

# Consumer Issues

## Assuring Product Safety and Quality

Quality assurance for products at the Toppan Group is a concern for every department, not only the departments directly responsible for production. The departments involved in marketing, R&D, planning, design, sales, and shipment all contribute to quality. This is why Toppan describes quality assurance as a total activity ("total quality assurance") and strives to improve product quality and manage product safety throughout the Group.

### ■ Product Safety

The Toppan Group has established a Basic Stance on Product Safety Management and Basic Guidelines on Product Safety Management to secure the safety management of the products it manufactures. Every Group site continues improving its quality management system (ISO 9001) to bolster product safety management. Two hundred and twenty employees took part in training sessions for internal auditors in fiscal 2016.

### ■ Certified Approval System for the Production of Food Packaging

Food packaging requires exacting quality assurance for safety and sanitation. The Toppan Group has adopted a certified approval system to ensure that the operational sites of Toppan and partner companies can manufacture containers and packages only after undergoing audits with checklists in conformance with the Quality Assurance Guidelines for Food Packaging. Toppan audited packaging operations for 16 sites inside and outside the Group in fiscal 2016.

### ■ Reinforcing Food Defense

The Toppan Group has worked to ensure food safety by preventing contamination of food during packaging production processes. In recent years the Group has been reinforcing food defense to secure safety from hazards that can be deliberately exploited to contaminate food products using toxins or other harmful substances. The Group refines incoming security checks, installs more security cameras to monitor food processing operations, deepens communication between management and employees, strengthens food defense training, and so on.

### ■ Controlling Chemical Substances in Products

The Toppan Group intensively promotes product safety management in all production processes from raw material procurement to product shipment by controlling various chemical substances whose use is prohibited or restricted. While adhering to green procurement standards prescribed by client companies, the Group has established its own set of Green Procurement Standards attuned to the features of products manufactured at plants across its business fields. The Group controls chemical substances in products throughout the entire supply chain.

## Protecting Consumers by Safeguarding their Personal Information

Toppan has solidified safeguards to prevent leaks and outflows of the ever-diversifying forms of personal information handled within the Group by restricting the handling of personal information to tightly secured areas that satisfy rigorous criteria for qualification audits. The Group has also worked for thorough security control in operation design and quality assurance with safe, secure systems and processes designed to manage personal information.

### ■ Monitoring the Handling of Personal Information

In fiscal 2016 Toppan expanded the number of tightly secured areas to 73 throughout the Group. Toppan's audit criteria now include new items associated with the individual identification numbers recently established under the Social Security and Tax Number System of Japan. With updated criteria, the Toppan Group audits both of the sites that handle individual identification numbers. Day-to-day inspections are also carried out across the Group to detect abnormal behaviors through the sorting of various operation logs (records) of individual operators in chronological order.

### ■ Protecting Personal Information against Cyber Attacks

Two specialized organizations are in place at the Toppan Group to enhance ICT security measures: TOPPAN-CERT (the computer emergency response team) and the anti-virus task force. In fiscal 2016 Toppan scaled up security drills for defense against a series of targeted email attacks to cover all Group sites. The drills sought to heighten awareness on security dangers among employees and fully inform them of how to respond effectively to targeted email attacks.

### ■ Completing Internal Training

The Toppan Group promotes awareness of the importance of information security management through face-to-face group training for each and every employee.

To comply with the amended Act concerning Protection of Personal Information to be partially enforced in Japan in 2017, Toppan cataloged various issues facing the Group and provided training sessions for the relevant Group personnel in fiscal 2016.

### ■ Enhancing Corporate Value for Customers through BPO Solutions

The Toppan Group is accelerating business process outsourcing (BPO). Toppan's BPO business supports a wide range of operations, including the handling of personal information for customers, mainly companies and municipalities, at service sites such as administration and contact centers. In fiscal 2016 the Group established the BPO Square Asaka as a core base for next-generation BPO solutions for clients.

**Basic Stance on Product Safety Management**

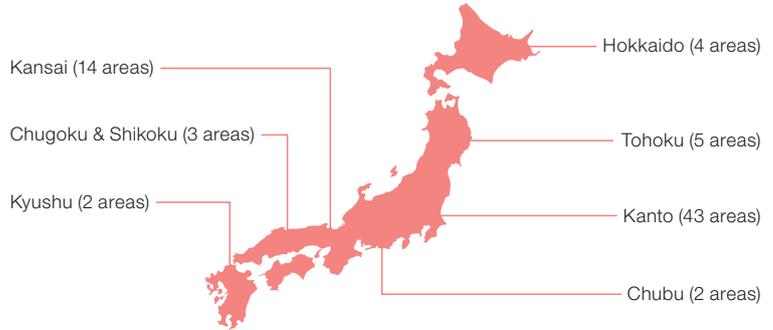
We promote product safety management throughout the Group by securing safety and improving the quality of our products based on the Basic Principles of Conduct Guidelines and the principles of corporate social responsibility as a protector of user safety and health.

