

Sustainability Management

Basic Stance

Nippon Paper Industries signed and joined the UN Global Compact in 2004. The Company promotes sustainability management that pursues both social and environmental sustainability and the future growth of the Company by realizing the Group Mission and enhancing activities to fulfill its corporate social responsibility based on the Ten Principles of the UN Global Compact in four areas (human rights, labor, environment, and anti-corruption).

Under the 2030VISION formulated in May 2021, the Company clearly states that it will promote sustainability management as a comprehensive biomass company shaping the future with trees.

→2030Vision

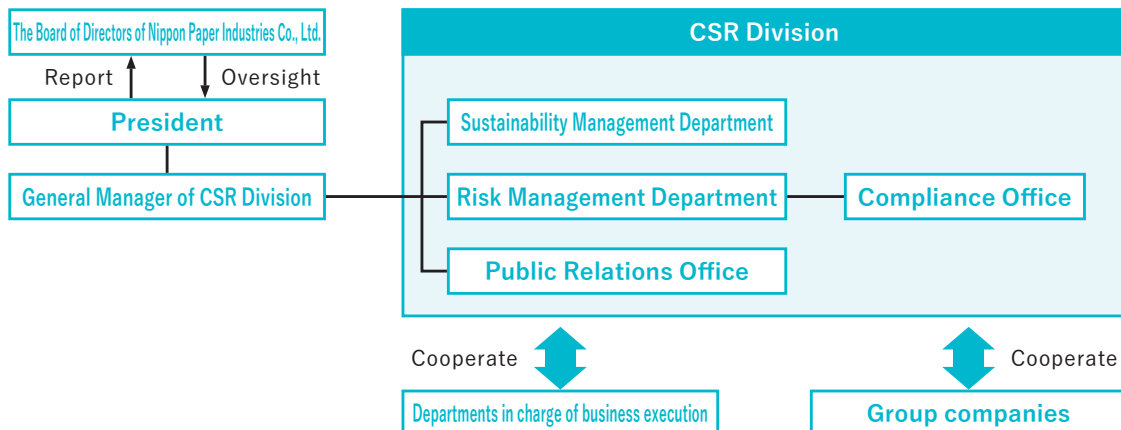
https://www.nipponpapergroup.com/english/ir/NPI_Medium-Term%20Business%20Plan%202025_english.pdf



Promotion Structure

The Company formulated an Environmental Charter in 1993 to take a long-term standpoint on addressing circulation of resources and environmental preservation. The Company established a CSR committee in 2003 and used this as a basis to promote building a management framework to fulfill its corporate social responsibilities and has established principles and basic policies related to raw material procurement, the environment, product safety, human rights, employment and labor, safety and disaster prevention and contributions to society. The Company established a new CSR Division in 2008 leading to stronger CSR management.

Currently, the CSR Division, which reports directly to the president of the Company, includes the Sustainability Management Department, Risk Management Department, Compliance Office, and Public Relations Office, and is engaged in responding to ESG issues, promoting risk management and disclosing appropriate information toward realizing the Vision within the Group Mission.



Corporate Governance

Basic Stance

As the holding company of the Nippon Paper Group, Nippon Paper Industries established its Corporate Governance Policy in November 2015 as a guideline for the Company's basic approach to management and control of the group, so as to achieve sustainable growth and enhance corporate value over the medium to long term in line with its corporate mission.

The Company's highest management priority is to further enhance management transparency to shareholders and other stakeholders, and to realize fair management.

The Company has adopted an executive officer system and is working to strengthen the oversight function of its Board of Directors to ensure the separation of business execution and management oversight. The Company is implementing growth strategies, monitoring businesses under its control, and promoting compliance.

