

# Human Rights

## Basic Stance

The Nippon Paper Group established its Philosophy and Basic Policy on Human Rights, Employment and Labor in 2004 based on the Ten Principles of the UN Global Compact in four areas (human rights, labor, environment, and anti-corruption). Furthermore, the Philosophy and Basic Policy Concerning Raw Materials Procurement formulated in 2005 shows consideration for the human rights of all Group employees and the Group advances activities emphasizing respect for human rights throughout the supply chain.

Going forward, the Group will move ahead with efforts to reinforce respect for human rights throughout the entire value chain in accordance with the UN's Guiding Principles on Business and Human Rights.

### → Philosophy and Basic Policy on Human Rights, Employment and Labor

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

- ▶ The Company publishes the Philosophy and Basic Policy in English as well as Japanese and communicates it on the Group website to be accessed worldwide by stakeholders.
- ▶ In addition to the Philosophy and Basic Policy, all business entities of the Company comply with laws and regulations including minimum wages.

## Promotion Structure

The Group has established its Risk Management Committee, which is chaired by the president and representative director, operates under the supervision of the Board of Directors of the Company, and holds meetings at least once annually. This risk management promotion structure handles risks related to the Group's human rights (see P.9).

In addition to the Nippon Paper Group Helpline system (see P.12), which the Company set up as an internal whistleblower system, the Group also accepts inquiries regarding concerns about any possible violation of human rights through the Group's corporate website (<https://www.nipponpapergroup.com/english/inquire/>), and the Company's Compliance Office and associated departments respond to them.

## Activities Related to Respect for Human Rights

- The Company has the opportunity to share opinions with Amnesty International Japan at least once a year.
  - Based on the exchanges with Amnesty International Japan, the Company has conducted annual field surveys of human rights issues at subcontracted mills in Japan, and audits of overseas chip suppliers, since 2015.
- ① **Human Rights Surveys at Subcontracted Mills in Japan**
    - ▶ The Company sends surveyors to subcontracted mills in Japan once a year and has them conduct a self-check, mainly to confirm compliance with labor and safety laws and regulations.
    - ▶ Survey results are shared with the human resource managers of each mill for the purpose of supporting improvements.
    - ▶ Follow-up surveys have been conducted since FY2019
  - ② **Confirmation of Consideration for Human Rights at Overseas Wood Chip Suppliers**
    - ▶ Based on the Philosophy and Basic Policy Concerning Raw Materials Procurement, the Company has employees in charge of procurement visits overseas wood chip suppliers. They conduct interviews and local inspections covering matters such as health, hygiene, safety, disaster preparedness, working conditions, and local environmental concerns from a human rights perspective.
    - ▶ The target area of surveys is all countries from which the Company procures wood chip (with priority given to countries with high-volume transactions or high risks). The contents of the interviews and inspections are reviewed annually.
    - ▶ In FY2020 local representatives of the Company visited, and surveyed, the supplier in Thailand.

**Table of On-Site Surveys of Overseas Chip Suppliers Conducted**

Year of Survey	Country	Results
FY2015	South Africa	No problems found.
FY2016	Vietnam, Australia	No problems found.
FY2017	Vietnam, United States	No problems found.
FY2018	Vietnam, Chile	No problems found.
FY2019	Malaysia, Russia	No problems found.
FY2020	Thailand	No problems found.

### — Internal Human Rights Surveys

The Group conducts annual CSR surveys to confirm the status of human rights initiatives at each Group company.

### — Education and Training

- In pursuit of personnel management cognizant of human rights, the Nippon Paper Group has employees responsible for personnel matters participate in training courses hosted by government agencies
- The Group implements education and training on diversity-related issues on an annual basis (FY2020 training focused on a LGBTQ theme. see P.80).
- Since June 1, 2020, in light of the establishment of legislation on measures for the prevention of power harassment, the Company has revised parts of its work regulations, and conducts compliance training (see P.12) to encourage all employees to help prevent harassment in the workplace.

### — Labor Initiatives

The Group supports the universal principles of freedom of association and right to collective bargaining on the basis of the Ten Principles of the UN Global Compact in four areas (human rights, labor, environment, and anti-corruption) (see P.82).

### — Local Community Initiatives

The initiatives to consider the human rights of local people in the vicinity of the Group operations are as follows:

- ▶ Environmental risk communications (see P.30)
- ▶ Human rights considerations for overseas forest plantations (see P.22)

# Occupational Safety and Health

## Basic Stance

The Nippon Paper Group upholds instilling pride in employees as a necessary condition of its Vision to realize its corporate Group Mission. This is based on the prerequisite of ensuring the safety and health of employees at each of the Group's locations, which is a critical issue for maintaining sound management. The Group formulated a Philosophy and Basic Policy on Safety and Health Measures and constructed a system for occupational safety and health under which all employees and members of management are united. It maintains the health of employees, realizes a comfortable and friendly working environment and helps to prevent disasters.

