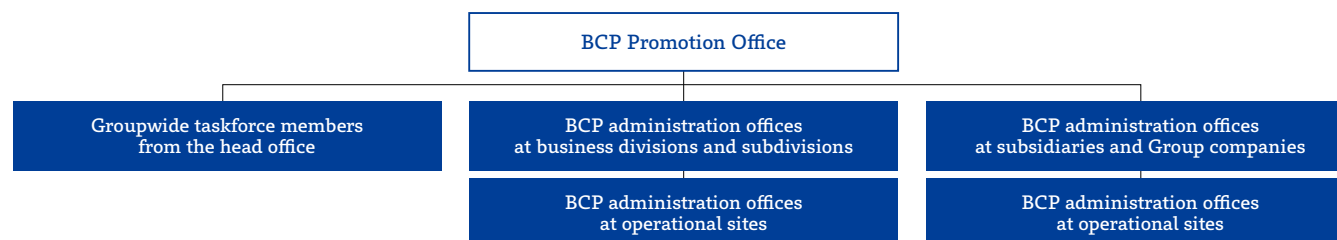


## Main BCP Activities

- **Training and drills**
  - Drills for the startup of taskforces (at the head office, business divisions and subdivisions)
  - Training for taskforce members
  - Training for personnel at BCP administration offices
- **Enhanced business continuity competence of subsidiaries and Group companies**
  - BCP activity assessments with checklists
  - Individual interviews based on the assessment results
- **Revision of documents**
  - Revision of the Basic Plan for Countermeasures against Disasters and action-procedure sheets
  - Formulation of annual action plans
- **Stronger supply chain**
  - BCP workshops for suppliers
- **BCMS operation\***
  - External audits, internal audits
  - Training and drills, revision of documents, etc.

\*Have obtained ISO 22301 certification for operations that require strict security procedures.

## Toppan Group BCP Promotion Structure



## Actions Taken during Actual Disasters

In the event of a disaster, taskforces will be set up at Toppan's operational sites in the affected region, along with taskforces at the responsible business divisions and subdivisions, subsidiaries, and Group companies across Japan. These taskforces will work under the direction of a Groupwide taskforce to be established at the head office in Tokyo. The Groupwide taskforce is to consist of directors responsible for taskforces from the head office and a number of Groupwide response units led by taskforce managers, all working under the taskforce head, their deputy, and the assistant to the head. The Basic Plan for Countermeasures against Disasters stipulates the criteria for setting up the Groupwide taskforce. Toppan has already prepared alternate sites in the Tokyo metropolitan area and Kansai region where a substitute Groupwide taskforce can be formed as a contingency for a disaster affecting the Head Office

Building in central Tokyo.

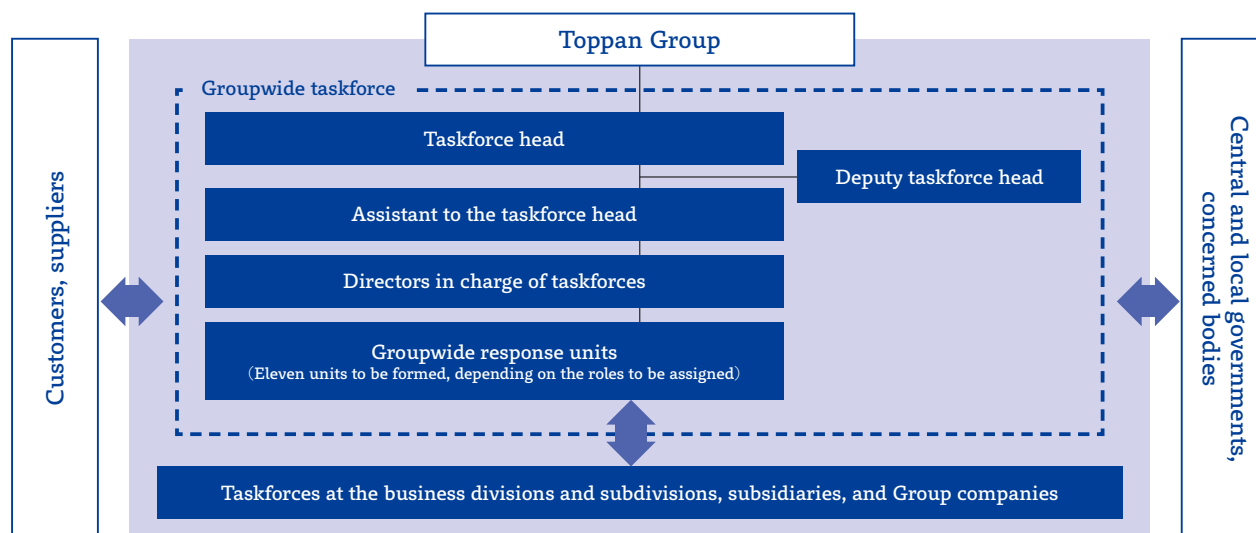
Disaster-affected sites will also start relief activities to confirm the safety of site members, provide emergency relief, and initiate other necessary actions on a top-priority basis. The Groupwide taskforce will support the operational sites affected by the disaster and assess damage to the Group's operations. Once the extent of damage is confirmed, the taskforce will design a recovery plan to move seamlessly into a systematic business-resumption phase. The taskforce will then allot corporate resources to individual businesses by balancing the needs of pertinent departments, while considering alternate production when early recovery is expected to be difficult. All of the taskforces will be dissolved and their activity logs will be compiled once the recovery is complete. Issues identified during recovery processes will be duly reflected in the Group's future recovery operations through revisions in the action procedure sheets and other imperative updates.