→Corporate Governance Policy

<https://www.nipponpapergroup.com/english/ir/governance/>

→Corporate Governance Report

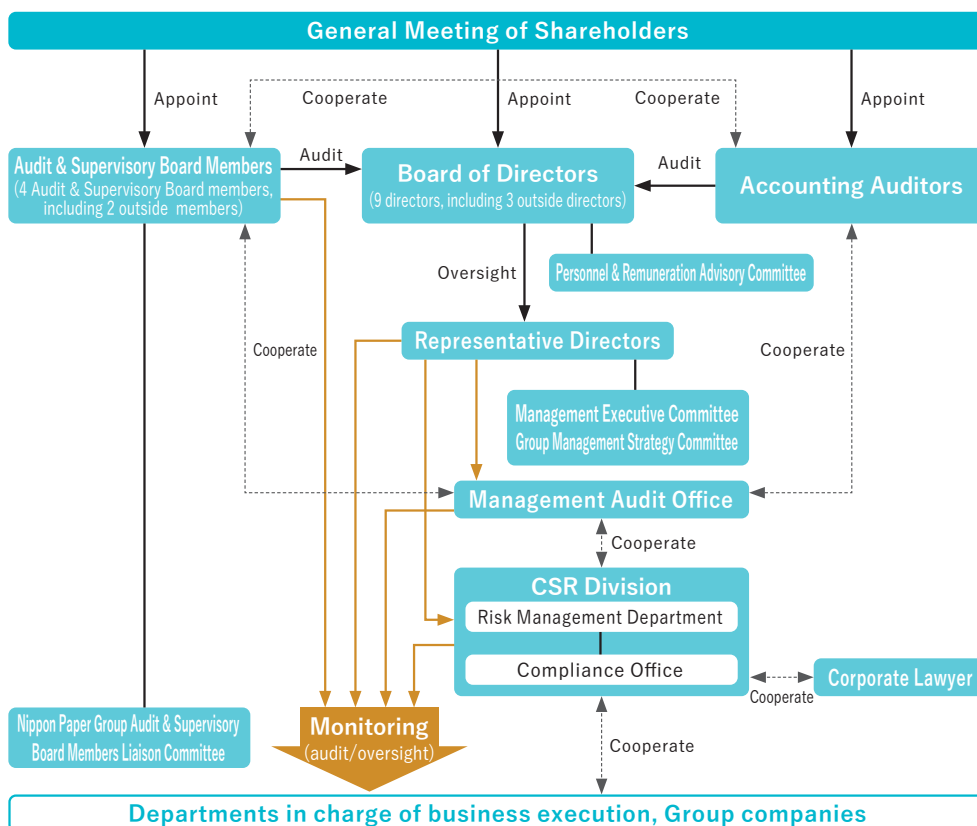
<https://www.nipponpapergroup.com/english/ir/governance/>

Initiatives for Strengthening Corporate Governance

FY2006	<ul style="list-style-type: none"> ● Formulated the Basic Policy for Establishing the Internal Control System ● Shortened director terms to one year from two
FY2013	<ul style="list-style-type: none"> ● Adopted an executive officer system ● Began appointing independent outside directors
FY2015	<ul style="list-style-type: none"> ● Established the Corporate Governance Policy ● Began evaluating the effectiveness of the Board of Directors
FY2016	<ul style="list-style-type: none"> ● Established the Personnel & Remuneration Advisory Committee ● Increased the number of independent outside directors to two
FY2019	<ul style="list-style-type: none"> ● Increased the number of independent outside directors to three ● Appointed one female outside director and one female outside Audit & Supervisory Board member ● Ensured the Personnel & Remuneration Advisory Committee consists mainly of outside directors ● Introduced the Board Benefit Trust as a stock compensation system
FY2020	<ul style="list-style-type: none"> ● Revised part of the Corporate Governance Policy concerning the policy for determining director remuneration

Corporate Governance Structure

Corporate Governance Structure (As of July 1, 2021)



Type of Organization	Company with Audit & Supervisory Board Members
Chairman of the Board of Directors	Chairman and Director: Fumio Manoshiro
Number of Directors	9 (including 3 outside directors)
Number of Audit & Supervisory Board Members	4 (including 2 outside Audit & Supervisory Board members)
Number of Appointed Independent Officers	5 (including 3 outside directors and 2 outside Audit & Supervisory Board members)
Board of Directors Meetings Held in FY2020	Number of meetings: 13 Average rate of attendance by directors: 100.0% (outside directors: 100.0%) Average rate of attendance by Audit & Supervisory Board members: 98.1%
Audit & Supervisory Board Members Meetings Held in FY2020	Number of meetings: 14 Average rate of attendance by Audit & Supervisory Board members: 100.0%
Independent Accounting Auditor	Ernst & Young ShinNihon LLC

Director Attendance at Board of Directors Meetings

Position	Name	Attendance in FY2020
Chairman and Director	Fumio Manoshiro	13/13 100%
President and Representative Director	Toru Nozawa	13/13 100%
Executive Vice President and Representative Director	Kazufumi Yamasaki	13/13 100%
Director and Senior Managing Executive Officer	Akihiro Utsumi	13/13 100%
Director and Managing Executive Officer	Takeo Konno	13/13 100%
Director and Executive Officer	Masanobu Iizuka	13/13 100%
Outside Director	Makoto Fujioka	13/13 100%
Outside Director	Yoko Hatta	13/13 100%
Outside Director	Yutaka Kunigo	13/13 100%

