Human Rights

Basic Approach

Approach | Policy

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.

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.

WE SUPPORT UN GLOBAL COMPACT

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
2. Scope of Application
3. Compliance with Applicable Laws and Regulations
4. Responsibility to Respect Human Rights
5. Human Rights Due Diligence
6. Stakeholder Engagement
7. Remedy
8. Education and Training
9. Management Responsibility for Human Rights
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	Commun-ities
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.

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