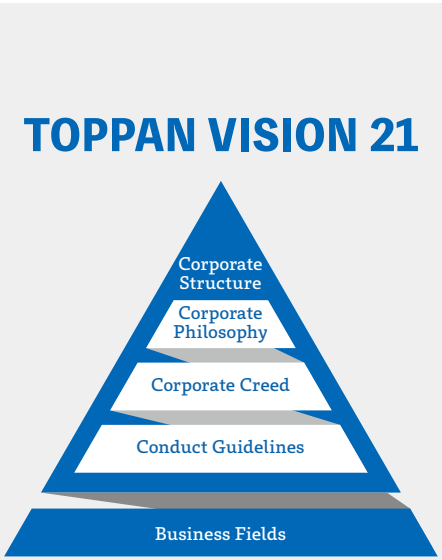
Toppan's Sustainability Initiatives

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 though 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.

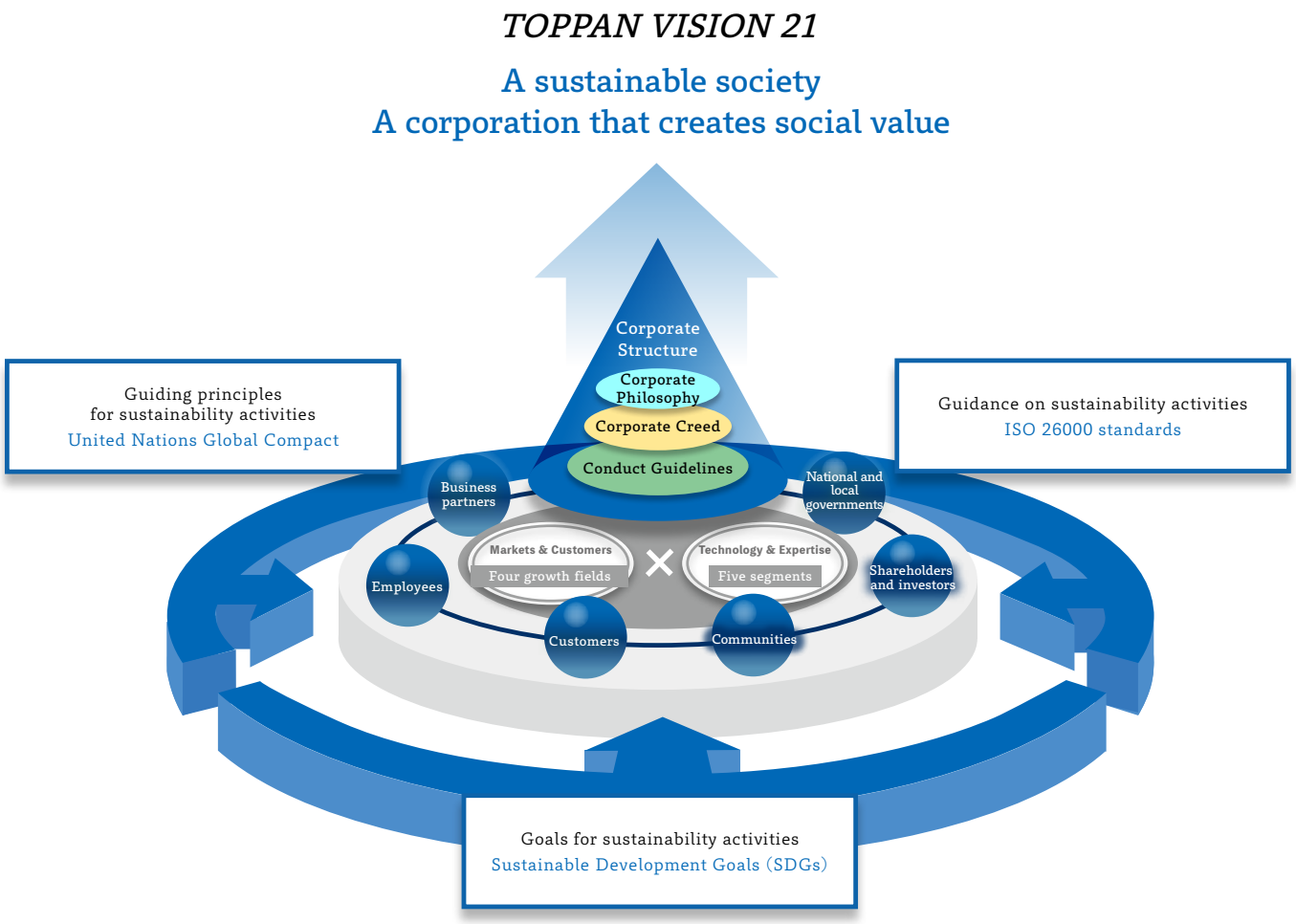
> **Chapter 1: Basic Principles**
>
> 1. Respecting human rights
> 2. Having high ethical standards and acting as a responsible member of society
> 3. Complying with laws and company rules and conducting fair business operations
> 4. Proactively undertaking preservation of the global environment to achieve 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



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.