— Board of Directors

- In May 2006, the Company formulated its Basic Policy for Establishing the Internal Control System.
- The role of the Company's Board of Directors is stipulated in the Corporate Governance Policy.
- The Board of Directors of the Company shall bear the supervisory function of management as a whole and make the most appropriate decisions for the Company through deliberations, etc. on the execution of important business issues that are to be decided, under laws, regulations, and the Articles of Incorporation, by the Board of Directors. The Board of Directors shall also supervise the status of the execution of duties by the president and representative director and other corporate officers.
- In view of the importance of environmental and social challenges related to sustainability, the Board of Directors shall raise awareness among officers and employees, strive to facilitate the sustainable development of society, and enhance the corporate value of the Group by promoting active efforts to resolve challenges while giving consideration to stakeholders.
- The Company's Board of Directors is made up of internal directors who have excellent abilities to execute and manage each business in their charge and outside directors who have specialized knowledge and extensive expertise.
- The board achieves a 1/3 ratio of outside directors among the board members. Furthermore, the Company has appointed one female outside director and one female outside member of the Audit & Supervisory Board.

→Basic Policy for Establishing the Internal Control System

https://www.nipponpapergroup.com/ir/governance/internal_control_system/ (Japanese only)

— Management Executive Committee

- Usually, the Company's Management Executive Committee meets once a week to deliberate on important management-related matters under the authority of the president to assist in the execution of the president's duties.
- Committee membership is basically composed of the president, other directors (excluding outside directors) and general managers who do not serve as directors.
- Meetings of the Management Executive Committee, held once a month, are attended by outside directors and general managers of the Company's mills in order to share information on monthly financial results among management.

— Group Management Strategy Committee

- The Company's Group Management Strategy Committee meets as necessary.
- The Company's Group Management Strategy Committee deliberates on management strategies by business segment and other important matters related to the Group.
- Committee membership is composed of the Company's management and presidents of major companies of the Nippon Paper Group.

— Audit & Supervisory Board Members and Audit & Supervisory Board

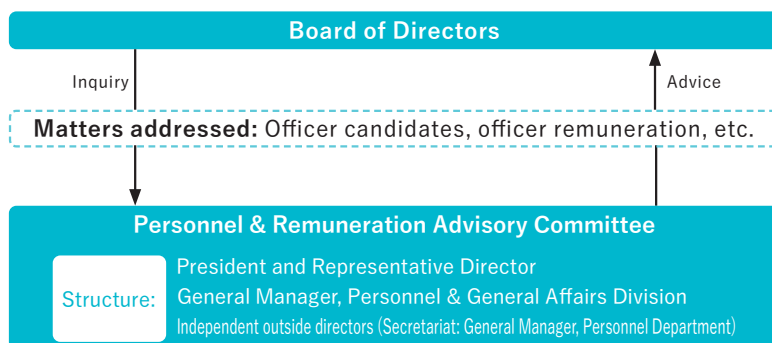
- The Audit & Supervisory Board members of the Company attend important meetings, such as meetings of the Board of Directors, the Management Executive Committee, and the Management Strategy Committee. In addition to strict monitoring of the execution of business by directors, the auditors also audit whether all company operations are conducted strictly legally and appropriately by means of on-site audits of each division, business site, and company in the Group.
- The Audit & Supervisory Board periodically holds meetings with the representative directors, working to deepen mutual understanding.
- The Audit & Supervisory Board also strives to enhance group audits by strengthening cooperation with auditors of each Group company.

— Management Audit Office

- The Company's Management Audit Office is directly under the President's control. It conducts an internal audit of the Company, and each Group company, and a comprehensive evaluation of the maintenance and operation of the internal control system as it relates to financial reporting.
- The Management Audit Office also holds monthly information exchange meetings with the Audit & Supervisory Board Members to ensure cooperation between Audit & Supervisory Board Members and internal audits.

— Personnel & Remuneration Advisory Committee

- The Company’s Personnel & Remuneration Advisory Committee receives inquiries from the Board of Directors on matters such as the selection process, qualifications, and reasons for nomination of director and Audit & Supervisory Board member candidates, the criteria for determining the independence of outside officers, and the remuneration system for directors. The committee responds to inquiries regarding appropriateness while obtaining appropriate involvement and advice from independent outside directors and conducting inquiries based on its assessment of the Company’s business performance and other factors.
- The Board of Directors shall make decisions regarding nomination of directors and Audit & Supervisory Board members, and compensation for directors etc., after receiving reports from the Personnel & Remuneration Advisory Committee.



Attendance at Personnel & Remuneration Advisory Committee

Position	Name	Attendance in FY2020	
President and Representative Director	Toru Nozawa	2/2	100%
Director, Senior Managing Executive Officer, General Manager, Personnel & General Affairs Division	Akihiro Utsumi	2/2	100%
Outside Director	Makoto Fujioka	2/2	100%
Outside Director	Yoko Hatta	2/2	100%
Outside Director	Yutaka Kunigo	2/2	100%

Independent Officers

- The Company designates all outside directors who meet the requirements as independent officers.
- When appointing candidates for outside director or outside Audit & Supervisory Board member, the Company judges their independence by taking into consideration whether they satisfy the independence criteria provided by the Tokyo Stock Exchange and the requirements for independence provided by laws and regulations (having not served as director, employee, etc. of the Company and its subsidiaries in the past), in addition to considering the existence of any conflicts of interest with general shareholders.