### → Philosophy and Basic Policy

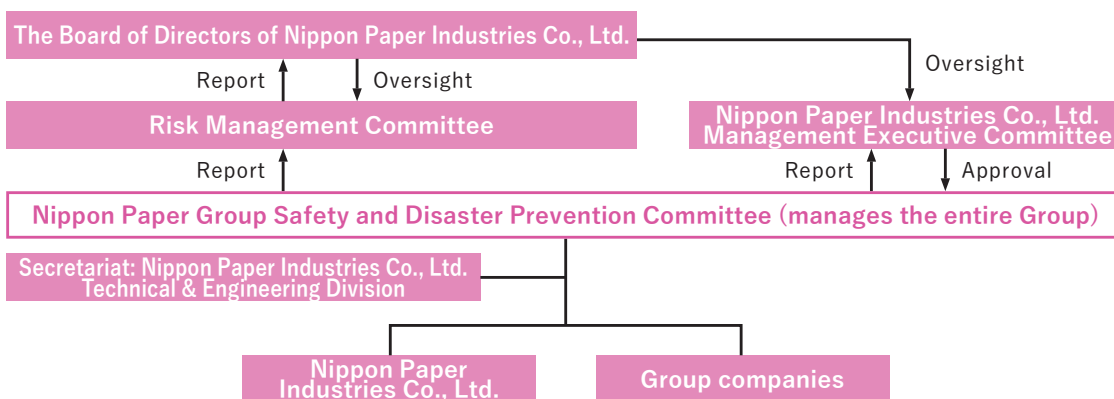
<https://www.nipponpapergroup.com/english/csr/policies/>

## Occupational Safety and Health Promotion Structure

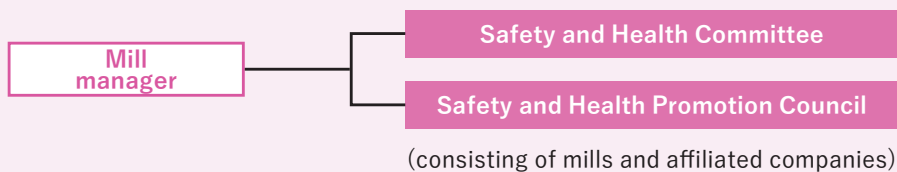
The Group established the Risk Management Committee under the supervision of the Board of Directors of the Company. Under this committee, the Nippon Paper Group Safety and Disaster Prevention Committee, which is chaired by the general manager of the Technical & Engineering Division, supervises and promotes occupational safety and health and disaster prevention.

In case of a disaster, the Group has established a communication system between the mills and the head office as well as the departments within the head office. It also operates a system to report necessary information to the Safety and Disaster Prevention Committee and top management.

The Company regularly holds health and safety meetings attended by both employees and management, including safety and health personnel from the head office, mills, and labor unions, where the opinions of employees are represented. Meetings of the Safety and Health Committee and Safety and Health Promotion Council (consisting of mills and affiliated companies) are held separately at each location including mills and offices. The Company promotes safety and health management activities by cooperating and collaborating with management and employees, as well as subcontractors and related contractors working at each location.



### Example of a mill's safety and health organization structure (Nippon Paper Industry Co., Ltd.)



## External Awards for Safety Activities (FY2021)

Award	Awarded Company, Office
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class I)	Nippon Paper Industries Ishinomaki Mill
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class I)	Nippon Paper Industries Kanto Mill
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class I)	Nippon Paper Papylia, Harada Mill
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class II)	Nippon Paper Industries, Ishinomaki Mill Safety Association (contractors)
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class I)	Nippon Paper Industries, Nakoso Mill Safety Association (contractors)
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Grand Excellence Award Class I)	Nippon Paper Papylia, Suita Mill Safety Association (contractors)
60 <sup>th</sup> National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award)	Nippon Paper Industries, Yatsushiro Mill Safety Association (contractors)

## — Occupational Safety and Health Management System

- In 2009, the Group started operating its own Nippon Paper Occupational Safety and Health Management System (NPSS)\*.

\*The Company incorporates specific ongoing and voluntary activities at each mill and business site into safety and health plans in accordance with company policies and measures relating to safety and health. The system is helping to improve safety and health levels through the prevention of occupational accidents, promotion of worker health, and creation of comfortable working environments.

