

Human Rights Management Supporting Sustainable Growth

Basic approach

In accordance with its management philosophy of people-oriented management, the Group aims to develop diverse human resources and create a culture in which they can play active roles, and conducts business activities with a focus on respect for the cultures and values of each region, with respect for human rights and compliance with the labor laws of each country.

Frameworks such as the OECD Guidelines for Multinational Enterprises, the California Transparency in Supply Chains Act, and the UK Modern Slavery Act 2015 require companies to fulfill their social responsibilities covering their supply chains. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities.

Formulation of a human rights policy

The Group has a global business presence with approximately 70 Group companies operating in around 20 countries around the world. With the globalization of business, supply chains are expanding and becoming more complex, and companies are required to fulfill their social responsibilities, including their supply chains.

In our efforts to respect human rights throughout the supply chain as a company that operates globally, we revised our Procurement Principles and Standard for Selecting Suppliers in October 2022. Additionally, in March 2023, we formulated our Group Human Rights Policy as a basic policy with which all people working at Group sites both in Japan and overseas must comply, organizing the concepts and matters of respect for human rights that have been developed internally in our existing Code of Business Ethics and Human Resources Policy.

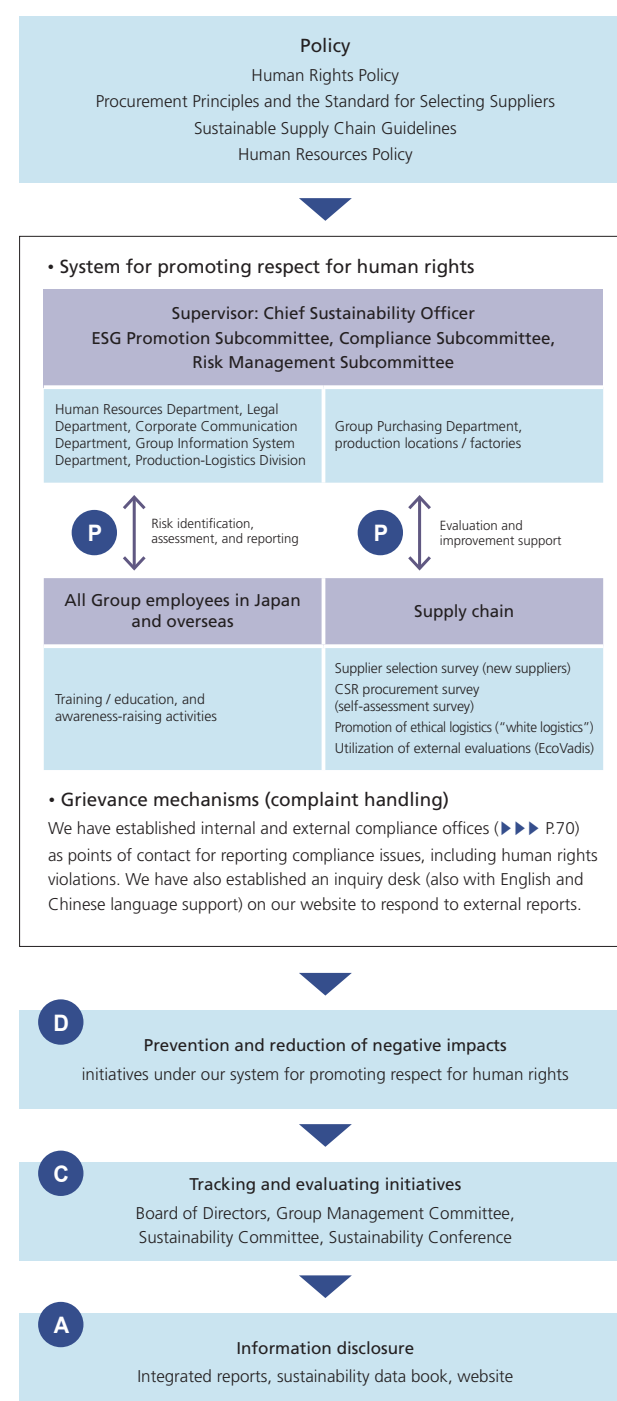
 Our Human Rights Policy, Procurement Principles and Standard for Selecting Suppliers are posted under CSR Related Policies in the CSR section of the Company's website.

