

DNP

CSR Report 2019



DNP Group CSR Report 2019

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Editorial Policy

A company is only viable when society is sound, and contributing to the sustainable development of society translates into its own sustainable growth. Making such a contribution requires integrated thinking to leverage both financial and non-financial capital in a cohesive manner and integrated corporate activities based on swift and accurate decision-making.

Under this belief, DNP published its first DNP Group Integrated Report in 2018, and at the same time, reexamined how we should disclose sustainability-related information. In this DNP Group CSR Report, we specifically cover social issues that are of high interest to stakeholders and broadly report on our approach and initiatives concerning these issues. We will ensure our accountability by disclosing information in an appropriate and timely manner through this report as well as through the DNP Group Integrated Report, the DNP Group Environmental Report and our corporate website.

Period covered by this report

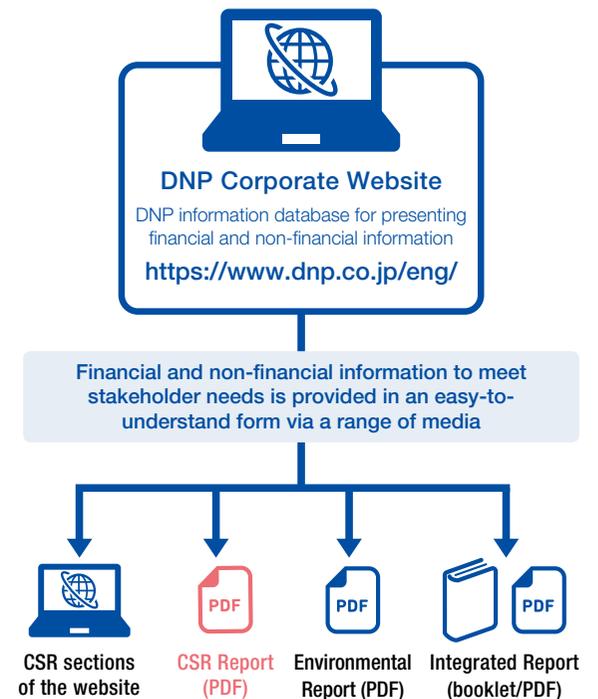
April 1, 2018 to March 31, 2019 (FY2018)
However, reporting is not confined to this period regarding some contents.

Scope of report

All companies and divisions of the DNP Group
In this report, "DNP" indicates the DNP Group, as distinct from Dai Nippon Printing Co., Ltd. The designation "DNP Group" shall be used in contexts where we emphasize the Group as a whole.

Issued

October 2019 (Next scheduled issue: September 2020)



About the cover design:

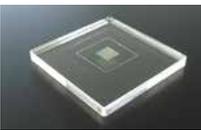
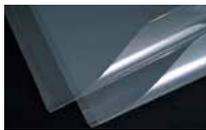
The design features diverse human resources of DNP, who play a key role in delivering our corporate philosophy, "connecting individuals and society, and providing new value."

Corporate Profile (as of March 31, 2019)

Company Name: Dai Nippon Printing Co., Ltd.
 Head Office: 1-1, Ichigaya Kagacho 1-chome,
 Shinjuku-ku, Tokyo 162-8001, Japan
 Tel: +81-3-3266-2111
 Website: <https://www.dnp.co.jp/eng/>
 Established: October 1876
 Incorporated: January 1894
 Paid-in Capital: ¥114,464 million

Number of Employees: 38,051 (Consolidated)
 10,757 (Non-consolidated)
 Group Companies: Consolidated subsidiaries: 107
 Equity-method affiliates: 18

Financial Data: (FY ending March 2019)
 Net sales ¥1,401.5 billion (down 0.8% year-on-year)
 Operating income ¥49.8 billion (up 7.6% year-on-year)
 Ordinary income ¥58.2 billion (up 14.3% year-on-year)
 Net income attributable to shareholders of the parent
 ¥-35.6 billion

Business Segments:		Percentage of total sales				
Printing	Information Communication Publishing printing, commercial printing, smart cards, network business, imaging communication, etc.	54.1 %	 “honto” hybrid-type general bookstore	 Smart cards and related products	 Ki-Re-i ID photo booth	
	Lifestyle and Industrial Supplies Packaging, residential and non-residential interior and exterior materials, industrial supplies, etc.	28.2 %	 Packaging	 Curved resin glass	 Exterior materials for buildings	
	Electronics Display components, electronic devices, optical film, etc.	13.7 %	 Semiconductor photomasks	 Master template for nanoimprinting	 Optical films used for displays	
Beverages	Beverages Manufacturing and sales of soft drinks by Hokkaido Coca-Cola Bottling Co., Ltd., etc.	4.0 %	 Soft drinks			

A Message from the CSR-Environment Committee Chairman

Satoru Inoue

CSR-Environment Committee Chairman, Managing Director



In recent years, global environmental and social issues, including those related to climate change, poverty and human rights, have been causing a greater impact on our society. In order to increase sustainability, the international community now needs to make concerted efforts to resolve these issues. At DNP, we, as a member of society, intend to fulfill our responsibility by resolving these issues and creating new value that meets people's expectations.

DNP regards corporate social responsibility (CSR) as maintaining the trust of all of our stakeholders. We have accordingly specified three responsibilities, namely Value Creation, Integrity in Conduct and Transparency (Accountability). In order to yield maximum results from our corporate activities designed to fulfill these responsibilities, we are also enhancing corporate governance and reinforcing CSR management.

Particularly in the area of CSR management, we clearly define Principal Themes on which to focus. In establishing these themes, we naturally take into consideration our management strategies, business fields and business risks and conduct comprehensive analysis while incorporating themes emphasized by the international community, such as the UN Global Compact, the Sustainable Development Goals (SDGs) and the Guiding Principles on Business and Human Rights. We have consequently selected eight Principal Themes, including Human Rights and Labor, Environment and Fair Operating Practices. For each theme, we have defined a medium-to-long-term vision along with priority tasks for achieving the vision and their performance indicators, and have been promoting activities on an ongoing basis.

In April 2019, we embarked on a fundamental reform of our personnel-related systems. The aim is to establish an environment that allows employees, who are leading our new value creation efforts, to take more active roles. Through the

reform, we will design or rebuild various systems related to recruitment, development and promotion of excellent human resources in order to optimize and maximize our human capital while capturing overall trends in society. As a first step, we are reforming systems mainly targeting young employees and people with varying careers both within and outside the Group. Moreover, we have been undertaking initiatives to leverage our strength in diversity in carrying out business. For example, we established DNP Business Partners Co., Ltd., a new Group company, in February 2019 to further encourage active engagement of persons with disabilities and promote the employment of diverse human resources.

With regard to risk management, we have constantly been reinforcing our initiatives concerning CSR procurement. DNP has formulated the DNP Group CSR Procurement Guidelines to carry out business activities in an environmentally and socially conscious manner throughout the entire supply chain and has been working with suppliers and other parties to ensure compliance with the guidelines. In FY2018, we held a study session on CSR procurement for 220 managers in business divisions of DNP and Group companies in Japan, which are in charge of placing orders to subcontractors. The session incorporated specific examples to explain the latest trends in social issues and their impact on business activities as well as the importance of engaging in CSR procurement within the entire supply chain. The session was an opportunity to learn again the approach of DNP. We have also extended the scope of our supplier survey conducted under the guidelines globally and have been checking for any risks in our supply chain.

Besides business activities that aim to resolve social issues, DNP intends to assume a proactive role as a corporate citizen. As an example, in response to natural disasters that have been occurring on a more frequent basis recently, several organizations, including the CSR & Environment Department, Employee Relations Department and the Federation of DNP Group Labor Unions, worked together to revise our disaster support criteria to promote quick recovery and reconstruction. In the revised, new DNP Group Criteria for Conducting Disaster Recovery and Reconstruction Support, we specify detailed criteria that factor in the scale of a disaster and relationship between each disaster-stricken area and DNP, thereby establishing a structure to swiftly provide support to both areas and employees affected by a disaster.

Going forward, DNP will continue to play a proactive role toward the resolution of social issues while endeavoring to gain the trust from many people in society.

CSR at DNP

DNP's Approach to CSR

At DNP, corporate social responsibility (CSR) means both making contributions through our business activities and maintaining the trust of all of our stakeholders by living up to the varying expectations of members of society. To remain a

company trusted by society, we will fulfill our three important responsibilities of Value Creation, Integrity in Conduct and Transparency (Accountability).

Three Corporate Responsibilities

Responsibility 1

Value Creation



The first and most fundamental responsibility of a company to society is “providing new value to society.” We are working to link the offering of products and services necessary to the sustainable development of society to the growth of the company. Through our Business Vision, we will continue to provide new value which contributes to the solution of social issues and meets people’s expectations.

Responsibility 2

Integrity in Conduct



The second responsibility is “practicing fairness and impartiality in value creation processes.” No matter how superior or useful to society the value produced is, value is compromised if, for example, environmental damage occurs or laws are broken during the value creation process. Therefore, DNP seeks to fulfill this responsibility by ensuring that all employees always conduct business with integrity in accordance with the DNP Group Code of Conduct.

Responsibility 3

Transparency (Accountability)

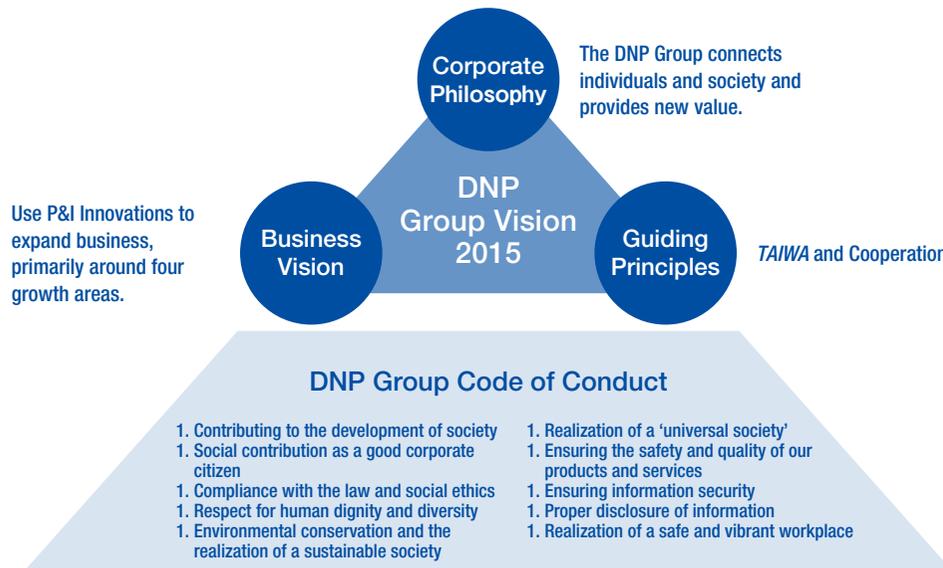


Finally, the third vital corporate responsibility is “being a company that is accountable and highly transparent.” DNP achieves accountability by encouraging all employees, during the course of their regular duties, to engage in *TA/WA* (“dialogue”) with stakeholders, listen to their opinions and provide correct information themselves.