[Outside Directors]

Makoto Fujioka

Mr. Fujioka was Deputy Director-General for Trade and Industry, at what was then the Ministry of International Trade and Industry, (now the Ministry of Economy, Trade and Industry) and Ambassador Extraordinary and Plenipotentiary stationed in the United Arab Emirates. He has also acted as an executive of a private company. He is expected to supervise and advise the execution of duties of the Company’s other directors from an objective perspective using extensive knowledge and international awareness gained through his experience in both the public and private sectors.

Yoko Hatta

Although Ms. Hatta has never been engaged in corporate management directly, it is expected that she will draw on her broad work experience with international accounting firms, considerable expertise in international tax practices etc., and experience as an outside statutory auditor of the Company (from June 2016 to June 2019), to supervise and advise the execution of duties by the Company’s other directors from an objective perspective.

Yutaka Kunigo

Mr. Kunigo engaged in a wide range of fields at Tokyo Gas Co., Ltd., such as engineering, personnel affairs, procurement, sales, and overseas operations. He is expected to supervise and advise on the execution of duties of the Company’s other directors from an objective perspective using extensive experience and broad knowledge accumulated through his experience in managing a company as an executive.

[Outside Audit & Supervisory Board Members]

Takafumi Okuda

Although Mr. Okuda has never been engaged in corporate management directly, it is expected that his extensive experience and broad knowledge accumulated as a legal professional in a judicial organization, will enable him to act as an auditor of the Company and audit the execution of business activities by the Company’s directors from an independent and objective perspective, and also contribute to improving the soundness and transparency of the Company’s management.

Nanako Aono

The Company determines that Ms. Aono’s experience in serving as a director and auditor in private sector companies in a wide range of fields together with the extensive knowledge she has accumulated as a certified public accountant, will enable her to audit the execution of business activities by the Company’s directors from an independent and objective perspective, and also contribute to improving the soundness and transparency of the Company’s management.

Evaluation of the Effectiveness of the Board of Directors

- The Company's Board of Directors has been conducting self-evaluations of its effectiveness since FY2015.
- Once per year, the secretariat of the Board of Directors conducts a survey of the directors and Audit & Supervisory Board members regarding management and the discussions held at its meetings. The results of the survey are reported to the Board of Directors, which analyzes and evaluates its effectiveness through deliberations, etc. on the reported contents and works toward improvement based on the results thereof.

Outline of the Results of the Analysis and Evaluation in FY2020, surveyed in December, 2020.

- The results of the analysis showed the board was broadly appropriate overall in the five viewpoints of composition, agenda items submitted at meetings, conduct at meetings, training of directors and Audit & Supervisory Board members, and provision of information and support for outside directors.
- The board has since added "Discussion by the Board of Directors" as an evaluation point and assessed whether or not discussions were being held based on medium- to long-term viewpoints. The Board of Directors guaranteed opportunities to discuss strategic matters and the Company's long-term vision at board meetings. This has deepened awareness of medium- to long-term strategic issues and the board's oversight function has improved.

Officer Remuneration

- The Board of Directors decides remuneration for officers after receiving a report from the Personnel & Remuneration Advisory Committee.
- In accordance with the revised Companies Act, which took effect on March 1, 2021, the Board of Directors has resolved to partially revise the Basic Policy on Corporate Governance to improve the transparency of procedures for determining executive compensation.
- The standard amount of monthly remuneration for directors shall be decided according to his/her responsibilities within the Company. Of that, 70% shall be fixed and the remaining 30% shall be paid after adjustment based on the Company's performance in the preceding business year. The standard amount is determined using objective survey data from outside sources and considering factors including the Company's performance, scale of business, and managerial circumstances. Performance indices are established to effectively function as motivation to achieve performance targets, they are reevaluated as necessary in response to changes of circumstance.
- Monthly remuneration for outside directors and outside Audit & Supervisory Board members shall be fixed. In light of their responsibilities, contributions to the executive shareholding association are on a voluntary basis.
- The Company has introduced Board Benefit Trust (BBT) as a stock compensation plan since FY2019 for directors (excluding outside directors) separately from their monthly compensation.
- The objective of BBT is to further clarify the link between the compensation provided to directors and the Company's share value and thereby increase directors' motivation to contribute to improving the Company's medium- to long-term performance and increasing its corporate value by sharing the benefits and risks associated with share price fluctuations with shareholders.
- The composition ratio of fixed remuneration, performance-based remuneration, and stock remuneration provided to directors is appropriately established based on the objectives of each type of remuneration.

Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members in FY2020 ^{*1}

	Number of Executives ^{*2}	Total Amount of Remuneration, etc. by Type			Total Amount
		Fixed Remuneration	Performance-Based Remuneration	Stock Remuneration	
Directors	10	¥299 million	¥70 million	¥32 million	¥403 million
(Outside directors)	(4)	(¥36 million)	(—)	(—)	(¥36 million)
Audit & Supervisory Board Members	5	¥58 million	—	—	¥58 million
(Outside Audit & Supervisory Board Members)	(3)	(¥13 million)	(—)	(—)	(¥13 million)

*1 Figures are rounded down to the nearest million yen.

*2 Includes one director and one Audit & Supervisory Board member who resigned during FY2020.

Remuneration for Internal Directors

	Fixed Remuneration	Performance-Based Remuneration	Stock Remuneration
Method	Cash payment		Points granted
Payment allowance	Up to ¥700 million per year		Up to 25,000 points per year (1 point = 1 share)
Payment period	Monthly (no bonuses or retirement benefits)		Director resignation (cumulative points converted to shares)
Calculation method	Determined according to their respective responsibilities		Points granted according to their respective responsibilities
	70% paid as fixed remuneration	30% paid after adjustment based on the Company's performance in the preceding business year	
Performance standards	70%: Consolidated results (net sales, operating income, ROA) 30%: Non-consolidated results (net sales, ordinary income, ROA)		—
Other	Fixed amounts contributed to the Company's executive shareholding association		—

Cultivation of Successors to the President and Directors

— Successor to the President

- The Company develops candidates for succession to the presidency by placing them in important roles such as executives and directors.
- Personnel matters related to executives and directors who are potential presidential candidates are deliberated by the Personnel & Remuneration Advisory Committee, which is an advisory body that reports to the Board of Directors. The Board of Directors, upon receiving the report, will carefully examine its contents, deliberate, and decide on the candidate.
- The Board of Directors supervises the development of candidates to become the next president in a systematic and ongoing manner.
- The process for the appointment and dismissal of the president is the same as that for candidates for directors, in that the Personnel & Remuneration Advisory Committee conducts a review and submits a report based on consultations with the Board of Directors.

— Developing Candidates for Directors

- From the standpoint of securing human resources capable of assuming management in the future, the Company makes a point of placing employees—particularly those in career-track positions—in various positions and rotations in different departments.. It also tries to appoint employees as early as possible to positions as managers and other important posts and positions in which they assist management, such as the top management of affiliated companies and overseas subsidiaries. In this manner, it strives to develop a robust base of employees with highly sophisticated expertise and work experience, cultivating them for selection as the next generation of director candidates.

— Policy for Executive Training, etc.

- To support the execution of duties by directors, the Company provides information on matters necessary for their roles and functions (such as economic conditions, industry trends, legal compliance, corporate governance, finance, and accounting) on an ongoing basis.
- The Company also ensures opportunities to participate in external training based on the needs of individual directors to assist officers in executing their duties.

Dialogue with Stakeholders

Basic Stance

Nippon Paper Industries Co., Ltd. has established a policy for constructive dialogues with shareholders, etc. under its corporate governance policy. The Company value constructive dialogues with shareholders and other stakeholders, and endeavor to secure various opportunities to hold such dialogues.

The Nippon Paper Group's Action Charter and Codes of Conduct also include the provision that the Company will fairly and proactively disclose company information to all interested persons involved with the Company. The Group has also formulated, and is implementing, a basic policy on the disclosure of information (disclosure policy).

→Corporate Governance Policy

<https://www.nipponpapergroup.com/english/ir/governance/>

→Corporate Governance Report

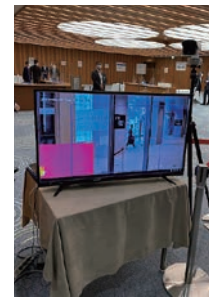
<https://www.nipponpapergroup.com/english/ir/governance/>

→Disclosure Policy

<https://www.nipponpapergroup.com/english/ir/disclosure/policy/>

— Annual General Meeting

- The Company works to energize its general shareholders' meetings and ensure smooth exercising of shareholders' voting rights.
- The Company sent out early a notice of convocation of the 97th Ordinary General Meeting of Shareholders held on June 29 2021, and disclosed the contents swiftly on the Group website. The Company has also accepted the exercise of voting rights on the Internet through the "Smart Voting" website for exercising voting rights for smartphones.
- At the venue of the Meeting, the Company thoroughly took preventive measures against COVID-19 including asking visitors to wear masks, conducting body temperature checks, sanitizing their hands with alcohol-based sanitizers, and arranging the seating to ensure ample space between seats.