## Preparing for Complex Disasters

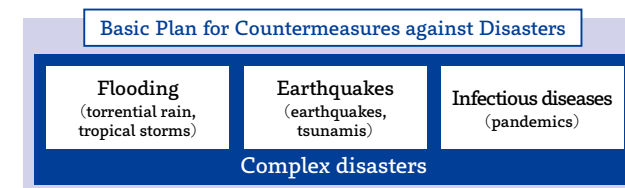
### Policy

The COVID-19 pandemic persists. While the restrictions on economic activities to mitigate the spread of COVID-19 have been gradually easing the world over, the supply chain disruptions continue. In the meantime, natural disasters linked to global warming have been occurring with greater regularity over the past decade. Japan, like many other countries, has weathered intensifying flooding incidents due to typhoons and devastating rainstorms. Wide-scale landslides and floods have been striking in different parts of the country every year. Japan is also one of the most quake-prone countries in the world. Seismologists predict that giant quakes of several types (rating seven or higher on the Japanese seismic intensity scale) are very likely to strike the archipelago. The worst of these include an earthquake directly striking the Tokyo metropolitan area and a mega-quake on the Nankai ocean-floor trench off the coast spreading from Shizuoka to Kyushu. Earthquakes are therefore the top priority in the Group's business continuity planning (BCP). Toppan's revised Basic Plan for Countermeasures against Disasters puts in place the latest preparations for these complex disasters. By further considering possible disasters, Toppan will devise and operate an all-hazards BCP program to address all foreseeable risks.

## Coordination of Disaster Recovery Activities



## From Individual Disasters to Complex Disasters

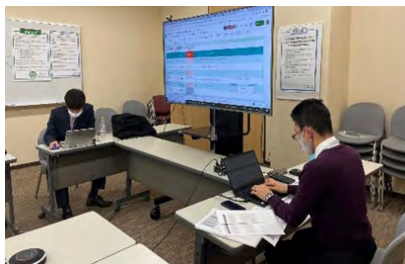


## Shifting to Remote Training and Drills

### Training, education

The current Basic Plan for Countermeasures against Disasters envisions that a portion of Group employees will work remotely to mitigate the spread of infection in the event of a disease outbreak. While previous remote sessions were a means to mitigate the spread of COVID-19, the current training is held to check the steps to be taken when the next pandemic occurs.

In the taskforce startup drill, for example, participants assigned individual roles in an online taskforce engage in disaster-recovery activities appropriate for evolving disaster scenarios displayed on their training screens while responding to information, advice, and inquiries coming in from the



Drill in progress



Screenshots of a remote drill underway (in Japanese)

taskforce members assigned information-sharing roles.

In the damage-assessment training for buildings, online instructors show photos of structural-assessment points shot beforehand and explain how to assess the structures. Online BCP workshops are also held for Group suppliers. Toppan will further improve the effectiveness of training and drills going forward while considering the inherent challenges of remote formats.



Text for structural assessment training (in Japanese)

## Posting Disaster-mitigation Information

### Training, education

Toppan's ability to minimize disaster damage hinges on heightened employee preparedness. Toppan keeps employees sufficiently prepared by delivering disaster-mitigation information through two corporate websites.

The first is "Bosai no Kokoroe (understanding disaster-preparedness)," a website that employees and their families can reach by clicking a banner on the bottom of the main page of Toppan's corporate website. Visitors to the site can check safety tips and information they need to know on three topics:

preparing, protecting, and knowing. The site also presents disaster-mitigation solutions offered by the Group and informative comic strips on flood-evacuation.