CSR at DNP

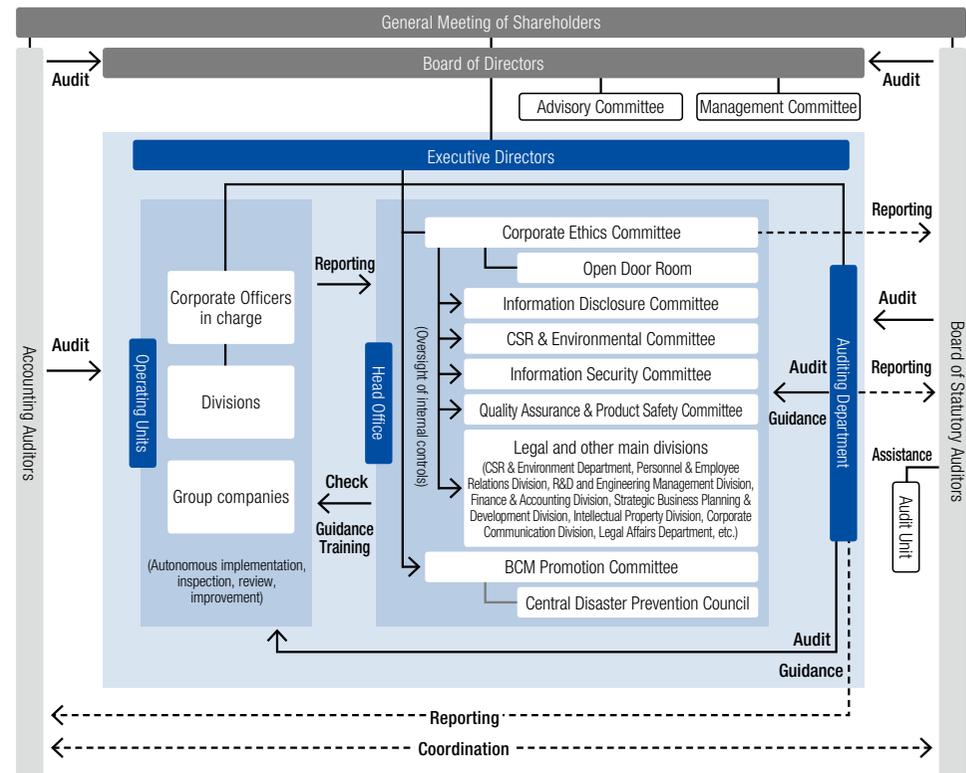
The fundamental points of reference for fulfilling these responsibilities and providing new value that will resolve social issues are the DNP Group Vision 2015 and the DNP Group Code of Conduct. To support DNP's corporate activities, we have also established a system of corporate governance and internal controls, which we continually seek to upgrade and improve.

DNP Group Vision 2015 / Code of Conduct



As preconditions for fulfilling our Three Responsibilities, we have established the DNP Group Vision 2015, the foundation of our business activities, and the DNP Group Code of Conduct, setting forth the conduct with integrity that all employees must adhere to. The Group Vision comprises the three elements of the Corporate Philosophy, Business Vision and Guiding Principles, showing our commitment to society, to drive the creation of new value that contributes to solving the challenges faced by society.

Corporate Governance and Internal Controls System



To realize our Group Vision, DNP has established a structure for appropriate management decision-making, precise and speedy operational implementation based on the decisions made and oversight and auditing of such implementation, which we continually seek to upgrade and improve. To further reinforce that structure, we operate a system comprising nine directors, including three outside directors (as of June 2019). Furthermore, based on the principles of Japan's revised Corporate Governance Code effective as of June 2018, we are promoting TAIWA ("dialogue") with various stakeholders, including shareholders and investors. Additionally, the nomination of director candidates and director compensation are considered and reviewed by the Management Committee, with the advice and recommendations from the Advisory Committee consisting of independent outside directors, and then discussed and determined by the Board of Directors.

Risks and Opportunities

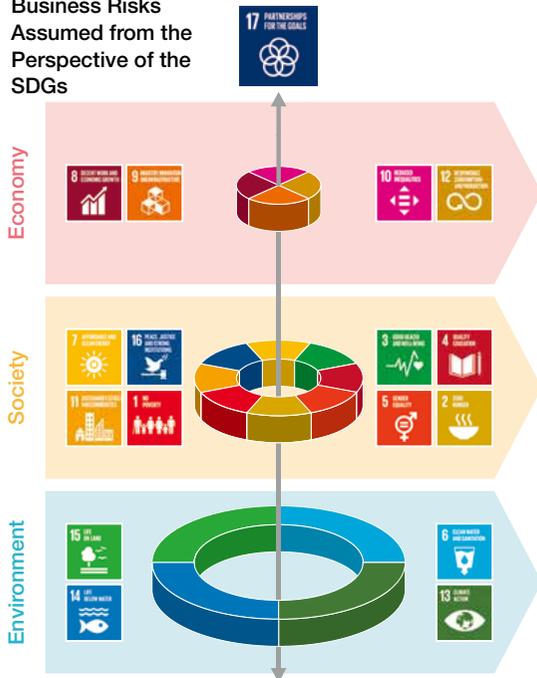
Based on its corporate philosophy, DNP aims to resolve social issues and continues to provide new value that meets people’s expectations. In doing so, we will correctly recognize economic, social and environmental issues and risks and respond to rapid changes in the business environment through activities directly linked to “value creation” and those serving as a “foundation to support value creation.”

Identification of Risks

We analyze global social issues and environmental, social and governance (ESG)* trends and broadly identify economic, social and environmental issues that represent risks. We then prioritize activities and define targets based on the interests of stakeholders and the impact on them as well as the degree of importance to DNP.

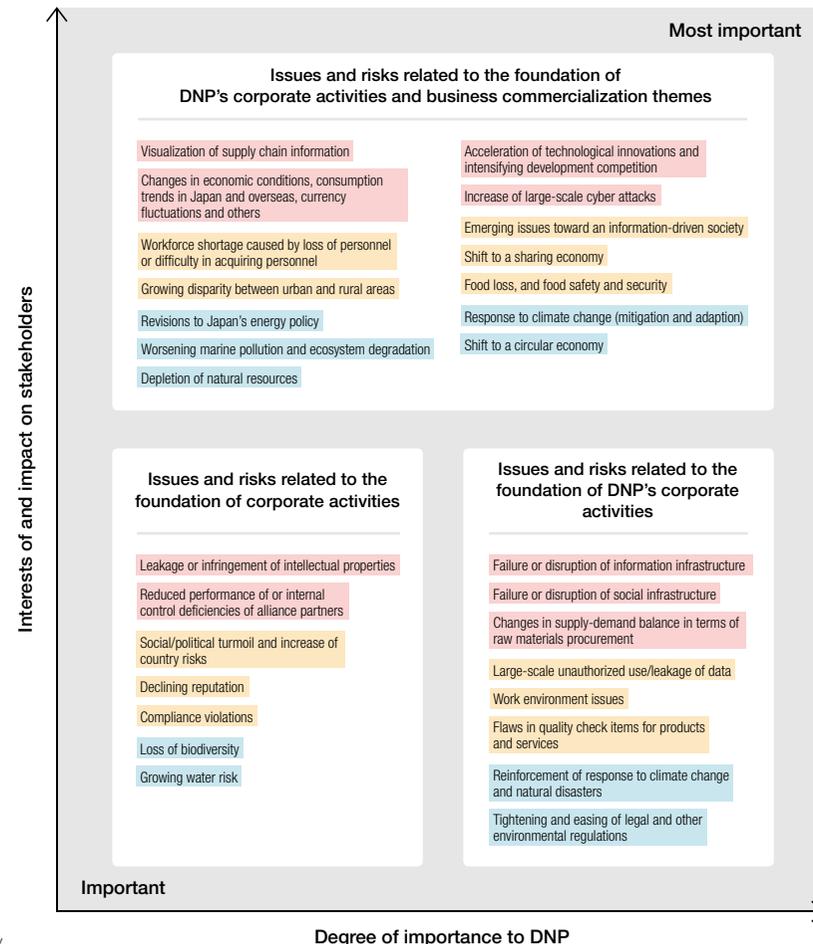
* Including the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI) Guidelines, the UN Global Compact, ISO 26000, Dow Jones Sustainability Indices (DJSI), FTSE4Good Global Index and MSCI Global Sustainability Indexes

Business Risks Assumed from the Perspective of the SDGs



Reference: SDGs “wedding cake” illustration presented by Johan Rockström and Pavan Sukhdev

Economy Society Environment



Value Creation

Expanding business opportunities – Turning risks into opportunities and contributing to the achievement of the SDGs

DNP is promoting activities to expand business opportunities while regarding the recognized risks as the needs of society. DNP aims to solve society’s challenges through business activities in the following four growth areas.



Knowledge and Communication

A future where people worldwide can expand opportunities for safe and secure communications and pass on and develop knowledge



Food and Healthcare

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



Lifestyle and Mobility

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



Environment and Energy

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

Foundation to Support Value Creation

Measures for minimizing the impact of assumed risks

For activities to serve as a “foundation to support value creation,” DNP has selected the following seven Principal Themes (representing material issues). Based on these themes, we have been promoting initiatives for integrated risk management and rotating the plan-do-check-act (PDCA) cycle.

Fair Operating Practices	Human Rights and Labor
Environment	Responsible Procurement
Product Safety and Quality	Information Security
Corporate Citizenship	

CSR at DNP

CSR Management

CSR Management System

At DNP, we have a CSR-Environment Committee comprised of directors and corporate officers in charge of the respective matters at the head office. Led by a managing director, the committee deliberates on and decides DNP's CSR policies and targets. The dedicated CSR department and other relevant departments then collaborate to undertake specific activities based on, and to achieve, the targets established by the committee. Various committees have also been established to deal with key CSR themes such as corporate ethics and information security.

Establishing Principal Themes

DNP defines Principal Themes to promote CSR activities. In establishing these themes, we examine our management policies, business lines and strengths against various social issues* from a multifaceted perspective and identify important, priority issues. In FY2017, to increase the effectiveness of our CSR activities, we reviewed how DNP envisions our relationship with society and specified new eight Principal Themes, which represent matters we particularly value. (Refer to pages 8-9.) With a view to enabling both society and DNP to grow in a sustainable manner, we will continue to proactively tackle issues facing society and seek to maintain the trust placed upon us by society.

* Social issues emphasized in the UN Global Compact, the Sustainable Development Goals (SDGs), the UN Guiding Principles on Business and Human Rights, ISO 26000 international guidelines for social responsibility, ISO 20400 for sustainable procurement, other international treaties and agreements and ESG investment; and those reflecting stakeholders' opinions.

Supporting International Sustainability Frameworks

The United Nations Global Compact

The UN Global Compact (GC) calls upon companies and organizations to demonstrate responsible, creative leadership, act as a good member of society and take the initiative to participate in the creation of global structure for sustainable growth.

In July 2006, DNP announced its support for the GC and its 10 principles relating to human rights, labor, the environment and anti-corruption and is working to reflect their spirit in its Group management.



The Sustainable Development Goals (SDGs)

In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development. The Agenda's action plan consists of 17 Sustainable Development Goals (SDGs) and 169 targets. With the entire world working toward these goals and targets, it aspires to realize a society where no one will be left behind.

The future society depicted in the DNP Group Vision 2015 is sustainable, that is, it is an abundant society in which the SDGs have been achieved. To ensure that we fulfill our responsibility as a company deeply engaging with society, we will provide new value while using the SDGs in all aspects of our corporate activities as a measure to gauge our work toward a better society.

We will voluntarily contribute to the achievement of the SDGs by way of "value creation" through our products and services and by leveraging our "foundation to support value creation" throughout our value chain.



CSR at DNP

CSR Management: Principal Themes

	DNP's principal themes and SDGs covered by the themes	Medium-to long-term vision	Performance indicators to monitor the progress in achieving the vision and the targets		FY2018 results
Value creation	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.	(1) Sales of environmentally conscious products and services (DNP contributes to achieving the SDGs through all its business activities. DNP set the above as one of the clear indicators to monitor progress.)	(1) Achieve sales of 600 billion yen by FY2020.	(1) 603.2 billion yen
	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.	(1) Number of meetings of the Corporate Ethics Committee (2) Bases holding Autonomous Corporate Ethics Training	(1) Hold meeting once a month (12 times a year). (2) Achieve 100% (covering all applicable bases).	(1) Once a month (12 times) (2) 100% (105 bases)
Foundation to support value creation	Human Rights and Labor 	We place human dignity first and foremost and respect diversity in the culture, nationality, creed, race, ethnicity, language, religion, gender, gender identity, sexual orientation, age and ways of thinking of all persons. We accordingly respect working styles suited to the diversity of our employees and make efforts to create a safe, healthy and vibrant working environment.	(1) Number of women in managerial positions (2) Ratio of employees with disabilities (3) Annual paid leave taken (4) Frequency rate of lost workday injuries * In FY2019, we will consider the establishment of a system concerning human rights due diligence.	(1) Double the number of women in managerial positions by the end of March 2019 compared with the number (96) in February 2016. (2) Achieve the ratio above 2.0% in FY2017 and above 2.2% in FY2018 onwards. (3) Achieve an increase over the previous fiscal year. (4) Keep the rate below 0.2.	(1) 2.05 times the number (196) (2) 2.17% (3) 52.4% (50.8% in FY2017) (4) 0.33
	Environment 	To create a sustainable society with the Earth's limited natural resources, we reduce environmental impact and conserve biodiversity while ensuring compliance with environmental laws and regulations and by recognizing our relationship with the environment in all business activities.	→ Please refer to page 15, "Environmental Activity Targets and Results," in the "Environmental Management Activities" section of the DNP Group Environmental Report 2019.		