- The Group formulates and promotes safety and health plans for each mill, business site, and Group company, and conduct Mill Safety Audits at least once a year as part of our drive to improve safety standards.
- The Company also incorporates into our safety activities any advice from external experts on ways to improve our standards, including as safety diagnoses conducted by the Japan Industrial Safety and Health Association.
- The Nippon Paper Philosophy and Basic Policy on Safety and Disaster Prevention also applies to any affiliated companies and subcontractors working on site.

### Certification Status: OHSAS 18001 (December 31, 2020)

	Number of certified companies	Total number of companies
Consolidated companies in Japan	0	28
Consolidated companies outside Japan	2*	11
Total	2	39

\*Certified companies: Jujo Thermal and Opal (Opal certification: AS4801)

## Efforts regarding Hygiene and Health

### — Disease Prevention and Early Detection Initiative

The Group implements the following initiatives aimed at preventing illnesses or detecting them at an early stage:

- ▶ Many Group companies that are members of the Nippon Paper Industries Health Insurance Union check for lifestyle diseases together with regular physical examinations.
- ▶ Improve work environments based on the results of regular workplace visits by industrial physicians.
- ▶ Conduct medical examinations for the spouses of employees

### — Tackling Mental Health

The Company implements the following initiatives on mental health:

- ▶ Internet-based mental health care and counseling services for all employees.
- ▶ Regular stress checks that ask employees to fill out a form once a year.

### — Responding to Work Tasks with a High Risk of Injury

The Group implements the following measures for operations with a high risk of injury:

- ▶ Manage facilities in accordance with Japan's Industrial Safety and Health Law and other laws and regulations, and regularly evaluate workplace environments.
- ▶ In locations where chemical substances are handled, the Group investigate the dangers and toxicity of these substances and use what we learn to take appropriate risk reduction measures and manage residual risks.

## Efforts regarding Safety and Disaster Prevention

### — Medium-Term Safety Activity Plan

In July 2020, the Company formulated and implemented the following Medium-Term Safety Activity Plan.

<b>Plan pillars</b>	(1) <b>Developing safe working environments</b> , (2) <b>Managing risks</b> , (3) <b>Training personnel to work safely</b>
<b>Ultimate Environment</b>	<b>Eliminating all personal injuries within its mills</b>
<b>The goal</b>	<b>To build a foundation for achieving zero disasters based on an independent safety-conscious climate</b>
<b>Plan Duration</b>	<b>2020-2025</b>
<b>Performance Indicators*</b>	<b>2020-2023</b> Period for introducing measures to eliminate serious accidents Serious occupational accidents: 0, Frequency rate for lost-worktime injuries: 0.4 <b>2023-2025</b> Period for preparing for zero occupational accidents Serious occupational accidents: 0, Frequency rate for lost-worktime injuries: 0.1

\*Mill management indicators are determined every 12 months

### — Safety Education

- To ensure high awareness with regard to occupational safety, the Group invests considerable efforts into safety training for all employees, including those in management positions.
- The Company formulates annual Occupational Safety and Health Management System plans at each of its mills and offices, and, implements safety education in line with those plans for different levels of staff within the Company and new hires.

### — Ensuring Thorough Safety on Site

- Based on its mission of eliminating all personal injuries within its mills\*, the Company conducts safety patrols and safety training in collaboration with labor unions and subcontractors.
  - ▶ Safety patrols: Provide instructions and guidance for immediately correcting unsafe conditions.
  - ▶ Safety education: As a principal employer, we provide information, reference materials, venues, and other resources for safety education, and verify that safety training is being conducted properly.

- Provide guidance to subcontractors and promote voluntary safety activities, including risk prediction and risk assessments.

\*This mission includes all stakeholders on Nippon Paper Group premises including Group employees, employees of subcontractors working on site, visitors from outside and service business operators entering and leaving the premises.



Safety patrol

### — Preparing for Natural Disasters and Fires

- Individual Locations Within the Group
  - ▶ Create disaster preparedness manuals reflecting local hazard map information.
  - ▶ Conduct regular disaster preparedness training in cooperation with local fire departments and other public safety authorities.
- Individual Locations Within the Company
  - ▶ Undergo regular disaster prevention surveys by specialist risk assessment companies.

### — Raising Awareness of Traffic Safety

- Nippon Paper Group
  - ▶ Conduct traffic safety education and seminars.
  - ▶ Participate in traffic safety campaigns hosted by local police stations.

## Occupational Accidents

### Frequency rate for occupational accidents requiring time off from work

Indicates how often occupational accidents occur in terms of the number of accidents causing injuries or deaths per million work hours.

