

Annex to the Toppan Group Declaration on the Global Environment (First Edition)

March 22, 2022

Toppan Inc.

1. Introduction

This annex presents the requirements and recommendations for Basic Principles 1 and 2 of the Toppan Group Declaration on the Global Environment. The Toppan Group follows these requirements and recommendations and asks the same of its suppliers and contractors (also referred to as “Business Partners”).

2. Basic Principle 1: "We observe all laws, regulations, and in-company rules relating to the environment."

2-1) Environmental Permits and Reports

Obtain permits and approvals required for conducting business and comply with requirements concerning management and reporting, in accordance with local laws and regulations.
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We should obtain all necessary environmental permits and licenses, including operating permits and those concerning air emissions, wastewater, the storage and use of hazardous substances, and waste (individual and hazardous) disposal. Depending on the chemical substances used in our business, we may be obligated to assign a manager responsible for poisonous and deleterious substance management, designated chemical substance management, or hazardous substance management. Depending on the type of business conducted and the location of plants, we may be required to obtain government approval for facilities that handle hazardous substances and environmental impact assessments. We should properly update permits, registrations, or licenses obtained and retain a copy of the latest version.

2-2) Compliance with internal regulations

Comply with the requirements of environmental management systems or their equivalents in accordance with internal regulations and procedures.

Environmental management regulations and rules as well as the management regulations of divisions and operational sites must be observed. In addition, procedure manuals and the like must be reviewed periodically to prevent air, water, and soil pollution, reduce resource consumption, and promote global warming countermeasures as a mechanism of the organization.

3. Basic Principle 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."

3-1) Contributing to Decarbonization

Strive to improve energy efficiency and make continuous efforts to reduce energy consumption and greenhouse gas emissions.

Improving energy efficiency involves minimizing energy consumption and the related Scope 1 (greenhouse gas directly emitted by a company) and Scope 2 (greenhouse gas indirectly emitted by the use of electricity, heat, and steam provided by another company) greenhouse gas (GHG) emissions. We are expected to track and document energy efficiency at each facility or business site.

3-2) Air Emissions

Comply with local laws and regulations, monitor the emission of hazardous substances to the atmosphere, and implement appropriate countermeasures prior to their discharge.

Hazardous substances discharged to the atmosphere include volatile organic chemicals (VOC), aerosols, corrosives, microparticles, ozone depleting substances, and combustion byproducts. We should analyze and monitor these substances prior to discharge, and only discharge them after conducting the required control and treatment based on the results of the analysis and monitoring. Countermeasures include routine monitoring of the handling of substances to be discharged and the performance of treatment systems.

3-3) Optimal Water Use

Comply with local laws and regulations, monitor the source, usage, and discharge of water used, and save water. Test the quality and properties as required, and monitor, control, and process all wastewater before discharge or disposal. Identify and appropriately manage sources of pollution that may cause water contamination.

We should monitor water sources, usage, and discharge, and conserve water and control channels of contamination. Controlling channels of contamination includes confirming that site water channels are free from contamination and are protected from contamination (such as confirming that there are no pools of standing water and grease/oil slicks near storm drains) and that the emergency response equipment is in place. (Shutoff valves and stopcocks must be installed to prevent outflow or leakage of clean water and sewage, including pollutants, due to a plant accident or natural disasters. Street inlets/sewage inlets and storage reservoirs installed to contain leaks or overflows are not sufficient.)

3-4) Contributing to Resource Circulation

Comply with local laws and regulations and promote the 3Rs (reduce, reuse, and recycle), ensure the effective utilization of resources, and minimize waste.

We should identify and manage waste even when disposing of waste identified as non-hazardous, implement a systematic approach for responsible disposal or recycling, and work towards reducing waste. We should implement measures for disposing of substances according to local laws and

regulations, and ensure that natural resources are not wasted by minimizing their disposal. Measures include changing the production equipment at the source, using alternative materials, and reusing and recycling resources. We should also establish voluntary targets in order to comply with laws and regulations. Natural resources refer to water, fossil fuels, minerals, virgin forest, and the products of virgin forest, etc. The prevention of environmental pollution leads to the saving of natural resources and is closely related to the sustainability of the planet.

3-5) Management of Hazardous Substances

Comply with local laws and regulations to identify, label, and manage chemical and other substances posing a hazard to humans or the environment, and manage accordingly to ensure the safe handling, transport, storage, use, recycling, reuse, and disposal of such substances.

Hazardous substances, including waste, should be properly separated and clearly identified as hazardous, and access to hazardous substances should be controlled to ensure proper handling, transfer, storage, use, recycling or reuse, and disposal. We should use a legitimate business for disposal, such as a licensed or registered processing or disposal company.

3-6) Managing the Chemical Substances Contained in Products

Comply with all laws, regulations, and Toppan Group standards that apply to the prohibition and restriction of specific substances contained in products.

In regard to substances contained in products, we should follow the relevant Toppan Group standards and the laws and regulations of the product's country of origin and destination. Upstream companies in the supply chain should provide the required information to downstream companies in order to take responsibility for the components included in the end products. Refer to the Toppan Group Standards for the Management of Chemical Components of Raw Materials for specific details.

3-7) Natural Resources and Biological Diversity

When procuring raw materials, avoid or minimize the impact on biological diversity and work toward the sustainable use of natural resources.

When using resources derived from forests, oceans, or living organisms, etc., we should avoid the use of resources that have been illegally extracted, cultivated, or traded. We are also expected to take resource conservation into consideration when using raw materials, including from the perspective of controlling deforestation and forest degradation. Since business activities may affect various organisms and their habitats, we are also expected to mitigate any adverse impacts. If there is a possibility that rare plants and animals are used, the impact on biological diversity can be mitigated by checking the raw materials, their origin, and the existence of relevant regulations and resource conservation measures. Refer to the Toppan Group Paper Procurement Guidelines for the Sustainable

Use of Forest Resources for details regarding sustainable paper procurement.

Revision History

Date Revised	Edition	Main Revisions
March 2022	First edition	Issued Annex to the Toppan Group Declaration on the Global Environment