CSR at DNP

CSR Management: Principal Themes

	DNP's principal themes and SDGs covered by the themes	Medium-to long-term vision	Performance indicators to monitor the progress in achieving the vision and the targets		FY2018 results
Foundation to support value creation	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 other factors.	(1) Average score of DNP Group CSR Procurement Guidelines survey on key suppliers (2) Percentage of overseas business locations conducting DNP Group CSR Procurement Guidelines surveys (3) Percentage of key suppliers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting	(1) Achieve average score of 90 points by FY2030. (2) Achieve 100% (covering all overseas business locations). (3) Achieve 100% by FY2030.	(1) 85 points in Japan and 81 points overseas (2) 100% (3) 92%
	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.	(1) Number of serious accidents* caused by our products * Including cases where a defect in our products jeopardizes the user's life, causes serious bodily harm or inflicts serious damage on the user's property (other than the product itself) (2) Percentage of newly developed products undergoing product safety and risk assessment	(1) Achieve zero accidents. (2) Achieve 100%.	(1) Zero accidents (2) 100% (184 products)
	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.	(1) Number of information security compliance assessments conducted (2) Number of inspections and instructions on divisions implementing priority measures for personal information security performed by executive officers in charge (3) Participation rate of information security education and training (4) Number of security vulnerability tests for publicly open websites	(1) Achieve 100% (covering all business departments and group companies). (2) Achieve 100% (covering all applicable bases). (3) Achieve 100% (covering all applicable divisions). (4) Achieve 100% (covering all applicable websites).	(1) 100% (85 departments and companies) (2) 100% (63 bases) (3) 100% (Approx. 41,000 persons) (4) 100% (260 systems tested)
	Corporate Citizen 	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.	(1) Number of external participants for DNP's original future generations development programs (2) Number of local volunteer activities held each year to support reconstruction of disaster-stricken regions, including Tohoku and Kumamoto	(1) Achieve an accumulated total of 7,500 persons from FY2015 to FY2019. (2) Constantly conduct activity three times a year until FY2019.	(1) Accumulated total: 6,435 persons (2) Three times (twice in Tohoku and once in Kumamoto)

Report on Activities under Each Principal Theme

Business to Contribute to SDGs Achievement

Medium-to long-term vision

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.

We seek to resolve various challenges in society through our business by focusing on particular issues for which DNP can provide unique solutions and by combining our strengths in the printing and information (“P&I”) fields and strengths of our external partners. In a sense, the United Nations’ SDGs, which represent many unresolved issues, could be regarded as a source of value creation. While using the SDGs as a measure to gauge our work toward a better society, we will create new value unique to DNP and contribute to the realization of a sustainable society.



→ For details of this Principal Theme, please refer to the DNP Group Integrated Report 2019.

| SDGs Covered by the Vision



| Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicator	Target	FY2018 result
(1) Sales of environmentally conscious products and services	(1) Achieve sales of 600 billion yen by FY2020.	(1) 603.2 billion yen

(DNP contributes to achieving the SDGs through all its business activities. DNP set the above as one of the clear indicators to monitor progress.)

Report on Activities under Each Principal Theme

Fair Operating Practices

**Medium-to
long-term vision**

We help to maintain and develop orderly, free and competitive markets based on laws and social ethics and by always remaining fair and equitable.

It is our belief that in carrying out business activities, we need to do more than just ensuring DNP's and its employees' compliance with laws and regulations but always remain fair and equitable, acting under high ethical standards that respond to the expectations of society. To help maintain and develop orderly, free and competitive markets and consistently undertake business activities that measure up to society's expectations, we aim to instill and establish corporate ethics more firmly throughout the DNP Group.

SDGs Covered by the Vision



Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
(1) Number of meetings of the Corporate Ethics Committee*1	(1) Hold the meeting once a month (12 times a year).	(1) Once a month (12 times)
(2) Bases holding Autonomous Corporate Ethics Training*2	(2) Achieve 100% (covering all applicable bases).	(2) 100% (105 bases)

*1: An organization overseeing internal controls, responsible for promoting a compliance framework to ensure that all business activities of the DNP Group are carried out in an appropriate manner. Consisting of directors and corporate officers in charge of organizational units within the head office, the committee holds regular monthly meetings to formulate and determine policies and various activity implementation plans concerning the compliance framework of the entire Group. The committee is also responsible for comprehensively inspecting, reviewing and providing guidance for the framework established and operated in accordance with the implementation plans.

*2: Training provided on a continuous basis since 2003. The heads of each business division provide lectures on corporate ethics as a foundation of business and explain to their staff the issues and countermeasures relevant to the operations of their respective divisions.

Structure to Promote Management and Training

In instilling and establishing corporate ethics, DNP attaches particular emphasis on continuity, autonomy, positivity and efficiency. We have established the Corporate Ethics Committee as an organization responsible for instilling and establishing corporate ethics throughout the Group. The committee is led by the Senior Managing Director overseeing compliance and risk management and consists of directors and corporate officers in charge of organizational units within the head office. Each business division of DNP and the operating units of each Group company also have their own Corporate Ethics Committee. Through these committees, we are engaging in Group-wide, multifaceted activities in relation to corporate ethics.

(1) Personnel evaluation system	We use corporate ethics as a basis of performance evaluation and promotion decisions made under the personnel evaluation system and strive to develop human resources who live up to society's expectations with sincerity.
(2) Self-examination of compliance with law and rules	DNP's business divisions and Group companies use evaluation items developed by the responsible head office division to perform self-examination and self-evaluation for constant improvements. This activity has been carried out since 1997 under the motto "Protect our company by ourselves."
(3) Compliance evaluation system	Implemented in 2005 by the responsible head office division as a system to evaluate DNP's business divisions and Group companies using common performance indicators. This evaluation is conducted twice a year on a regular basis.
(4) Corporate ethics training	We provide various education and training opportunities, as we believe that a high level of awareness and a correct understanding among employees will make our efforts related to corporate ethics more effective.
(5) Open Door Room	Established in 2002 as a whistle-blower system to receive inquiries and reports on matters concerning corporate ethics. We also set up an external helpline in 2015, in which lawyers receive relevant inquiries and reports. These are safe inquiry and reporting systems operated in accordance with the DNP Group Open Door Room Operating Standards, which are based on Japan's Whistle-Blower Protection Act.
(6) Supplier Hotline	This hotline, established in 2009, receives information from suppliers on any misconduct (or possible misconduct) of DNP employees or other parties, which they have come to recognize during their transaction with the DNP Group. Link https://www.dnp.co.jp/CGI/csr/supplier/form.cgi

Report on Activities under Each Principal Theme

Fair Operating Practices

Social Issue Recognized by DNP**Annual economic loss in the world directly caused by corruption: 2 trillion dollars** (International Monetary Fund, 2016)

According to an estimate made in a paper published by the International Monetary Fund (IMF) in 2016, the annual cost of public sector bribery amounts to 1.5 to 2 trillion dollars in the world. The paper also estimates indirect economic loss to be even larger, as disincentives among taxpayers to pay taxes lead to lower tax revenues, which in turn cause less public spending in infrastructures and health and education systems. The paper states an anti-corruption strategy is critical in achieving macro-economic stability, and the strategy requires the promotion of transparency and a clear legal framework with the credible threat of prosecution and elimination of excessive regulations. Companies are now increasingly required to act with higher ethical standards to prevent corruption.

specified under the code. While these 10 tenets remain the same, we revised “how employees should act” stipulated in the code in April 2019.

The revision added two themes, namely “creating an open workplace culture” and “attaching utmost importance to safety and health.” These are essential in cultivating workplace and corporate cultures that allow active engagement of employees with confidence, pride and a sense of security through true *TAIWA* (“dialogue”). We have been conveying the importance of striving toward these action themes to all employees by using various means, including distribution of a leaflet that explains the revision. Moreover, as an effort to ensure the proper functioning of the organizational self-cleansing capability throughout the entire DNP Group, this leaflet also provides information on our Open Door Room, a whistle-blower system for employees to report or seek advice on any misconduct when it cannot be resolved within their department or just by consulting their superiors or colleagues.

Anti-Bribery Initiatives

As recent corporate activities expand beyond regional and national boundaries, regulations concerning bribery are being tightened in each country in order to ensure a fair and open competitive market. DNP had and has always prohibited employees from seeking profit through bribery and other dishonest means and stipulated so in the Code of Conduct. To further reinforce our efforts in this area, the Board of Directors passed a resolution in December 2017 to establish an anti-bribery structure within the DNP Group. Following the resolution, we announced the DNP Anti-Bribery Policy both in and outside DNP in March 2018. We have since been engaging in various ongoing initiatives to turn the policy into specific practices.

DNP's Efforts for the Resolution of Social Issues

Initiatives to Ensure Compliance with the Law and Social Ethics

DNP has formulated the DNP Group Code of Conduct, which serves as conduct guidelines to be observed by all employees in carrying out corporate activities, and has included “Compliance with the laws and social ethics” as one of the 10 tenets

Report on Activities under Each Principal Theme

Fair Operating Practices

▶ Anti-bribery structure

Dai Nippon Printing Co., Ltd. and its Group companies in and outside Japan have formulated and implemented the DNP Group Anti-Bribery Regulations and DNP Group Anti-Bribery Guidelines.

▶ Efforts for instilling and establishing anti-bribery practices

- (1) Provided relevant e-learning training to 18,028 employees in and outside Japan.
- (2) Included prevention of bribery as a topic in the Autonomous Corporate Ethics Training* provided by each organizational unit to instill and establish anti-bribery practices among all employees.

* An initiative to instill and establish corporate ethics more firmly throughout the DNP Group. The heads of each business division and Group company serve as lecturers themselves to explain to their staff the issues and countermeasures relevant to their respective divisions in an easy-to-understand manner using their own words.

- (3) At a base in Singapore, the responsible head office division held an anti-bribery briefing session for managers and responsible persons of Group companies in Southeast Asia.

▶ Checking the status of implementation (anti-bribery self-check)

- (1) Conducted an inspection at each applicable base* using our anti-bribery self-check sheet. The inspection included a check on the occurrence or non-occurrence of related incidents, the number of applications made and the number of education and awareness-raising activities conducted.

* Divisions within the head office, business divisions and Group companies in and outside Japan

- (2) Conducted interviews on the status of implementation at each overseas Group company during the anti-bribery briefing held at a base in Singapore.

Report on Activities under Each Principal Theme

Human Rights and Labor

Medium-to long-term vision

We place human dignity first and foremost and respect diversity in the culture, nationality, creed, race, ethnicity, language, religion, gender, gender identity, sexual orientation, age and ways of thinking of all persons. We accordingly respect working styles suited to the diversity of our employees and make efforts to create a safe, healthy and vibrant working environment.

DNP respects and encourages the mutual acceptance of differences among individuals, and by leveraging their diversity, connects people and society and provides new value.

⇒ “Personnel systems to support employees” and “promotion of diversity”

For facilitating the lasting growth of the DNP Group and the creation of a safe, healthy and vibrant workplace, we also strive to maintain and improve the safety and healthiness of workplace environments and to maintain and promote the physical and mental health of employees and their families.

