

Human Rights

Basic Approach

Approach **Policy**

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

We continue to operate our business under the foundational tenet of “respect for human beings.” A TOPPAN Group Human Rights Policy based on this tenet was formulated in October 2021. Respect for human beings, or more specifically respect for human rights, is required 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.

We have 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. Our environmental conservation initiatives, for example, are promoted 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

We have 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 our very beginnings, we have leveraged our 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 our commitment to respecting human rights across the Group’s operations as we grow 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.holdings.toppan.com/en/about-us/our-corporate-approach/human-rights-policy.html>

Promotion Framework

Promotion framework

We have 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 by the President & Representative Director. The Board of Directors supervises 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 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. We have clarified and evaluated human rights risks in the printing industry and identified five risks specific to us, in accordance with the TOPPAN Group Human Rights Policy formulated in October 2021.

In fiscal 2022 we assessed our stakeholders with a focus on the five risks identified. A written assessment analyzed the human rights risks at 75 Group companies in Japan and 103 Group companies overseas. Onsite assessments were conducted to investigate the actual human rights situations in one Japan-based company and one company overseas, and both companies were provided with feedback on issues with higher risk potential and proposals on risk mitigation and corrective measures. Informed of the assessment results, the Sustainability Promotion

Committee deliberated future initiatives.

TOPPAN continued to participate in the Human Rights Due Diligence Working Group and the Human Rights Education Working Group organized by the Global Compact Network

Japan, in fiscal 2022. We have gained a comprehensive view of the human rights issues faced in Japanese and international societies and the initiatives launched by companies at the forefront of human rights efforts.

Identifying Human Rights Risks in the Printing Industry

Human Rights Issue	TOPPAN Employees	Supply Chain	Customers	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

*We have categorized human rights issues by prioritizing human rights risks as they relate to the characteristics of our businesses, competitor trends, and international human rights standards. Five core human rights risks facing us 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).

Results of Human Rights Due Diligence

Fiscal 2022 Human Rights Risk Assessment at the TOPPAN Group

	Japan	Overseas			
Assessment targets	75 companies	103 companies			
Assessment period	July to December 2022	September 2022 to March 2023			
Assessment method	Assessment using a human rights risk questionnaire				
Assessment content	4 categories, 22 sections, 151 questions				
	1. Basic Information	2. Human Rights Due Diligence System	3. Addressing Human Rights Issues	4. Management	*Red Flag (🚩) is used to clarify significant risk factors and the non-implementation of risk mitigation measures for five areas of core ILO labor standards (forced labor, child labor, discrimination, freedom of association and right to collective bargaining, and occupational health and safety) and the five human rights issues identified by TOPPAN (forced labor and human trafficking, discrimination, inhumane treatment, right to privacy, Groupwide human rights governance).
	1A. Company basic information	2A. Due diligence system 🚩	3A. Forced labor and human trafficking 🚩	4A. Stakeholder engagement	
	1B. Business related information	2B. Dissemination of human rights policy	3B. Child labor 🚩	4B. Internal reporting channels	
	1C. Employee information	2C. Performance of human rights related training	3C. Appropriate work hour management	4C. External grievance mechanism	
	1D. Contractor information		3D. Payment of an appropriate wage	4D. Supply chain management	
	1E. Certifications and participation in initiatives		3E. Prohibition of discrimination 🚩		
			3F. Prohibition of inhumane treatment 🚩		
			3G. Freedom of association and the right to collective bargaining 🚩		
			3H. Right abuses in local communities		
		3I. Ensuring safe and healthy workplaces for all employees 🚩			
		3J. Privacy 🚩			
Result (Overall evaluation)	• Significant risks that require an urgent response were not found.	• Significant risks that require an urgent response were not found.			
Result (Human rights promotion framework)	• Risk of insufficient management framework for human rights including externally. • Risk of insufficient human rights training.	• Risk of insufficient management framework for human rights including externally. • Risk of insufficient human rights training.			
Result (Addressing human rights issues)	• Risk of insufficient external disclosure of declaration of conduct for fair employment screenings. • Risk of insufficient occupational health and safety management. • Multiple incidents of harassment and so on in the last three years have been confirmed, but appropriate measures including disciplinary measures taken at the time of occurrence were confirmed.	• Risk of insufficient occupational health and safety management. • Risk of insufficient efforts to mitigate infringements on the rights of local residents and others. • Due to the nature of the business, many companies obtain and handle customers' personal information and are at risk of violating the right to privacy. However, it was also confirmed that comprehensive risk mitigation measures are being implemented.			
Result (Management)	• Risk of insufficient communication with external stakeholders. • Risk of not informing Business Partners of TOPPAN Group policies and not conducting human rights risk assessments.	• Risk of insufficient communication with external stakeholders. • Risk of insufficient establishment of external grievance mechanism. • Risk of not informing Business Partners of TOPPAN Group policies and not conducting human rights risk assessments.			