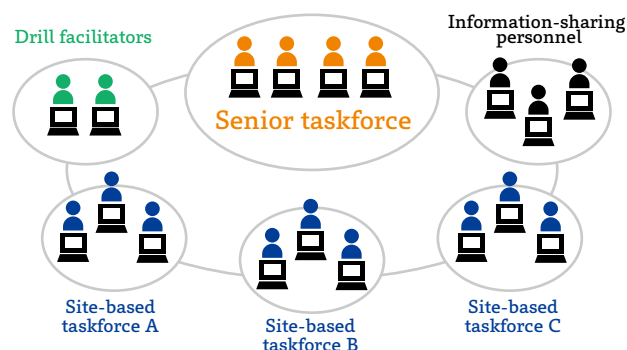
"Bosai no Kokoroe" website (in Japanese)  
<https://www.toppan.co.jp/bousai/?id=topbnr>

The second site is an internal website accessed from a banner on the head office information page in Toppan's in-house portal. Employees can find the Group's Basic Plan for Countermeasures against Disasters, in-house learning materials, and various manuals on topics such as the Group's safety verification system.



BCP website  
 (for internal use only; in Japanese)

### Coordinated Actions in Remote Training



# 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.

## 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 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.

### 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.

#### 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.

#### 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.

# Recognition (As of September 2022)

## Inclusion in ESG Investing Indexes

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

Toppan Inc. has been included in the Dow Jones Sustainability™ World Index (DJSI World) for five years running.

Developed by S&P Dow Jones Indices, a leading global index provider, the DJSI World index is widely recognized and trusted by financial experts as the world's longest-running ESG investing index. DJSI World-listed companies are chosen from more than 10,000 publicly listed companies around the world for their excellence in sustainability performance based on a stringent Corporate Sustainability Assessment (CSA) of their environmental, social, and governance practices.

Toppan was one of 322 global companies included in the DJSI World index in 2021. Among the 35 Japanese companies named, Toppan was the sole member positioned in the Commercial & Professional Services industry group.

Toppan Inc. has also been included in the Dow Jones Sustainability™ Asia/Pacific Index for three years running.

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

- CDP Climate Change
- CDP Supplier Engagement Leader



In fiscal 2021, Toppan Inc. was added to the CDP climate change "A List," a select group of top-rated companies in the climate change category established by CDP, an international NPO focused on environmental disclosure. Two hundred companies from around the world were added to the A List in 2021, including 55 companies from Japan.

CDP also selected Toppan as a 2021 Supplier Engagement Leader, awarding it one of the highest Supplier Engagement Ratings (SERs) assigned. Each year CDP SER assesses how effectively companies are working with suppliers to address climate change issues. Over 500 companies around the world, the top 8% of those that responded to the CDP questionnaire, were named Supplier Engagement Leaders in the 2021 assessment, including 105 companies based in Japan.

- MSCI Japan Empowering Women Index (WIN)

An ESG investment index provided by MSCI Inc. of the U.S. The index is composed 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 on the index for consecutive years.

2022 CONSTITUENT MSCI日本株女性活躍指数 (WIN)  
2022 Constituent MSCI Japan Empowering Women Index (WIN) (in Japanese)  
<http://info.msci.com/1/36252/2017-06-27/kj5n9b>

- 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).

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index



The FTSE4Good Index Series and the FTSE Blossom Japan Index are ESG investment indexes developed by FTSE Russell of the U.K. Toppan Inc. has been listed on both indices for consecutive years.

In 2022, Toppan was also listed on the FTSE Blossom Japan Sector Relative Index for the first time. Japanese companies gain entry to this index by exhibiting relatively outstanding ESG performance sector by sector.

- 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 the index make up the long-term investment portfolio managed by Sompo Sustainable Asset Management. As of fiscal 2021, Toppan Inc. has been listed on the Sompo Sustainability Index for 11 years running.

- 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. has received the EcoVadis Silver medal, a recognition granted to companies ranking in the top quarter of the entities assessed.

## Awards and Recognition for ESG

### The Fiscal 2021 Nadeshiko Brand

Nadeshiko Brand is a selection of companies listed on the Tokyo Stock Exchange (TSE) with outstanding performance in gender equality metrics, compiled by the Japanese Ministry of Economy, Trade and Industry (METI) and TSE. METI and TSE started announcing their Nadeshiko Brand selections in fiscal 2012 as a means of encouraging investment into the selected companies and accelerating their diversity initiatives. Toppan Inc. has been included in the Nadeshiko Brand list for three consecutive years. Toppan was one of 50 companies picked up from the TSE universe to earn this distinction in fiscal 2021.