⇒ “Promotion of occupational safety and health”

SDGs Covered by the Vision



Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
(1) Number of women in managerial positions	(1) Double the number of women in managerial positions by the end of March 2019 compared with the number (96) in February 2016*.	(1) 2.05 times the number (196)
(2) Ratio of employees with disabilities	(2) Achieve the ratio above 2.0% in FY2017 and that above 2.2% in FY2018 onwards.	(2) 2.17%
(3) Annual paid leave taken	(3) Achieve an increase over the previous fiscal year.	(3) 52.4% (50.8% in FY2017)
(4) Frequency rate of lost workday injuries	(4) Keep the rate below 0.2.	(4) 0.33

* Targets in FY2019 onwards:

1. Achieve the ratio of women in managerial positions (section chief or above) of 7%.
2. Double the number of women in managerial positions and leader-level positions compared with the number at the end of February 2016 (from 430 to 860).

Initiatives and Systems to Support Active Roles of Diverse Human Resources

For increasing our corporate capabilities to resolve social issues and create new value that meets people’s expectations, and to support employees working toward these goals, we launched a fundamental reform of personnel systems in FY2018. (Refer to page 15.)

Report on Activities under Each Principal Theme

Human Rights and Labor

| Structure to Promote Diversity Management

DNP has been promoting diversity since around 2000 in seeking to foster a corporate culture that allows women and other diverse human resources to play active roles.

In 2016, as an effort to augment our activities in this area, we established the Diversity Promotion Office within the Employee Relations Department in the head office and the Diversity Promotion Committee in each business division and Group company. To drive our efforts further, we converted the Diversity Promotion Office into an independent, dedicated organization in June 2018 and extended our focus from women to other groups, including non-Japanese employees, persons with disabilities, LGBTs and senior employees.

| Structure to Promote Occupational Safety and Health

DNP stipulates its basic policy on and a structure to promote a safe and healthy workplace environment in the DNP Group Safety and Health Management Regulations.

Our safety and health activities are being promoted under the policy that safety takes precedence over everything else. The DNP Group Safety and Health Liaison Council oversees and leads relevant activities of the entire Group, while the responsible committee of each business division and Group company and the Safety and Health Committee of each workplace create specific action plans. In this way, DNP and its employees are making concerted efforts to increase the level of safety and health throughout the Group.

In order to instill the said policy more firmly throughout the Group and foster a safety culture through *TAIWA* (“dialogue”) and education, we have also formulated the DNP Group Safety and Health Charter and decided to initiate All-DNP activities involving all employees in FY2019. (Refer to page 19.)

DNP's Efforts for Value Creation through Innovation

Fundamental Reform of Personnel Systems for Accelerating Value Creation

For increasing its corporate capabilities to resolve social issues and create new value that meets people's expectations, and to support employees working toward these goals, DNP launched a fundamental reform of personnel systems in April 2019. Through the reform, we will design or rebuild various systems related to recruitment, development and promotion of excellent human resources in order to optimize and maximize our human capital while capturing overall trends in society.

《Feature of the Reform》

As a first step, we carried out a system reform mainly targeting young employees and people with varying careers both within and outside the Group.

1. Employment-related systems to proactively incorporate outside perspectives

- Introduction of fixed-term employment: We established system to enable excellent outside human resources having highly advanced knowledge and skills in particular fields of expertise to play active roles at DNP.
- Establishment of return-to-work system: We newly launched return-to-work system to rehire, under certain selection criteria, former DNP employees to encourage them to bring into DNP the abilities and new perspectives they have cultivated outside DNP.
- Starting to permit certain side jobs or dual employment: We started giving permission to employees to engage in certain side jobs or dual employment, provided that these jobs will not interfere with their work at DNP and will involve various types of innovation that will lead to new value creation by DNP.

Report on Activities under Each Principal Theme

Human Rights and Labor

2. Revising promotion-related systems for the creation of new value

- Drastic increase in young employees' bonus and wage levels: The revision is intended to encourage young employees to invest in themselves or for education to refine their own sensitivity.
- Establishment of an ICT professional system: We newly established a system to secure and appropriately promote ICT professionals. As an example, we started providing an allowance to project managers under the system.
- Rebuilding wage and promotion systems by job type and region: We enhanced our promotion system to factor in job ratings in the labor market and facilitate personnel promotion in a way to realize a required function within DNP while considering job duties and skill levels. We also increased financial support for job transfers involving relocation.
- Revision to a personnel evaluation system and promotion of *TAIWA*-based human resources development management: We introduced a system to evaluate actions of employees, business processes and details of human resources development while linking goals of our business with goals of individuals.

3. Promoting and supporting flexible work styles for effective time and space utilization

- Introduction of telecommuting: By improving and utilizing our IT environment, we promoted the fusion of various work styles, such as teleworking, working at a satellite office and mobile working, and went ahead with drastic enhancement of required measures.
- Promotion of work style reform: We have been implementing various measures every three years since 2009. The current, fourth phase is mainly focusing on changing the way managers work and creating a workplace environment with better productivity for the ultimate goals of accelerating value creation. We will work toward innovation by always encouraging *TAIWA* between managers

and their subordinates, placing more weight on the nurturing of subordinates, reducing time spent on meetings and reducing the workload of employees to create internal documents.

Fundamental reform of personnel systems, including establishment of a new ICT professional system (news release)

[Link](https://www.dnp.co.jp/news/detail/1192275_1587.html) https://www.dnp.co.jp/news/detail/1192275_1587.html

Social Issue Recognized by DNP

Japan's ranking in the Global Gender Gap Index: 110th place/149 countries

(The Global Gender Gap Index 2018, the World Economic Forum)

According to the World Economic Forum, Japan's ranking in the Global Gender Gap Index in 2018 was 110th place among the 149 countries. The global index is developed using data in four categories, and Japan ranked low in all of the four categories of Health and Survival (down from the first place in the previous year to the 41st), Economic Participation (117th), Educational Attainment (65th) and Political Empowerment (125th). Against this backdrop, Japan enforced the Act on Promotion of Women's Participation and Advancement in the Workplace ("Women's Participation Promotion Act") in 2016 with the aim of promoting the active role of women in their work life and to realize an enriching and vibrant society where women working on their own free will and those wishing to do so can demonstrate their individualities and abilities to the fullest.

Report on Activities under Each Principal Theme

Human Rights and Labor

DNP's Efforts for the Resolution of Social Issues

Promoting Diversity-Related Measures Leading to Value Creation

With a view to creating new value by respecting and leveraging diversity, we have been promoting diversity under the policy of developing diverse human resources, fostering a corporate culture to encourage the active participation of diverse human resources and realizing diverse work styles.

《Major Initiative in FY2018》

We provided e-learning training consisting of three parts (basic, practical and TAIWA) to all employees to foster a correct understanding of diversity.

Promoting the Active Role of Women

One pillar of our activities is promoting the active role of women, and we have been implementing relevant measures in accordance with an action plan formulated under the Women's Participation Promotion Act. With the aim of continuously producing female employees who will assume leadership roles and involve in organizational decision-making, we have been providing systematic training to increase the number of actively engaging female employees at each job level.

《Action Plan》

First phase (April 2016 to March 2019) target:

Double the number of women in managerial positions compared with the number (96) in February 2016. ⇒ Achieved

Second phase (April 2019 to March 2022) targets:

1. Achieve the ratio of women in managerial positions (section chief or above) of 7%.

2. Double the number of women in managerial positions and leader-level positions compared with the number at the end of February 2016 (from 430 to 860).

《Various Initiatives》

▶ Initiatives to increase the number of women in managerial positions

- Next-generation female leaders training (for female section chief candidates)
We provide training to female employees whom we expect to assume leadership roles. They receive training to become next-generation leaders through simulation of management duties. Upon the completion of the training, participants are certified by DNP as a mentor and will take the role of providing career consultation to young male and female employees under a mentor system.
- Diversity promotion leaders training (for general managers and those in equivalent positions)
We provide training to develop a promotion leader of the Diversity Promotion Committee of each business segment. During the training, participants identify factors that hinder diversity and gain knowledge and the skills necessary to plan and implement solutions. They will also serve as a mentor for participants of the next-generation female leaders training. Through these promotion leaders, we aim to foster a corporate culture that allows women and other diverse human resources to fully demonstrate their abilities.



Female participant (left) receiving advice from an executive-level employee

▶ Initiatives to continuously produce female employees assuming leadership roles

- Career training for young female employees (for mid-level female employees)
This training cultivates career awareness among mid-level female employees,

Report on Activities under Each Principal Theme

Human Rights and Labor

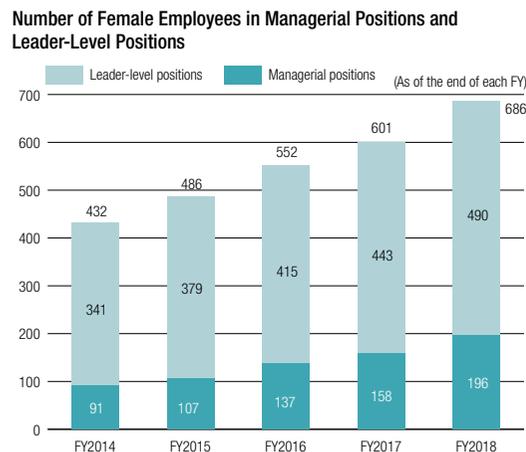
who are expected to assume managerial positions or leadership roles in the future, to enable them to design a work and life plan on their own.

- Career development support training (for supervisors having female subordinates)

We provide training for supervisors to gain skills to link what DNP expects and what a female subordinate aspires for her medium-to long-term career, promote her growth appropriately through work and hold effective dialogue for this purpose.

As a result of these initiatives, the number of female employees in managerial positions increased to 196, 1.84 times the number at the end of FY2015, while the number of those in leader-level positions rose to 490, 1.3 times the number also at the end of FY2015.

In FY2018, we expanded the scope of our mentor development training from female employees to all employees. We also set up a certification renewal system that now requires mentors to receive training before certification renewal instead of just attending an annual certified mentors follow-up meeting, and at the same time, extended their term from one year to a maximum of three years.



Employment of Persons with Disabilities

At DNP, each business division and Group company has worked individually to recruit and retain persons with disabilities and support their active roles. With an

eye to further facilitating their active participation and promoting employment of diverse human resources, we established DNP Business Partners Co., Ltd., a 100% subsidiary, on February 1, 2019.

Going ahead, in addition to recruitment by individual business divisions and Group companies, we intend to create opportunities of active participation for many more persons with disabilities by promoting related cross-sectional operations within the Group as a business of the new company.

《Feature of DNP Business Partners》

Rather than hiring persons with disabilities suited for pre-determined positions, DNP Business Partners seeks to create opportunities for each of them to get the best from himself or herself by finding positions that match their types of disabilities.

- Recruitment
The company carries out recruitment activities in collaboration with various organizations, including public job-placement offices, local job training centers and special needs schools, and promotes employment regardless of types of disabilities (physical, mental or intellectual).
- Assignment and skills development
The company assigns persons with disabilities to positions in mail center and food store operations (including company cafeterias) based on their aptitude, which allow each of them to fully demonstrate individual strengths, and conducts skills development.
- Promotion and welfare
Persons with disabilities, who have undergone three-month trial employment and become



Corporate brochure



Snapshot of a workplace

Report on Activities under Each Principal Theme

Human Rights and Labor

regular employees, receive the same benefits as other DNP Group employees in terms of flexible work styles, such as shorter working hours (six hours or more/day) and shorter working days (four days or more/day), and in terms of promotion and welfare. In this way, the company is setting up a variety of systems designed for normalization, enabling them to lead independent, purposeful lives with rewarding work, while giving due consideration to their disabilities.

