

# Responsibility to Communities

As a comprehensive biomass enterprise creating new products and growing its businesses, the Nippon Paper Group manages broad expanses of forests and owns large-scale production sites, so it has significant impacts on local communities and the people who live and work in them. Coexistence with these communities is critical to our own continued existence.



Planting trees at Marunuma Kogen

| Indicators  | Key Objectives  | Performance (fiscal 2015)  |
|---|---|--|
| <p>● Materiality: <b>Coexistence with Local Communities and Society at Large</b></p>  |   |  |
| Evaluations by stakeholders   | As a member of society, we shall proudly promote activities that contribute to social development.<br>(Philosophy for social contribution activities) | Gathered various opinions and evaluations from stakeholders connected with our activities (To be used to improve activities) |
| Company-owned forests with forest certifications (Granted based on results of inspections covering areas such as biodiversity and human rights) | 100%  | 100%   |

## Policy and Management

Basic Stance ..... 66

## Coexistence with Local Communities and Society at Large

|  |    |
|--|----|
| Employment Support .....   | 67 |
| Respect for Indigenous People .....                                | 67 |
| Environmental Protection Activities .....                          | 67 |
| Advancing Science and Technology .....                             | 67 |
| Promoting Recycling Activities .....                               | 68 |
| Local Community Safety and Disaster Prevention .....               | 68 |
| Providing Opportunities to Tour Group Companies and Their Mills .. | 68 |
| Disaster Relief Activities .....                                   | 68 |

## Corporate Identity Sharing

Utilizing Company-Owned Forests 69

# Policy and Management

The Nippon Paper Group engages in a variety of social contribution activities to garner the trust of and remain close to local residents

## Basic Stance

### Coexisting with local communities, contributing to the advancement of society as a whole

As one of its members, the Nippon Paper Group aims to contribute to society as a whole. While continuing to provide needed products, we would like to play a useful role in protection of the global environment and in the advancement of culture and local communities. We are confident that building a consistent track record along those lines will earn the trust of society and allow us to continue our business activities in coexistence with local communities.

The initiatives we engage in, both inside and outside Japan, include cleanups of the areas around our mills and plants, support for vocational training in afforestation areas, and other locally focused activities; and operation of the School of Friendship for Forests and Paper, mill tours, and other activities making use of forests and other Group resources.

### Philosophy and Principles for Social Contribution Activities

(established on April 1, 2004)

#### Philosophy

As a member of society, we shall proudly promote activities that contribute to social development.

#### Principles

1. We shall pursue activities that contribute to cultural heritage and development.
2. We shall pursue activities that contribute to conservation and improvement of the environment.
3. We shall pursue activities that contribute to the development of communities.

### Specific activity themes

- Increase the community involvement of Group company mills and overseas affiliates
- Promote activities that effectively utilize the resources and expertise of each Group company
- Promote corporate citizenship activities in which our employees play an active role
- Effectively use the company-owned forests in Japan (about 90,000 hectares)
- Employ effective PR inside and outside the Group

### Structure for promoting social contribution activities

The CSR Division takes the lead in promoting Group-wide social contribution activities. Each Group company appoints a person responsible for overseeing social contribution activities. Each responsible person develops a thorough understanding of social contribution activities undertaken to date, and works to upgrade and expand their content and details.