### DX Stock 2022

In a joint initiative launched in 2015, METI and TSE introduced a Digital Transformation Stock Selection (DX Stock, formerly the Competitive IT Strategy Company Stocks), a select group of 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. has been included in the DX Stock selection for two consecutive years. Toppan was one of the 33 companies added to the selection in fiscal 2022.



### 2022 Health & Productivity Management Organization “White 500”

METI has established a Certified Health & Productivity Management Organization Recognition Program to recognize enterprises of various sizes that exhibit outstanding performance in employee healthcare initiatives from a management perspective. 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, since the launch of the program six years ago 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.



### PRIDE Index 2021

Toppan Inc. achieved its first “Gold” winner designation in the PRIDE Index, a metric for evaluating corporate efforts to create LGBTQ-inclusive workplaces, in fiscal 2021. PRIDE was developed in 2016 by “work with Pride (wwP),” a voluntary group that operates in Japan to promote LGBTQ-friendly workplaces where everyone can work with pride. wwP evaluates the performances of companies and organizations by assigning a score per wwP indicator and recognizing Gold, Silver, and Bronze winners. Toppan and 236 other entities were certified as Gold winners in fiscal 2021.



### Intellectual Property Achievement Awards

Toppan Inc. received an award from the Commissioner of the Japan Patent Office (JPO) at the Intellectual Property Achievement Awards organized by METI and JPO in fiscal 2022.

Each year on April 18, Japan's Invention Day, the METI Minister and the JPO Commissioner bestow awards to individuals who have contributed to the development, dissemination, and awareness of the Japanese system to protect and use intellectual property rights. They also bestow the Award for Excellent Corporation Utilizing the Intellectual Property Rights System to companies and organizations that have effectively taken advantage of the intellectual property rights system and contributed to the smooth operation and development of the system in Japan.



# List of Indicators Assured by an Independent Assurance Provider

The following sustainability performance indicators in this report (*Sustainability Report 2022* 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.
- ② 13 domestic subsidiaries, under the control of Toppan Inc. or its business divisions and subsidiaries with production facilities
- ③ 20 domestic Group companies
- ④ 33 overseas subsidiaries of Toppan Inc.
- ⑤ 6 overseas Group subsidiaries
- 73 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	Entities	Scope
P. 16	Social	Companywide Materiality: Targets and Results	Elimination of Gender Disparities	Percentage of eligible male employees taking childcare leave	○	1 ①
				10-year retention rate by gender	○	1 ①
P. 40		Human Rights	Labor Rights	Gender Pay Gap between Male and Female Employees	○	1 ①
P. 47		Employee Health & Safety / Work-Life Balance	Data on Occupational Accidents	Deaths from occupational accidents; frequency rate; severity rate	○	64 *1
P. 53		Diversity & Inclusion	Employees Taking Maternity or Childcare Leave	Employees taking childcare leave	○	1 ①
P. 55			Empowering Women	Rank-based Percentages of Female Personnel Number of Female Managerial and Supervisory Staff	○ ○	1 ① 1 ①
P. 66		Human Assets	Information on Employees	Number of employees	○	1 ①
P. 67				Total number of regular recruits (percentage of women); mid-career recruitment of experienced personnel by gender	○	1 ①
P. 98		Environmental Policy	Toppan Group Medium-and-Long-Term Environmental Targets	Scope 1 and 2 greenhouse gas (GHG) emissions; Scope 3 GHG emissions	○	208 *2
				Renewable-derived Energy	—	73 ①-⑤
				Ratio of renewable-derived energy	○	73 ①-⑤
				Waste Plastic Material Recycling Rate	—	73 ①-⑤
				Final Landfill Waste Disposal	○	73 ①-⑤
P. 99		Environmental Impact based on LIME	Quantifying Environmental Impact and Environmental Efficiency	Global Environmental Impact and Environmental Efficiency	—	73 ①-⑤
				Types of Global Environmental Impact by Business Field	—	73 ①-⑤
P. 101	Environment	Environmental Management	Environmental management systems	Numbers of Internal Environmental Audits and Issues in Need of Improvement	—	14 ①-③
P. 102				ISO 14001 environmental management system certification	—	73 ①-⑤
P. 103				Results of Environmental Education	—	14 ①,②
P. 105		Mitigation of Global Warming	Greenhouse Gas Emissions	Scope 1 and 2 greenhouse gas (GHG) emissions; Scope 3 GHG emissions	○	208 *2
				Scope 1, 2, 3 Greenhouse Gas Emissions	○	208 *2