Social Issue Recognized by DNP

**Annual global economic loss resulting from work-related accidents and illnesses:
2.99 trillion dollars** (International Labour Organization)

According to the figure developed by Finland, Singapore, the European Union (EU) and the International Commission on Occupational Health (ICOH), with the support of the International Labour Organization (ILO), the annual cost of work-related injuries and illnesses is estimated to represent 3.94% of global GDP, or 2.99 trillion dollars. This means that about 2.78 million workers lose their lives due to work-related injuries and illnesses each year. In Japan, the 13th Occupational Safety & Health Program (FY2018 to FY2022) has been rolled out under the country's Industrial Safety and Health Act. The program continues to emphasize the prevention of industrial accidents in the manufacturing industry, and reflecting the recent changes in the working environment, attaches greater importance to measures to prevent long working hours and ensure the health, including mental health, of workers.

DNP's Efforts for the Resolution of Social Issues

Formulating the DNP Group Safety and Health Charter for the Realization of a Safe and Healthy Workplace Culture

DNP has promoted Group-wide safety and health activities under the policy that safety takes precedence over everything else. Ensuring the safety of manufacturing sites, in particular, requires an overarching approach encompassing all business activities from sales and planning to general affairs and employee relations. Under this belief and toward the realization of a safe and healthy workplace culture, we formulated the DNP Group Safety and Health Charter in April 2019.

DNP Group Safety and Health Charter

Safety takes precedence over everything else.

1. We place maximum **priority on human life** and act accordingly.
2. We value **the mental and physical health** of each.
3. Safety and health originate from **TAIWA ("dialogue") and education and through the nurturing of human resources.**
4. **Strong commitment to observing rules** serves to maintain safety.
5. Safety increases through **wisdom and persistent efforts for improvements.**
6. **A good working environment** fosters health.
7. We achieve safety and health through strong top leadership and **All-DNP determination involving all employees.**

Report on Activities under Each Principal Theme

Human Rights and Labor

VOICE Words from Top Management**Yoshinari Kitajima**
President, Dai Nippon Printing Co., Ltd.

The phrase, “All-DNP determination involving all employees,” included in the DNP Group Safety and Health Charter reflects my aspiration that all persons working for the DNP Group become fully aware of safety and health, think about the two from their respective standpoints and take action accordingly. Safety in the true sense of the word is only possible if we thoroughly rethink, or fundamentally change in certain instances, the way we do business. This includes how we sell our products, meet delivery deadlines, assign work and accept orders. I also believe that all employees working with good mental and physical health will generate the total strength of the DNP Group.

Under the charter, I intend to promote initiatives, including setting aside time for *TAIWA* and education, under the strong leadership of each department head and with engagement of all employees to realize a safe and healthy workplace culture.

the first priority task was to eliminate accidents involving machinery at manufacturing sites, and we made Company-wide efforts accordingly. These efforts led to increased implementation of equipment safety measures, and coupled with the steady 5S (Sort, Set in Order, Shine, Standardize and Sustain) activities undertaken by each workplace, had enabled us to draw up a clearer roadmap for our accident prevention activities. In our Fourth Basic Plan started in FY2018, we continue our equipment safety activities and improve work processes in order to increase our safety level both in terms of “hardware” and “software.”

Additionally, in response to an increasing trend of fall accidents among senior employees, we have been promoting preventive activities through the “STOP! Fall Accidents Project.”

As another effort, we have been providing DNP’s original safety education programs, which utilize our know-how accumulated in the past activities, for developing and appropriately assigning human resources to support our activities.

► Efforts for maintaining and promoting physical and mental health

Under our Third Basic Plan for Health Maintenance and Promotion (FY2015 – FY2017), we mainly promoted initiatives for enhancing our health education and implementing mental health-related measures. As for the promotion of physical health, we have been encouraging each employee’s voluntary engagement through health-related events and educational programs. Efforts include providing nutritional and exercise guidance and offering healthy menus at company cafeterias.

In the area of mental health, we have been conducting self-care, line-care and other relevant education, centered around stress checks introduced in 2006, and also providing tools for employees to check their mental health status at anytime. Each workplace has also been making their own efforts based on the results of workplace analysis and in conjunction with our work style reform activities* to provide a better working environment and improve employees’ work engagement.

* Activities launched in 2009 with the aim of increasing the value added to work and enhancing personal lives through effective utilization of time resource

Formulating Basic Plans and Promoting Occupational Safety and Health Initiatives

DNP is promoting safety and health activities by formulating the Basic Plan for Prevention of Industrial Accidents and the Basic Plan for Health Maintenance and Promotion every three years. These medium-term plans reflect social trends and Japan’s industrial safety and health initiatives as well as our past activity results and issues facing DNP.

► Efforts for prevention of industrial accidents

In our Third Basic Plan for Prevention of Industrial Accidents (FY2015 – FY2017),

Report on Activities under Each Principal Theme

Human Rights and Labor

Our Response to Human Rights Issues

Recently, there has been growing attention to the impact of business on human rights. As part of our due diligence effort concerning human rights, DNP has been conducting surveys in a phased manner to identify and monitor the risk related to human rights in business activities. Specifically, during the period from 2014 to 2016, we conducted interview surveys on all business segments and written surveys on all of the 22 consolidated subsidiaries outside Japan. These surveys were designed to identify risk from a broad perspective, encompassing such aspects as countries/local communities in which we do business, suppliers/contractors, origins of raw materials, consumers/customers and employees. Within the scope of information gathered through these surveys, we have concluded that there is no significant risk concerning human rights. In 2017, we examined ways to proceed with our plans to formulate our human rights policy and to carry out detailed risk assessment, while also incorporating opinions from subject matter experts.

Report on Activities under Each Principal Theme

Environment

Medium-to long-term vision

To create a sustainable society with the Earth's limited natural resources, we reduce environmental impact and conserve biodiversity while ensuring compliance with environmental laws and regulations and by recognizing our relationship with the environment in all business activities.

DNP has always believed in the importance of coexistence with the natural environment to ensure sustainable business. We have set “Environmental conservation and the realization of a sustainable society” as one part of our Code of Conduct and are implementing environmental activities such as the reduction of environmental burden in consideration of the relationship between business activities and the environment throughout the supply chain.

| SDGs Covered by the Vision



| Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
→ Please refer to page 15, “Environmental Activity Targets and Results,” in the “Environmental Management Activities” section of the DNP Group Environmental Report 2019.		



→ For details of this Principal Theme, please refer to the DNP Group Environmental Report 2019.

Report on Activities under Each Principal Theme

Responsible Procurement

Medium-to long-term vision

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 other factors.

DNP is working with our suppliers throughout the supply chain to improve compatibility with social expectations. Excellent products and services would mean nothing if we break social norms or cause trouble to society in their manufacturing processes or raw material procurement practices. As such, we aim to create value and cultivate compliance awareness at the same time and are carrying out various types of management.

Additionally, DNP will fulfill its social responsibility by taking appropriate action to avoid becoming a party to global-scale environmental destruction, abuse of human rights or labor issues.

SDGs Covered by the Vision



Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
(1) Average score of DNP Group CSR Procurement Guidelines survey on key suppliers	(1) Achieve the average score of 90 points by FY2030.	(1) 85 points in Japan and 81 points overseas
(2) Percentage of overseas business locations conducting DNP Group CSR Procurement Guidelines surveys	(2) Achieve 100% (covering all overseas business locations).	(2) 100%
(3) Percentage of key suppliers conforming to DNP Group Guidelines for Procurement of Paper for Printing and Converting	(3) Achieve 100% by FY2030.	(3) 92%

Internal Structure and Management

In the CSR-Environment Committee led by a managing director, DNP has confirmed its commitment to conducting responsible procurement that takes into account human rights and other social and environmental aspects. We have formulated necessary guidelines and have been making a range of efforts to increase the effectiveness of these guidelines.

Specifically, we have formulated the DNP Group CSR Procurement Guidelines, [Link](#) and to cover topics of significant importance, developed individual guidelines, including the DNP Group Guidelines for Procurement of Paper for Printing and Converting [Link](#) and the DNP Group Green Procurement Guidelines for Chemical Substances. [Link](#)

Report on Activities under Each Principal Theme

Responsible Procurement

To increase their effectiveness, the dedicated CSR department and purchasing and other related departments work closely together and go through the plan-do-check-act (PDCA) cycle by providing staff education, holding briefing sessions for suppliers, conducting periodic supplier surveys and feeding back the survey results as well as conducting interviews and the exchange of opinions.

Social Issue Recognized by DNP**Business impact of human rights infringement in supply chain: More than 100 billion yen per company**

(Deloitte Tohmatsu Consulting LLC)

Deloitte Tohmatsu Consulting LLC made an estimate of the impact on business of human rights infringement in the supply chain based on past cases. According to the estimate, loss of sales due to the resulting consumer boycott or suspension of operations exceeds 100 billion yen per company. Companies need to recognize the magnitude of such a business impact and set up a process to prevent and correct any adverse impact on human rights.

DNP's Efforts for the Resolution of Social Issues**Reinforcement of CSR Procurement Management**

With supply chains becoming increasingly globalized and complex, a stronger call has been placed on companies to counter risks in such areas as the environment, human rights and labor and corruption. As DNP operates both in and outside Japan, we recognize that it is important for us to evaluate and mitigate the impact of our business activities on the international as well as local communities from a global viewpoint and have been implementing specific initiatives based on this recognition.



An internal study session for departments in charge of placing orders to business subcontractors was held.

Since 2006, DNP had undertaken initiatives jointly with suppliers for responsible procurement that gives due consideration to social and environmental aspects. In March 2017, we fully revised these initiatives and formulated the DNP Group CSR Procurement Guidelines. At the same time, we started reinforcing our responsible procurement management and extended its scope to suppliers of all our overseas business locations. In order to upgrade our structure to ensure uniform implementation across the entire global supply chain, we again extended the scope in 2018 to Group companies conducting procurement on their own. As another effort to steadily implement responsible procurement, we have held an internal study session for divisions actually engaging in such procurement, including purchasing divisions and other divisions in charge of placing orders to business subcontractors, and provided education to 220 managers and other staff members.

Report on Activities under Each Principal Theme

Responsible Procurement

Under this new management structure, we conducted a DNP Group CSR Procurement Guidelines survey on 379 key suppliers and 1,397 business subcontractors in FY2018 to check their level of compliance. The overall average scores of the 240 suppliers in Japan and the 139 suppliers outside Japan were 85 points and 81 points, respectively, and there was no significant imbalance among the average scores of the individual themes, such as human rights and labor and the environment.

In the future as well, DNP will make continuous efforts to improve compatibility with social expectations throughout the entire supply chain.

Average Scores of DNP Group CSR Procurement Guidelines Compliance Level Survey (point)

Supplier	Overall average	CSR management	Human rights and labor	Safety and health	Environment	Product safety and quality	Information security	Fair transactions and ethics	Social contribution
240 in Japan	85	84	89	88	81	88	89	85	75
139 outside Japan	81	76	84	86	80	89	84	81	70

Our Response to Conflict Minerals

Some minerals (gold, tin, tantalum and tungsten) originating from the Democratic Republic of Congo and surrounding countries (conflict region) are used to finance armed opposition groups, prompting fears that the trading of these minerals is exasperating conflict and the abuse of human rights by these groups. To counter the situation, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires companies listed on the U.S. Stock Exchange to file reports on the use of these four minerals originating from the conflict region every year.

DNP does not have an obligation to report directly to the U.S. authorities regarding the matter but has included responsible procurement in our DNP Group CSR Procurement Guidelines to avoid getting involved in these issues, which are

detrimental to the sustainable development of society. According to the guidelines, we are undertaking business activities in an appropriate manner jointly with each supplier and have confirmed that the said minerals used in our electronic devices business do not come from the conflict region. In FY2018, we again performed the check and determined that minerals that may facilitate conflict or human rights infringement are not used in our products or included in the raw materials we use.

Social Issue Recognized by DNP

Net forest loss in the world: 129 million hectares

(Food and Agriculture Organization of the United Nations, 1990-2015)

According to a survey conducted by the Food and Agriculture Organization (FAO), the world's total area of forests fell from 4,128 million hectares in 1990 to 3,999 million hectares in 2015. Natural forests, which accounted for 93% of the net forest loss of 129 million hectares, are critical in sustaining the global environment as they conserve genetic diversity and help to maintain the natural composition of tree species. The decrease in forest area has been continuing and is particularly noticeable in tropical regions, driven by the expansion of agricultural land through illegal logging.