### The Nippon Paper Group's principal social contribution activities

| Principal activities  | Specific examples   | Page |
|---|---|------|
| <b>Local community activities</b>                               |   |      |
| Cleaning activities   | Activities in areas surrounding the Group's sites                       | —    |
| Local community safety and disaster prevention                  | Watching over children going to, and returning from, school             | 68   |
|   | Traffic safety initiatives  | 60   |
|   | Participation in fire brigades  | —    |
| Local development   | Fostering of local specialty products                                   | —    |
| Preserving local community cultures                             | Activities to preserve Japan's precious cherry blossoms                 | 50   |
|   | Supporting Asukayama Takigi Noh plays                                   | —    |
|   | Protecting cultural assets  | —    |
| Respect for indigenous people                                   | Making wild herb habitat available to indigenous people                 | 67   |
| Holding and participating in local events                       | Participating in and sponsoring local events                            | —    |
|   | Opening of recreational facilities to the public                        | —    |
|   | Holding summer festivals and other events                               | —    |
| Social welfare activities                                       | Participating in and cosponsoring social welfare events                 | —    |
|   | Purchasing products made by social welfare groups                       | —    |
|   | Provision of a venue for a charity horse race                           | —    |
| Community education   | Holding of CSR lectures (public seminars)                               | —    |
| Advancing science and technology                                | Supporting the Fujihara Foundation of Science                           | 67   |
| Disaster relief activities                                      | Donations of money and emergency supplies                               | 68   |
| <b>Environmental activities</b>                                 |   |      |
| Tree planting activities  | Marunuma Highland Tree-Planting   | 69   |
| Preserving biodiversity   | Utilizing the Group's cultivating cuttings in container tech            | 50   |
|   | Establishing a sanctuary for Blakiston's fish owl                       | 49   |
|   | Supporting the activities of the Shirane-aoi Preservation Group         | 50   |
|   | Promoting Morino Chonai-kai activities                                  | 31   |
| Environmental protection activities                             | Activities to protect Japanese crane                                    | —    |
|   | River cleanup activities  | 67   |
| Promoting recycling activities                                  | Operating the Recycle Plaza Shiyukan                                    | —    |
|   | Supporting the recycling activities of organizations                    | 47   |
|   | Recycling milk cartons  | 47   |
|   | Recycling wood waste  | 68   |
| Accountability to local communities                             | Risk communication  | 37   |
| <b>Educational activities</b>                                   |   |      |
| Providing opportunities to tour group companies and their mills | Mill tours and paper making   | 68   |
| Utilizing company-owned forests                                 | Holding the School of Friendship for Forests and Paper                  | 69   |
| Employment support  | Internships, and programs that allow students to experience a workplace | 62   |
|   | Sponsoring workshops  | 67   |
| Classes taught by employees                                     | Cooperation in teaching school classes                                  | 68   |
| Music appreciation  | Inviting students to concerts   | —    |
| Providing educational opportunities through sports              | Baseball clinics and tournaments  | —    |
|   | Ice hockey classes and championships                                    | —    |
|   | Cosponsoring soccer tournaments   | —    |
| Providing products to classrooms                                | Provision of paper products, printed materials and publications         | —    |

# Coexistence with Local Communities and Society at Large

Continuing to pursue business activities in coexistence with local communities

## Employment Support

### Case

#### Sponsoring workshops in line with local desires

(Brazil, AMCEL S.A.)

AMCEL, which holds expansive land, strives to maintain harmonious relationships and to further dialogue with local residents. As part of that effort, it asked local communities what topics they would like to learn about, and in 2014 began to host workshops based on the responses received. In fiscal 2015, workshops were held on growing vegetables, beekeeping, and healthful foods. Led by AMCEL-invited experts, these workshops took place in four areas, Macapa, Santana, Itaubal, and Tartarugalzinho, and lasted 3-6 days each. Participants, who numbered over 300 in total, indicated that they were very pleased with the workshops and felt that what they learned would be useful in daily life.



Participants for a beekeeping workshop



Workshop on healthful foods

## Respect for Indigenous People

### Case

#### Making wild herb habitat available to indigenous people

(Chile, Volterra S.A.)

The Mapuche are indigenous people who have inhabited southern Chile since well before the arrival of Europeans and maintained their own distinct traditions and culture. In recent years, availability of native wild herbs the Mapuche value for medicinal purposes has declined with the development of land for agriculture, housing, and other purposes. Volterra, as part of its preservation activities on company-owned land, is protecting habitat for the scarce herbs and has made it available for their use.



Nanco, a wild herb used by the Mapuche

## Environmental Protection Activities

### Case

#### Cleaning up the Suikawa River

(Kitakami Paper Co., Ltd.)