P. 107	Environment	Mitigation of Global Warming	Greenhouse gas emissions	Percentages of Greenhouse Gas Emissions by Type (in tons of CO <sub>2</sub> equivalent)	○	208 *2
				Percentages of Greenhouse Gas Emissions by Source (in tons of CO <sub>2</sub> equivalent)	○	208 *2
				Calculated Level of Fluorocarbon Leakage	—	73 ①-⑤
				Values and results of environmental targets for fiscal 2021	○	73 ①-⑤
				Values and evaluation of environmental targets for fiscal 2021	—	73 ①-⑤
P. 108		Energy Consumption		Consumption of energy, electricity, natural gas, and kerosene	○	73 ①-⑤
				Fuel Efficiency of Vehicles Owned by Toppan Logistics	—	1 Toppan Logistics Co., Ltd.
				Renewable-derived Energy	—	73 ①-⑤
				Ratio of renewable-derived energy	○	73 ①-⑤
P. 109		Building of a Recycling-oriented Society		Fiscal 2021 environmental target and result for final landfill waste disposal	○	73 ①-⑤
				Fiscal 2021 environmental target and result for the waste plastic material recycling rate	—	73 ①-⑤
				Values, Results, and Evaluation of Environmental Targets for Fiscal 2021	—	73 ①-⑤
				Material Input	○	73 ①-⑤
P. 110				Final Landfill Waste Disposal; Waste Recycling	○	73 ①-⑤
				Waste Plastic Material Recycling Rate	—	73 ①-⑤
				Water Consumption (Water Consumption; Effluent Discharge)	○	73 ①-⑤
P. 112		Control of Chemical Substances		VOC Emissions into the Atmosphere	○	34 ①-③
				PRTR Data	—	34 ①-③
P. 113		Pollution Control		Approach to Environmental Compliance	—	18 ①-③
P. 114				Remedying Soil and Groundwater Pollution	—	18 ①-③
P. 115		Biodiversity		ECO-GREEN purchasing	—	14 ①,②
P. 117				Forest Management Certification	—	73 ①-⑤
P. 118		Environmental Data	Environmental Performance Data	Major Types of Environmental Burden (Groupwide: covering all Group companies around the world)	○	73 ①-⑤ *3
P. 119				Capital Investment for Environmental Conservation	—	72 ①-⑤
			Environmental Accounting	Environmental Conservation Benefit	—	73 ①-⑤
P. 120				Environmentally Friendly Products	—	14 ①,②
			Green Procurement and Green Purchasing	Environment-related Business	—	75 ①-⑤ + 2 entities
				JFPI Green Procurement Standards for Paper and Level of Fulfillment	—	10 suppliers —
P. 121				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 Data on occupational accidents on page 47 covers Toppan Inc., 27 domestic subsidiaries under the control of Toppan Inc.'s business divisions, and 36 domestic related companies within the Group.


\*2 All Group entities consolidated for accounting purposes

\*3 CO<sub>2</sub> emissions calculated for 208 companies

# 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, 2021 to March 31, 2022, except for the number of female managerial and supervisory staff and the total number of regular recruits (percentage of women), which are as of April 1, 2022, included in its Sustainability Report 2022 (the “Report”) for the fiscal year ended March 31, 2022.

### 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.
- Visiting the Harima Plant of Toppan Plastic Co., Ltd. selected on the basis of a risk analysis.
- 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.

/s/ Kazuhiko Saito

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 14, 2022

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

# Global Reporting Initiative Content Index

The *Sustainability Report 2022* has been prepared by referring to the Global Reporting Initiative (GRI) Standards.

GRI 102: General Disclosures		
102-1	Name of the organization	P. 04: Toppan Group Business Outline
102-2	Activities, brands, products, and services	P. 04: Toppan Group Business Outline P. 05: Transforming Toppan's Business Portfolio
102-3	Location of headquarters	P. 04: Toppan Group Business Outline
102-4	Location of operations	—
102-5	Ownership and legal form	P. 04: Toppan Group Business Outline
102-6	Markets served	P. 04: Toppan Group Business Outline P. 05: Transforming Toppan's Business Portfolio PP. 08-09: To Our Stakeholders P. 18: Stakeholder Engagement
102-7	Scale of the organization	P. 04: Toppan Group Business Outline
102-8	Information on employees and other workers	P. 04: Toppan Group Business Outline P. 66: Information on Employees
102-9	Supply chain	PP. 25-26: Special Report 2: Sustainable Procurement PP. 41-44: Supply Chain Management
102-10	Significant changes to the organization and its supply chain	N/A
102-11	Precautionary Principle or approach	PP. 21-24: Special Report 1: The Aims of Toppan's Human Rights Policy PP. 27-29: Special Report 3: Evolution of Activities Focused on the TCFD PP. 30-35: Climate Change Disclosure According to TCFD Recommendations PP. 37-40: Human Rights PP. 80-81: Total Quality Assurance PP. 132-138: Information Security PP. 139-141: Risk Management PP. 142-144: BCP / BCM