For DNP, paper is one of the essential raw materials for its printing business. We strive to contribute to sustainable forest management as one priority activity.

Report on Activities under Each Principal Theme

Responsible Procurement

DNP's Efforts for the Resolution of Social Issues

DNP Group Guidelines for Procurement of Paper for Printing and Converting

To increase the effectiveness of our efforts to reduce environmental impact, we conduct responsible procurement jointly with suppliers involved in the purchase of raw materials that have a large impact on the environment.

Especially for paper, which is one of our principal raw materials, we are committed to the conservation of forest resources and the effective use of raw materials and are proactively encouraging the use of thinned wood and forest-certified paper. Since 2012, we have also been collaborating more closely with suppliers, including paper manufacturers and sales companies, as an effort to share our procurement policy under the DNP Group Guidelines for Procurement of Paper for Printing and Converting, establish and operate a management structure to confirm the legality of our procurement practices, ensure traceability and increase the percentage of paper that is friendly to forest resources in the overall volume of our paper purchase.

Report on Activities under Each Principal Theme

Product Safety and Quality

Medium-to long-term vision

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.

DNP recognizes that placing safety and quality first and foremost is a responsibility of a company providing products and services to society. Under this recognition, we strive for constant improvement by always exploring how our products and services are used and thinking “what quality is required of them and what makes them safe and easy to use” from the perspective of consumers and customers. From the proposal stage through to the final delivery, we commit ourselves to providing products and services that satisfy people to earn even greater trust from them, and this forms the basis of our safety and quality efforts.

SDGs Covered by the Vision



Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
(1) Number of serious accidents* caused by our products <small>* Including cases where a defect in our products jeopardizes the user's life, causes serious bodily harm or inflicts serious damage on the user's property (other than the product itself)</small>	(1) Achieve zero accidents.	(1) Zero accidents
(2) Percentage of newly developed products undergoing product safety and risk assessment	(2) Achieve 100%.	(2) 100% (184 products)

DNP Group's Internal Structure for Quality Management

DNP's basic policy concerning quality management is twofold. One is to ensure that our products and services conform to the required standards and legal regulations, and the other is to fulfill our corporate social responsibility by providing products and services that deliver levels of quality and safety exceeding the needs and expectations of corporate customers and consumers.

To uphold this basic policy, we have established the Quality Assurance and Product Safety Committee within the head office (led by a managing director) and in each business division and Group company. We have also stipulated Group-wide rules, consisting of matters that should be implemented for ensuring the safety and quality of our products. With the committee within the head office taking the lead, we have established and been operating a quality management system and a product safety management structure.

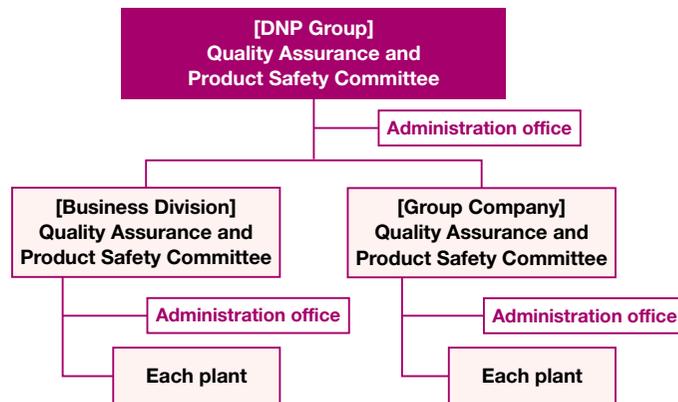
Report on Activities under Each Principal Theme

Product Safety and Quality

DNP Group Product Safety Policy [Link](#)

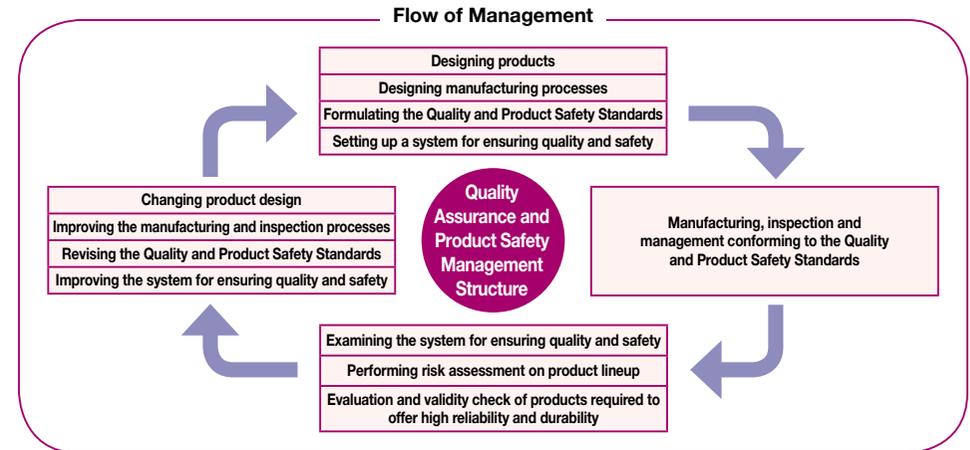
DNP Group Quality Policy [Link](#)

DNP Group Quality Assurance and Product Safety Management Structure



Management to Ensure Safety and Quality

DNP has stipulated Group-wide rules, consisting of matters that should be implemented by each business division and Group company for ensuring product safety and quality. According to the rules, the Quality Assurance and Product Safety Committee receives reports on the status of Group-wide activities, issues and other relevant matters twice a year, and based on the reports, revises policies and targets and gives instructions for improvement. In response, the responsible division within the head office then provides guidance to each business division and Group company to increase the safety and quality of our products.



To satisfy the requirements of corporate customers and the marketplace, we have also acquired certification in relevant fields, including ISO 9001 certification, an international standard for quality management, and Food Safety System Certification (FSSC) 22000 in the field of food packaging. Other certification we have acquired in the information management field includes ISO/IEC 15408 certification for information technology (IT) security, “PrivacyMark” certification for protection of personal information, ISO/IEC 27001 (Information Security Management System – ISMS) certification for information security and ISO 22301 (Business Continuity Management System – BCMS) certification.

Acquisition of ISO 9000 series certification [Link](#)

Food safety and quality certification management systems: Acquisition of ISO 22000/FSSC 22000 and British Retail Consortium (BRC) certification [Link](#)

Quality management system for the automotive industry: Acquisition of ISO/TS 16949 certification [Link](#)

Report on Activities under Each Principal Theme

Product Safety and Quality

| Efforts for Ensuring Product Safety

Ensuring product safety requires continuous efforts. We perform a product safety risk check on all families of products twice a year, in addition to a check conducted during product development. In case a risk check results in a change of product design or an improvement in manufacturing technology in order to ensure safety, we compile such a change and improvement along with details into a document and use it as our product safety standards.

We have also been providing relevant training to employees since 1994. In FY2000, the training was converted into e-learning programs targeting all employees. Over the three years since 2016, a total of 25,058 employees have received training through these e-learning programs.

Social Issue Recognized by DNP

Many scandals involving quality-related misconduct by Japanese companies (2018)

As in FY2017, a number of quality-related corporate misconduct cases, such as inappropriate execution of legally required inspections and falsification of quality data, were again uncovered in succession and made headlines in various media in FY2018.

Many misconduct cases were found in the automotive and construction fields, and they gave rise to concern over a possibly jeopardizing impact on human life and became a social issue.

DNP's Efforts for the Resolution of Social Issues

DNP's Efforts for Preventing Quality-Related Misconduct

DNP strives to enforce legal compliance and ensure quality and safety and has been implementing sufficient risk management against legal violations and quality-related misconduct as an effort to prevent such cases from occurring.

In response to the successive occurrence of quality-related misconduct cases in Japan, DNP has been working to prevent similar incidents from occurring within DNP. As specific efforts, we have been reinforcing our quality management system by performing a validity check led by the head office, along with receiving ISO and other external certification and diagnosis, and providing guidance and instructions for corrective action to each business division.

Additionally, we provide education on an ongoing basis for each division tailored to its roles, for reinforcing our quality management structure, communicating the specifications agreed upon with corporate customers in order to ensure the structural reinforcement and for instilling Group-wide rules, including ensuring the reliability of inspections.

Report on Activities under Each Principal Theme

Information Security

**Medium-to
long-term vision**

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.

DNP has a core strength in information security technology and know-how built up in the application of information assets entrusted to us by companies and consumers as well as our own information assets. We leverage this strength to provide new value through highly secure and reliable products and services.

| SDGs Covered by the Vision



| Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

We have set the following indicators that we are working toward in order to establish and put into operation a sophisticated security system.

Performance indicators	Targets	FY2018 results
(1) Number of information security compliance assessments conducted	(1) Achieve 100% (covering all business departments and group companies)	(1) 100% (85 departments and companies)
(2) Number of inspections and instructions on divisions implementing priority measures for personal information security performed by executive officers in charge	(2) Achieve 100% (covering all applicable bases)	(2) 100% (63 bases)
(3) Participation rate of information security education and training	(3) Achieve 100% (covering all applicable divisions)	(3) 100% (Approx. 41,000 persons)
(4) Number of security vulnerability tests for publicly open websites	(4) Achieve 100% (covering all applicable websites)	(4) 100% (260 systems tested)

| Structure to Promote Management

Since establishing the Office for the Protection of Personal Information in 1999, DNP has continued to strengthen our information security measures in response to changes in the security environment in Japan and overseas. We established the Information Security Committee and Information Security Headquarters, which are

Report on Activities under Each Principal Theme

Information Security

supervising organizations for Company-wide management to provide inspection and guidance for business segments and Group companies. The executive officer in charge of the head office serves as the committee chief.

Also, Information Security Committees have been established in each of the business entities as departments and Group companies, in which under the direction of the committee chief and person responsible for managing personal information (together with the heads of each operating unit), they handle issues such as education, security area measures and information security measures, as well as taking responsibility for inspections. Information Security Committees have been set up at a total of 14 overseas Group companies since 2015 (covering 64% of overseas Group companies).

DNP Group's Basic Policy on Information Security [Link](#)

DNP Group Privacy Policy [Link](#)

DNP is undertaking information security related measures with a particular focus on organizational measures, human measures and physical and technical measures.

Organizational Measures

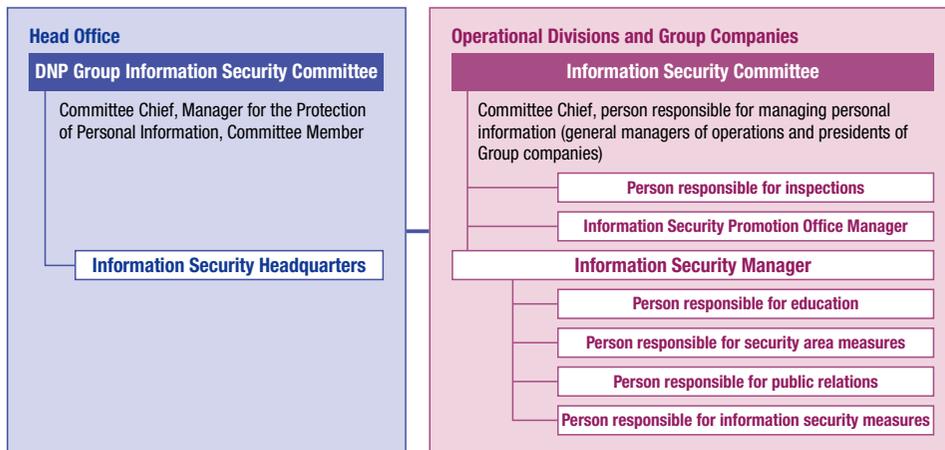
► Maintaining internal procedures and rules

Personal information protection includes the development of the Personal Information Protection Policy and the Regulations within the Group. We also developed the Basic Personal Information Policy and Basic Personal Information Regulation, under which 10 standards have been established concerning information security, including those for document control, computer usage, restricted areas, education, website and social media. We rapidly send out notices and establish or revise our rules in response to new threats and risks, and we make sure that employees are thoroughly informed about them.

