

## Briefing Suppliers on CSR Procurement Guidelines and Concluding Agreements

Activity results,  
performance data

As of March 31, 2021, Toppan has briefed 2,117 suppliers on the Toppan Group CSR Procurement Guidelines. The Group has been promoting CSR procurement throughout the entire supply chain by asking suppliers to conclude basic sale and purchase agreements stipulating the observance of the guidelines. As of fiscal 2020, Toppan has concluded the agreements with 84% of the business partners that sell the Group goods and services worth more than 10 million yen a year. Toppan's goal is to conclude agreements with all business partners that meet this criterion of value of sales to the Group by no later than fiscal 2025.

Turning to the environment, the Toppan Group promotes CSR procurement in line with specific standards such as the Standards for the Management of Chemical Components of Raw Materials and the Paper Procurement Guidelines for the Sustainable Use of Forest Resources.

### Briefing Sessions on CSR Procurement Guidelines

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners briefed	4	4	9
Cumulative total of business partners	2,104	2,108	2,117

### Percentage of Basic Sale and Purchase Agreements with CSR Procurement Provisions Concluded (with business partners supplying goods and services worth more than 10 million yen a year)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Cumulative percentage of agreements	76%	81%	84%

## Monitoring Compliance in Procurement Departments

Activity results,  
performance data

Toppan regularly asks business partners to fill out questionnaires on their transactions with the Group. With the questionnaire results, Toppan monitors whether the Group's procurement departments operate properly in accordance with the Basic Procurement Policy.

In fiscal 2020 Toppan used the responses from 17 business partners to improve compliance in the Group's procurement operations.

### Monitoring Results

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners that filled out the questionnaire	8	10	17
Cumulative total number of business partners that have responded	124	134	151

## Verifying the Legality of Lumber as a Paper Material

Activity results,  
performance data

The Toppan Group formulated a Basic Policy on Biodiversity and posted it on the Toppan website<sup>\*1</sup> in May 2010.

The basic policy stipulates that "we will take a proactive approach to sustainable use by avoiding or minimizing the impact on biodiversity" during raw material procurement operations. For paper procurement, for example, the Group surveys the legality of lumber as a paper material as a means of promoting the sustainable use of forest resources.

Toppan monitors paper manufacturers to verify that the lumber used for the production of their paper (representing more than 90% of the Group's printing paper purchases by monetary value) is obtained through legal channels. In a survey of 19 sites of 13 business partners around the world in fiscal 2020, Toppan confirmed that all of the lumber procured from them was obtained legally. In yen terms, these 19 partner sites supplied 90.0% of the paper used by Toppan in fiscal 2020.

\*1 <https://www.toppan.com/assets/en/sustainability/pdf/biodiversity.pdf>

### Results of Surveys to Verify the Legality of Lumber as a Paper Material (Paper providers representing over 90% of purchase expenditures within the Group)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Number of business partners surveyed	18	16	13 <sup>*2</sup>
Purchase price basis	90.6%	92.4%	90.0%
Percentage of lumber sources verified as legal	100%	100%	100%

\*2 Paper suppliers subject to a higher risk of noncompliance over the most recent three-year period