

# DNP Group ESG Briefing materials

**DNP**

October 15, 2021

Dai Nippon Printing Co., Ltd.

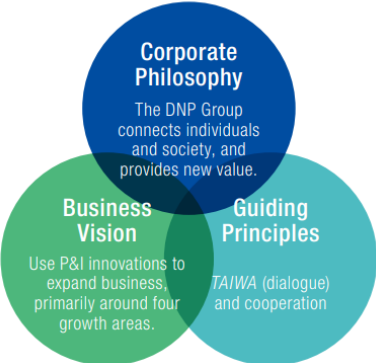
# What Sustainability Means to DNP

DNP

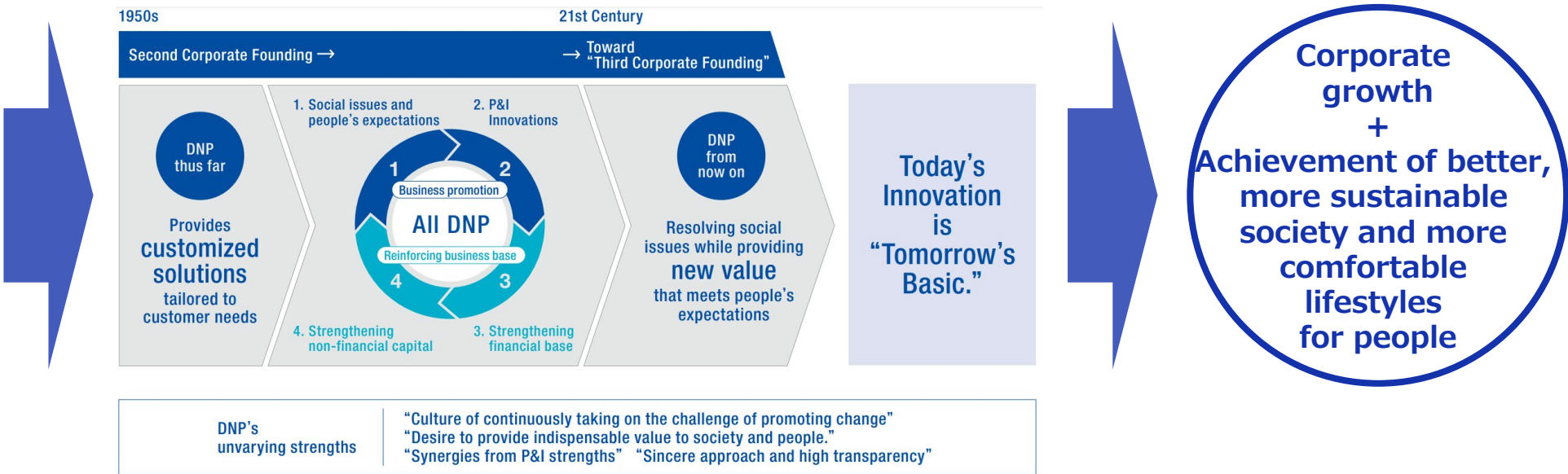
**DNP aims to achieve corporate and social sustainability by prioritizing ESG in our management.**

## An ESG-based Group Vision

The DNP Group's basic management policies announced in October 2015. The vision is comprised of three main elements, the first of which is central: Corporate Philosophy, Business Vision and Guiding Principles.



## Creating value that resolves social issues and meets people's expectations



# Business promotion and the business base reinforcement that supports it

In addition to identifying themes that we deem important based on our management strategies and business fields, DNP has established high-priority themes for corporate activities by referring to sustainable development goals (SDGs) and other themes that the international community views as critical.

Business promotion	Business to Contribute to SDGs Achievement	We create new value through products and services, which will contribute to the achievement of the SDGs, and help society grow in a sustainable manner.	
	Fair Operating Practices	We help to maintain and develop orderly, free and competitive markets based on laws and social ethics and by always remaining fair and equitable.	
Foundation to support business promotion	Human Rights and Labor	We place human dignity first and foremost and respect diversity unique to all persons. In addition, we accordingly respect working styles suited to the diversity of our employees and make efforts to create a safe, healthy and vibrant working environment.	
	Environment	We seek to minimize the impact our businesses have on the environment and supports biodiversity, first by complying with environmental laws and regulations and also by recognizing the relationship that each of our business activities has with the environment.	
	Responsible Procurement	For creating excellent value and cultivating strong compliance awareness at the same time, we work jointly with our supply chain stakeholders and conduct procurement that gives due consideration to human rights, the environment and more.	
	Product Safety and Quality	We seek to gain the trust of society by prioritizing the safety and quality of our products and services as part of our responsibility as a company that supplies these to society.	
	Information Security	We ensure the exceptional security of personal information and all other information assets through management and protection as part of the social responsibility of a company handling such information assets.	
	Corporate Citizenship	We contribute to society by resolving social issues, conducting volunteer activities and through cultural activities as we look to deepen our relationship with society as a good corporate citizen that coexists with society.	

# Today's Presenters:

**DNP**



DNP's  
Value  
Creation



DNP's  
Corporate  
Governance



DNP's  
Approach to  
Sustainability and  
the Environment



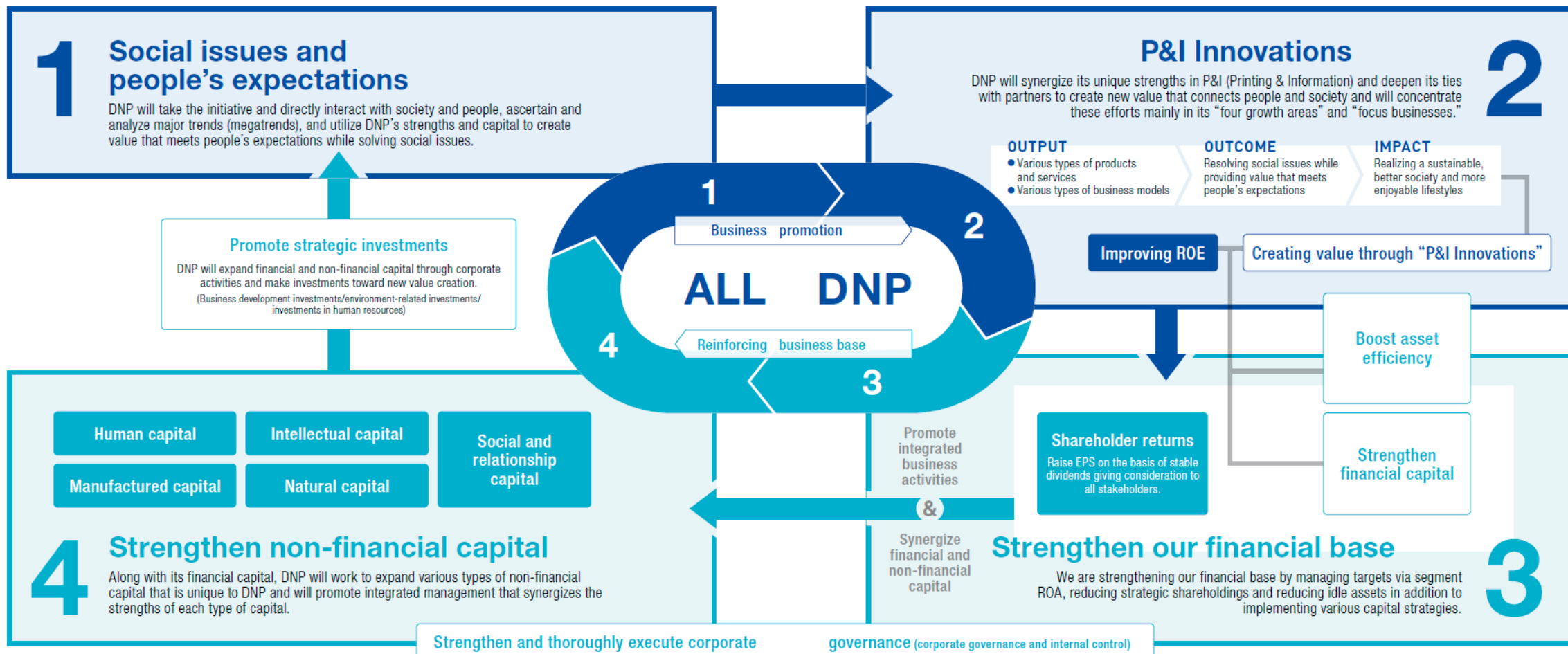
DNP's  
Approach to  
Human Resources  
and Human Rights

# DNP's Value Creation

# DNP's Value Creation Process

**DNP**

**Corporate Philosophy | The DNP Group connects individuals and society, and provides new value.**



# Today's Innovation is “Tomorrow's Basic”

## ①Social issues and people's expectations Means to DNP

📄 DNP's business environment and “key issues” for DNP

Risks | Acceleration of sharing economy

### Knowledge and Communication



Megatrends

#### Shift to data economy

Social issues to be resolved and value provided

- ▶ Secure transactions, safe and secure society
- ▶ Accurate credit review ▶ Streamline supply chain

Megatrends

#### Domestic population decline and global population growth



Social issues to be resolved and value provided

- ▶ Expanding the diversity of human resources
- ▶ Food shortages, food losses

Megatrends

#### Digital transformation

Social issues to be resolved and value provided

- ▶ Society5.0
- ▶ Building a new normal in society



Megatrends

#### Longer human lifespans

Social issues to be resolved and value provided

- ▶ Extend healthy life expectancy
- ▶ Changes in public health

### Food and Healthcare

### Lifestyle and Mobility

Megatrends

#### Moving toward smart cities



Social issues to be resolved and value provided

- ▶ Streamline functions and services in cities and regions
- ▶ Ensure the availability and means of transport, balanced with environmental concerns

Megatrends

#### Building decarbonized society

Social issues to be resolved and value provided

- ▶ Reduce GHG emissions
- ▶ Expand use of renewable energy

### Environment and Energy

Faster innovation  
Greater development competition  
Personnel shortages due to hiring issues  
Risks

Risks

Response to climate change  
Review energy initiatives

Worsening marine pollution  
Exhaustion of natural resources



# Today's Innovation is "Tomorrow's Basic"

## ②What focus businesses Means to DNP

**DNP**



### Knowledge and Communication

A future where people worldwide can expand opportunities for safe and secure communications and share and inherit knowledge

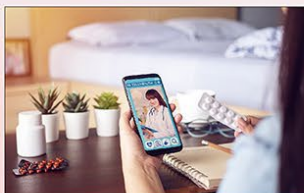
#### Data distribution-related business



Identification services



ICT-based learning support system



Online healthcare

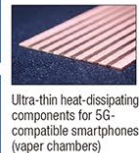


Photo-related services and solutions

#### IoT and next-generation communications business



Production of high resolution VR content that supports 8K (VR video of the inner sanctuary of the Ninna-ji Temple)



Ultra-thin heat-dissipating components for 5G-compatible smartphones (vaper chambers)

### Lifestyle and Mobility

A future that safely and securely protects all living spaces where people worldwide are mobile and lead their lives



Virtual experience (virtual model rooms)

