

Sustaining Toppan's Sincere Approach to Global Social Challenges and Corporate Growth



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Strengths Aligned with the SDGs, Corporate Creed, and Material Issues

What makes Toppan's material issues unique is their foundation, *TOPPAN VISION 21*. The Toppan Group advocates "harmony with our global environment" in its Corporate Creed. This principle is addressed in the "environmentally friendly & sustainable production" and "sustainable global environment" themes within the Group's Companywide Materiality and Business Materiality categories. These efforts on the environment are also encompassed in the targets under the United Nations Sustainable Development Goals (SDGs). I believe that harmony with the environment is one of Toppan's greatest strengths and purposes. Toppan's endeavors to address long-term, global social challenges are essential to achieving "the continual development of the Toppan Group," as stated in the Corporate Creed.

The Companywide Materiality themes also include "employee health & job satisfaction," another aspect of the uniquely Toppan way. Toppan Inc.'s goal of raising the rate of eligible male employees taking childcare leave from 59.5% in fiscal 2018 to 80% by 2030 is a good example of what Toppan can do.

More pioneering approaches will be taken to instill the SDGs' human rights principles into the Group's material issues. Businesses nowadays are reluctant to choose this strategy, as specific actions on the human rights front might trigger a backlash from China or other Asian countries against what those countries perceive to be interference in their internal affairs. As few companies are prepared to act boldly, bold actions by the Toppan Group would set Toppan apart. The approach Toppan takes must be strategically designed to contribute to the Group's sustainable growth. Only well-discussed, elaborate plans can be truly expected to surmount the challenges ahead.

Opting for a Global Perspective on Decent Work and Economic Growth

I hope Toppan will unstintingly focus on addressing "SDG 8: Decent Work and Economic Growth." I would like the Group to take a global stand in pursuing decent work and economic growth instead of looking at only Japan. Specifically, I hope Toppan will be able to emphasize human rights around the world and review the Group's supply chains accordingly. The COVID-19 pandemic has exposed gaps in the social systems on various fronts in Japan, calling attention to the growing need for upgrades. Zooming out to a global view, we are witnessing the emergence of myriad problems such as the digital divide (the knowledge gap between the digital haves and have-nots), disparity in employment, and gender inequality in all societies, including the world's democracies. A worsening of these problems could fuel the rise of non-democratic regimes. The G7 Summit in 2021 addressed this geopolitical risk by calling for the unity of the world's democracies. It would be impressive if Toppan could take on these global challenges and pursue democracy, widening the potential for happiness and autonomy on an individual level through decent work and economic growth.

Tackling Emerging Challenges for the Environment and Human Rights

The principles on the environment and human rights embodied by the SDGs will be integral to Toppan's efforts to select the Group's material issues to come.

On the environment, I see that Toppan will

need to develop measures and strategies to achieve decarbonization, a critical worldwide endeavor in combating global warming. Toppan will also need to incorporate international frameworks and rules, such as international economic partnership agreements, into the Group's management strategies.

All too often, Japanese people and companies put little effort into the area of human rights. As I mentioned earlier, taking a courageous stand on human rights issues is the correct approach from a long-term and global perspective. According to Swedish research organization V-Dem Institute, two-thirds of the world population lives in non-democracies. In the globalized economy, brave actions on human rights might pose short-term risks for business. Careful premeditation and in-depth discussion will be needed.

Upholding Toppan's Sincere Contributions to a Changing Society

With the transfer of power to the Biden administration in the U.S., environmental issues have come under renewed scrutiny and appear to be moving into a new phase. Environmental issues, however, also have a shadowy side. In some sectors, Europe and the U.S. are adopting competing strategies to grow their economies through the development of green industries. Remember also that advanced environmental technologies are connected to security. I believe that such technologies must be kept out of the hands of countries or regions that pose military threats to their neighbors. All of us must be aware of this.

Toppan's sincere contributions to society and the environment hold significant meaning in the current geopolitical landscape. The employees who support the Group are also playing an important role. That is why Toppan must continue to grow as a corporation. A delicate balance can be upset if the keystone is lost. I hope that Toppan will retain its recognition of today's very real crises and remain a corporation that contributes more to society and the global environment as it grows.