Follow-up Assessments

A detailed analysis of the results of human-rights risk assessments has revealed no significant risks requiring urgent actions and no violations of local laws or regulations or international norms. Several issues that could lead to negative impacts on human rights were found, however, at seven companies in Japan and seven companies overseas. The following countermeasures were implemented at one company in Japan and one overseas company in fiscal 2022. We will continue to address the identified issues in fiscal 2023.

	Japan	Overseas
No. of sites	1 company	1 company
Assessment timing	November 2022	March 2023
Method	Onsite assessment, etc.	Assessment via teleconference, etc.
Concerns	1) Insufficient establishment of a management framework for leave-taking 2) Lack of uniform standards for some allowances	1) Deficiencies in calculating allowances 2) Risk of wording in some rules restricting employees' freedom of conduct outside of working hours
Mitigation and corrective measures	1) Guidance to establish a management framework for leave-taking 2) Guidance to pay allowances using the same standards, in keeping with government guidelines on equal pay for equal work	1) Guidance to examine and implement measures to prevent recurrences and to promptly pay allowances 2) Guidance to examine the necessity of the applicable rules

Grievance Mechanism

Upon detecting a negative human rights impact caused or contributed to by our business activities, we will work to remedy the issue through appropriate means. If the negative impact is found to be directly linked to our corporate activities through business relationships, we will work with the relevant stakeholders to fulfill our 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. We also operate a Supplier Hotline open to business partners for the anonymous reporting of related matters.

 More details on the TOPPAN Group Helpline (see page 147) >

 More details on the Supplier Hotline (see page 69) >

Human Rights Training and Harassment Prevention

Activity results, performance data Training, education

We organize diverse forms of human rights training for human assets 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 employees under an agreement on harassment prevention reached with the Toppan Printing Labour Union in April 2020. Personnel & labor relations departments at Toppan Inc. and Group companies in Japan have set up consultation desks to manage workplace harassment. The departments train counselors on methods to prevent harassment and strictly deal with every case. If any form of harassment comes to light, the departments 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 Group.

In fiscal 2022 we informed employees at Group companies of the TOPPAN Group Human Rights Policy and organized training on human rights issues recently faced in society. Based on the results of human-rights risk assessments carried out in fiscal 2022, we conducted training for employees of Toppan Inc. and selected Group companies to further their understanding of human rights risks.

Labor Rights

Approach System Activity results, performance data

Labor-Management Initiatives for Human Rights

We undertake various measures for labor-related human rights based on a basic policy arising from an agreement reached through consultation with the labor union and other stakeholders.

The agreement promotes stable labor-management relations, maintains and improves working conditions, and secures the corporate concord by establishing a fundamental approach between labor and management, the rules governing union activities and labor-management negotiations, and employment conditions pertaining to wages, working hours, etc.

Developing Appropriate Working Conditions

We convene 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 our work management system, to environmental adjustments, such as scheduled shutdowns for PCs and office lighting.

We also strive to adapt to the “new normal” in the post-pandemic world and develop 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. We organize 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 seven Group sites around the world. A cumulative total of 38,712 persons have received *dojo* training since the facilities opened, as part of an ongoing effort to refine Groupwide safety promotion activities for the prevention of occupational

accidents. We also work with industrial physicians and the TOPPAN Group Health Insurance Union to drive primary prevention activities aimed at securing workplaces to be free of mental health problems.