#### Mobility business



Next-generation decorative panels that realize advanced seamless designs



Battery pouches for lithium-ion batteries

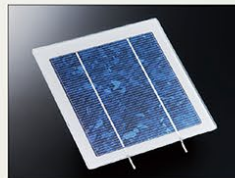


Sheet-type wireless EV charging coil

#### Environment-related business



Eco-friendly packaging



Photovoltaic module component (back sheets and encapsulants)

### Environment and Energy

A sustainable future that reduces environmental impacts and enables people worldwide to co-exist harmoniously with the earth



### Food and Healthcare

A future where people around the world no longer have anxieties about their own lives and can lead lifelong safe, secure and high-quality lives

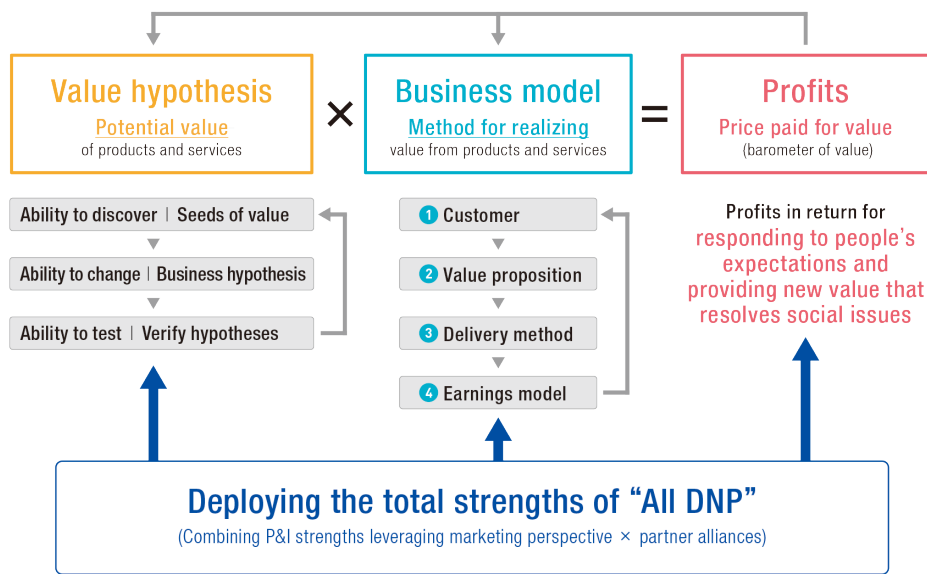


# Value Creation Program

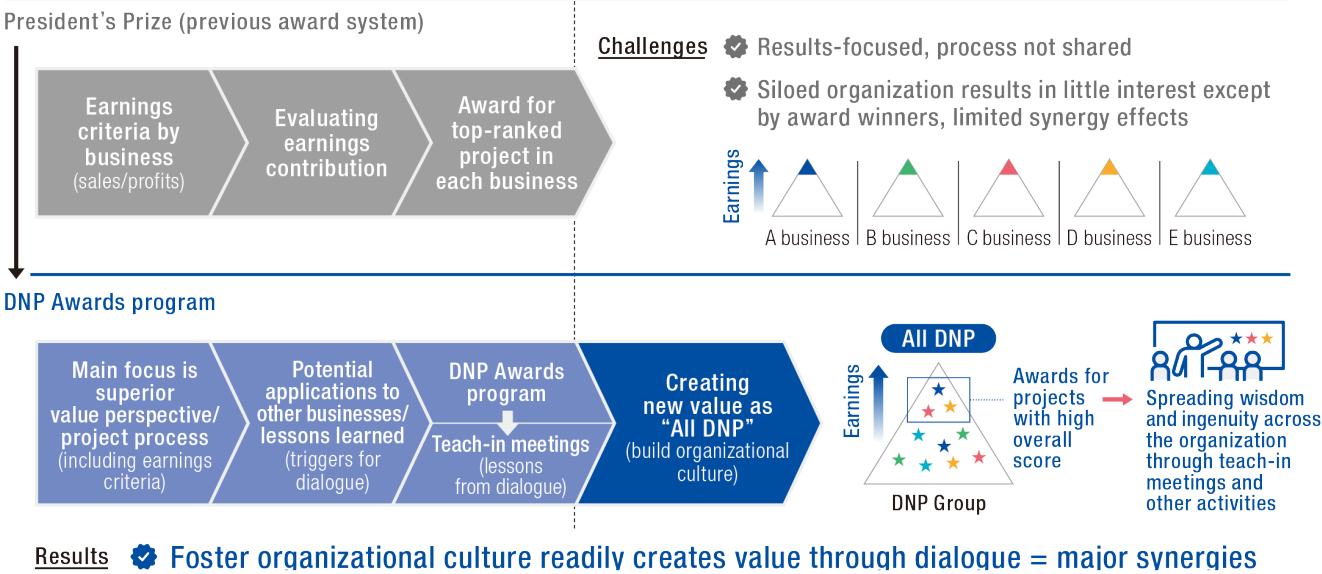
DNP

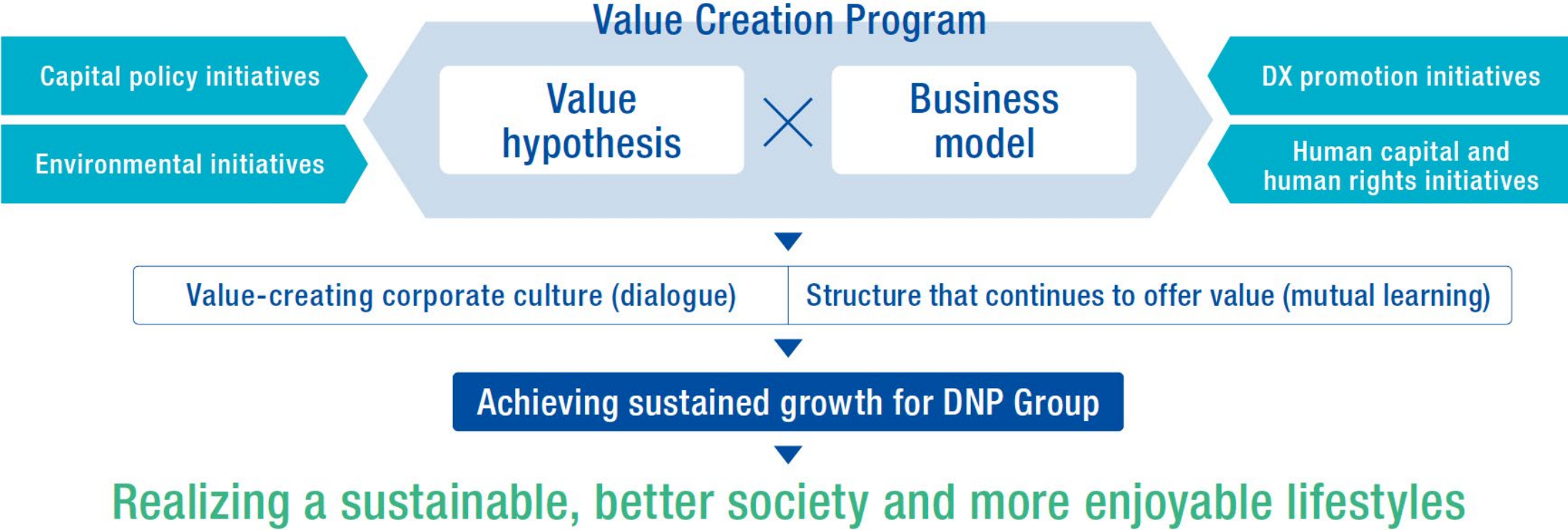
DNP will implement the Value Creation Program under which it promotes “All DNP,” discovers “seeds of value,” repeats value hypothesis verifications and builds optimal business models.

## Value Creation Program



## Initiatives to advance Value Creation Program: New DNP Awards

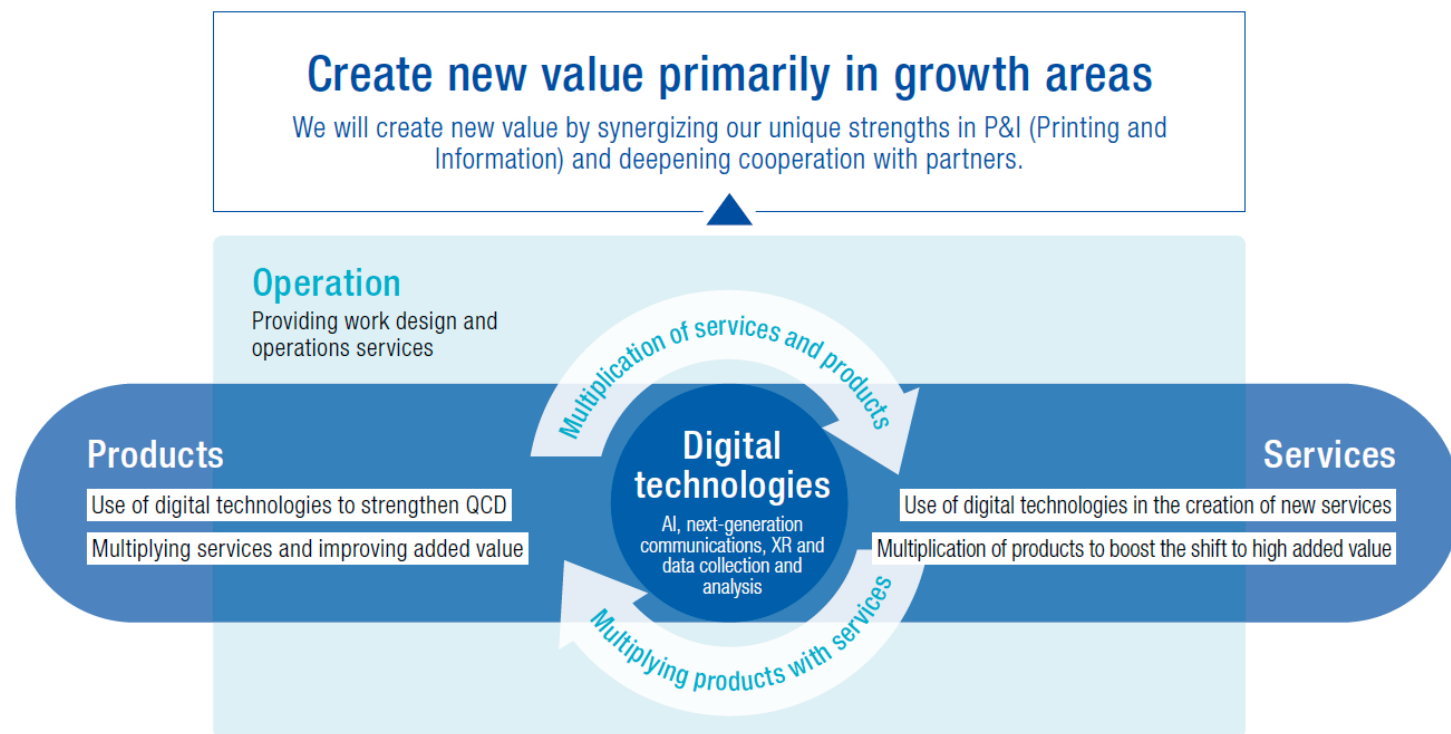




# Reinforcing Business Base creation

## DX-driven value

**DNP**



# Reinforcing Business Base   Reinforcing ICT Talent to Support DX **DNP**



Our All DNP DX initiative is the epitome of our basic strategy of "creating value through P&I innovation"