(Calendar year)

	2015	2016	2017	2018	2019	2020
Nippon Paper Group*	0.40	0.10	0.69	1.16	0.54	0.37
Nippon Paper Group (affiliates only)	0.46	0.57	0.61	0.54	0.98	1.10
Nippon Paper Group (including affiliates)	0.44	0.40	0.64	0.77	0.79	0.79
Manufacturing industry	1.06	1.15	1.02	1.20	1.20	1.21
Pulp, paper and processed paper product manufacturing industry	1.79	1.31	1.46	1.88	1.94	1.54

\*Scope: Manufacturing locations of Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, and Nippon Paper Liquid Package Product

### Occupational Accident Severity Rate

Indicates the seriousness of occupational accidents in terms of the number of workdays lost per 1,000 work hours.

(Calendar year)

	2015	2016	2017	2018	2019	2020
Nippon Paper Group*	0.02	0.01	0.02	0.03	0.03	0.01
Nippon Paper Group (affiliates only)	0.02	0.04	0.03	0.47	0.55	1.10
Nippon Paper Group (including affiliates)	0.02	0.03	0.03	0.30	0.33	0.64
Manufacturing industry	0.06	0.07	0.08	0.10	0.10	0.07
Pulp, paper and processed paper product manufacturing industry	0.35	0.04	0.24	0.22	0.63	0.39

\*Scope: Manufacturing locations of Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, and Nippon Paper Liquid Package Product

### Number of work-related employee/affiliate fatalities of Nippon Paper Group\*

(Calendar year)

	2016	2017	2018	2019	2020
Nippon Paper Group Employees	0	0	0	0	0
Affiliates	0	0	1	1	2
Total	0	0	1	1	2

\*Scope: Manufacturing locations of Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, and Nippon Paper Liquid Package Product

### — Fatal In-House Accidents

In FY2020, two fatal accidents occurred at Company affiliates

#### Overview of the Accidents

##### ① Gotsu Mill affiliates

- **Date of accident**  
July 3, 2020
- **Location**  
Wood chip bucket elevator, Gotsu Mill
- **Victim**  
55-year old male who had worked at the company for 23 years and 5 months
- **Operation**  
Removing clogged woodchips from bucket elevator
- **Situation**  
It is assumed that he went beyond the inspection entrance and was caught in the bucket elevator during cleaning as it reversed\*.
- **Countermeasures**
  - ▶ Equipment remodeled to facilitate operation without entering.
  - ▶ Made further improvements to System to Promote Occupational Safety and Health (with guidance from external organizations)

##### ② Yatsushiro Mill affiliates

- **Date of accident**  
December 29, 2020
- **Location**  
Near the N2 machine waste paper insertion area, Yatsushiro Mill
- **Victim**  
41-year old male who had worked at the company for 8 months
- **Operation**  
Inserting waste paper
- **Situation**  
It is assumed that he got caught in the rolled paper winding while inserting waste paper\*.
- **Countermeasures**
  - ▶ Equipment remodeled to prevent trapping.
  - ▶ Strengthening committee activities to improve fundamental issues surrounding occupational accidents.

\*Already reported to the Labour Standards Inspection Office



# Maintenance of a Vigorous Organization

## Basic Stance

The Nippon Paper Group upholds instilling pride in employees as a necessary condition of its Vision to realize its Group Mission. For that reason, as the human resources environment within Japan (declining population, declining birthrate and aging population) changes, it views building an organization in which diverse employees can maximize their potential as a critical issue.

The Group will allocate its workforce in line with its growth strategy in such ways that a diverse range of people with different personalities can maximize their individual capabilities. By establishing an organizational structure that encourages this, and by strengthening employee engagement, the Group aims to become an organization where both employees and the company can grow together.

## Recruitment and Employment

- As the responsibility to the local community, which is the basis of our corporate activities, the Group strives to stabilize employment and continue to recruit new employees, and hire without discrimination based on the “Philosophy and Basic Policy on Rights, Employment and Labor”.
  - ▶ Clearly and formally communicate the recruitment process to all recruitment candidates
  - ▶ Interviewer training to avoid discrimination based on nationality, place of origin, gender, educational background etc.

### — Employment of people with disabilities

- As of April 1, 2021, Nippon Paper Industries has achieved the statutory employment rate of 2.39% for persons with disabilities. The Company will continue to maintain and improve the employment rate at each site.

### — Employment of Elderly Persons

- The Nippon Paper Group has implemented its Reemployment after Retirement System to respond to the needs of a super-aged society and to facilitate the passing on of skills.
- In FY2002, Nippon Paper Industries introduced a reemployment system to allow employees to work up to the age of 65. Furthermore, in response to the amended Law Concerning Stabilization of Employment of Older Persons, which took effect in April 2013, we have prepared rules that will allow employees of retirement age to continue working based on their desire and skills, at least until they begin to receive pensions.