► Establishment of a management system

DNP ensures thorough legal compliance, attaining the Privacy Mark in July 2008, and is promoting the establishment of a management system in compliance with the Japanese Industrial Standards, "Personal Information Protection Management System Requirements" (JISQ15001). We are also actively making progress toward acquiring the Privacy Mark and ISO / IEC27001 at all business divisions and Group companies handling personal information in the course of business activities. Acquisition status of Privacy Mark and ISO / IEC 27001 [Link](#)

Framework for Information Security Management System



Report on Activities under Each Principal Theme

Information Security

Human Measures

► Strengthening information security through human resources development

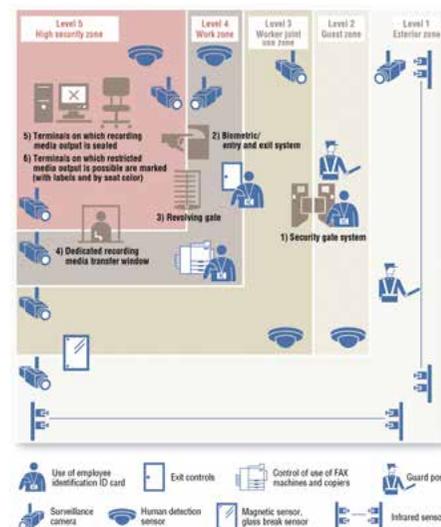
DNP provides ongoing education and training to all employees, particularly personnel responsible for strengthening information security.

We prepare teaching materials in 10 languages, including Japanese, to make sure our education covers all employees. Training courses are provided via groups to personnel in charge of strengthening information security, and the Group company CP Design Consulting, Ltd., which provides consulting related to personal information protection, offers practical courses based on DNP's products and services.

Physical and Technical Measures

► Measures in divisions handling personal information

Various measures are in place at the Data Processing Offices handling personal information and other important data, including controls for entering/leaving a building (room) using biometrics to ensure that unauthorized persons cannot access the facilities, surveillance cameras that keep improper behavior in check and



pocket-free uniforms for on-site workers so that data cannot be taken off-site. We also separate the locations where information is written to media, employ checks using metal detectors, implement and verify access logs, and reduce the number of employees engaged in the work of writing to recording media. These and other measures serve to further strengthen control.

► Measures at operational bases using IC card employee IDs

DNP is promoting a variety of information security measures using IC card employee IDs. We are increasing the number of operational bases with a security gate system in which employees need the IC card to enter and leave the building or factory. We are also adding a function enabling the integrated management of a multi-purpose machine usage logs by the manager on a server by requiring authentication via IC card when printing.

► Initiatives for the safe delivery of information

DNP has introduced a tool to prevent the erroneous transmission of email with such functions as destination identity verification, attachment file verification, mandatory encryption and the temporary holding of outgoing mail. The aim is to prevent information leaks through erroneous transmission when employees send email outside the Group.

In addition, we are operating a system when transferring the personal data of clients via a network.

► Corruption measures for website

DNP conducts vulnerability tests twice a year for all internet servers handling personal information that are run by the Group to ensure more secure and robust website creation and management.

Report on Activities under Each Principal Theme

Information Security

| Promoting Information Security Measures in the Industry

To enhance personal information protection throughout the printing industry, DNP dispatches employees with sophisticated technical knowledge to personal information protection working groups run by the information security committee of the Japan Federation of Printing Industries. The employees participate in making guidelines for personal information protection, Q&A and formulating and preparing educational materials. (Two DNP employees have been stationed there since 2004.)

Social Issue Recognized by DNP

Increase in Illegal Dealings on the Dark Web

The dark web refers to Internet content that cannot be searched for using Google, etc., and requires specific software to access. It is often used for illegal dealings that include forged passports, counterfeit money in different currencies, stolen personal information, ID/password combinations, illegal hidden cameras and information on the vulnerability of Internet sites. In particular, list-type attacks have become a social problem in recent times in which ID/password combinations are stolen to fraudulently access a site.

DNP's Efforts for the Resolution of Social Issues

Measures to Counter the Dark Web (Combat Illicit Use of ID/Password, etc.)

DNP has started running an integrated security log analysis system known as SIEM (Security Information and Event Management) that enables swift response to a security incident to prevent damage from spreading through automatic and efficient detection of suspicious server communication as well as quick examination of logs and response in the event of a security incident. DNP also conducts organized activities through DNP-CSIRT (DNP Group Computer Security Incident Response Team: 3 full-time workers and 17 with concurrent posts) to share information with external organizations such as the Nippon CSIRT Association and enhance its level of defense. The organized activities being undertaken by DNP are listed below.

- Devise and implement cyber security measures
- Research information security technology inside and outside the Company and intercept malicious site communication
- Make available information on site vulnerability required to enable emergency response and verify the status of measures
- Provide instruction on technological measures in an emergency such as infection or spread of a virus

DNP has personnel seconded to the Information-technology Promotion Agency, Japan (IPA), an independent administrative organization, and participates in long-term education at IPA's Industrial Cyber Security Center of Excellence with the aim of improving the skill level of its human resources in the field of cyber security.

Report on Activities under Each Principal Theme

Information Security

Social Issue Recognized by DNP

Swiftly Strengthening Supply Chain Security

Cyber attacks often target the most vulnerable areas of the supply chain such as subcontractors or subsidiaries, with the perpetrators employing diverse techniques to ultimately ensure a successful attack on public institutions or large organizations. Overseas, attacks on the supply chain have led to leaks of large volumes of credit information in some cases. Since DSP's security measures alone are insufficient to deal with these threats, it is necessary to strengthen cyber security throughout the supply chain.

manage to infiltrate the system, and “outbound measures” that prevent information from being illicitly transmitted outside the system. DNP promotes Security By Design, whereby protective functions are built into a computer system from the development stage, as well as measures for counteracting new threats such as periodic inspection of systems already in use to check for vulnerabilities. Based on this expertise, the DNP Group company Cyber Knowledge Academy Co., Ltd. provides educational programs for training personnel to counter cyber attacks. Some 101 DNP employees have completed the program.

**DNP's Efforts for the Resolution of Social Issues**

Responding to Targeted Attacks (Multilayered Countermeasures/Training on Email Attacks, etc.)

Now that cyber attacks are becoming increasingly artful and complex, it is no longer sufficient to rely solely on conventional border protection measures aimed at not allowing threats to enter a company's computer systems.

DNP is constructing multilayered countermeasures based on unique security solutions that combine—in addition to the conventional “inbound measures” that address things like system vulnerabilities and keeping out viruses—“internal measures” for preventing and containing damage in the event that an intruder does

Report on Activities under Each Principal Theme

Corporate Citizenship

Medium-to long-term vision

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.

DNP aims to contribute broadly to the resolution of social issues and the realization of a better society through business activities and by acting as a good corporate citizen while effectively utilizing our management resources, including human resources, intellectual properties, technologies and facilities, while promoting cooperation and collaboration with external organizations. We also support the social contribution activities of employees, as these activities encourage their personal growth and self-fulfillment.

SDGs Covered by the Vision



Performance Indicators to Monitor the Progress in Achieving the Vision and Activity Results

Performance indicators	Targets	FY2018 results
(1) Number of external participants for DNP's original future generations development programs	(1) Achieve an accumulated total of 7,500 persons from FY2015 to FY2019.	(1) Accumulated total: 6,435 persons
(2) Number of local volunteer activities held each year to support reconstruction of disaster-stricken regions, including Tohoku and Kumamoto	(2) Constantly conduct the activity three times a year until FY2019.	(2) Three times (twice in Tohoku and once in Kumamoto)

DNP Group Social Contribution Policy and Social Contribution Themes

The DNP Group contributes to the realization of a sustainable society by providing valuable products and services to society through business activities and by acting as a corporate citizen while effectively utilizing our management resources and facilitating labor-management collaboration as well as cooperation and collaboration with external organizations. In doing so, we have formulated the DNP Group Social Contribution Policy, consisting of five Social Contribution Themes, and have been carrying out activities accordingly.

Five Social Contribution Themes



Environmental conservation



Contribution to local communities



Future generations development



Arts and culture



Humanitarian aid

Report on Activities under Each Principal Theme

Corporate Citizenship

Social Issue Recognized by DNP

Approximately 40% of the world's people do not have access to education in the language they speak or can understand.

(Education for People and Planet, The Global Education Monitoring Report 2016 (UNESCO))

According to a report published by UNESCO (United Nations Educational, Scientific and Cultural Organization), education and lifelong learning are critical components for long-term economic growth. It is estimated that approximately 40% of the world's population do not have access to education in they language they speak or can understand, however, while one in every six of the world's people aged 15 or over are thought to lack the reading and writing skills necessary for daily life. For these reasons, enhancing literacy, the foundation of education and lifelong learning, is considered to be a vital key to drive the sustainable development of society.

DNP's Efforts for the Resolution of Social Issues**Contribution to Local Communities and Humanitarian Aid**

► **Participation in a campaign to deliver picture books to increase the literacy rate of children in developing countries**

Many children around the world have never even seen a picture book due to conflict, poverty or other factor. Based on a desire to help boost the literacy rate of

children in developing countries by providing them with the opportunity to access books, an area that we have been deeply connected with since our founding, DNP has been participating in the Campaign to Deliver Picture Books since FY2017. The campaign, run by the non-governmental organization Shanti Volunteer Association (SVA), sends Japanese picture books, affixed with seals bearing translations into the local language, to children in developing countries. In FY2018, 132 employee volunteers from Group companies across Japan once again heeded the call to take part in the project with DNP paying half of the participation fee.

In August 2018, DNP hosted a workshop jointly with SVA that was available to the general public as part of the Shinjuku Creators Festival held in Shinjuku, Tokyo to broaden the activity to society. Some 72 parents with children took part in the workshop in which they learned about the conditions facing children in developing countries throughout Asia and helped make the picture books with translations.

In February 2019, DNP Group employees volunteered for an event at the SVA Office in Sendagaya, Tokyo to send the picture books donated throughout the year to the developing countries. A total of 16,716 books, including 132 donated by DNP, were given to children in developing countries and refugee camps.



The workshop was attended by a large number of children during summer holidays.



DNP employee volunteers helped send the picture books to developing countries.

Report on Activities under Each Principal Theme

Corporate Citizenship

Picture Books Donated by DNP in FY2018

Burmese (For Myanmar, Myanmar (Burma) refugee camps, Myanmar immigrants)	45 books
Karenic language (For Myanmar (Burma) refugee camps)	44 books
Khmer language (For Cambodia)	43 books
Total	132 books

VOICE Outside Opinion

**Eri Yamamoto,
Secretary General, Shanti Volunteer Association**



Having access to good quality picture books is very important for children forced to live in insecurity due to poverty, disaster or conflict to respect their desire to live and dignity as human beings. A single picture book made by people at DNP can open the door to the future for a child and lead to the development of human resources critical to the development of that country. Schools that have received picture books from Japan and embraced reading have reported seeing positive changes in the children. Efforts to promote reading have been incorporated into the educational policy of countries as a result, with Shanti being asked to take part in the establishment of such policy.

In Japan, volunteers who help with the books grow an interest in the conditions of the adults and children in the countries they are being sent to. This provides the impetus to ponder why others live in poverty and why educational assistance is hard to come by. It also encourages people to reexamine their own lifestyle and country. The children who receive the books get a good insight into the support of the Japanese people through this campaign. It would be difficult to achieve the Sustainable Development Goals (SDGs) without this mutual understanding. Grassroots activities like this one that DNP is assisting with have the power to realize big goals.

Social Issue Recognized by DNP

39.3% of high school graduates in Japan leave their job within three years of graduating

(Ministry of Health, Labour and Welfare, 2018)

According to a paper titled “The status of job separation for new graduates” released by the Ministry of Health, Labour and Welfare in 2018, 64.1% of junior high school students, 39.3% of senior high school students, 41.5% of junior college students and 31.8% of university students who graduated in March 2015 left their job within three years. That means one in every three new employees leaves their job within three years.