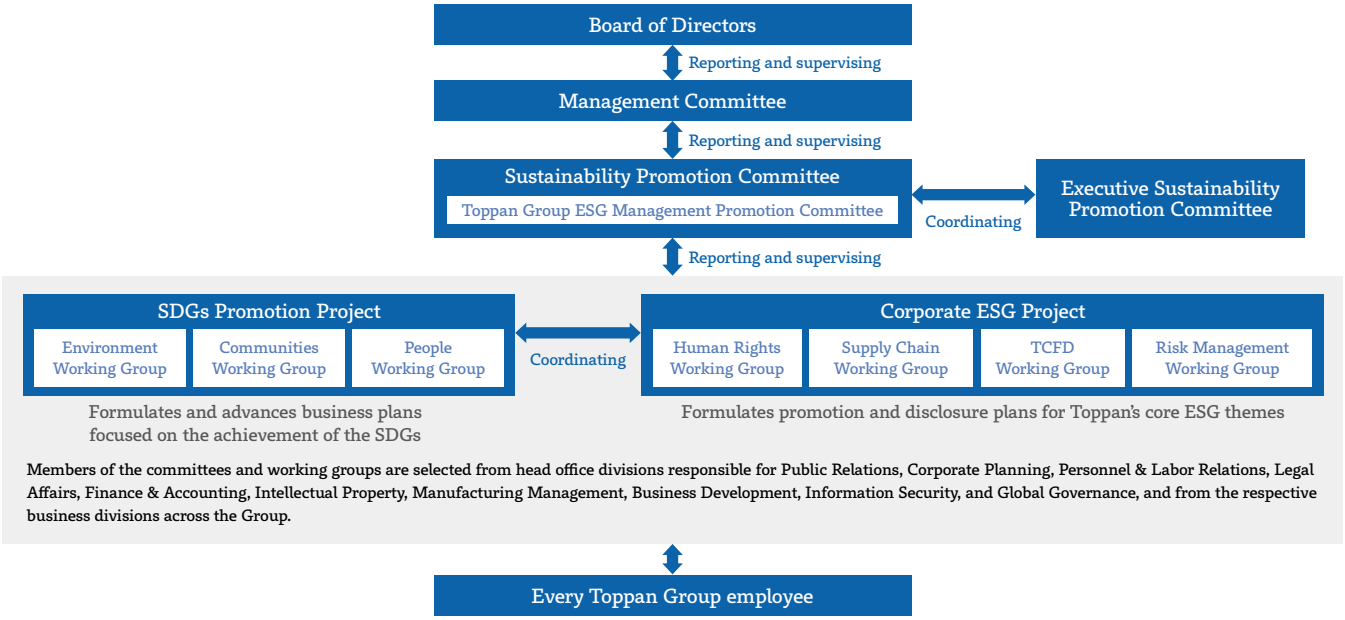
Since its foundation in 1900, Toppan has supported client companies in their efforts to overcome the challenges they face in business. The solutions Toppan offers to meet the ever-changing needs of markets and clients are based on wide-ranging specialist knowledge and expertise that have been derived 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

Identification of issues that threaten the sustainability of global society
▶
Generation of business ideas that allow Toppan to offer distinctive solutions to the issues identified
▶
Judgment of importance in line with two axes—degree of use of Toppan resources and degree of contribution to society
▶
Selection of material issues, centered on fields associated with important business ideas
▶
Checking appropriateness through dialogue with outside experts, making certain revisions
▶
Authorized by Board of Directors after discussion among senior management

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*1

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*2

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*1

Number of services contributing to greenhouse gas reduction*2

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*1

Percentage of sales of sustainable packaging

Fiscal 2025 50% ▶ Fiscal 2030 100%

SX priority theme sales

Fiscal 2025 200 billon yen ▶ Fiscal 2030 300 billon 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.

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*2

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*2 (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*2

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*2

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*1

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.

*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.

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*1	Eliminate disparities in manager and supervisor ratios by gender	Women: 59.2% Men: 81.4%
Percentage of eligible male employees taking childcare leave*2	Percentage of eligible male employees taking childcare leave: 80%	65.8% ☑
10-year retention rate by gender*3	Eliminate disparity in the 10-year retention rate by gender	Women: 55.1% Men: 61.2% ☑

*1 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)

*2 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.)

*3 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)

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