Conducting body temperature checks at the entrance to the meeting



Ensuring thorough hand sanitizing

— IR Activities

- The Corporate Planning Department is responsible for the Company's IR activities. The Corporate Planning Department, along with other relevant departments, engages in constructive dialogues with shareholders and investors and gathers management analysis and opinions from the perspective of capital providers.
- The Corporate Planning Department publishes an "IR Weekly Report". In addition, IR activities are regularly reported at the Group Management Strategy Committee Meeting. (Reporting in FY2020: Once)

IR Activities in FY2020

Operating results and Management briefings	2 times
Operating results briefings	2 times
Individual meetings	88 times

— Communication Activities

- The Company mails shareholder newsletters to shareholders twice a year.
- The Group website is operated by the Public Relations Office of the Company and communicates information on the Company's activities to a wide range of stakeholders as and when it becomes available. The Company receives a broad range of questions and opinions through the website, which are then answered by the relevant divisions.
- The Group has established the Nippon Paper Group Risk Communication guidelines and work to communicate with local governments and communities with regard to environmental issues in those areas where the Group's mills are located.
- The Company held free discussions between the President and mid-level managers from July through August in 2021 based on the 2030 Vision and Medium-Term Business Plan 2025 (total 27 times).

Stakeholder	Major point of contact	Means of communication
Employees	Human resource sections	Labor-management councils, labor-management committees, etc.
Customers (business enterprises, consumers, etc.)	Sales section, Product safely sections Customer assistance channels	Individual interviews, inquiries to customer relations sections, etc.
Business partners (suppliers, subcontractors, etc.)	Procurement sections, Human resource sections	Individual interviews, supplier surveys, etc.
Local communities, NPOs/ NGOs	Responsible section within mills, CSR sections	Risk communication, Individual interviews, Social contribution activities, etc.
The media	Public relations sections	Press releases, interviews, etc.
Students	Human resource sections	Individual interviews, meetings, etc.
Shareholders (shareholders, investors, etc.)	General affairs sections, IR sections	General shareholders' meetings, shareholder communications, integrated reports, explanatory meetings, etc.

Risk Management

Basic Stance

The Nippon Paper Group conducts risk management during normal operation and in the event of emergencies, with the aim of preventing managerial risks from manifesting and minimizing the impact of those that do occur.

All possibilities that may result in a physical or economical loss or a loss of credit or disadvantage to the Group are considered risks to the Group, which are as follows;

- (1) Legal and regulatory compliance risk
- (2) Labor-related risk
- (3) Business-related risk
- (4) Finance-related risk
- (5) Disaster-related risk
- (6) Information systems-related risk
- (7) Other risks

— Basic Policies

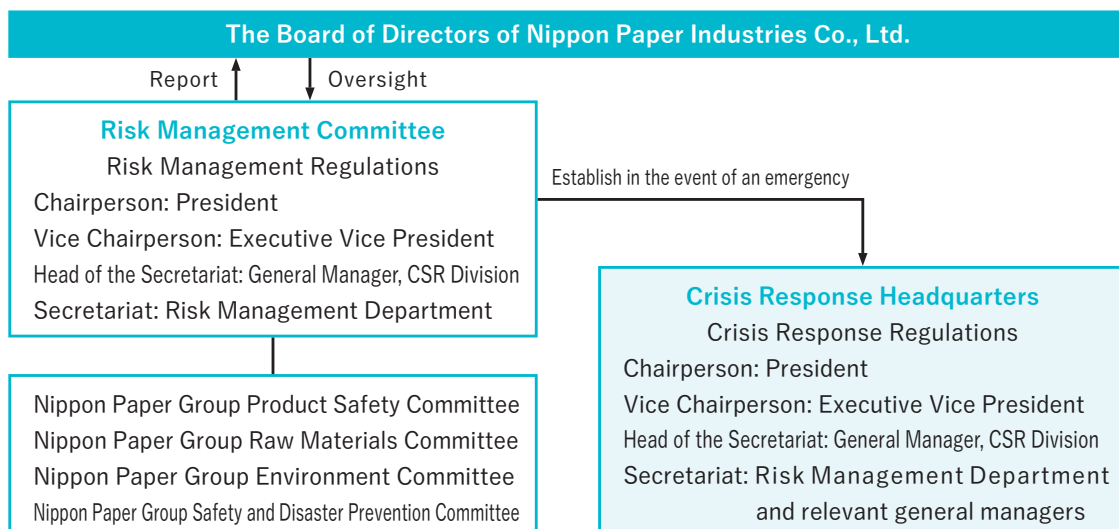
- ① Prioritizing human life and safety
- ② Continuing business

Under the aforementioned policies, we will follow and comply with the guidance and recommendations of national and regional governments.

