

Nippon Paper Group sustainability information

Editorial Policy

Nippon Paper Group discloses its sustainability information to provide stakeholders with a broad overview of what we are doing to meet our corporate social responsibilities (CSR). The Group also publishes an integrated report to communicate about value creation over time.

Our CSR disclosure has been prepared in accordance with the GRI Standards: Core option.

Period Covered

Fiscal 2018: April 1, 2018 - March 31, 2019 Includes information from before April 1, 2018 and after March 31, 2019. Dates are indicated in such cases.

Scope of Organizations Covered

The reporting entity is Nippon Paper Industries Co., Ltd. Data, however, were compiled as of March 31, 2019 for Nippon Paper Industries Co., Ltd. and all 48 of its consolidated subsidiaries.

Scope of Environmental Coverage

The scope of the report covers the basic environmental policies, systems, environmental accounting and environment performance and other data for the 16 companies, including 2 non-consolidated subsidiaries with production facilities, named below. All major production locations are included.

Consolidated: Nippon Paper Industries Co., Ltd.; Nippon Paper Crecia Co., Ltd.; Nippon Paper Papylia Co., Ltd.; Paper Australia Pty Ltd.; Jujo Thermal Oy; Siam Nippon Industrial Paper Co., Ltd.; Nippon Seitai Corporation; Nippon Paper Lumber Co., Ltd.; N&E Co., Ltd.; Daishowa Uniboard Co., Ltd.; Nippon Paper Development Co., Ltd.; GAC CO., LTD.; Amapá Florestal e Celulose S.A.; Nippon Dynawave Packaging Co. **(The contribution to total consolidated sales of the companies listed here was 94%).** (Sales data for trading companies that are members of the Nippon Paper Group and sell products made by the Group to outside buyers are included.)

Non-consolidated: Nippon Paper Liquid Package Product Co., Ltd. and Akita Jujo Chemicals Co., Ltd.

Referenced Guidelines

- Environmental Reporting Guidelines (2018) of the Ministry of the Environment
- Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI)
- United Nations Global Compact
- ISO 26000, etc.

Information on performance relative to guidelines is available at the following URL.

<https://www.nipponpapergroup.com/english/csr/gri/>

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Disclaimer

This report includes not only statements of fact and historical data but also plans, forecasts and estimates (forward-looking statements) based on the business plans and policies of the Nippon Paper Group. These forward-looking statements are the result of assumptions or judgments based on currently available information as this report was prepared. It should be noted that forward-looking statements may differ significantly from actual results due to the impacts of a number of important factors.

Contents

	Page
● Cover	
● Editorial Policy	1
● Business Impact And Importance .	4
● Management Responsibility	5
● Responsible For Forest Management And Raw Material Procurement	15
● Environmental Responsibility	26
● Customer Responsibility	39
● Human Rights And Employment / Labor Responsibilities	50
● Responsibility To Local Communities And Society.. ..	64
● Back Cover (External Evaluation)	

Social Issues and the Nippon Paper Group's Value Creation Flow

Toward Sustainable Social Development

As shown in the diagram below, the Nippon Paper Group addresses social issues through its value chain. Among these social issues, we identified materiality items. (see page 4)

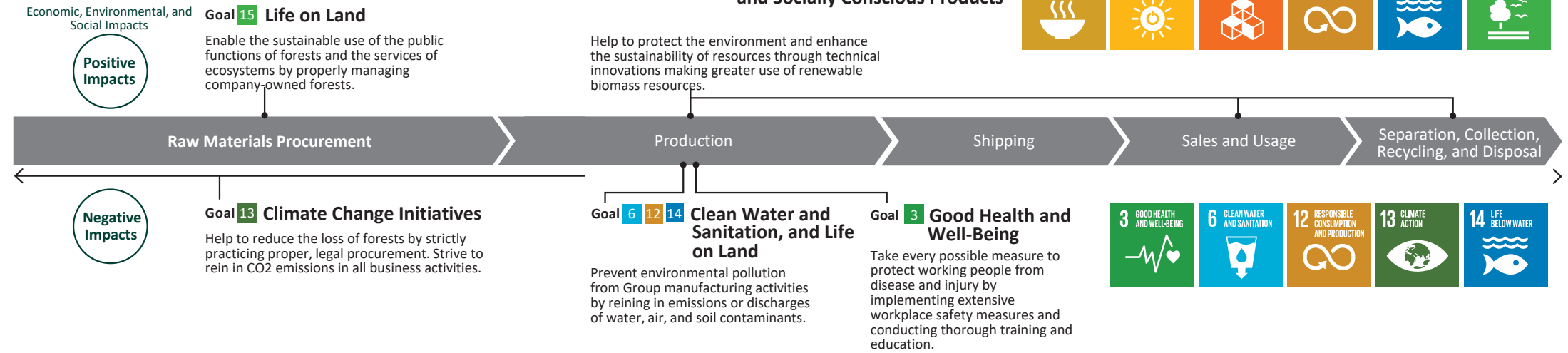
Please refer to our Integrated Report 2019 PP.38-39 for "SDGs with Particular Relevance for the Nippon Paper Group"