### — Mid-career Hiring

- In addition to utilizing human resources within the company, the Company is also hiring mid-career employees, and continues to work on in the future.

### — Rehiring retired employees

- The Company has established a system that allows employees who have retired due to “family circumstances” such as marriage, childbirth, childcare, nursing care, and spouse transfer, and can play an active role in the company again by making use of the experience and abilities cultivated at the company.



## Employment Indicators

	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Number of Employees on a Consolidated Basis <sup>※1 ※3</sup>	Persons	13,057	12,881	12,943	12,592	16,156
Male	Persons	11,691	11,451	11,503	11,118	13,984
Female	Persons	1,366	1,430	1,440	1,474	2,172
Paper and Paperboard Business <sup>※1 ※2</sup>	Persons	6,967	6,818	7,229	6,764	5,586
Daily-Life Products Business <sup>※1 ※2</sup>	Persons	2,433	2,448	2,536	2,652	7,350
Energy Business <sup>※1 ※2</sup>	Persons	19	35	54	76	78
Wood Products and Construction Related Business <sup>※1 ※2</sup>	Persons	2,273	2,192	1,411	1,384	1,382
Other Businesses <sup>※1 ※2</sup>	Persons	1,365	1,388	1,713	1,716	1,760
Overseas	Persons	2,723	2,582	2,587	2,504	5,961
Male	Persons	2,385	2,257	2,263	2,158	4,965
Female	Persons	338	325	324	346	996
Percent of upper management from the local community	%	74.1	80.6	82.1	89.3	94.7
New graduate hired <sup>※4</sup>	Persons	265	245	200	182	214
Male	Persons	239	220	171	146	167
Female	Persons	26	25	29	36	47
Mid-career recruits <sup>※4</sup>	Persons	163	198	204	222	172
Male	Persons	141	169	180	199	149
Female	Persons	22	29	24	23	23
Employees seeking reemployment after retirement Nippon Paper Ind.	Persons	185	46	168	95	80
Employees reemployed after retirement age Nippon Paper Ind.	Persons	185	46	168	95	81
Consolidated companies in Japan	Persons	331	227	332	296	301
Average age of employees <sup>※1 ※4</sup>	Years	43.3	43.4	43.4	43.7	43.6
Male	Years	43.3	43.4	43.3	43.6	43.6
Female	Years	43.1	43.5	43.6	43.7	43.5
Average years of employment <sup>※1 ※4</sup>	Years	19.1	19.4	19.3	19.2	18.8
Male	Years	19.2	19.6	19.5	19.3	19.1
Female	Years	18.2	18.0	17.8	17.8	17.0
Turnover rate(Includes employees leaving at the mandatory retirement age) <sup>※1 ※4</sup>	%	2.9	2.6	5.7	4.6	3.0
Number of Managers(Nippon Paper Ind.) <sup>※1 ※5</sup>	Persons	1,128	1,095	1,134	1,112	1,132
Female	Persons	21	27	26	27	30
Number of Managers (Consolidated companies in Japan) <sup>※1 ※5</sup>	Persons	2,336	2,305	2,227	2,302	2,385
Female	Persons	50	55	55	62	67
Number of Managers(Consolidated subsidiaries outside Japan) <sup>※6</sup>	Persons	112	139	151	196	358
Female	Persons	26	20	24	33	82
Female employees in management Nippon Paper Ind. <sup>※1 ※5</sup>	%	1.86	2.47	2.29	2.43	2.65
Consolidated companies in Japan	%	2.14	2.39	2.47	2.70	2.81
Consolidated subsidiaries outside Japan <sup>※6</sup>	%	23.2	14.4	15.9	16.8	22.9
Dispatched workers <sup>※1 ※4</sup>	Persons	77	105	89	108	111
Male	Persons	27	39	41	47	46
Female	Persons	50	66	48	61	65
Percent of dispatched workers	%	0.7	1.0	0.8	1.1	1.1
Part-time workers <sup>※1 ※4</sup>	Persons	392	431	465	512	514
Male	Persons	224	245	293	293	290
Female	Persons	168	186	172	219	224

※1 Fiscal year-end data

※2 Estimates based on re-organized segments formed in FY2019

※3 Data scope: consolidated companies

※4 Data scope: consolidated companies in Japan

※5 Percent of only full-time employees which excludes associate directors, employees commissioned for specific purposes, employees on temporary assignment from other companies, and other non-full-time personnel

※6 Managerial personnel at the level of section manager or positions higher

**Employees by Age Group (Nippon Paper Industries Co., Ltd., March 31, 2020)**

	Units	Less than 30	30 to 50	Over 50	Total
No. of employees	Persons	876	2,956	1,497	5,329
Men	Persons	810	2,753	1,364	4,927
Women	Persons	66	203	133	402

## Realizing Flexible Work Styles

Nippon Paper Industries focus on improving its working environment where employees can demonstrate their abilities more. The company is also working to create a working environment that realizes “flexible work styles” and to review its system.

