

## Responsible Procurement

### Performance Indicators to Monitor the Achievement of the Medium- to Long-Term Vision and FY2021 Results

Performance indicators	Targets	FY2021 results
(1) Average score of DNP Group CSR Procurement Guidelines survey on key suppliers	(1) Achieve an average score of 90 points or more by FY2030.	(1) 87 points in Japan
(2) Percentage of key suppliers that have obtained the conformance certificate of DNP Group Guidelines for Procurement of Paper for Printing and Converting	(2) Achieve 100% by FY2030.	(2) 94%

### Initiatives under the DNP Group CSR Procurement Guidelines

In line with an expansion of the global supply chain, impacts of corporate activities now spread more broadly in terms of human rights infringements, poor working conditions, corruption and other social issues, as well as issues related to the global environment, including climate change. In response, DNP converted its DNP Group CSR Procurement Criteria established in 2006 into the DNP Group CSR Procurement Guidelines in 2018. The guidelines were fully revised again in 2020 in a phased manner while taking into account such factors as international trends to strengthen our management in this area.

#### ▶ Holding a briefing session for suppliers

In May 2021, departments promoting sustainability and purchasing departments jointly held a briefing session on the DNP Group CSR Procurement Guidelines for suppliers of key raw materials. During the session, we mainly described human rights due diligence, which has been recently becoming an important topic across the world, the DNP Group Environmental Vision 2050 formulated in March 2020, DNP's business continuity plan (BCP) and business continuity management (BCM) and requested their understanding and cooperation for establishing a resilient supply chain. The session, while it was held online for the first time, allowed us to engage in quality communication with the 137 participating suppliers.

[Holding a Briefing Session for Suppliers on the CSR Procurement Guidelines \(in Japanese\)](#) [Link](#)

#### ▶ Conducting a supplier survey and interview on an ongoing basis

To raise the effectiveness of the DNP Group CSR Procurement Guidelines, we periodically survey key suppliers and outsourcing contractors to check the status of their initiatives under the guidelines and feed the evaluation results back to them. In FY2021, we surveyed 164 companies, and their overall average score was 87 points, showing an improvement over the previous year across all ten themes, including one recommended theme. Based on the results of the previous year's survey, we gave specific guidance for improvement by holding an interview with 14 suppliers whose scores were below the standard levels defined by DNP and provided instructions in writing to four suppliers. In Japan, we also conducted a survey on the status of initiatives for 309 outsourcing contractors of our business divisions.

In FY2022, DNP will further strengthen its management in this area for suppliers and outsourcing contractors. Going ahead, we will continue to deepen dialogue with our partners and work together, with each of us being a company trusted by society, to achieve even higher social compatibility throughout the entire supply chain.



Online briefing session for suppliers

### Survey and interview on status of initiatives under the DNP Group CSR Procurement Guidelines

Survey results	FY2018	FY2019	FY2020	FY2021
Number of companies surveyed	379	220	353	164
Overall average score (global)	84	87	85	87
Number of companies interviewed* (Instructed in writing)	16	18	18 (4)	9 planned

\* Based on the survey results, we provide guidance for improvement through an interview and other means in the next fiscal year.

### Average score by theme of fact-finding survey of initiatives of DNP Group CSR Procurement Guidelines (Out of 100 Points)

Average score	Overall average Excluding the recommended theme	Establishing a management system	Legal compliance and respecting international norms	Human rights and labor	Health and safety	Environment	Fair trade and ethics	Product safety and quality	Information security	Business continuity plan	Social contribution Recommended theme
FY2021	87	85	89	92	91	80	87	89	91	82	81
FY2020	85	80	88	89	88	78	85	88	89	80	79

\* Survey on: Key suppliers (suppliers accounting for 90% of our annual purchases in the previous fiscal year)

\* Numerical target: Overall average score of 90 points or more by FY2030

## Addressing Human Rights Issues and Conflict Minerals

In FY2021, we conducted the Fact-finding Survey of Suppliers Regarding Human Rights Issues and Conflict Minerals Issues on key suppliers, to which 186 companies responded. In FY2021, we conducted a status survey on key suppliers about human rights issues and conflict minerals, to which 186 companies responded. With regard to human rights, we surveyed their involvement or non-involvement in forced labor and other human rights infringements, which have become an international issue, to strengthen our system to also deal with potential risks. As for conflict minerals, we used the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI) and conducted a survey on tin, tantalum, tungsten, gold

and cobalt. As a result, we identified 391 smelters/refiners, 294 of which were “Conformant” or “Active,” according to the RMAP.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas defines areas with high risks of conflict and human rights infringement as “Conflict-Affected and High-Risk Areas (CAHRAs).” In a check to find smelters and refiners in the CAHRAs, DNP identified 22 smelters/refiners with particularly high risk and assessed their potential risks. Through this and similar initiatives, we will continue to increase the transparency of our supply chain and promote responsible minerals procurement.

### Results of Conflict Minerals Survey

Number of responding companies	Number of smelters/refiners identified	Smelters/refiners that are either “Conformant” or “Active” in the RMAP audit or are not located within CAHRAs
186	391	369

\* As of January 2022