https://www.nipponpapergroup.com/english/ir/Integrated_Report_E2019.pdf#page21

The relationship between our group activities and SDGs can be seen at

<https://www.nipponpapergroup.com/csr/download/sdgs/>

SDGs with Particular Relevance for the Nippon Paper Group's Materiality Items



Addressing Social Issues in Our Value Chain

Social Issues	ISO26000 Core Subjects	Pages	Initiatives in Our Value Chain				
			Raw Material Procurement	Production	Shipping	Sales and Usage	Separation, Collection, Recycling, and Disposal
Management Responsibility	Organizational Governance, Fair Operating Practices	P.5-14	Corporate governance, CSR management, thorough compliance , appropriate information disclosure, personal information management, and dialogue with stakeholders				
Forest Management, Raw Material Procurement, and Environmental Responsibility	The Environment	P.15-38	<ul style="list-style-type: none"> Sustainable procurement of raw materials Protection and nurturing of company-owned forests (Preserving biodiversity) 	<ul style="list-style-type: none"> Reduction of environmental impacts (Water and air pollutants, waste, noise, vibration, odor, chemical substances, etc.) Development and manufacturing of environmentally and socially conscious products Climate change initiatives 	<ul style="list-style-type: none"> Increase in load efficiency (Promotion of modal shifts) Shortening of transportation distances (Pursuit of direct delivery and reorganization of distribution warehouses) 		<ul style="list-style-type: none"> Promotion of the collection and use of wastepaper (Strengthening of waste paper processing capacity, expansion of use of unutilized waste paper, improvement of recycled paper pulp quality)
Responsibility to Customers	Consumer Issues	P.39-49		<ul style="list-style-type: none"> The stable supply of products Ensuring quality and safety 		<ul style="list-style-type: none"> Enhancement of product safety Enhancement of product value Pursuing customer satisfaction Appropriate disclosure of product information Addressing customer questions and opinions 	<ul style="list-style-type: none"> Promotion of wastepaper collection together with customers (Support for recycling organizations, establishment of waste paper collection facilities, etc.)
Human Rights, Employment and Labor Responsibility	Human Rights, Labor Practices	P.50-63	<ul style="list-style-type: none"> Confirmation of suppliers' actions in respecting human rights Respect for human rights in the company's forest management 	<ul style="list-style-type: none"> Hiring practices that respect human rights Securing diversity in the workforce Human resource development Occupational safety and health disaster preparedness Creation of comfortable work environments, Creation of a vigorous organization Respect for basic human rights 	<ul style="list-style-type: none"> Ensuring safety during transportation Promotion of traffic safety 		
Responsibility to Communities	Community Involvement and Development	P.64-67	<ul style="list-style-type: none"> Coexistence with communities adjacent to overseas afforestation areas (Job creation, education support, cultural preservation, contributions to local environments, Preserving biodiversity, Promotion of safety and disaster preparedness, etc.) Contributions that make use of company-owned forests for the benefit of local areas and communities (Environmental education, etc.) 	<ul style="list-style-type: none"> Coexistence with areas surrounding mills (Job creation, education support, contributions to local environments, cultural preservation, Promotion of safety and disaster preparedness, etc.) 	<ul style="list-style-type: none"> Reduction of impacts of shipping (Promotion of transportation safety, adoption of low emission vehicles, promotion of noise abatement measures) 		<ul style="list-style-type: none"> Working with local communities to promote wastepaper collection

Nippon Paper Group's CSR Materiality

CSR Materiality Items among Initiatives in Our Value Chain

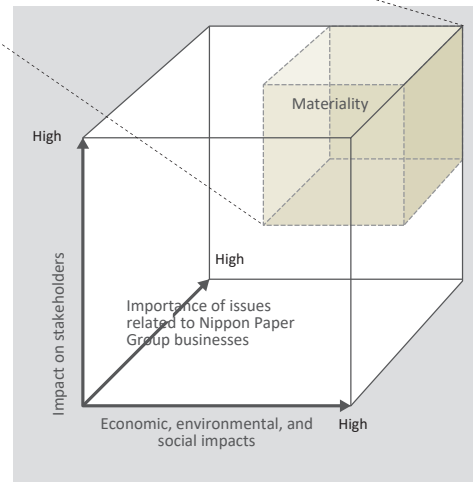
ISO26000 Core Subjects	Materiality	Scope of External Impacts	Indicators
Organizational Governance, Fair Operating Practices (Management Responsibility)	<ul style="list-style-type: none"> ● Thorough Compliance ● Dialogue with stakeholders 	Society	P.5
The Environment (Forest Management, Raw Material Procurement, and Environmental Responsibility)	<ul style="list-style-type: none"> ● Sustainable procurement of raw materials ● Climate change initiatives ● Reduction of environmental impacts ● Preserving biodiversity 	Production sites, people living near company-owned forests, and suppliers	P.15 P.26
Consumer Issues (Responsibility to Customers)	<ul style="list-style-type: none"> ● Enhancement of product safety ● Enhancement of product value 	Customers	P.39
Human Rights, Labor Practices (Human Rights, Employment and Labor Responsibility)	<ul style="list-style-type: none"> ● Occupational safety and health ● Creation of a vigorous organization 	Subcontractors, suppliers	P.50
Community Involvement and Development (Responsibility to Communities)	<ul style="list-style-type: none"> ● Coexistence with local communities and society at large 	Production sites and people living near company-owned forests	P.64

The Nippon Paper Group, working from a foundation of sustainable forest management, contributes to better living and cultural progress as a comprehensive biomass company making full use of, and recycling, renewable wood resources. Proper management of sustainable forests promotes preservation of biodiversity and helps to fight global warming. And use of wood resources increases the amount CO2 sequestered throughout society and helps to prevent resource depletion.

Creating new products and expanding our activities as a comprehensive biomass company, we manage and operate expansive forests and large-scale production sites. We, therefore, have a significant impact on the local areas and people who work there. Coexistence with these communities, as well as reducing environmental impacts and securing the safety and health of our local employees, therefore, are critical to our own continued existence. Moreover, the opinions of our stakeholders serve as valuable opportunities to grasp issues that are important for coexisting and growing with society in a sustainable way.

Therefore, the materiality items given above are of particular importance among our initiatives addressing social issues in our value chain (see pages 2-3).

We identify materiality items as described in the diagram to the right.



Process for Identifying Materiality Items