Risk Management Promotion Structure

The Company has established its Risk Management Committee, which is chaired by the president and representative director under the supervision of the Board of Directors; meetings are held once or more per year. The Risk Management Department established within the CSR Division serves as the secretariat. In normal operations, the committee regularly identifies and evaluates the Group's risks, considers and deliberates measures to reduce its risks and action to be taken should risks be realized, and reports to the Board of Directors.

In the event of an emergency, a crisis response headquarters will be launched. The crisis response headquarters swiftly carries out initial responses and BCPs (business continuity plans) in the event of emergencies depending on risks such as earthquakes, typhoons, and infectious diseases.



Risk Management Activities

In FY2020, the Risk Management Committee carried out an identified sampling of risks from the Company and five consolidated and non-consolidated subsidiaries to evaluate their managerial impacts and their frequency of occurrence.

Main Identified Risks	Decreased demand in Japan and overseas Changes in market demands Earthquakes, tsunamis, volcanic eruptions/ typhoons, floods, extraordinarily heavy snowfall Fires, explosions Equipment malfunction, deterioration, etc.
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The Group is working to establish Business Continuity Management (BCM) for the major risks it has identified based on the assumption of the occurrence of large-scale natural disasters, which have become more frequent in recent years. In addition to promoting the stockpiling of food and daily commodities, the Group is formulating and reviewing our BCP, including inventory response and alternative production to ensure a stable supply of products, based on the assumption of earthquakes, typhoons, and the spread of infectious diseases. Also, each plant uses hazard maps to recognize the characteristics of its location and formulates disaster mitigation measures in advance, which are utilized in daily preparations.

Committees Held (FY2020)

	Number	Attendees
Risk Management Committee	1	Nippon Paper Industries Co., Ltd. President / Executive Vice President/ General Manager, CSR Division/ General Manager, Personnel & General Affairs Division/ General Manager, Corporate Planning Division/ General Manager, Financial Division/ General Manager, Raw Materials and Purchasing Division/ General Manager, Research and Development Division/ General Manager, Technical & Engineering Division/ General Manager, Sales Planning Division
Crisis Response Headquarters (Response to COVID-19 and earthquakes)	6	Nippon Paper Industries Co., Ltd. Chairman, President, Executive Vice President, and all general managers

Report to Nippon Paper Industries Co., Ltd. Board of Directors	1	Nippon Paper Industries Co., Ltd. Chairman, President, Executive Vice President, and all directors
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Compliance

Basic Stance

The Company has formulated the Nippon Paper Group’s Action Charter and the Nippon Paper Group’s Codes of Conduct as a basic management principle based on its Corporate Governance Policy. Its Group companies also have codes of conduct.

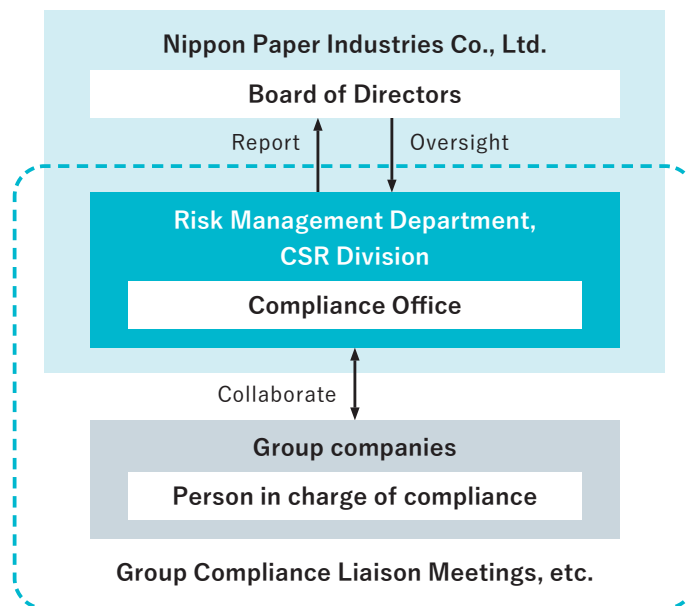
Based on the Nippon Paper Group’s Action Charter, the Group’s position is that “Compliance goes beyond laws and regulations to include decency, common sense, customs, and other rules and ‘social norms’ that are expected by society in general, and the Group are called upon to respond to the expectations and trust of society”. The Group continually carries out activities that raise employees’ awareness of compliance.

→Nippon Paper Group Action Charter and Codes Of Conduct

<https://www.nipponpapergroup.com/english/about/charter/>

Compliance Structure

The Company has established the Compliance Office which collaborates with the Legal Affairs Office of the Personnel & General Affairs Division, Management Audit Office, Human Resources Department, and other relevant sections. The Group companies appoint a person to be in charge of compliance. The Company supervises Group Compliance Liaison Meetings and aims to enhance collaboration with regard to compliance.