In fiscal 2004, Kitakami Paper Co., Ltd. embarked on activities aimed at cleaning up the riverbed of the Suikawa River, which the company uses to provide water for its operations and dispose of industrial wastewater. These activities take place once or twice a month and involve 20-30 of the company's employees and employees of affiliated companies. In the past, local residents had experienced problems that originated with wastewater from Kitakami's mill. In 2001, therefore, the company installed oxygen-activated sludge treatment facilities to stabilize water quality, and, in 2002, it entered into an environmental protection agreement with Ichinoseki City, the location of its mill, to strictly manage water quality.

In addition, the company meets annually with an organization of Ichinoseki community leaders focused on looking after the Suikawa River. In these meetings, the company has won praise from the citizens' group for its sincerity in acting to clean the Suikawa riverbed and control the quality of its wastewater.



Cleaning the Suikawa riverbed

## Advancing Science and Technology

### Case

#### Supporting the Fujihara Foundation of Science

(Nippon Paper Industries Co., Ltd.)

Considered the "Nobel Prize of Japan," the Fujihara Award, presented by the Fujihara Foundation of Science, a public interest incorporated association, recognizes outstanding contributions to science and technology by Japanese scientists. Nippon Paper Industries lends financial support to the Foundation to promote science and technology.

At the 57th Fujihara Awards presentation ceremony, held in June 2016, Dr. Kei Hirose, a Professor of Earth and Planetary Sciences and Director of the Tokyo Institute of Technology's Earth-Life Science Institute, and Dr. Yoshinori Fujiyoshi, a Specially Appointed Professor



Dr. Kei Hirose (center) and Dr. Yoshinori Fujiyoshi (2<sup>nd</sup> from right)

in the Department of Basic Medical Sciences at Nagoya University's Graduate School of Pharmaceutical Sciences, were each presented with a certificate and gold medal, together with ten million yen.

# Coexistence with Local Communities and Society at Large

## Promoting Recycling Activities

### Case

#### Promoting the recycling of wood waste (Nanei Co., Ltd.)

Nanei, a company that performs silviculture and logging services in Nippon Paper Industries' and other forests, also makes woodchips used for manufacturing paper and generating electricity, and specializes in the intermediate processing of wood materials from waste. Operating in the Kumamoto Prefecture city of Yatsushiro, Nanai uses a tub grinder to turn tree waste from garden shrubs, wooden pallets and other wooden materials into fine particles that can be used as boiler fuel, or raw material for particle board. Some of this material is also mixed with sawdust and used as bedding for livestock. Recently, Nanai has begun to use tree waste that would otherwise have gone to the city waste incinerator, significantly reducing the city's waste processing burden.



Bringing tree waste in

## Local Community Safety and Disaster Prevention

### Case

#### Cranes hockey players watching over kids going to and coming home from school (Nippon Paper Cranes ice hockey team)

In their off-season, members of the Nippon Paper Cranes hockey team participate in an activity that looks after children as they go to school in the morning and come home from school in the afternoon. A key point of this activity, which was organized by a coalition of communities adjacent to the Kushiro Mill, is that participation takes place as a part of daily activities, such as cleaning up around a house or walking a dog. In fiscal 2016, the number of schools covered by the activity was increased, and Cranes players, wearing their jerseys, are lending their support.

Cranes players, as friendship ambassadors, also support education activities by, for example, visiting elementary schools in the City of Kushiro to participate in athletic meets, act as visiting instructors, and teach children how to skate.



Cranes player escorting elementary school students across a street

## Providing Opportunities to Tour Group Companies and Their Mills

In fiscal 2015, 16,965 people (including 6,869 students and teachers) toured Nippon Paper Group facilities worldwide.

### Case

#### Mill tours and papermaking (Hokkaido Mill (Yufutsu), Nippon Paper Industries)

The Yufutsu works of the Hokkaido Mill enthusiastically welcomes students from schools in and around Tomakomai City for tours of its facilities. In addition to these tours, the Yufutsu works also offers a program in which it teaches the making of paper postcards by hand. A similar program is conducted at local schools by employees when requests are received.