Pursuing Diversity and Inclusion

We position diversity and inclusion initiatives as critical management strategies to further advance our progress as a group of corporations that create social value. Constant dialogue and heightened awareness have been facilitated to ensure mutual respect and create psychologically safe workplaces where every person can speak and act with dignity and without inhibition. We provide employees with support systems to balance their work with childcare and nursing care burdens, promote the employment of people with disabilities, and take positive action to assure gender-equal treatment. These measures have led to increases in the percentage of persons with disabilities in the workforce and the number of female managers and supervisors.

We also implement various LGBTQ initiatives to incentivize every employee to create inclusive environments in which all persons can feel at ease. In addition to holding LGBTQ seminars open to employees across the Group, the TOPPAN ALLY initiative has been organized to encourage employees to express their alliance with LGBTQ individuals. A system has also been introduced to extend the benefits granted to employee spouses to same-sex and/or common-law partners.

Arranging Self-directed Career- and Skill-enhancement Programs

Toppan Inc. operates 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 human assets to positions suited to their individual motivations and qualifications, the system optimizes personnel positioning across the Company to energize each organization and reinforce Toppan Inc. 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.

The Company has also been running an in-house staff recruitment system to provide every employee with an equal opportunity for skill enhancement.

Paying Appropriate Wages

We pay appropriate wages to Group employees by considering the local living costs and observing 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, we offer non-monetary support such as programs for enhanced job satisfaction, self-actualization, and career development. The average annual salary at Toppan Inc. was 7.06 million yen in fiscal 2022. The Company's remuneration system for determining employee wages is based 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. We have adopted an original job-based personnel treatment system since fiscal 2022 as a remuneration structure that enables diverse human assets to work vigorously in wide-ranging business fields.

Gender Pay Gap at the TOPPAN Group

Applicable Companies	Wage Disparity between Male and Female Employees (Average Female Wage / Average Male Wage)		
	All Employees	Regular Employees	Part-time and Contract Employees
Toppan Inc. 	66.6%	65.4%	62.5%
Toppan Inc. and consolidated subsidiaries in Japan	61.1%	72.3%	56.2%
Consolidated subsidiaries in Asia (excluding Japan)	82.5%	87.4%	97.6%
Consolidated subsidiaries in North America	85.7%	86.4%	82.8%
Consolidated subsidiaries in Europe	86.7%	90.4%	38.1%
Toppan Inc. and consolidated subsidiaries worldwide	65.1%	73.7%	59.5%

*Calculated based on the provisions of the Japanese Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act no. 64 of 2015). The calculation method applied to overseas subsidiaries conforms to the standards presented in the act.

**"Wages" include wages, salaries, allowances, and any other payments (whatever they are called) paid by the employer to workers as compensation for their labor.

*The totals for "Toppan Inc. and consolidated subsidiaries worldwide" are tabulated from the weighted averages reported by Toppan Inc. and overseas subsidiaries. Those for overseas subsidiaries have been converted into Japanese yen using the rate as of March 31, 2023.

*The "Wage Disparity between Male and Female Employees" is calculated for the business year at each company, which may differ from the business year of Toppan Inc.

Average Annual Salary (Toppan Inc.)

	Average Annual Salary
Fiscal 2018	6,644,621 yen
Fiscal 2019	6,811,464 yen
Fiscal 2020	6,775,518 yen
Fiscal 2021	7,001,363 yen
Fiscal 2022	7,060,291 yen

Starting Salary at Toppan Inc.

The starting salary of new university graduates hired on April 1, 2023 was 222,500 yen (1,390 yen per hour) uniformly throughout Japan.

Starting Salary of New University Graduates (Toppan Inc.)

	Starting Salary
April 2019	209,000 yen
April 2020	211,000 yen
April 2021	213,000 yen
April 2022	214,500 yen
April 2023	222,500 yen

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 Inc. to a broad range of people through company presentations, websites, and other media.

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.

Properly Operating Technical Internship Programs

Head office personnel collaborate with local general affairs staff in a fact-finding survey conducted to assess human rights risks for foreign technical interns working at Group sites across Japan. They employed Toppan Inc.'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. We confirmed that technical internship programs were introduced at seven of the plants operated by our three manufacturing subsidiaries in Japan.

The survey also 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.