Regarding such work styles, it is not only necessary to promote diversity, but BCP that incorporates measures for events such as pandemics must also be considered.

### « Examples of systems related to working conditions »

- ▶ Term-end allowance system that reflects the contribution to corporate performance
- ▶ Annual paid leave
- ▶ Compensation such as allowances and substitute leave for overtime work and work other than general working hours (early morning work, late night work, etc.)
- ▶ A system that allows employees to take expired annual paid leave (preserved leave) in half-day units
- ▶ Acquisition of expired annual leave for volunteer activities
- ▶ A system that allows employees to apply the preserved leave (expired annual paid leave) for short-term childcare (paid leave can be used)
- ▶ A system of financial assistance for employees transferred alone (without their family) who are not the head of their household
- ▶ A system to allow employees to take leave when accompanying their spouses during an overseas assignment
- ▶ A system to Overseas personnel (Treatment tailored to other countries. For those seconded from Japan, overseas secondment system, hardship allowance, etc.)

#### System introduced and revised from April 2021

- ▶ Revisions to flextime system (Elimination of core time (the time during which employees must be at work))
- ▶ Introduced a system (permanent system) to work from home (target person: the employees who will handle work that can be done from home and who can work autonomously.)
- ▶ Introduced a system for taking annual paid leave in hourly increments

### — Response to the Act on Advancement of Measures to Support Raising Next-Generation Children

- In April 2021, the Company formulated its Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children, which supports employees balancing work and childcare.
- The Company has implemented systems that exceed the provisions stipulated under Japan’s Child Care and Family Care Leave Act. This includes extensions to the exemption period for overtime working hours, the application period for childcare and paid leave for child rearing.
- The Company have been designated by Japan’s Minister of Health, Labour and Welfare as a company that supports child rearing and have obtained the right to display the Kurumin mark (2016 certification).

### — Initiatives to Help Employees Balance Work with Nursing Care Commitments

- The Company has established schemes that exceed the provisions stipulated by Japanese law with regard to nursing-care leave and other considerations for supporting employees in maintaining a balance between work and care-giving commitments.
- The Company issued a Nursing Care Handbook summarizing information necessary for achieving a balance between works and nursing care, including preparation towards care-giving, necessary actions and details of support offered by the company and by society. The handbook has also been posted on the Company’s internal intranet to enable employees to access it at any time.

## Work-Life Balance Indicators

(— is unaggregated)

	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Employees taking child-care leave <sup>※1</sup>	Persons	26	26	23	23	28
Male	Persons	0	0	3	2	5
Female	Persons	26	26	20	21	23
recently giving birth	%	100	100	100	100	92
who returned to work	%	100	100	90	100	100
Employees taking maternity/paternity leave <sup>※1</sup>	Persons	186	148	183	203	154
Male	Persons	160	122	163	184	129
Female	Persons	26	26	20	19	25
Average number of days taken for maternity/paternity leave <sup>※1</sup>						
Male	Days	3.0	3.4	3.7	3.8	4.0
Female	Days	64.9	78.0	79.2	67.9	77.7
Employees taking nursing-care leave <sup>※1</sup>	Persons	1	1	2	1	0
Total number of working hours <sup>※2</sup>						
Non-management employees	Hours per person	1,927	1,903	1,900	1,885	1,861
All employees	Hours per person	—	1,927	1,923	1,894	1,888
The rate of annual paid leave taken by employees <sup>※1</sup>	%	—	—	—	74.4	64.7
The rate of annual paid leave taken by employees <sup>※3</sup>	%	68.3	71.8	75.1	76.6	67.9

※1 Data scope: consolidated subsidiaries in Japan

※2 Data scope: Nippon Paper Industries

※3 Data scope: Nippon Paper Industries Non-management employees

## — Welfare

The Company has the following welfare programs.

### ▶ Company housing / single dormitory

Large-scale offices such as the head office and factories are fully equipped with company housing and single dormitories. If there is no company housing or dormitory, or if there are no vacancies, the Company rents out and prepares houses or condominiums.

### ▶ recreational facilities

The Company has 3 retreats in Japan. It also has contracted recreational facilities throughout the country.

### ▶ Property formation

The company has established systems to support employee property formation, such as property formation savings (general property accumulation, property accumulation housing, property accumulation pension), employee stockholding associations (regular employees can join), and housing loan system. For property accumulation housing and property accumulation pension, the company supports 10% of the reserve amount, and at the employee stockholding association, the company can purchase its own stock by adding 15% to the monthly purchase amount.