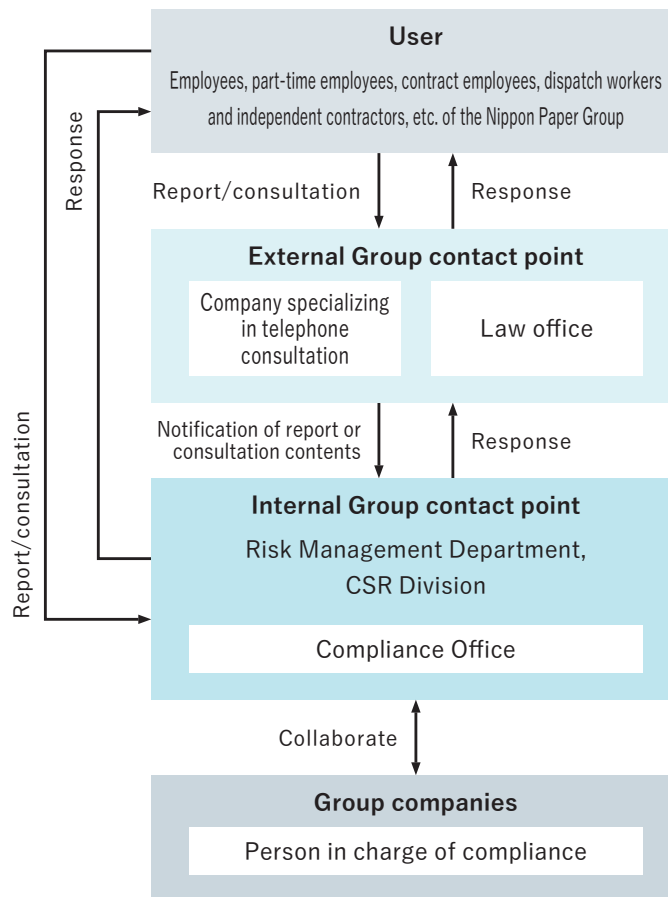


— Compliance Education

- The Group strategically carries out compliance training.
- In FY2020, training was carried out a total of 12 times at the Company. Approximately 1,000 employees studied examples of improper conduct.
- Furthermore, compliance training is carried out in sessions like training for new supervisors and new employees, including training for executives of the Company and its Group companies.

— Internal Whistleblower System “Nippon Paper Group Helpline”

- The Company has set up the Nippon Paper Group Helpline which makes it possible for employees to directly report and consult on any conduct that violate laws, regulations, social norms, or corporate ethics and that may become a problem in the workplace. The Company periodically notifies employees about Helpline.
- The Nippon Paper Group Helpline can even be used anonymously under the protection of privacy.
- The operation status is reported to the Audit & Supervisory Board and to the Management Executive Committee on a quarterly basis.



Number of Reports Made to Helpline

FY2016	FY2017	FY2018	FY2019	FY2020
11	32	33	46	39

— Personal Information Protection

- In accordance with the Personal Information Protection Law, the Company tracks and manages the personal information held by each department in its possession, including the timing and purpose of use, in a control ledger.
- The ledgers are reviewed annually for proper management.

→Basic Policies of Nippon Paper Industries Co., Ltd. Concerning Privacy Protection

<https://www.nipponpapergroup.com/english/terms/>

— Intellectual Property Rights Protection

- The Group places great importance on intellectual property rights in all its business activities. The Group also adheres strictly to all applicable laws and regulations.
- The Company works to conduct intellectual property rights education programs for Group employees, and a total of 454 employees attended such programs in FY2020.

— Preventing Corruption

- “Fairness” is one of the Values that the Group employees place importance on in the Nippon Paper Group Mission.
- The Nippon Paper Group Charter of Conduct stipulates that “we shall abide by the letter and the spirit of laws and regulations, and comply with the highest ethical standards and social codes of conduct, both in Japan and abroad.”
- The Nippon Paper Code of Conduct specifically states that the Company will engage in “fair, transparent, and free corporate activities”
- In November 2017, the Company established the Basic Policy on Prevention of Bribery of Public Officials, and the Basic Policy on Compliance with Competition Laws.
- In FY2020, the Group was subject to no legal actions whatsoever involving incidents of corruption or public legal cases regarding corruption, anti-competitive behavior, anti-trust, or monopolizing practices.

→Nippon Paper Group’s Basic Policy on Prevention of Bribery of Public Officials

https://www.nipponpapergroup.com/english/about/Basic%20Policy%20on%20Prevention%20of%20Bribery_EN.pdf

→Nippon Paper Group’s Basic Policy on Compliance with Competition Laws

https://www.nipponpapergroup.com/english/about/Basic%20Policy%20on%20Compliance%20with%20Competition%20Laws_EN.pdf