Creating added value  
through DX promotion

Construction of  
new business models

Increasing DNP's competitiveness  
(working style innovation, sales innovation,  
production innovation, operational innovation)

## Discovery of ICT talent

### Definition of ICT talent

- Enhanced skills based on ITSS

### Securing ICT talent

- Uniform management of skills and work experience through talent management

## Analysis

Analyze the gap between the current status of ICT talent and future requirements

## Reinforcing ICT talent

### Enhance systems and environment

### Maximize in-house capabilities

- Secure ICT talent and offer appropriate treatment by introducing ICT professional system
- Enhance and implement educational programs based on improving the skills of ICT talent
- Strengthen educational programs that teach skills (AI, Agile, cloud computing) that will be needed in the future to realize DX

### Reinforce promotion

- Strengthen cross-departmental cooperation in technology utilization AI, 5G, XR, Agile development, etc.
- Implement education to improve IT literacy for all employees
- Workplace conversion as part of business structure reform and reskilling education that develops ICT talent

### Use outside capabilities

- Introduce fixed-term employment format for outstanding outside talent with high-level knowledge and skills
- Use outside consultants and outside project managers

- Speed up business promotion and increase the value provided by co-creating with leading companies
- Improve project development quality through human resources exchanges with Nihon Unisys

## Work to solve problems of higher education institutions through proactive use of digital technology

### Challenges faced by higher education institutions

- Switch to learner-centered education
- Ensuring diversity and flexibility
- Rebuilding assurance of learning quality

### Education requirements in the post-Corona era

- Switch from analog to digital

How To solve

Using ICT for more advanced education

Data-based education

Feedback from students

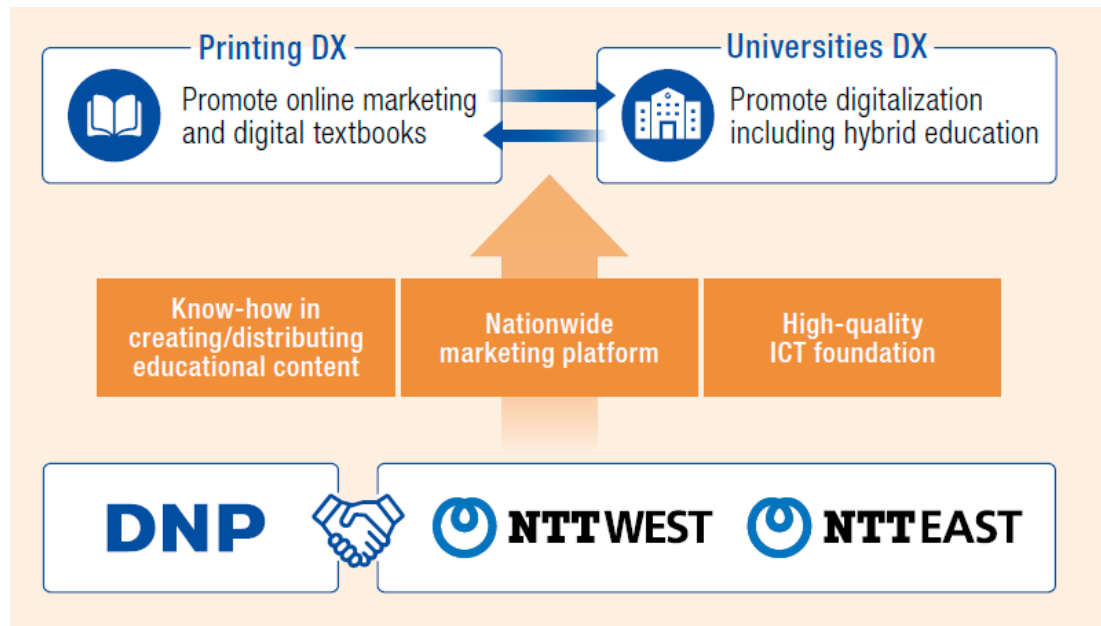
"I can learn what I want to know in a way that suits me!"

Use of digital content

"Using original teaching materials alongside textbooks deepens my learning!"

Blending of digital and physical

"I can learn any time and anywhere!"



**UNISYS** **MARUZEN**

Taking learning to a new stage with ICT



Education × DX (Digital Transformation)

# Initiatives for Corporate Governance



## Three Corporate Responsibilities

- Value Creation
- Integrity in Conduct
- Transparency (Accountability)

By fulfilling  
these  
responsibilities



- Being trusted by society
- Sustainable growth as a company

## Enhancement of corporate governance

- Appropriate management decisions
- Appropriate and prompt execution of operations based on those decisions
- Establishment and operation of systems that enable the supervision and auditing of those actions

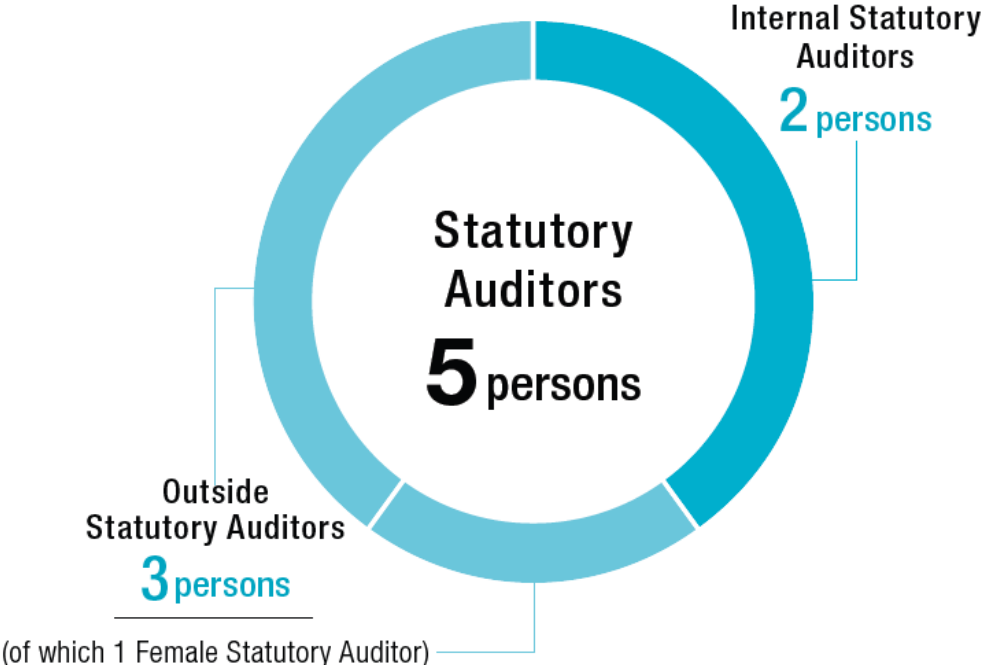
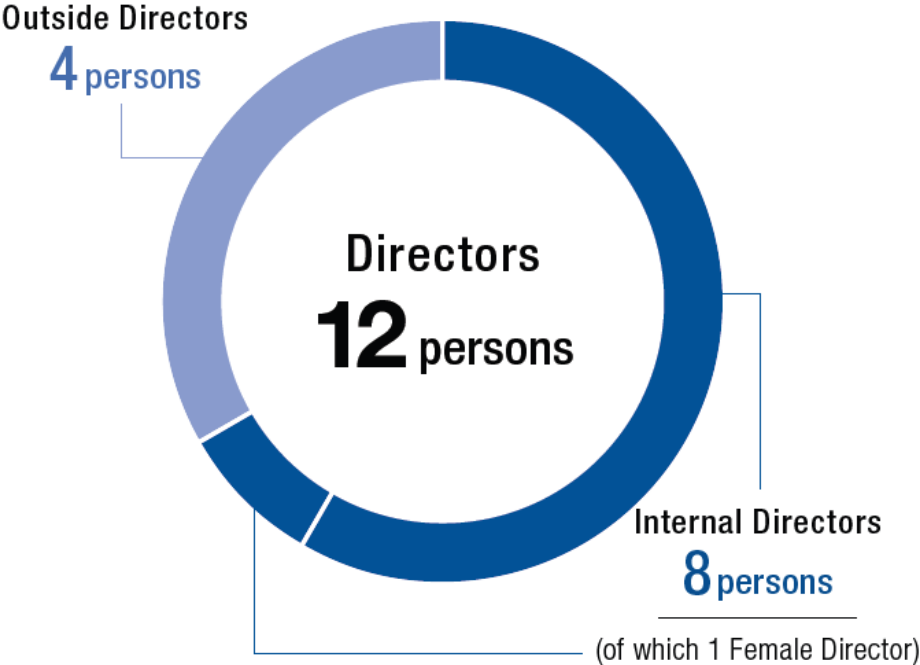
**DNP**

~2003~		2004		~2015~		2016~	
Board of Directors	Member of Board of Directors	<ul style="list-style-type: none"> <li>Started selection of outside directors (2002)</li> </ul>	<ul style="list-style-type: none"> <li>Shortened term of the Director to 1 year (2007)</li> </ul>	<ul style="list-style-type: none"> <li>Established advisory committee (2015)</li> </ul>	<ul style="list-style-type: none"> <li>Introduced the evaluation of the effectiveness of the overall Board of Directors (2016 -)</li> </ul>		
		2018		2019		2020	
Board of Directors	Member of Board of Directors	<ul style="list-style-type: none"> <li>Discontinued the takeover defense measures (2019)</li> </ul>					

# Composition of Board of Directors and Statutory Auditors

Outside Directors constitute at least one third of Board

Composition of the Company's Board of Directors (As of June 29, 2021)



