

# Toppan Group CSR Procurement Guidelines

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Toppan Printing Co., Ltd.

## **Introduction**

The Toppan Group aims to contribute to the sustainable growth of society. To this end, we promote CSR procurement, whereby CSR (corporate social responsibility) activities are extended throughout the entire supply chain in cooperation with business partners (suppliers, companies, organizations, or individuals from which the Toppan Group procures products, materials, equipment, or services, etc.). Through these activities, we also aim to enhance the corporate value of the Toppan Group and our business partners.

The first version of these guidelines was published in 2007, and since then we have been engaging in CSR procurement activities. However, in order to address matters such as recent trends and the demands of international society, we have now revised the guidelines and published a second version.

We greatly appreciate your understanding of the purpose and content of these new guidelines and kindly ask for your cooperation with the Toppan Group's CSR procurement activities.

## **The structure and positioning of these guidelines**

These guidelines consist of a Basic Procurement Policy and a set of CSR Procurement Standards. The CSR Procurement Standards are comprised of Basic Procurement Standards and Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption.

### **■Basic Procurement Policy**

This is a basic policy that applies to all employees involved in procurement activities at the Toppan Group.

### **■CSR Procurement Standards**

These are the standards that we ask business partners to meet. In addition to meeting these standards, the basic principle for doing business with a company is that the company informs its business partners of these guidelines or of its own similar guidelines so that the details of these guidelines are passed further up the supply chain. We may ask to conduct due diligence (investigation and assessment prior to starting business transactions) or audits of business partners or their business partners to confirm compliance with items stipulated in these guidelines. Your cooperation is greatly appreciated.

#### **1. Basic Procurement Standards**

These are general standards to be met for business activities.

#### **2. Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption<sup>(\*)</sup>**

These are specific standards to be met as part of corporate social responsibility.

\*The following CSR and labor-related guidelines and standards were used as a reference when devising these standards.

United Nations Global Compact <http://www.unglobalcompact.org/>

Global Compact Japan Network <http://www.ungcjin.org/> (Japanese)

Ethical Trading Initiative <http://www.ethicaltrade.org/>

SA8000 <http://www.sa-intl.org/>

ISO 26000 <http://www.iso.org/iso/home/standards/iso26000.htm>

## **Toppan Group CSR Procurement Guidelines**

### **■Basic Procurement Policy**

- We fairly and impartially offer opportunities to all business partners and potential business partners.
- We comply with domestic and overseas laws and regulations and conduct fair business transactions based on corporate ethics.
- We strictly control the information obtained through procurement activities.
- We work to conserve the environment and reduce impact on the environment.
- We pursue QCD (Quality, Cost, Delivery) in order to meet the needs of the market.
- We work to foster mutual cooperation and build relationships of trust with business partners.
- We promote CSR initiatives throughout the entire supply chain.

### **■CSR Procurement Standards**

#### **1. Basic Procurement Standards**

##### 1) Maintenance and improvement of quality

Business partners should implement appropriate quality control, establish quality assurance systems, maintain the level of quality required, and consistently strive to improve quality.

##### 2) Appropriate pricing

Business partners should continuously provide raw materials, equipment, or services, etc. at prices that are competitive and appropriate.

##### 3) Stable supply

Business partners should consistently strive to provide a stable supply of raw materials, equipment, or services, etc. and implement measures to enable supply even in the event of unforeseen circumstances.

#### 4) Product safety

Business partners should comply with laws, regulations, and standards related to matters such as product safety and the management of harmful chemical substances and strive to ensure the safety and health of the users and consumers of products. They should also provide information such as the results of investigations related to product safety without fail.

#### 5) Management of information

Business partners should appropriately manage and protect personal information and confidential information related to business and prevent its unauthorized or wrongful use or disclosure. They should also establish appropriate countermeasures and systems to address threats related to computer networks.

#### 6) Compliance with laws and social norms

Business partners should comply with the laws and regulations of each country or region, international treaties, and social norms and conduct business activities based on corporate ethics.

#### 7) Fair business activities

Business partners should not engage in any activity that inhibits free competition or any unfair competitive activity and should promote fair business activities.

#### 8) Protection of and respect for intellectual property rights

Business partners should not infringe the intellectual property rights of any third parties when conducting business activities, such as the development, production, or sale of products or services.

#### 9) Protection of people reporting improper conduct

Business partners should establish an internal reporting system that guarantees confidentiality and protection for people who report improper conduct, and they should make employees fully aware that there will be no reprisal against any person making such a report.

#### 10) Disclosure of information

Business partners should disclose appropriately and in a timely manner information required to be disclosed by law, such as information related to the details of business activities, financial condition (financial position, performance), and risk. Even in cases where it is not required by law, business partners should provide information promptly if it affects or could affect the continuity of business transactions.

## **2 . Procurement Standards Concerning Human Rights, Labor, the Environment, and Anti-Corruption**

### **1) Human Rights**

Business partners should respect the human rights of all people related to their business activities. They should also ensure that their activities do not infringe human rights directly or indirectly.

### **2) Labor**

#### **(1) Prohibition of forced labor**

Business partners should not implement any forced labor through the use of threats, intimidation, detainment, or any other means.

#### **(2) Prohibition of child labor**

Business partners should not employ any individual under the age of 15 (even if it is permitted by local laws, no individual under the age of 14 should be employed). If the minimum working age and/or age at which compulsory education is complete are stipulated at a higher age by local law, business partners should not employ any individual below the age stipulated by law.

Particular care should be taken to ensure the health and safety of employees under the age of 18, and they should not be required to perform any dangerous tasks.

#### **(3) Non-discrimination**

Business partners should not discriminate on the basis of race, nationality, religion, age, disability, gender, marital status, sexual orientation, or any other attribute or characteristic.

#### **(4) Prohibition of harassment**

Business partners should not allow any conduct that makes use of professional position, personal relationships, or any other position of superiority in the workplace in a manner that exceeds the appropriate scope of business activities and causes psychological or physical distress to an employee or employees.

#### **(5) Respect for workers' rights**

In matters such as negotiations between labor and management, business partners should recognize and respect the rights of workers. Business partners should also create opportunities for effective communication between labor and management.

#### **(6) Ensuring occupational health and safety**

Business partners should ensure safe and hygienic conditions, including the working environment as well as employee accommodation when such employee accommodation exists. Business partners should implement training and countermeasures to prevent potential accidents and make preparations to handle any accident that may occur.

(7) The payment of appropriate wages

Business partners should pay wages that are equal to or above the minimum wage stipulated by local law and pay wages for work outside of regular working hours based on laws and agreements. Information on wage-related terms and conditions and the details of wages should be provided to workers.

(8) Management of appropriate working hours

Business partners should meet the requirements of local laws related to working hours and leave.

(9) Consideration for job security and fulfillment of the obligations of an employer

Business partners should give consideration to job security and fulfill their obligations as an employer.

**3) The Environment**

Business partners should comply with local environment-related laws and regulations and work to prevent pollution of the atmosphere, water, and soil. They should also continuously measure and assess the use and discharge of resources and work to reduce impacts on the environment.

**4) Anti-Corruption**

Business partners should prohibit and prevent conduct such as bribery, corruption, inappropriate provision or receipt of profits, extortion, and misappropriation.