102-12	External initiatives	P. 11: Toppan's Approach to Sustainability P. 21, P. 24: Special Report 1: The Aims of Toppan's Human Rights Policy P. 27: Special Report 3: Evolution of Activities Focused on the TCFD PP. 30-35: Climate Change Disclosure According to TCFD Recommendations P. 37: Human Rights P. 98: Environment-related Data P. 122: Participating in the Green Purchasing Network
102-13	Membership of associations	P. 104: Mitigation of Global Warming
102-14	Statement from senior decision-maker	PP. 08-09: To Our Stakeholders
102-16	Values, principles, standards, and norms of behavior	PP. 10-11: Toppan's Sustainability Initiatives
102-18	Governance structure	PP. 124-127: Corporate Governance
102-40	List of stakeholder groups	P. 18: Stakeholder Engagement
102-41	Collective bargaining agreements	P. 39: Labor Rights P. 45: Labor-Management Partnership
102-42	Identifying and selecting stakeholders	—
102-43	Approach to stakeholder engagement	P. 18: Stakeholder Engagement
102-44	Key topics and concerns raised	—
102-45	Entities included in the consolidated financial statements	P. 04: Toppan Group Business Outline P. 148: List of Indicators Assured by an Independent Assurance Provider
102-46	Defining report content and topic boundaries	P. 03: <i>Sustainability Report 2022</i> PP. 13-14: Material Issues to Address P. 148: List of Indicators Assured by an Independent Assurance Provider
102-47	List of material topics	PP. 13-16: Material Issues to Address; TOPPAN Business Action for SDGs: Activities and Targets; Companywide Materiality: Targets and Results
102-48	Restatements of information	P. 98: Final Landfill Waste Disposal P. 110: Final Landfill Waste Disposal
102-49	Changes in reporting	N/A
102-50	Reporting period	P. 03: <i>Sustainability Report 2022</i>
102-51	Date of most recent report	P. 03: <i>Sustainability Report 2022</i>
102-52	Reporting cycle	P. 03: <i>Sustainability Report 2022</i>
102-53	Contact point for questions regarding the report	P. 03: <i>Sustainability Report 2022</i>

102-54	Claims of reporting in accordance with the GRI Standards	P. 03: <i>Sustainability Report 2022</i> P. 150-153: Global Reporting Initiative Content Index
102-55	GRI content index	P. 150-153: Global Reporting Initiative Content Index
102-56	External assurance	P. 148: List of Indicators Assured by an Independent Assurance Provider P. 149: Independent Assurance Report

GRI 201: Economic Performance		
	Management approach disclosures	—
201-1	Direct economic value generated and distributed	P. 04: Toppan Group Business Outline
201-2	Financial implications and other risks and opportunities due to climate change	PP. 30-35: Climate Change Disclosure According to TCFD Recommendations P. 119: 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. 69: New Business Creation Themes
203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices		
	Management approach disclosures	P. 25: Special Report 2: Sustainable Procurement PP. 41-44: Supply Chain Management
204-1	Proportion of spending on local suppliers	—

GRI 205: Anti-corruption		
	Management approach disclosures	P. 25: Special Report 2: Sustainable Procurement PP. 37-38: Human Rights PP. 41-44: Supply Chain Management PP. 128-131: Strict Compliance PP. 139-141: Risk Management
205-1	Operations assessed for risks related to corruption	P. 128: Strict Compliance
205-2	Communication and training about anti-corruption policies and procedures	PP. 129-131: 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	P. 145: Tax Governance
207-1	Approach to tax	P. 145: Tax Governance
207-2	Tax governance, control, and risk management	PP. 139-141: Risk Management P. 145: Tax Governance
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—

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	Management approach disclosures	PP. 30-35: Climate Change Disclosure According to TCFD Recommendations PP. 96-99: Environmental Policy PP. 100-103: Environmental Management
301-1	Materials used by weight or volume	P. 110: Material Input P. 118: Environmental Performance Data
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GRI 302: Energy		
	Management approach disclosures	PP. 30-35: Climate Change Disclosure According to TCFD Recommendations PP. 96-99: Environmental Policy PP. 100-103: Environmental Management P. 104: Mitigation of Global Warming
302-1	Energy consumption within the organization	P. 98: Environment-related Data P. 108: Energy Consumption P. 118: Environmental Performance Data
302-2	Energy consumption outside of the organization	PP. 105-106: Scope 1, 2, 3 Greenhouse Gas Emissions