# Board of Directors Skill Matrix

**DNP**

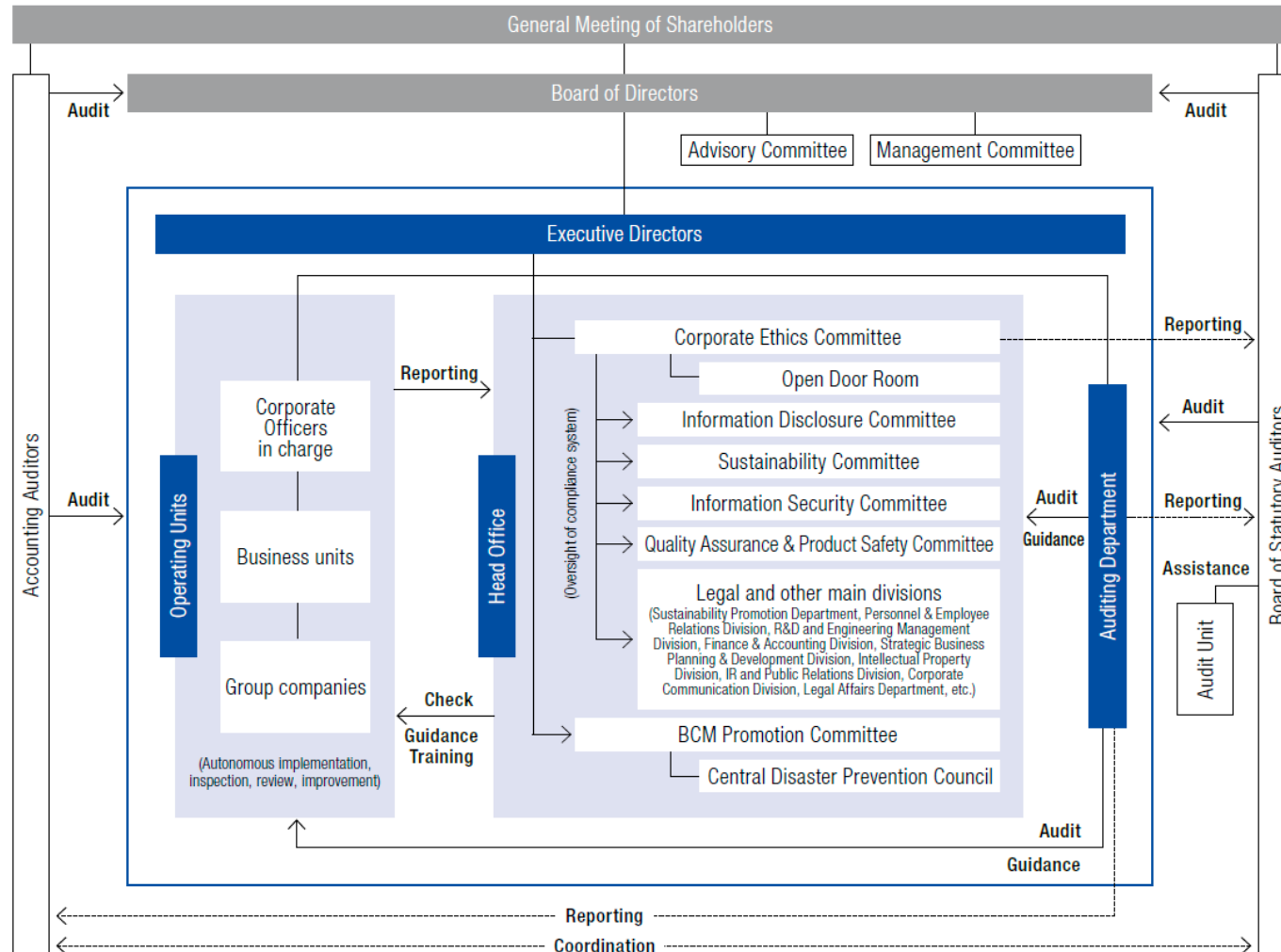
Established in view of importance and business vision

		Corporate Management, Business Strategy	ESG, Diversity	Financial/ Management Accounting, Capital Policy Initiatives	HR/Labor, Human Resource Development	Legal Affairs, Compliance, Risk Management	Overseas Business	IT DX	R&D, New Business
Directors	Yoshitoshi Kitajima	●					●		
	Yoshinari Kitajima	●					●		
	Kenji Miya	●	●		●	●	●		●
	Masato Yamaguchi	●					●	●	●
	Satoru Inoue	●	●			●		●	●
	Hirofumi Hashimoto	●		●		●	●		●
	Masafumi Kuroyanagi	●		●					
	Minako Miyama		●		●			●	●
	Tsukasa Miyajima					●			
	Ryuichi Tomizawa	●					●		
Statutory Auditors	Kazuyuki Sasajima								●
	Ikuo Morita		●						●
	Naoki Hoshino			●			●		
	Toshio Sano			●		●			
	Kazuhisa Morigayama	●		●	●				
Outside	Makoto Matsuura					●			
	Taeko Ishii				●	●			

# Corporate Governance Structure

DNP

Promotion of initiatives aimed at improving the overall functioning of the Board of Directors



## Effectiveness of Board of Directors

- Since we began applying our CG Code in June 2015, we have conducted an effectiveness evaluation of the overall Board of Directors every year around April.
- As an ongoing process, we use questionnaires etc. aimed at Directors and statutory auditors and take appropriate measures such as alleviating problems and increasing areas of strength  
⇒ in order to improve the functioning of the overall Board of Directors.

## Advisory Committee

As part of our efforts to strengthen the supervisory function of the Board of Directors, the committee consists only of independent outside Directors and an independent statutory auditor in order to ensure the transparency and objectivity of procedures for appointing Directors and other corporate officers, and for determining their compensation.

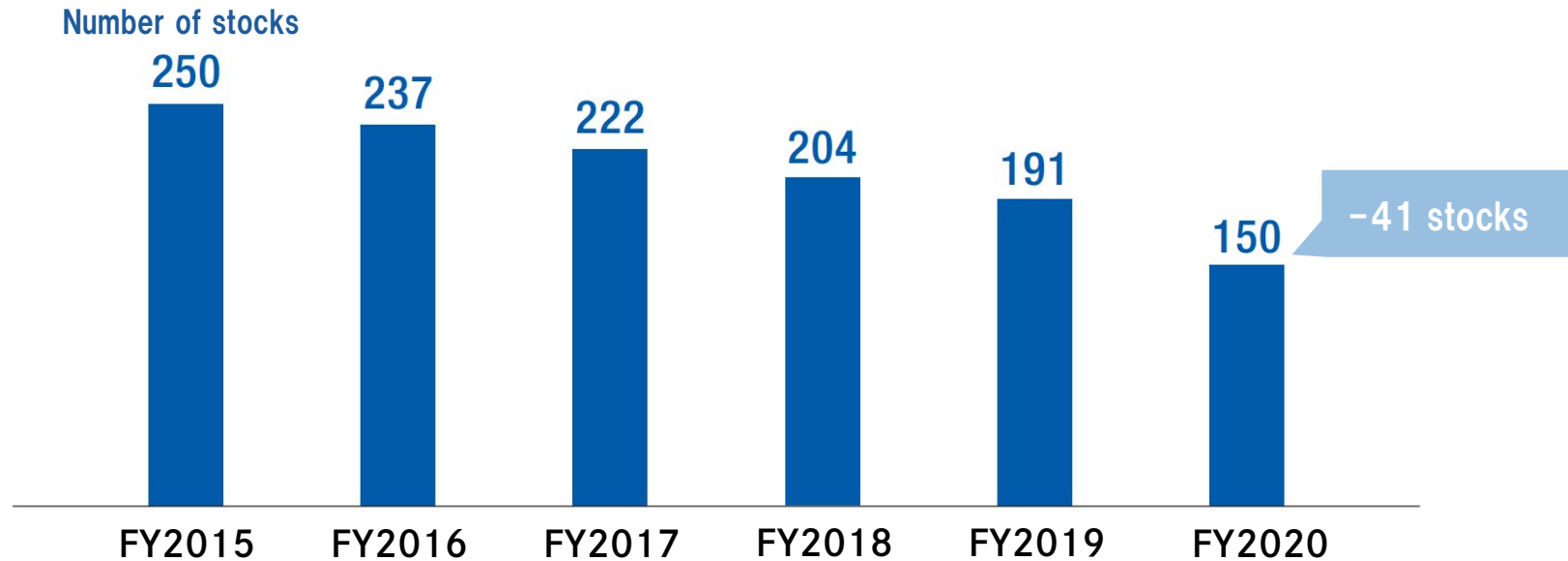
# Holding of Publicly Listed Companies' Shares

**DNP**

## Regular verification of the significance and purpose of holding such shares

- We implement regular verification of the significance and purpose of holding each share, based on the status of our business dealings with the share issuer, its business performance, the Company's own business status, economic rationality in the medium and long term, and future prospects.
- As a result, we sell shares when we see that the significance of holding those particular shares has diminished.
- In the fiscal year ended March 31, 2021, the number of holding of publicly listed shares held by the Company decreased by 41.

### 【Holdings of Publicly Listed Shares】





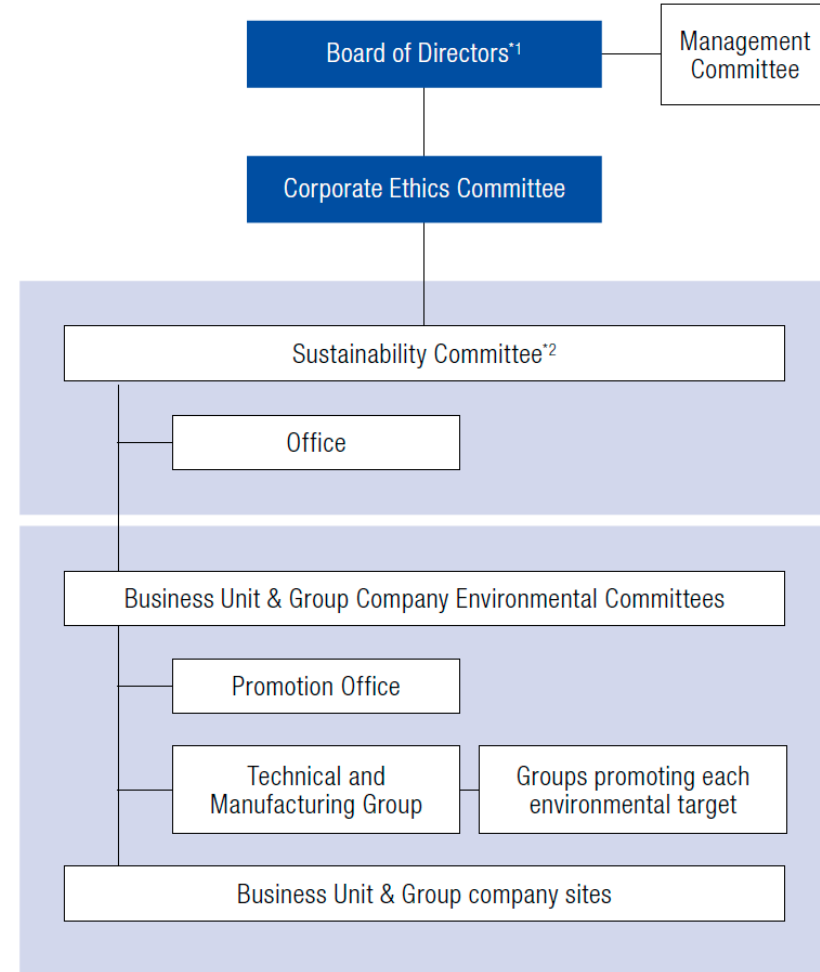
# Initiatives for Sustainability / Environmental

# Corporate Governance Structure

- DNP positions responding to environmental issues as one of its important management issues.
- Under the management and supervision of the Board of Directors, the Corporate Ethics Committee, which oversees internal control, and the Sustainability Committee, which is dedicated to sustainability issues, have been established to take responsibility for coordinating environmental matters.