**Audits for the Food Filling/Packing Businesses**

- Audit Points**
- Agreements with client companies
  - Quality assurance systems
  - Management of equipment and inspection devices
  - Management of safety and sanitation
  - Steps to prevent the admixture of different products
  - Steps to safeguard against insect infestations
  - Steps to prevent the admixture of foreign substances
  - Steps to prevent the outflow of defective products
  - Steps to prevent contamination
  - Traceability
  - Food defense
  - Education and training
  - Maintenance of systems and frameworks for product safety and quality

- Operational Sites Audited**
- Food filling/packing businesses
- 4 sites run by manufacturing subsidiaries
  - 12 sites run by production business partners

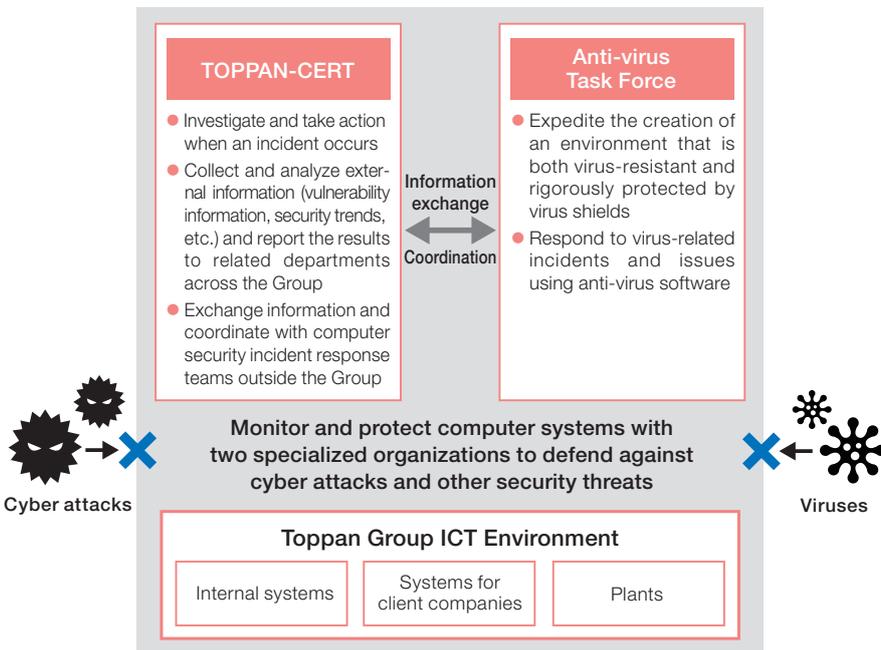
**Number of Domestic Sites with Tightly Secured Areas Designated for the Handling of Personal Information (as of March 31, 2017)**



**Tightly Secured Areas at Toppan Group Companies with ISO/IEC 27001 Certification (as of March 31, 2017)**

- Information & Communication Division, Toppan Printing Co., Ltd.; ICT Infrastructure Technology Center, ICT Management Division, Toppan Printing Co., Ltd.; Toppan Communication Products Co., Ltd.; Toppan Joho Kako Co., Ltd.
- \*The "TOPICA server hosting service," a service certified from December 2001, was integrated into the coverage for the above certification on February 17, 2017.
- Kyushu, Chugoku & Shikoku Team and ISMS Promotion Committee, Information Security Management, Nishinihon Division, Toppan Printing Co., Ltd.
- Kansai Production Department, Toppan Graphic Communications Co., Ltd.
- Higashinihon Division, Toppan Printing Co., Ltd.
- Takino Plant, Toppan Communication Products Co., Ltd.; Takino Manufacturing Department, Toppan Joho Kako Co., Ltd.; Production Technology Team, Technology, Kansai Information & Communication Subdivision, Toppan Printing Co., Ltd.

**Protecting Personal Information against Cyber Attacks**



**BPO Bases across Japan**



Consumer Issues

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## Universal Design Initiatives

Universal design (UD) is one of the primary corporate social responsibilities for Toppan, a group of companies that have been designing and producing attractive, easy-to-use packaging and communication tools for as many people as possible. In keeping with the Toppan Declaration on Universal Design and Toppan's Seven Principles on Universal Design, the Group promotes UD initiatives that assign greater weight to sensory values and customization while also emphasizing functions such as understandability and usability.

