

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)

Revised (2022)

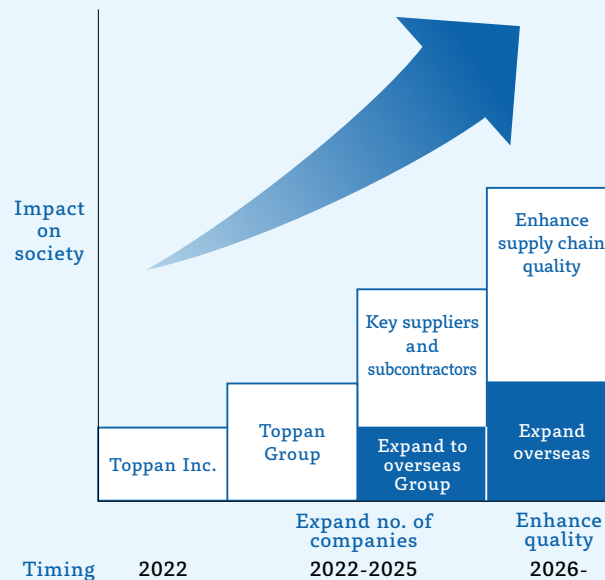
Human Rights	Human Rights and Labor	Added: Prohibition of infringing on the rights of local communities, etc.
Labor	Health and Safety	Added: Maintaining occupational health and safety; occupational injury; industrial hygiene; etc.
The Environment	Environment	Added: Environmental permits; decarbonization; 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

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 >

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
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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.

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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.