## 【Sustainability Committee】

- Chaired by the Director in charge of the environment, the committee is composed of the various Managing Directors from the head office as well as executive officers.
- Discusses and decides sustainability-related policies, goals and plans, etc. for the overall DNP Group, oversees the promotion of those plans and monitors goal achievement status, etc.
- In addition, important matters discussed by the committee are discussed and decided by the Board of Directors along with management policies, management strategies and other important matters.



### Roles of each organization

- \* 1 Deliberate and decide on important matters related to our response to climate change
- \* 2 Assess climate change-related risks and opportunities, deliberate and decide on basic policies, targets and plans and oversee the progress

# DNP Group Environmental Vision 2050



- At a United Nations summit in September 2015, the Sustainable Development Goals (SDGs) were adopted and countries around the world began to work toward balancing economic growth with environmental preservation.
- In addition, initiatives aimed at carbon neutrality are accelerating in Japan and abroad at the same time that there is demand for "green recovery," or economic recovery from the COVID disaster achieved while curbing climate change and preserving ecosystems.
- DNP targets the realization of **a decarbonized society, a recycling-oriented society, and a society in harmony with nature** by creating new value through P&I innovation toward the achievement of a sustainable society.



## A Decarbonized Society

Climate change adaptation and mitigation

- We aim to achieve effective net-zero greenhouse gas (GHG) emissions from business activities at our own sites.
- We will contribute to create a decarbonized society through our products and services.



## A Recycling-Oriented Society

Efficient use of resources

- We will provide maximum value through the efficient use and recycling of resources throughout the value chain.

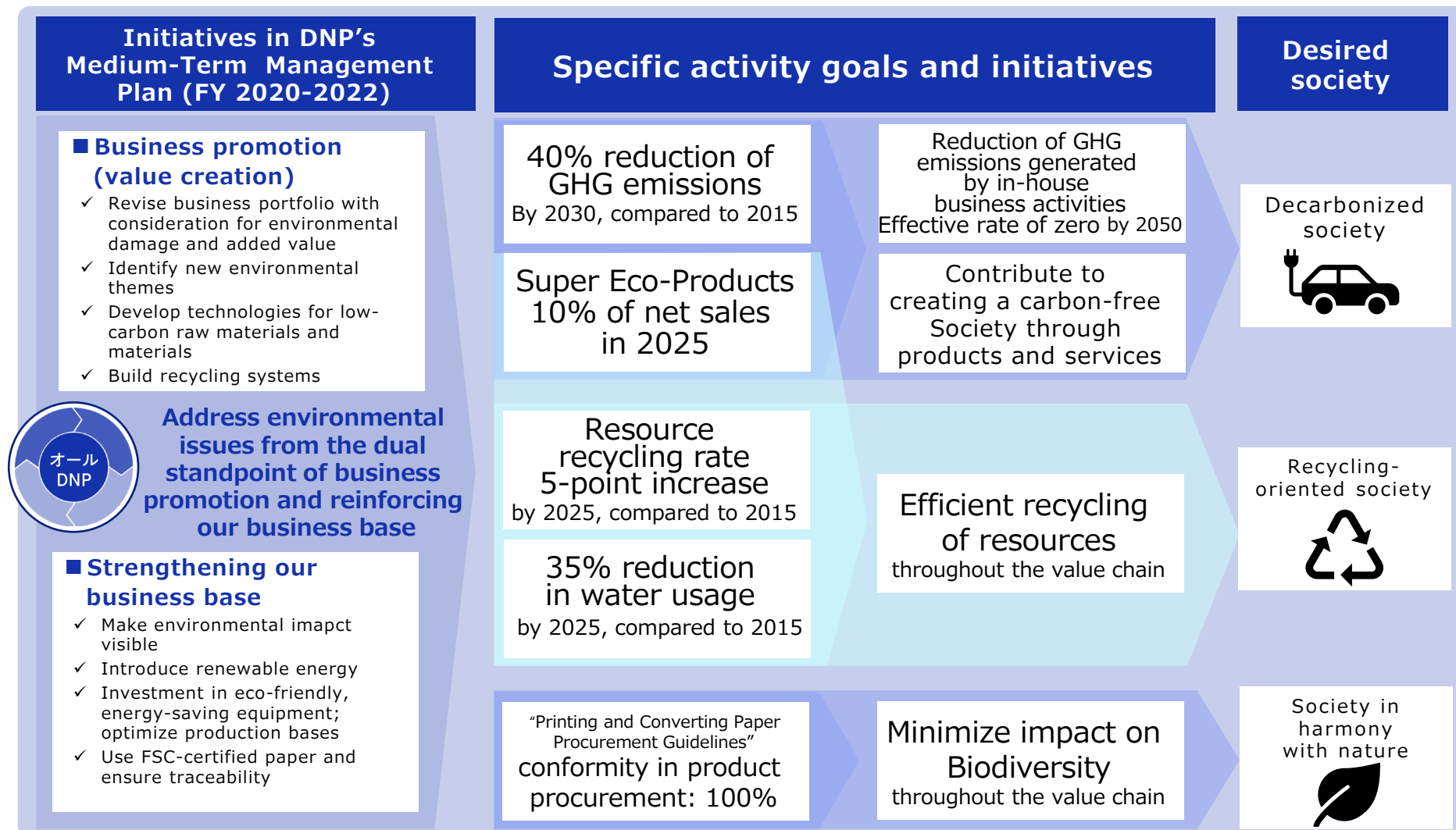


## A Society in Harmony with Nature

Conservation of biodiversity

- We aim to minimize the impact on biodiversity throughout the value chain and achieve harmony with regional ecosystems.

# Initiatives Aimed at Achieving DNP Group Environmental Vision 2050



**Address environmental issues from the dual standpoint of business promotion and reinforcing our business base**

\* In July 2018, DNP received certification from the SBT (Scientific Based Targets) initiative for its longer-term goal of a 25% cut in FY2015 greenhouse gas emissions by 2030, and again received SBT certification after revising this goal to net zero emissions in 2050.

\* Super-eco products are products and services that DNP deems to be exceptionally environmentally conscious based on its proprietary assessment criteria.

# Building a Decarbonized Society Scenario Analysis



**DNP**

- In order to identify climate change risks and to consider strategies for managing long-term risks when promoting its businesses, DNP uses scenario analysis to evaluate likely financial effects and the duration of those effects.

【Scenario】

- Evaluate the effects of limiting temperature increase to 1.5 °C and transitioning to a "decarbonized society" : International Energy Agency (IEA) scenarios (Sustainable Development Scenario, Net Zero Emissions by 2050 scenario)
- Impact assessment in the case of a 4 °C temperature rise : United Nations Intergovernmental Panel on Climate Change IPCC Scenario (RCP8.5)

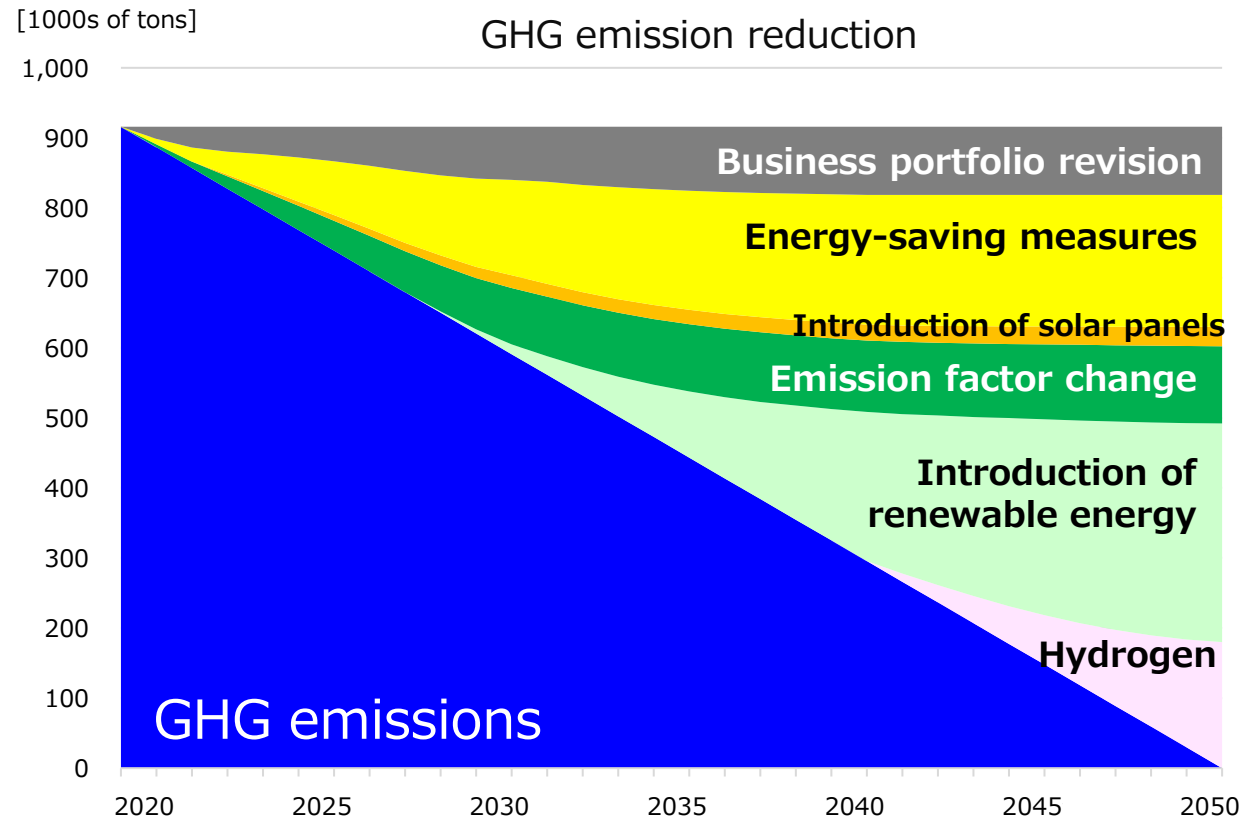
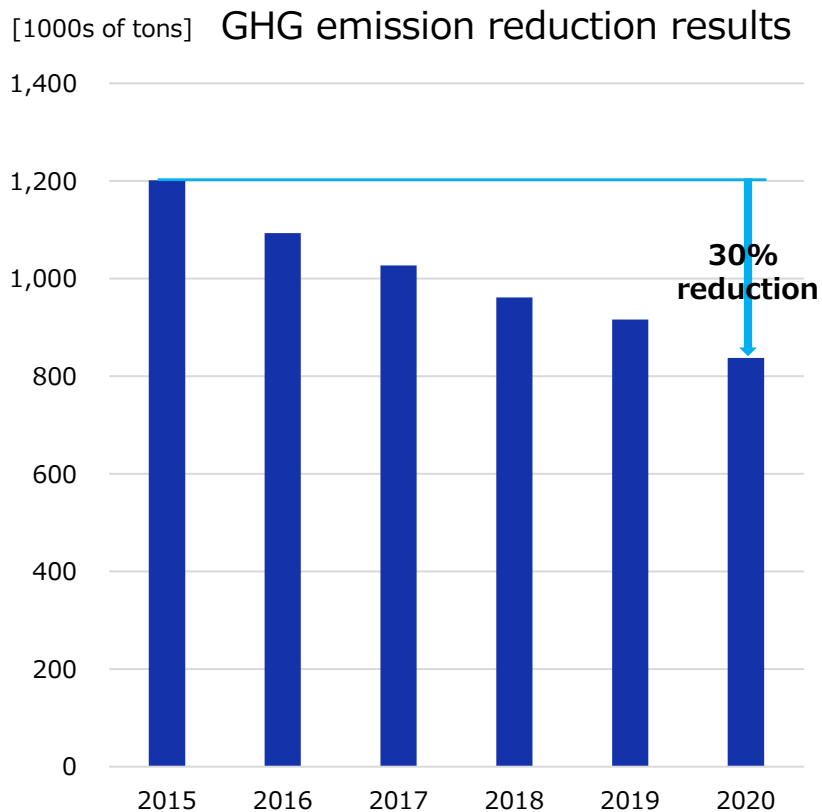
	Possible risks	Impact on DNP	DNP's responses
Risks of transitioning to decarbonized society	Tightening regulations on GHG emissions Introduction of carbon tax	<ul style="list-style-type: none"> <li>• Implementation of carbon tax, emission trading system, etc.</li> <li>• Increased operating costs due to the introduction of renewable energy, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Revision of business portfolio</li> <li>• Further reinforcement of energy-saving activities, optimization of production bases, and introduction of renewable energy</li> <li>• Reduction of CO<sub>2</sub> emissions throughout product life cycles</li> </ul>
	Regulation of plastics	<ul style="list-style-type: none"> <li>• Taxation of products using fossil-derived raw materials</li> <li>• Cost of converting to alternative raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Expand sales of plant-derived resin products</li> <li>• Develop highly recyclable products</li> <li>• Construct recycling systems</li> </ul>
	Changes in marketplace values and consumer behavior	<ul style="list-style-type: none"> <li>• Weeding out of products and services that are not low-carbon or environmentally friendly</li> </ul>	<ul style="list-style-type: none"> <li>• Promote low-carbon product development and markets</li> <li>• Switch to paper or other recyclable resources</li> </ul>
	Evaluation of approach toward initiatives addressing climate change issues	<ul style="list-style-type: none"> <li>• Deterioration of corporate image, decline in share price, reduction of capital due to exclusion from investment targets, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve information disclosure and engagement</li> <li>• Take measures to reduce GHG emissions to achieve long-term environmental vision</li> </ul>
Physical risks	Increased wind and water damage from heavy rains, flooding and typhoons, etc.	<ul style="list-style-type: none"> <li>• Shutdown of operations or disruption of supply chain due to natural disaster</li> </ul>	<ul style="list-style-type: none"> <li>• Implement disaster risk countermeasures at production bases</li> <li>• Reinforce production backup system at multiple bases</li> <li>• Diversify suppliers</li> <li>• Bolster compensation/support systems for employees</li> </ul>