302-3	Energy intensity	PP. 105-106: Scope 1, 2, 3 Greenhouse Gas Emissions
302-4	Reduction of energy consumption	P. 108: Energy Consumption
302-5	Reductions in energy requirements of products and services	PP. 120-121: Environmentally Friendly Products
GRI 303: Water and Effluents		
	Management approach disclosures	P. 16: Companywide Materiality: Targets and Results PP. 96-99: Environmental Policy PP. 100-103: Environmental Management PP. 113-114: Pollution Control
303-1	Interactions with water as a shared resource	PP. 113-114: Pollution Control
303-2	Management of water discharge-related impacts	PP. 113-114: Pollution Control
303-3	Water withdrawal	P. 110: Associated Data PP. 118-119: Environmental Performance Data
303-4	Water discharge	P. 110: Associated Data PP. 118-119: Environmental Performance Data
303-5	Water consumption	—
GRI 304: Biodiversity		
	Management approach disclosures	PP. 41-44: Supply Chain Management PP. 96-99: Environmental Policy PP. 100-103: Environmental Management PP. 115-117: 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. 41-44: Supply Chain Management PP. 115-117: Biodiversity
304-3	Habitats protected or restored	P. 116: 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: Companywide Materiality: Targets and Results PP. 30-35: Climate Change Disclosure According to TCFD Recommendations PP. 41-44: Supply Chain Management PP. 96-99: Environmental Policy PP. 100-103: Environmental Management P. 104: Mitigation of Global Warming P. 113: Pollution Control

305-1	Direct (Scope 1) GHG emissions	P. 16: Companywide Materiality: Targets and Results P. 34: Climate Change Disclosure According to TCFD Recommendations PP. 97-98: Environmental Policy PP. 105-107: Mitigation of Global Warming PP. 118-119: Environmental Performance Data
305-2	Energy indirect (Scope 2) GHG emissions	P. 16: Companywide Materiality: Targets and Results P. 34: Climate Change Disclosure According to TCFD Recommendations PP. 97-98: Environmental Policy PP. 105-107: Mitigation of Global Warming PP. 118-119: Environmental Performance Data
305-3	Other indirect (Scope 3) GHG emissions	P. 16: Companywide Materiality: Targets and Results P. 34: Climate Change Disclosure According to TCFD Recommendations PP. 97-98: Environmental Policy PP. 105-107: Mitigation of Global Warming
305-4	GHG emissions intensity	PP. 105-106: Scope 1, 2, 3 Greenhouse Gas Emissions
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305-6	Emissions of ozone-depleting substances (ODS)	P. 107: Mitigation of Global Warming
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P. 107: Mitigation of Global Warming P. 118: Environmental Performance Data

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	Management approach disclosures	P. 16: Companywide Materiality: Targets and Results PP. 96-99: Environmental Policy PP. 100-103: Environmental Management P. 109: Building of a Recycling-oriented Society
306-1	Waste generation and significant waste-related impacts	P. 109: Building of a Recycling-oriented Society
306-2	Management of significant waste-related impacts	PP. 96-99: Environmental Policy PP. 100-103: Environmental Management P. 109: Building of a Recycling-oriented Society
306-3	Waste generated	PP. 109-110: Building of a Recycling-oriented Society PP. 118-119: Environmental Performance Data
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306-5	Waste directed to disposal	P. 16: Companywide Materiality: Targets and Results PP. 97-98: Environmental Policy PP. 109-110: Building of a Recycling-oriented Society P. 118: Environmental Performance Data
GRI 307: Environmental Compliance		
	Management approach disclosures	PP. 30-31: Climate Change Disclosure According to TCFD Recommendations P. 96: Environmental Policy PP. 100-103: Environmental Management PP. 128-131: Strict Compliance
307-1	Non-compliance with environmental laws and regulations	PP. 113-114: Pollution Control P. 130: Strict Compliance
GRI 308: Supplier Environmental Assessment		
	Management approach disclosures	PP. 41-44: Supply Chain Management
308-1	New suppliers that were screened using environmental criteria	PP. 41-44: Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	P. 42: Supply Chain Management

GRI 401: Employment		
	Management approach disclosures	PP. 37-40: Human Rights
401-1	New employee hires and employee turnover	PP. 66-67: Information on Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	–