## Active roles for diverse personnel

### — Responding to the Act on Promotion of Women’s Participation and Advancement in the Workplace

In working to create conditions that enable women to advance their careers, the company has set up the following plans.

#### Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace

In order to create an employment environment in which diverse human resources can demonstrate their abilities and play an active role throughout their lives, the company will formulate an action plan as follows.

##### 1. Planning period

Five years from April 1, 2021 to March 31, 2026

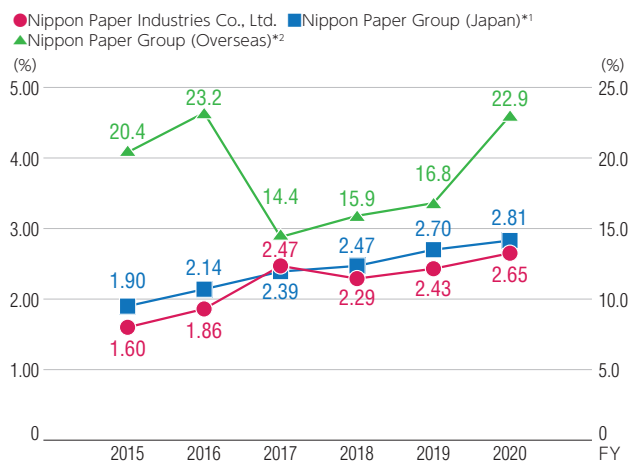
##### 2. Contents

**Goal 1** The Company will set the ratio of female employees, compared to male employees, promoted to section manager from a lower rank in the previous three business years at 80% or higher

**Goal 2** At head office divisions, which have no production sites, the rate of usage of systems such as flexitime, taking leave in hourly increments and working from home will be set at 70% for both men and women to promote diversity.

### — Female Management Participation and Recruiting

#### Percentage of female employees in management



Percentage of regular employees excluding counselors, advisors, directors, temporary employees, and employees on loan

\*1 Figures are for the Nippon Paper Group’s consolidated companies in Japan.

\*2 Includes all managers of section and higher level organizational units as of the end of December.

#### Hiring of new graduates for career-track positions (Nippon Paper Industries Co., Ltd.)

FY	2015	2016	2017	2018	2019	2020
Career-track hires (Persons)	52	61	56	53	50	48
Female (Persons)	11	11	14	13	13	17
Male (Persons)	41	50	42	40	37	31
Percent women (%)	21	18	25	25	26	35

**CASE  
STUDY**

## Holding a Study Session about Diversity (Nippon Paper Crecia)

Nippon Paper Crecia held a study session about diversity in March 2021.

This time, based on the theme of learning about LGBTQ\*, employees first learned basic knowledge about LGBTQ. Afterward, two speakers, Yu-kun (who is transgender) and Kazue-chan (who is gay), were invited to share their life stories and experiences. The event was held both at a venue and online, and approximately 320 Group employees attended. Employee impressions, expressed through a questionnaire conducted after the study session, included “We must be aware that everyone has unconscious biases” and “This was an opportunity to properly learn about LGBTQ and help foster a corporate culture so that we can become a company where diverse employees thrive.”



※ L: A woman who is emotionally or sexually attracted to other women  
 G: A man who is emotionally or sexually attracted to other men  
 B: A person who is emotionally or sexually attracted to more than one gender (men and women)  
 T: A person whose gender identity is not aligned with the gender they were assigned at birth  
 Q: A person who is in the process of understanding and exploring what their sexual orientation and/or gender identity and gender expression might be

## Initiatives Aimed at Developing Human Resources

### — Training Personnel to Match the Group’s Ideal Vision

In order to strengthen the development of leaders who will promote change, the company is implementing the following initiatives.

- ▶ Hiring human resources with the abilities to continue attempting new challenges, to exercise fair judgement and to engage in teamwork by involving those around them, and the mental strength to overcome difficulties.
- ▶ As our goal to develop “autonomous human resources”, promoting the development of leaders with a global perspective who can take on new challenges.

### — Leadership Training System

Nippon Paper Industries trains its career-track employees through OJT (on-the-job training), planned rotations and OFFJT (off-the-job training, including grade-specific training and selective training programs).

- ▶ Fostering leaders with broad perspectives who do not become fixated on a single issue, by transferring them to various positions both within and outside their department, and at affiliate companies in a planned manner.
- ▶ In addition to grade-specific training until employees are promoted to management roles, they are also dispatched to overseas business locations under the Company’s overseas assignment system in OFF-JT.
- ▶ After employees are promoted to management positions, the Company also conducts training for further promotion, and selective training with the purpose of developing employees into candidates for senior management roles.