## Building a Decarbonized Society Reduction Measures



**DNP**

- Based on market and corporate trends, we will revise our business portfolio, further promote energy-saving measures, introduce renewable energy, and move forward toward introduction of hydrogen energy.
- Use internal carbon pricing (ICP: virtual carbon tax) as a basis for determining what actions to take.





## Building a Recycling-Oriented Society

DNP

- Aim for efficient recycling of resources throughout the value chain.
- (1) Promote reduction and/or recycling of waste materials generated by in-house work sites  
We will reduce waste materials discharged from our manufacturing bases and improve resource productivity.  
In particular, we will work to improve the material/chemical recycling ratio of waste materials that we generate, especially for plastics, which are the objects of accelerating efforts.
- (2) Reduce water usage at in-house work sites  
We will promote the reduction of water usage by optimizing the amount used in manufacturing processes, saving water by reviewing processes, recycling water used within processes, and managing wastewater.

## Building a Society in Harmony with Nature

- Aim to minimize effects on biodiversity throughout the value chain and to achieve harmony with local ecosystems.
- Consider the relationships between biodiversity and business activities such as product development, raw material procurement, manufacturing, sales, and product use and disposal, and take on "raw material procurement" and "creation of green spaces within our workplaces" as priority themes.

### 【Procurement of raw materials】

In order to protect forest resources as we procure paper, we established "Printing and Converting Paper Procurement Guidelines" which indicate criteria for selecting which paper to procure and from which suppliers. We aim to procure 100% of the paper we use in compliance with these guidelines, and we are proactively using FSC-certified paper and ensuring traceability.

### 【Creation of green spaces within our workplaces】

On the premises of each of our workplaces, we are developing activities closely linked to the surrounding areas, such as conservation of endangered species or creation of green spaces designed with consideration for local ecosystems.

As part of our redevelopment project in Tokyo's Ichigaya area, we are cultivating "Ichigaya no Mori," a green belt meant to evoke the Musashino woods of former times. We are also promoting construction of an "ecosystem network" that will allow living things to come and go between surrounding green spaces.

# To create a decarbonized society through our products and services

## Environment-Related Businesses

DNP

Toward the Realization of a Sustainable, Better Society

## Providing Value That is Friendly to the Global Environment and Indispensable to Daily Lives

DNP's business model (products and services)

- Eco-friendly packaging
- Encapsulants and back sheets for photovoltaic cells
- DNP Multifunctional Insulation Box, etc.

Net sales (¥ billion)



DNP's strength

Eco-friendly packaging

地球をまもる

GREEN PACKAGING

With the keywords of "3R" (reduce, reuse, recycle) and "renewable" (sustainable resources), DNP reduces the environmental load in packaging-related businesses and, in addition, seeks to provide three types of value, namely, resource circulation, CO<sub>2</sub> reduction and conservation of the natural environment by offering its original products and services with the aim of realizing a sustainable society.



DNP plant-based packaging materials



DNP mono-material packaging materials

### DNP plant-based packaging materials

DNP is reducing CO<sub>2</sub> emissions at least 10% throughout the product lifecycle compared to petroleum-based plastics by switching part of the raw materials for plastics from petroleum-based to plant-based materials. We are contributing to the realization of a decarbonized society by enhancing the lineup of products in the series.

### DNP mono-material packaging materials

DNP is improving recyclability by making packages with a single material (mono-material). We offer a lineup of products that are adaptable to diverse shapes and contents, with functions such as the preservability and sturdiness realized by our original converting technology, despite the use of single materials (mono-materials).

### Replacing packaging gravure ink with biomass ink

We are facilitating the replacement of gravure ink with biomass ink, which makes partial use of plant-based raw materials. We are moving forward with the replacement at all plants nationwide in soft packaging for film printing, anticipating a CO<sub>2</sub> reduction of at least 800 tons a year.

# To create a decarbonized society through our products and services

## Mobility Business

**DNP**

### DNP's business model (products and services)

- Battery pouches for lithium-ion batteries (only those for in-vehicle use are included)
- Decorative films/panels
- Side visor
- Resin glazing (plastic resin glass)
- Security solutions, etc.

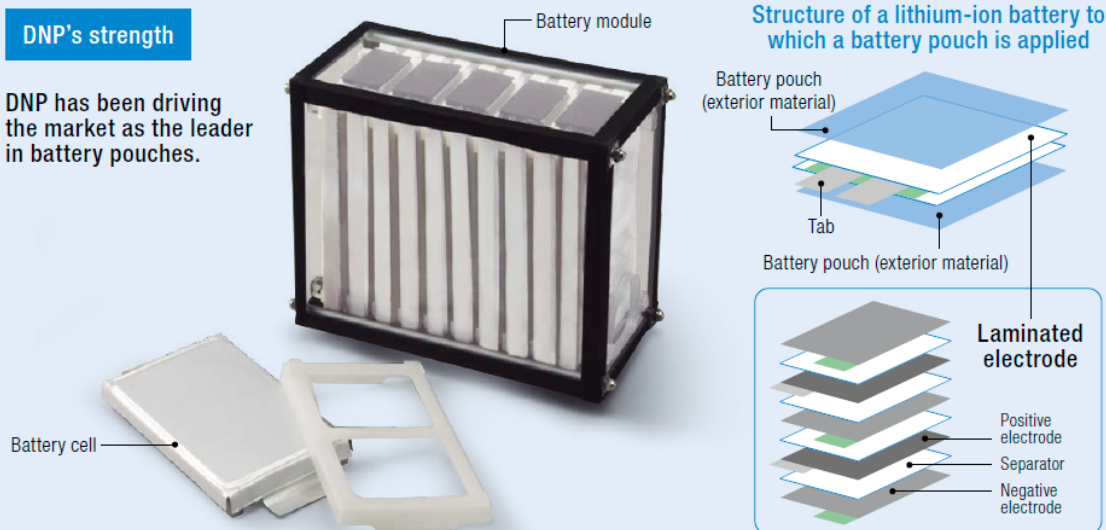


Toward the Realization of a  
Next-Generation Mobility Society—

**Provision of Security, Safety,  
Comfort and Environmental  
Consciousness, Which are  
Essential Values That are  
Needed at All Times**

### DNP's strength

DNP has been driving the market as the leader in battery pouches.



### Global standards

DNP's battery pouches earn high marks as the standard model in the battery industry in Japan and abroad.

### Stable quality achieved in pouches for large-size battery applications

Our battery pouches have been installed in more than two million electric vehicles (approximately 400 million cells) and this achievement in the market is highly rated.

### Top global market share

Reflecting favorable evaluations for high quality, long-standing achievements, DNP's battery pouches have been maintaining the leading market share in the global market and include products for use in smartphones and other IT devices and in-vehicle applications.

### Acquisition of IATF16949 certification for quality management system for the automotive industry

Our products are manufactured in a clean room to meet the high management level required by the automotive industry.

# Initiatives for Human Resources and Human Rights

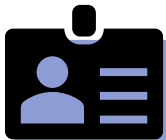
# DNP's Human Resources Strategies

**DNP**

**Corporate Philosophy : The DNP Group connects individuals and society, and provides new value.**

**Business Vision : Use P&I Innovations to expand business, primarily around four growth areas.**

Creating human resources and systems with diverse strengths, in order to generate new value



**Rebuilding of  
personnel systems  
(FY 2019-2021)**



**Promotion  
of diversity  
and inclusion**



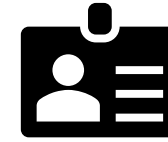
**Independent  
career-building by employees  
Cultivating talent in order to  
build strong organizations**

## **DNP Group Declaration on Health (adopted April 2021)**

1. Maintaining and improving the physical and mental health of our employees and their families.
2. Developing the psychological capital, or positive mind of diverse individuals or human resources.
3. Building psychological safety, or trust-based relationships in our individual workplaces and teams.