<http://www.toppan.co.jp/ud/> (in Japanese)

### ■ Examples of UD Initiatives

Toppan Printing Co., Ltd. has been working with Mirairo Inc. since fiscal 2015 in a business alliance to distribute a Universal Manners Test (operated by the Japan Universal Manners Association) and offer consultations to client companies who seek to develop products and services that accommodate the viewpoints of persons with disabilities and the elderly. More than 280 Group employees have passed the Universal Manners Test Grades 2 and 3 as of April 2017. In August 2016 Toppan invited Toshiya Kakiuchi, President of Mirairo Inc., to host an employee seminar entitled "'Barrier Value' for the future: UD for a 40-million-consumer market." Toppan also held similar seminars at Group-produced exhibitions at customer sites to facilitate enhanced awareness on the significance of universal manners. Beyond these educational activities, the Group is working to offer society proposals and product development focused on universal manners.

In the realm of food packaging, S & B Foods Inc., PIJIN Co., Ltd., and Toppan Printing Co., Ltd. received the 41st Kinoshita Prize in Packaging Technology for the "Meisho (craftsman) Series," a lineup of tube spice products sold by S & B Foods. This award is organized by the Japan Packaging Institute (JPI). Packages of the Meisho Series are printed with QR Codes\* to direct consumers to product information in any of four languages: English, Chinese, Korean, or Japanese. A quick scan of the code with a smartphone automatically retrieves the information in the same language set for the phone. With this multilingual packaging provided by PIJIN and Toppan, food manufacturers in Japan can use their products to deliver information on traditional Japanese food culture in multiple languages.

\*QR Code is a trademark of DENSO WAVE Incorporated.

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## Contributing to Sustainable Consumption

The Toppan Group markets environmentally friendly products and services designed to contribute to sustainable consumption.

### ■ EP-PAK Fold & Tear: Paper Container Easily Disassembled after Use

Toppan's paper-based liquid container, EP-PAK Fold & Tear, won the Chairperson's Award from the Eco-Products Awards Steering Committee at the 13th eco products awards in 2016. The container is easily broken down for recycling after use.

The original EP-PAK with Toppan's unique spout preserves liquid content with outstanding reliability, enabling long-term storage at room temperature. Segregation of used cartons for disposal, however, has been hampered by EP-PAK's tough body and tightly sealed structure. The properties most requisite for preserving the quality of packed liquids have posed challenges in the recycling process.

EP-PAK Fold & Tear offers improved recyclability while retaining the advantages of the original EP-PAK. The container can now be easily separated into two halves by hand by folding back and forth along the perforated line formed on the upper portion with the spout. The Eco-Products Awards Steering Committee recognized this highly recyclable EP-PAK Fold & Tear as a product designed in anticipation of the coming sustainable society.

### ■ Quantifying CO<sub>2</sub> Emissions Associated with Events and Applying for Carbon Offset Certifications by Proxy to Help Clients Mitigate Global Warming

Toppan methods for carbon footprint of products (CFP) assessments are now employed to quantify CO<sub>2</sub>-equivalent greenhouse gas (GHG) emissions and prepare applications for carbon offset certifications associated with events. The scope of this quantification and application service previously covered products and services, but not events. The Group has developed a unique approach to quantifying GHG emissions associated with events, covering difficult-to-quantify emissions associated with the movement of participants. The service adopting this approach was applied to educational events for Group employees in model cases before being provided to clients. Toppan purchased a carbon-absorption credit from forests owned by Kumamoto Prefecture to offset GHG emissions at the events and support the recovery of Kumamoto from the earthquake disaster of April 2016. Toppan's carbon offsetting services now extend beyond printed materials to the use of various other means to help advance activities to mitigate global warming.

In fiscal 2016 Toppan conducted CFP quantifications on the CO<sub>2</sub>-equivalent GHG emissions of 14 products and services and applied for carbon offset certifications for eight products and services, including a quantification and certification for the educational events described above.

## ■ Toppan's Seven Principles on Universal Design

1. Design products and services that are more responsive to people with different physical abilities and perceptions.
2. Facilitate communication using multiple channels for communication, including visual, aural, and tactile channels.
3. Make products easier to use by making them easier to understand.
4. Make products that are easier to move, easier to approach, and require less strength (remove the physical burdens).
5. Design products that are safe to use procedurally, functionally, structurally, materially, and environmentally.
6. Provide products at a reasonable price and in the amounts required by society.
7. Engage in design that appeals to the senses with consideration for comfort, enjoyment, and beauty.

Established in 2001 Revised in April 2010



Simulation of the experience of the elderly in the Universal Manners Test



Multilingual packages for Meisho Series tube spice products



EP-PAK Fold & Tear

## ■ Framework for CFP and Carbon Offsetting