The top reason for both male and female junior and senior high school students leaving their job was an ill fit (Male: 33.2% (top ranked answer), Female: 25.5% (3rd ranked answer/Multiple answers)).

Accordingly, DNP believes in the importance of students envisioning their desired career and providing them with the opportunity to experience the work process while still in school and to hone their technical and professional skills that will be of benefit once they enter society.

Report on Activities under Each Principal Theme

Corporate Citizenship

DNP's Efforts for the Resolution of Social Issues**Future Generations Development****► Providing the opportunity for new business education to high school students through commercial education consortium tokyo**

Commercial Education Consortium Tokyo was established in July 2018 so the Tokyo Metropolitan Government Board of Education could provide teaching support in conjunction with corporations and the local community in order to increase the opportunity for commercial high school students to learn about business from a practical perspective. DNP, in working with the consortium, provided lessons on business basics to around 210 first-year students at Tokyo Metropolitan Fourth Commercial High School on four occasions between July 2018 and March 2019. The idea behind this project was to offer the chance for business education to high school students, thereby helping to develop the next generation. It also has a positive impact on DNP's business activities as the Company gains a valuable insight into the preferences of the younger generation.

In the lessons provided by DNP, students experienced the workflow for developing a candy product, from devising a plan, including packaging, through to its sale, with the theme built around DNP's packaging business. The students visited DNP to observe and experience its product packaging facilities, while an expert from DNP's package planning department went to the school to impart knowledge. This gave the students the knowhow required for planning and developing packaging for a product. In the final lesson, participants gave a presentation on the candy they devised for high school students and its packaging. A number of the presentations revealed product



An expert from DNP's package planning visits the school to give a lesson.

packaging based on unique ideas that would likely sell well in actual commercial settings, thus providing useful reference for DNP.

DNP will continue contributing to the development of talented human resources who can lead the next generation through projects such as this.

VOICE Outside Opinion**Makoto Hirose,
Tokyo Metropolitan Board of Education**

Currently over 97% of students advance to high school in Japan, requiring us to build unique schools that can cope with increasing diversification in ability, aptitude, hobbies, interests and course. On the other hand, approximately 40% of young people who graduate high school and find work in a company full of expectation about the future end up leaving their job within three years. One reason for this may be that the things learned in school aren't very useful in society, and in particular in the business activities of a company. Commercial Education Consortium Tokyo run by the Tokyo Metropolitan Government seeks to provide a solution to this problem. The initiative aims to maximize the technical and professional skills of students studying at commercial high schools in Tokyo that have been reorganized to offer business courses focused on business education befitting the times in cooperation with corporations and the local community. This provides the opportunity for self-development and a forwarding-looking perspective.

The Tokyo Metropolitan Government has also stated that "cultivating talent for the future" will be an important pillar of policy under The Action Plan for 2020 and will be positioned as a strategy contributing to the achievement of Goal 4 of the United Nations Sustainable Development Goals (SDGs), namely providing quality education to everyone. In FY2018, the first year of the plan, DNP's efforts to take the initiative in the development of young commercial high school students with flexible sensibility generated results that exceeded expectations. We hope to continue receiving the support and cooperation of DNP for this project as we believe it has the power to create the value necessary for students to live through these uncertain times and realize a sustainable Tokyo that leads the world.

Report on Activities under Each Principal Theme

Corporate Citizenship

Social Issue Recognized by DNP**Approximately 61.77 million people globally were victims of natural disasters in 2018.**

(United Nations Office for Disaster Risk Reduction (UNDRR), 2019)

It is thought that risk of a natural disaster such as tsunami or flood is increasing around the world alongside acceleration in global warming. As one example in Japan, a great deal of damage was caused by torrential rains that lashed the west of the country following Typhoon No. 7 in July 2018. DNP constantly thinks about what we can do to aid in the rehabilitation of disaster-affected areas and will continue to take steps that provide support toward recovery and revitalization.

mental support based on these standards ever since. A series of natural disasters in 2018, notably the Northern Osaka Prefecture Earthquake and the torrential rains in Western Japan, caused significant damage to citizens and even DNP Group employees. This provided the impetus for DNP to revise its standards in November 2018 based on the belief that it is critical to be able to offer swifter support. The new “DNP Group Criteria for Conducting Disaster Recovery and Reconstruction Support” set detailed guidelines in consideration of such factors as the scale of disaster, devastated region and connection with the Company, making it possible to respond more quickly in the area and for affected DNP employees. The revisions were made to the standards jointly by labor and management, led by the CSR Division and Employee Relations Division, and in cooperation with the the Federation of DNP Group Labor Unions.

DNP's Efforts for the Resolution of Social Issues**Humanitarian Aid****► Supporting recovery from a natural disaster****Strengthening Our Framework for Disaster Recovery and Reconstruction Efforts**

Repeated natural disasters around the world in recent years have led to unprecedented damage. Recovering from damage and building towns and communities that can continue to thrive require the assistance of corporations to ensure the sustainable development of society. In 2010, DNP formulated standards for support following damage caused by a natural disaster, and has been offering funda-

Report on Activities under Each Principal Theme

Corporate Citizenship

VOICE Outside Opinion

Takeharu Takahashi,
Secretary General, Japan Platform



I'd like to extend my warmest appreciation for all of the support DNP has given to Japan Platform (JPF). JPF cooperates and coordinates with NGOs, the financial sector and government to enable a framework for providing quick emergency support following an outflow of refugees or a natural disaster. We conducted a variety of support activities in 2018 due to the series of disasters, and received donations from DNP to help deal with the huge damage caused by the torrential rains in Western Japan and the earthquake and tsunami that struck Sulawesi Island in Indonesia. In the case of the latter, we were told that DNP held a unique fundraising drive by offering local specialties connected with the disaster-affected area in company cafeterias and donating a portion of the proceeds. This assistance helped our support efforts on the ground while also no doubt serving to increase the interest of DNP employees in the affected area. I greatly admire the DNP Group as a corporate citizen viewing the challenges of disaster recovery and sustainable development as your own and taking such decisive action. I sincerely hope JPF can work together again with the DNP Group to support disaster-affected areas and peoples.

Emergency and Continued Support for Major Disasters

As a good corporate citizen operating in harmony with society, DNP assumes the mission of providing emergency support to victims of major disasters both in and outside Japan. We also provide continued support aimed at rehabilitation following a disaster such as the Great East Japan Earthquake, where the extent of the devastation was immense.



Nobuhisa Iida, former Secretary General of Japan Platform (right) receives a donation to assist with recovery following the torrential rains in Western Japan in 2018 from the head of the DNP Group Union (left) in Beppu.



Clean-up activity at disaster recovery public housing

Support results in FY2018

Date implemented	Disaster	Recipient and details	Amount donated
November 2018	Torrential rains in Western Japan (2018)	Japan Platform (Disaster support funds)	¥5 million
December 2018	Earthquake on Sulawesi Island, Indonesia	Japan Platform (Disaster support funds)	¥3 million
January 2019	Earthquake on Sulawesi Island, Indonesia	Japan Platform (Donation of proceeds from special menus in company cafeterias*)	¥350,648

*This fundraising activity with employee participation involved the serving of local specialties connected with the disaster-affected area in company cafeterias and donating a portion of the proceeds for use in reconstruction and support programs. In addition to times of emergency, DNP sometimes employs this type of campaign on a long-term basis, mainly procuring the food from the disaster-stricken area as a form of economic support.

Report on Activities under Each Principal Theme

Corporate Citizenship

Date implemented	Disaster	Recipient and details	No. of employee participants (incl. family)
July 2018	Great East Japan Earthquake	Local volunteer activities to support reconstruction (10th occasion) [Regional development activities]	30 (4)
October 2018	Kumamoto Earthquakes	Local volunteer activities to support reconstruction (3rd occasion) [Agricultural support and improvement of landscape on the summit of Mt. Aso]	20 (1)
November 2018	Great East Japan Earthquake	Local volunteer activities to support reconstruction (11th occasion) [Development of community facilities and cleaning of disaster recovery public housing]	16 (1)
April 2019	Great East Japan Earthquake	Chance for Children received donations from sales of special menus at company cafeterias [¥1 million donated for learning support, covering the financial cost of learning for five elementary school children]	40,000 meals (FY2017)

VOICE Outside Opinion

Yoko Takahashi, President, Japan Philanthropic Association



Our association has been planning and running volunteer activities supporting disaster-affected areas that DNP Group employees take part in since 2013. We have already received the assistance of over 300 employees and their families. We often receive words of surprise and appreciation from local residents who witness DNP employees putting their body, head and heart fully into the work. Actively interacting with the local people gives them great encouragement as they face uncertain living conditions. I hope more and more people get involved in the campaign by expanding the special menus so the changing needs of the people can be met. I also hope that DNP continues to deepen its understanding of disaster-affected areas, discover new challenges and broaden its support. I have high expectations that DNP will keep implementing and developing its activities involving employees so that the DNP Group becomes known as a strong, kind corporate citizen.

Recognition from Society

| Inclusion in SRI Indexes (As of July 2019)

DNP is included in the world's major socially responsible investment (SRI) indices.



FTSE4Good Global Index

FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group, evaluates companies from around the world and selects the shares of those that excel in terms of environmental, social and governance (ESG) performance for inclusion in this index.

DNP has been selected for 19 consecutive years, since 2000.



ETHIBEL Investment Register

An investment universe operated by Forum ETHIBEL, a Belgian nonprofit organization. ETHIBEL selects companies with strong performance from the standpoint of corporate social responsibility.



MSCI ESG Leaders Indexes

U.S.-based MSCI Inc. offers indices that are constructed by selecting companies with excellent ESG profiles from among the top 500 corporations in terms of market capitalization.

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Morningstar Socially Responsible Investment Index

Morningstar Japan K.K. provides financial and economic information on a global scale, including issuing a stock newspaper called *The Kabushiki Shimbun*.

Morningstar evaluates the extent to which Japanese companies take a proactive stance toward ESG and human resources utilization.

Recognition from Society

| Inclusion in ESG indices (As of July 2019)

DNP was selected for inclusion in all four of the ESG indices employed by Japan's Government Pension Investment Fund (GPIF), the only company in the printing industry with such a distinction. In the fiscal year ended March 2019, DNP was newly selected for inclusion in two other indices.



FTSE Blossom Japan Index

A comprehensive index that considers every aspect of ESG, this index was designed to measure the performance of Japanese companies that are doing an excellent job of responding to ESG-related concerns.

This index included 155 companies as of July 2019.



MSCI Japan ESG Select Leaders Index

This index consists of companies selected for outstanding ESG performance from among the constituents of the MSCI Japan IMI Top 500 Index.

This index included 251 constituent companies as of July 2019.

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MSCI Japan Empowering Women Index

MSCI constructed this index by calculating various types of gender diversity scores based on female employment data disclosed in line with the Act on Promotion of Women's Participation and Advancement in the Workplace. The scores are calculated for MSCI Japan IMI Top 500 Index constituents, and the companies with the best scores in each industry group are selected for inclusion in the index.

This index included 215 companies as of July 2019.

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Bloomberg Gender-Equality Index (GEI)

GEI is a stock index developed in 2016 by U.S.-based Bloomberg L.P. Companies selected for inclusion in this index have been deemed outstanding in terms of gender equality in such areas as action guidelines, statistics, personnel system, product development and information disclosure. A total of 230 companies (14 in Japan) were selected for the index from 36 countries in the fiscal year ended March 2019.



Semi-Nadeshiko

The Ministry of Economy, Trade and Industry of Japan (METI) and the Tokyo Stock Exchange (TSE) jointly conduct the Nadeshiko Brand Initiative for the purpose of selecting and publicizing listed enterprises that encourage women's success in the workplace. DNP has been granted "Semi-Nadeshiko Brand" designation, a distinction developed in 2016 for enterprises just below the Nadeshiko Brands that also evaluates the companies from the viewpoint of whether or not they have potential for future growth.

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