### — The Five Pillars of Human Resources Development

The Company provides its employees with fair learning opportunities, and has developed a system for enabling those with motivation and abilities to further increase their skills, with a focus on five key points.

#### ① Support for self-development and voluntary skill acquisition

The Group is implementing the following initiatives to support the autonomous capacity development of employees.

- ▶ Correspondence education (Approximately 240 courses)  
Examples of courses: logical thinking, accounting, presentations, languages, etc.
- ▶ Selective group training  
Training examples: accounting, leadership, logical communication, etc.
- ▶ Job-level-based training such as that for new hires and new managers, is conducted jointly by Group members.
- ▶ Joblevel-based training at mills is conducted not just for a single mill but together with neighboring mills.

## Training time for individual employees (Consolidated companies in Japan)

7.5 hours/year

### ② Assignment of the right people to the right positions

The Company is implementing the following measures to allocate the right person to the right position.

- ▶ Implementation of employee surveys to ascertain what kind of job assignments they wish to have. (target : all employees, once a year)
- ▶ Introduction of an internal recruitment system so that individual employees can consider their skills and how they want to develop their careers, and then apply for positions posted by any Nippon Paper Group member company.

### ③ Development of employees capable of acting on a global stage

The company is implementing the following initiatives to develop global human resources.

- ▶ Recruiting applicants and implementing a short-term internship and long-term dispatch system for overseas bases of the group.

### ④ Reinforcement of production frontline capabilities

The Company is implementing the following initiatives to strengthen our on-site capabilities.

- ▶ Creating a committee to strengthen frontline capabilities in FY2006.  
Organizing and operating systems under which technologies and skills that should be carried forward at individual production sites are identified, and training is prioritized based on analyses of the strengths and weaknesses of, and skills needed by, individuals.

### ⑤ Support for the planning of lives and careers

The major companies of the Group are implementing the following initiatives to support career planning and life planning.

- ▶ Offering Life Plan Seminars and other types of seminars to enhance employee understanding of each company's and the government's programs, as well as the need to develop meaningful life plans that include health management.

CASE  
STUDY

## Implement Small Group Activities\*<sup>1</sup> Globally

The Group engages in small group activities both in Japan and overseas. These activities help attendees to better understand operations in their respective workplaces, and to share examples of good practices from other workplaces both in Japan and abroad.

- ▶ Nippon Paper Industries : Holding companywide presentation meeting (once a year)
- ▶ Nippon Paper Group (including overseas): presentation meeting\*<sup>2</sup> (once a year)

\*1 Employees form small groups and work together to achieve improvements in areas such as business operations and quality, and to reduce costs

\*2 Canceled in FY2020 to prevent COVID-19 infection

## Engagement enhancement

### — Fair Evaluation and Compensation

The Company carries out the following as part of a fair and transparent personnel examination.

- ▶ Inform employees of salary system (salary table and salary increase procedure)
- ▶ Clarification of evaluation criteria
- ▶ Conducting review sessions, in which managers provide feedback on performance evaluations.(target: all general employees, twice per year)
- ▶ Introduction of outside companies specializing in human resource assessment is called upon to enhance objectivity for decisions on promotions to management and other positions.

#### CASE STUDY

#### Holding a Study Session about Diversity (Nippon Paper)

The Company held the 5th Diversity Management Study Group in October 2020.

Mr. Shuhei Uebayashi, CEO of NEW ONE Co., Ltd., spoke on the theme of “What is the management ability required for managers in the future?”

He explained the changes in the relationship between organizations and individuals and engagement, and also introduced the importance of engagement management by managers.

It was conducted online to prevent COVID-19 infections, and recordings were distributed by e-learning to employees who could not participate due to inconvenience on the day.

A total of about 700 employees attended the lecture, showing the high level of interest in “engagement.”

## Industrial Relations

- The Group participates in the United Nations Global Compact and supports the universal principle of labor standards advocated by the United Nations regarding “approval of freedom of association and the right to collective bargaining.”
- Labor unions have been formed at Nippon Paper Industries and the majority of its consolidated subsidiaries. Irrespective of the existence of a labor union, however, every effort is made to maintain smooth industrial relations at all Group companies.
- Under the shared objective of building a better company, the Company has established a series of dedicated committees on labor-management issues, covering areas such as the operation of labor and management agreements, and staffing adjustment measures.  
In addition to these efforts, regular central meetings of leadership from both sides provide a forum to discuss diverse issues including corporate management and working conditions.
- At the Company, there are 4,763 labor union members (as of March 31, 2021). Workplaces are union shops and all of the employees covered by collective bargaining agreements are union members.