System for promoting respect for human rights

Under the supervision of the Chief Sustainability Officer, the three subcommittees of the Sustainability Committee—ESG Promotion Subcommittee, Compliance Subcommittee, and Risk Management Subcommittee—play a central role and coordinate with related departments (namely, the Human Resources Department, Legal Department, Corporate Communication Department, Group Information System Department, Production-Logistics Division of Toyo Ink SC Holdings Co. Ltd.) to advance Group-wide human rights initiatives in Japan and overseas.

The Group Purchasing Department of Toyo Ink SC Holdings plays a central role in human rights initiatives for suppliers and engages in CSR procurement based on the Procurement Principles, the Standard for Selecting Suppliers, and the Sustainable Supply Chain Guidelines.

Overview of human rights initiatives



Global response to human rights issues

Based on our belief in the need to ascertain and reduce the negative impact of business activities on human rights, we have shared our Code of Business Ethics / Conduct—which stipulates respect for basic human rights—with overseas Group companies to firmly establish the idea of respect for human rights throughout the Group. In light of recent international developments relating to human rights, we have issued and distributed Human Resources Policy to establish and improve HR management systems at overseas Group companies. The policy represents a systemized version of

the Group's basic policies in its human resources strategy.

We will also continue to work with customers to build and develop supply chain management by checking efforts to respect human rights in procurement activities, conducting CSR evaluations using EcoVadis, and responding to CSR procurement questionnaires.

■ EcoVadis evaluation (Toyo Ink SC Holdings Co. Ltd.):
2022 score (Bronze)

Creating a responsible supply chain

Through CSR procurement, we will ensure legal compliance in the supply chain, achieve respect for human rights, and improve working conditions and the global environment. We are developing measures based on three axes of (1) distributing our Procurement Principles and Sustainable Supply Chain Guidelines, (2) conducting surveys, audits, and improvement activities for suppliers, and (3) deepening employee understanding. We are also promoting CSR procurement awareness-raising activities at overseas bases.

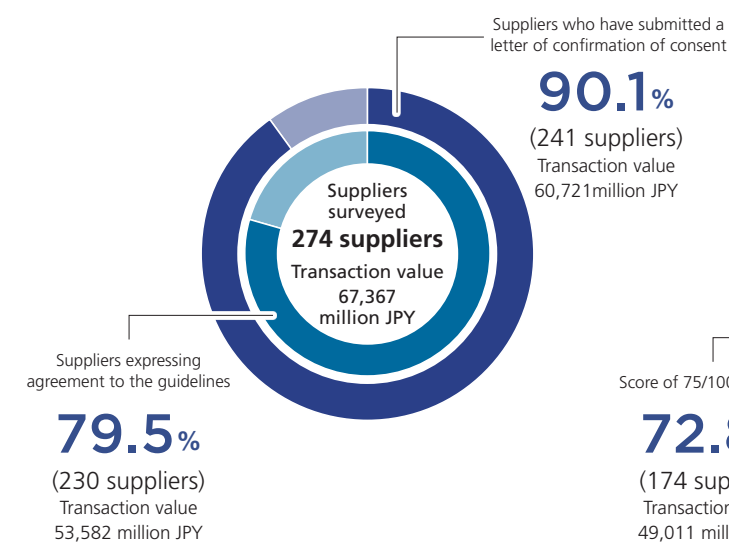
In FY2022, we distributed guidelines to 274 Japanese suppliers under the supervision of the Group Purchasing Department, requested them to submit a letter of consent regarding the contents, and conducted a questionnaire-based survey to confirm the actual state of implementation of CSR at each supplier.

As a result, we received letters of confirmation of con-

sent from 241 companies, and responses from 235 companies in the questionnaire-based survey. A total of 230 suppliers consented to the guidelines, equivalent to 79.5% based on transaction value. The questionnaire was conducted using the GCNJ (Global Compact Network Japan) CSR Procurement Self-Assessment Questionnaire v1.1, and 174 suppliers scored 75/100 or higher, or 72.8% based on transaction value. Using this value as a KPI that indicates the Group's CSR procurement rate, we will aim to promote sustainability in our global supply chain and improve respect for human rights by continuing to conduct regular surveys, and expanding our survey activities across the board to domestic suppliers not under the supervision of the Group's Purchasing Department and suppliers that engage in transactions with overseas bases.

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Status of consent to the guidelines



State of response to the survey