**Guiding Principles :**  
***Taiwa* (dialogue) and Cooperation**

**DNP Group Code of Conduct**



## Rebuilding of personnel systems (FY 2019-2021)

### <Policies>

- (1) In our quest to express the comprehensive power of "ALL DNP," we aspire to create mechanisms and systems that are broadly conscious of society as a whole
- (2) Value our employees; those valued employees will make the Company grow and will enrich society
- (3) Keep an eye on possibilities for working styles, new management, and even working conditions in the "new normal" era, and develop these

### Phase 1 (April 2019)

- Employment-related systems designed to proactively incorporate Company outsiders' viewpoints
- Working conditions systems that encourage the creation of new value
- System that promote flexible working styles so employees can effectively utilize time and space
- Other issues



### Phase 2 (April 2020)

- Rebuilding systems related to retirement and retirement benefits
- Review of award systems with an eye toward reforming organizational culture
- Response to the idea of equal pay for equal work
- Career development support
- Other issues

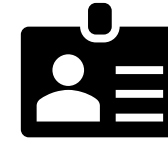


### Phase 3 (April 2021)

- Working and management styles in the "new normal" era
- Introduction of a double-track career pay grade system and expansion of related specialist work systems
- Review of working conditions for employees who work overseas
- Improvement in diversity-related systems
- Introduction of in-house multiple job systems



# Regarding the Rebuilding of Personnel Systems



**DNP**

**Cultivating diverse human resources**



**Introduction of double-track career systems and enhancement of specialist work systems; introduction of systems to enable outside side or dual jobs and in-house multiple jobs**

## **Introduction of a double-track career pay grade system and expansion of related specialist systems**

### **(1) Introduction of a double-track career pay grade system**

The pay grade system was revised to a dual ladder format so that an eligible employee can autonomously select a management course = MG (management grade) and specialist course = SG (specialist grade). The grade can be changed in either direction once a year.

### **(2) Expansion of specialist work systems**

To the existing positions (fellow, chief researcher and chief planner), we added principal researcher, principal technician, and principal planner as a way for human resources with expertise in a specific field, area, or technology to continue to enhance their expertise.

While making it possible for young employees to visualize a career path toward a management position, these changes further clarify the distinction between an employee who rose from a line manager position and one who was promoted as a result of demonstrating expertise.

## **Introduction of outside and in-house dual-track employment systems**

### **(1) Acceptance of outside side jobs and dual jobs**

Based on the assumption that it will generate innovation, in some cases employees will be permitted to take outside work in parallel with their work for DNP.

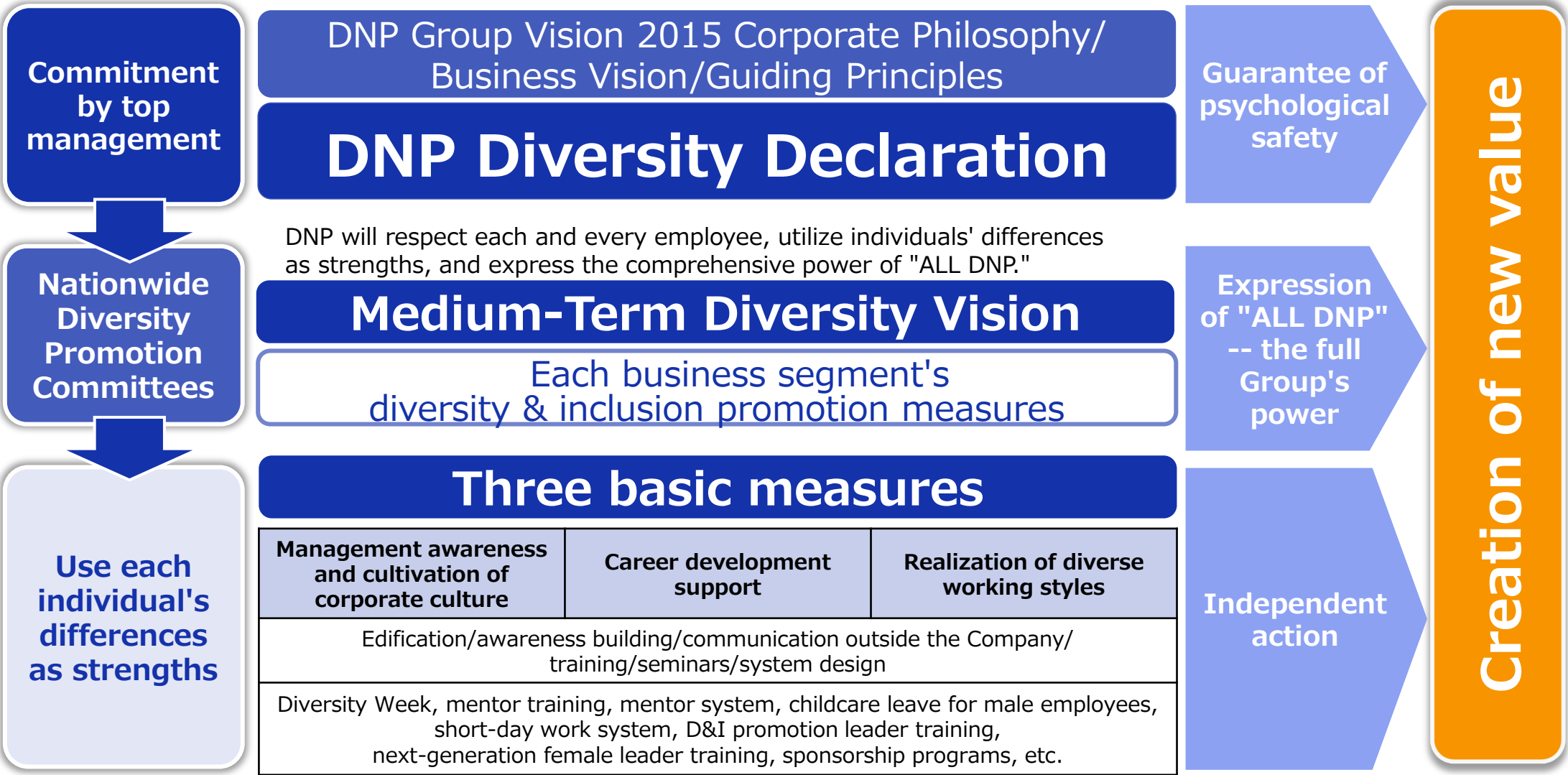
### **(2) Introducing in-house multiple job system**

If an employee wishes to take a concurrent position in a different division within the DNP Group and receives approval from both the division where the employee currently works as well as the division where he/she desires to work, this system allows the employee to serve concurrently within certain parameters. As a rule, the employee can serve up to 20% of working hours in the second division.

# Overview of Diversity & Inclusion Promotion



**DNP**



# Diversity Week: A Week in which to Savor Differences



**DNP**

## Kickoff

- President Kitajima's commitment as top management
- Keynote speech: "Innovation through D&I" by Yoshie Komuro.  
(president of Work-Life Balance Co., Ltd.)



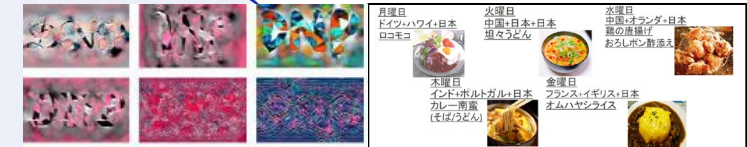
## Executive round-table

- Diversity committee chair: sharing of each business segment's issues, points of new awareness, initiatives, and diversity action declaration.



## Full participation

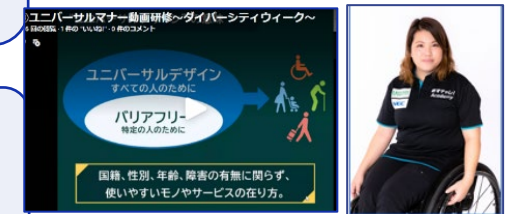
- Fontography(\*), your own voice as an image
- Diversity Senryu poetry
- Diversity lunch: each day inspired by different countries' cuisine
- Understanding people with disabilities, normalization training



\* A service developed by DeNA Co., Ltd.

## Inter-departmental exchange

- Introduction of business segment initiatives  
"My Book Tree" "Para Athletes | Challenge for Tomorrow! Academy"



## With anyone

- Picture books that stimulate thinking about diversity
- Share various content with your family



Human resource development and training aimed at supporting employees' autonomous career development and the creation of strong organizations



DNP Group Vision 2015

Corporate Philosophy/Business Vision/Guiding Principles

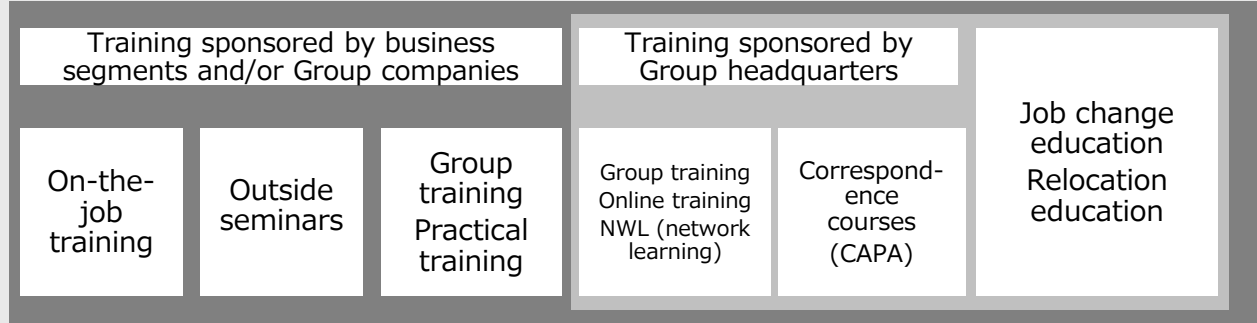
Code of Conduct

## Human Resource Development and Training Vision

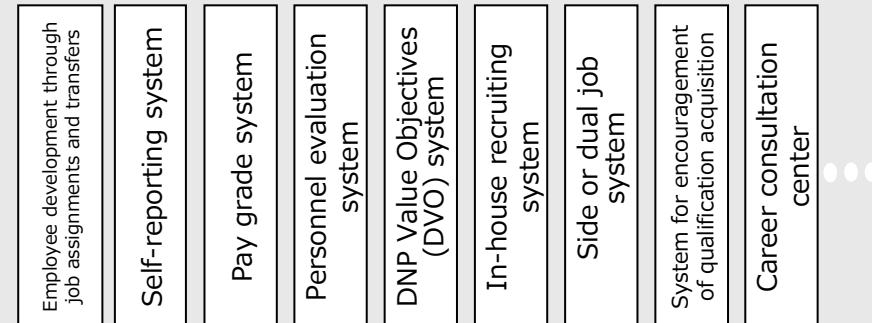
1. Each employee, as **an independent individual**, shall acquire specialized knowledge and skills, shall act according to the Guiding Principles set forth in DNP Group Vision 2015 (mainly "*taiwa* (dialogue) and cooperation") and according to the DNP Group Code of Conduct, and shall **work to realize the Group Vision while also achieving his or her own personal growth and self-realization**.

2. The Company shall **construct and cultivate better working environments, systems and organizations** in order to enable each and every employee to **play a maximal role and achieve personal growth and self-realization** as an independent individual, and in order to **foster an emergent corporate culture** that provides a basis for those achievements.