Students who come to the Yufutsu works gain a deeper appreciation for the paper used in daily life. They do this by touring the facility - where they are typically surprised by the scale of the machinery - and then experiencing for themselves the craft of making paper by hand. The numerous letters and notes of thanks received from students afterward reassure employees that their efforts are worthwhile. As a company that takes a strong interest in local communities where it operates, Nippon Paper Industries is committed to continuing its contributions in support of local education and culture.



Explaining how to make paper by hand



Kids making paper

## Disaster Relief Activities

### Case

#### Recovery assistance for disaster-hit areas (Nippon Paper Group)

Kumamoto Prefecture suffered significant damage when earthquakes struck on April 14, 2016. Responding to the disaster, the Nippon Paper Group, which has one of its main mills in Yatsushiro, a city in Kumamoto Prefecture, not only contributed a total of ¥30 million in relief funds to the prefecture and the city but also donated toilet paper, wet tissues (wipes), disposable diapers, and other Group products to severely hit areas.

Fortunately, no Group employees were injured in the disaster, and no environmental accidents occurred in our facilities. When the disaster struck, operations at the Yatsushiro Mill were halted, while operations at other mills and facilities were adjusted to maintain company-wide production volume. Following recovery work giving top priority to safety, the Yatsushiro Mill resumed operations on April 24.

# Corporate Identity Sharing

Conducting activities that enable local residents and employees to physically experience the essence of the Nippon Paper Group

## Utilizing Company-Owned Forests

### Case

#### Conducting the annual School of Friendship for Forests and Paper (Nippon Paper Industries Co. Ltd., Nippon Paper Development Co., Ltd.)



Walk in a forest owned by Nippon Paper Industries

The School of Friendship for Forests and Paper is a hands-on course on the natural environment utilizing forests (approximately 90,000 hectares) owned by Nippon Paper Industries in Japan. With the aim of introducing participants to the beauty and abundance of forests owned by the company, the school is also an opportunity to experience the connection between forests and paper, an essential item for everyday life. This initiative was first launched in the Sugenuma forest of Gunma Prefecture in October 2006.

The common programs that make up the school draw heavily on the knowledge and experience of employees. With Group employees serving as guides, for example, participants enjoy walking through the forest and making paper from twigs they pick up. Participants are gathered from general public with the cooperation of the Japan Philanthropic Association. Since its inception at the



Comments from elementary school children (June 2016)



A ceremonial photograph of all involved parties

I wondered if it was really possible to make paper from wood, and I was amazed to see that I could make paper just like I use every day.

I enjoyed being in a natural environment! It made me feel great!

Sugenuma company-owned forest, through June 2016, the school has been conducted 20 times, for a total of 674 participants, including parents and children, and students from local schools.

Since 2007, the Toyono School of Friendship for Forests and Paper has been held in Nippon Paper Industries' Toyono forest in Kumamoto Prefecture. Organized mainly by the company's Yatsushiro Mill, particular emphasis is placed on activities deeply rooted in the local community. One program of this school incorporates such activities as a mill tour and is one example of how activities are modified to accommodate the needs of each region.

The activities discussed above were presented with a 2015 Biodiversity Action Award by the Japan Committee for the United Nations Decade on Biodiversity.

### Case

#### Marunuma Highland Tree-Planting 2016 held (Nippon Paper Industries Co., Ltd.)

Nippon Paper Industries is advancing initiatives aimed at leaving a thriving forest to future generations. As part of that effort, tree-planting activities were begun in the company's Sugenuma Forest in Gunma Prefecture in May 2010. The fifth iteration of this activity—the Marunuma Highland Tree Planting 2016—took place in May. The number of participants—both Nippon Paper Group people and others, mainly from Tokyo—came to about 120 in all.

Under the guidance of staff, participants used transplanting trowels to plant 1,000 seedlings of five types of trees, including Japanese beech and Japanese oak.



Participants planting trees

This was a great experience for kids and parents.

## Shaping the Future with Trees