401-3	Parental leave	P. 16: Companywide Materiality: Targets and Results PP. 49-50: Work Styles PP. 53-54: Diversity & Inclusion
GRI 402: Labor/Management Relations		
	Management approach disclosures	P. 39: Labor Rights P. 45: Labor-Management Partnership P. 49: Work Styles P. 51: Employee Engagement
402-1	Minimum notice periods regarding operational changes	–
GRI 403: Occupational Health and Safety		
	Management approach disclosures	P. 16: Companywide Materiality: Targets and Results PP. 39-40: Labor Rights PP. 46-47: Occupational Safety and Health
403-1	Occupational health and safety management system	PP. 45-47: Employee Health & Safety / Work-Life Balance
403-2	Hazard identification, risk assessment, and incident investigation	PP. 46-47: Occupational Safety and Health
403-3	Occupational health services	PP. 46-48: Employee Health & Safety / Work-Life Balance
403-4	Worker participation, consultation, and communication on occupational health and safety	PP. 46-48: Employee Health & Safety / Work-Life Balance P. 51: Employee Engagement
403-5	Worker training on occupational health and safety	PP. 46-48: Employee Health & Safety / Work-Life Balance
403-6	Promotion of worker health	PP. 46-48: Employee Health & Safety / Work-Life Balance P. 51: Employee Engagement
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. 45: Employee Health & Safety / Work-Life Balance
403-9	Work-related injuries	P. 47: Employee Health & Safety / Work-Life Balance
403-10	Work-related ill health	P. 48: Employee Health & Safety / Work-Life Balance
GRI 404: Training and Education		
	Management approach disclosures	PP. 57-58: Human Assets
404-1	Average hours of training per year per employee	–
404-2	Programs for upgrading employee skills and transition assistance programs	PP. 57-65: Human Assets
404-3	Percentage of employees receiving regular performance and career development reviews	–
GRI 405: Diversity and Equal Opportunity		
	Management approach disclosures	P. 16: Companywide Materiality: Targets and Results PP. 39-40: Labor Rights PP. 52-56: Diversity & Inclusion

405-1	Diversity of governance bodies and employees	P. 55: Empowering Women PP. 66-67: Information on Employees P. 127: Directors and Audit & Supervisory Board Members
405-2	Ratio of basic salary and remuneration of women to men	PP. 39-40: Labor Rights
GRI 406: Non-discrimination		
	Management approach disclosures	PP. 21-24: Special Report 1: The Aims of Toppan's Human Rights Policy PP. 37-40: Human Rights
406-1	Incidents of discrimination and corrective actions taken	–
GRI 407: Freedom of Association and Collective Bargaining		
	Management approach disclosures	PP. 37-40: 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. 37-40: 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. 37-40: 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. 21-24: Special Report 1: The Aims of Toppan's Human Rights Policy PP. 37-40: Human Rights PP. 128-131: 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	P. 38: Human Rights Training and Harassment Prevention P. 56: Diversity Training P. 129: Compliance Training
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	PP. 43-44: Supply Chain Management

<b>GRI 413: Local Communities</b>		
	Management approach disclosures	P. 82: Social Contribution Activities
413-1	Operations with local community engagement, impact assessments, and development programs	PP. 83-94: Social Contribution Activities
413-2	Operations with significant actual and potential negative impacts on local communities	—
<b>GRI 414: Supplier Social Assessment</b>		
	Management approach disclosures	PP. 41-44: Supply Chain Management
414-1	New suppliers that were screened using social criteria	PP. 41-44: Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	P. 42: Supply Chain Management
<b>GRI 415: Public Policy</b>		
	Management approach disclosures	—
415-1	Political contributions	—
<b>GRI 416: Customer Health and Safety</b>		
	Management approach disclosures	PP. 74-79: Universal Design PP. 80-81: Total Quality Assurance
416-1	Assessment of the health and safety impacts of product and service categories	PP. 74-79: Universal Design PP. 80-81: Total Quality Assurance
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
<b>GRI 417: Marketing and Labeling</b>		
	Management approach disclosures	PP. 74-79: Universal Design PP. 80-81: Total Quality Assurance
417-1	Requirements for product and service information and labeling	PP. 74-75: Universal Design P. 122: CFP and Carbon Offsetting Initiatives
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
<b>GRI 418: Customer Privacy</b>		
	Management approach disclosures	PP. 132-138: Information Security
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A
<b>GRI 419: Socioeconomic Compliance</b>		
	Management approach disclosures	PP. 128-131: Strict Compliance
419-1	Non-compliance with laws and regulations in the social and economic area	PP. 129-130: Strict Compliance