### Training systems/mechanisms



### Personnel/organizations/systems/measures



## Self-Education

Employees who can implement *taiwa* (dialogue) and cooperation

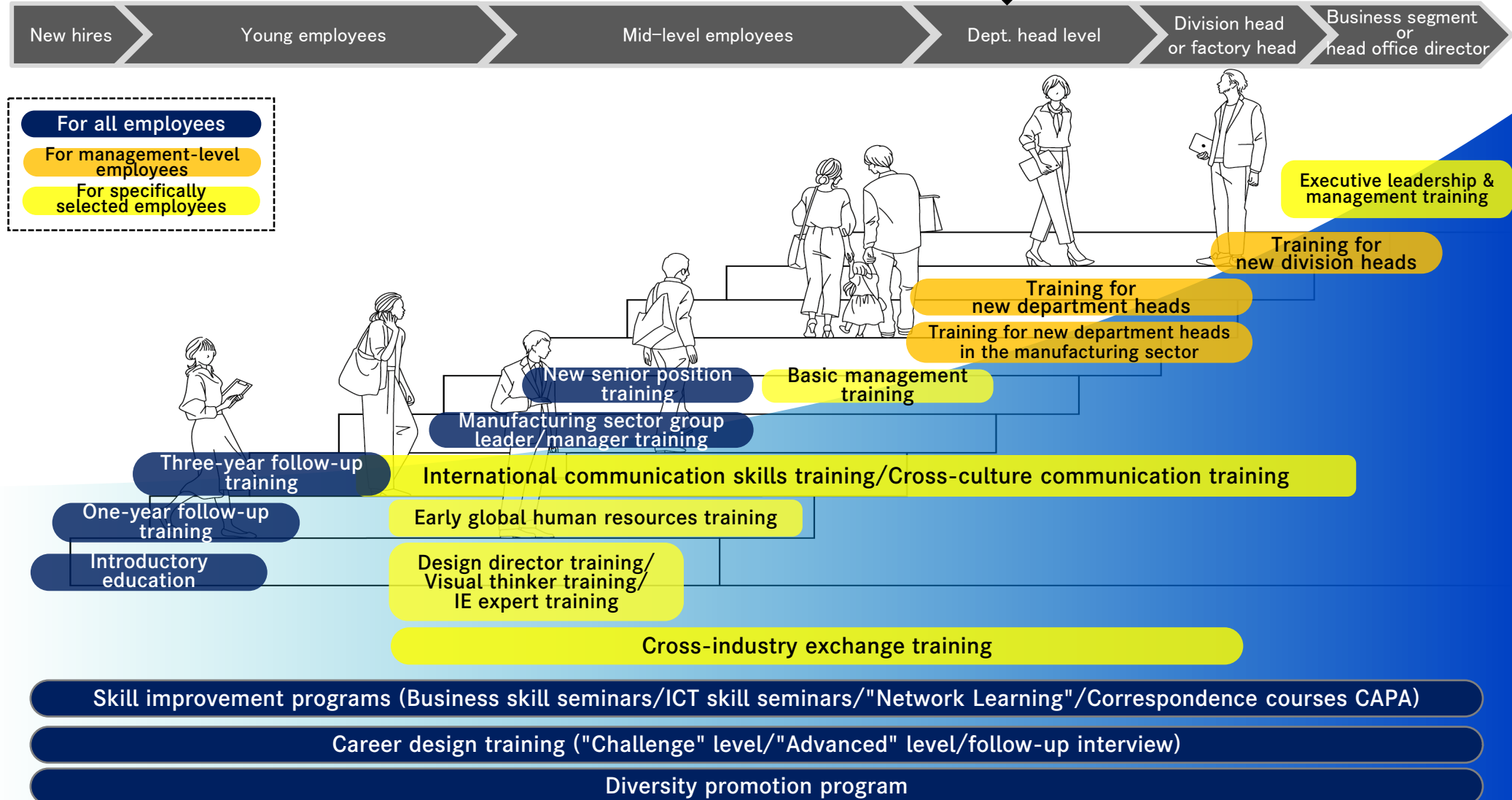
Achievement of DNP Group Vision 2015

Compliance with the Code of Conduct

# The DNP Group's Existing Training Systems



**DNP**



# Training Program Examples



DNP

- Approximately 600 employees who were newly promoted to senior positions in the relevant fiscal year were eligible for training tailored to their level of responsibility. (FY2020 results: 557 people from 42 DNP Group companies participated)
- In the second half training, all the participants transcended the boundaries of department, job type, and geographical region. They brought hopes for their new senior positions and awareness of their new roles as they worked in teams to create new value by exploring the business proposition "creating tomorrow's basic."
- Since the previous fiscal year, everyone has participated only online, using Microsoft Teams and Zoom. For one year the participants received training, engaged in online discussions, and did their group work via computer network. As a perfect example of training DX, the course is also one of DNP's new value creation initiatives.







## Phase 1

Standards to be upheld in the course of business execution  
(First mentions of human rights)

1993 Employee Code of Conduct:  
"Respect for Basic Human Rights"

2007 Code of Conduct:  
"Respect for Human Dignity and Diversity"

## Phase 2

Supply chains  
and human rights

2006 Among stakeholders, relatively high-risk supply chains drew attention. DNP was among the first in Japan to start supply chain management with the establishment of CSR procurement standards and, at the same time, started surveying suppliers.

2017 DNP stepped up supply chain management against the backdrop of an international trend. We revised our **DNP Group CSR Procurement Guidelines**, expanding them to cover overseas suppliers and subcontractors, and introducing face-to-face guidance for suppliers.

## Phase 3

Business  
and human rights

2020 In response to a further increase in international demands, DNP reformulated and disseminated its way of thinking by establishing the **DNP Group Human Rights Policy**, and further strengthened its supply chain management. (The previous guidelines were revised with a view toward Tier 2 and beyond)

In addition to the problems that have become apparent, such as those involving the Xinjiang Uygur Autonomous Region, Myanmar, and conflict minerals, our management also takes into account potential risks that may become problems in the future, and we incorporate this awareness into decisions about doing business with suppliers.

## **Emphasis on human rights issues in locations outside Japan and among suppliers**

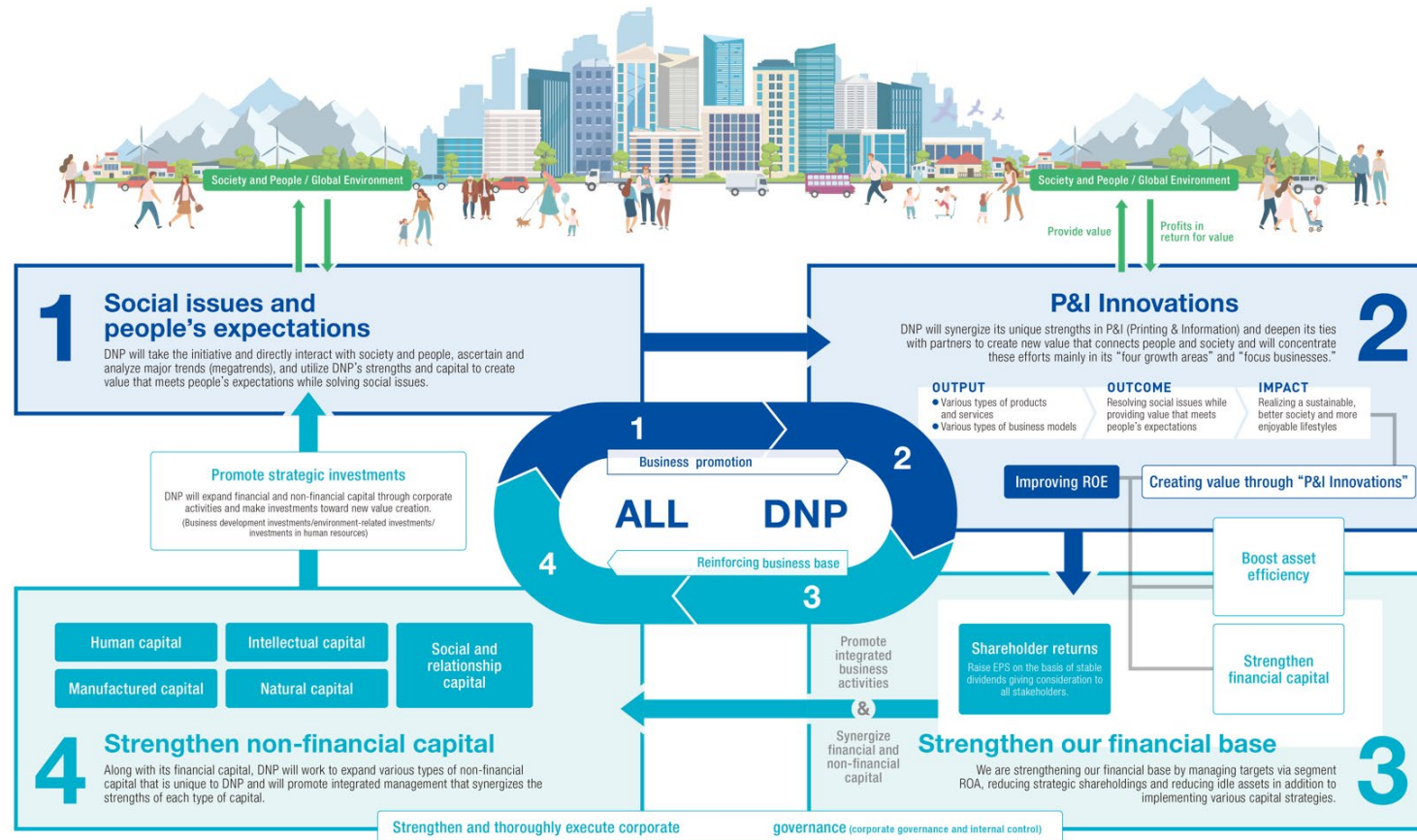
- Assess human rights risks in locations outside Japan
  - Evaluate the impact on stakeholders including employees, local communities, suppliers and customers
- Evaluate suppliers based on DNP's CSR procurement guidelines
  - Position human rights among top priority issues and conduct evaluations of suppliers in Japan and overseas
- Started surveying suppliers to learn their current position regarding various specific human rights issues
  - Initiated fact-finding surveys regarding such issues as the Xinjiang Uyghur Autonomous Region, Myanmar, and conflict minerals, including among suppliers beyond tier 2.

## **The behavior of individual employees is everything**

- Started training for all Group employees concerning "business and human rights," based on actual examples from Japan and abroad



# DNP aims to achieve corporate and social sustainability by prioritizing ESG in our management.



Today's Innovation is "Tomorrow's Basic."

# DNP

## Disclaimer

The earnings forecasts, medium-term management targets, and other forward-looking statements contained in these materials represent DNP's judgement of the current outlook based on information available at the time of preparation, and involve potential risks and uncertainties. Actual performance may therefore differ materially from these forward-looking statements due to changes in the various assumptions on which they are based.