

Respect for Human Rights

》 The Nippon Paper Group Human Rights Policy (→P.88)

- This Policy has been prepared in Japanese and English and is available to all stakeholders in the world on the Nippon Paper Group website.
- In addition to this Policy, all business entities of the Group comply with laws and regulations including minimum wages.

The Nippon Paper Group's Commitments Relating to Human Rights

2004	● Signed and began participating in the United Nations Global Compact	● Expressed support for the Ten Principles in four areas, including human rights every year in the CSR Report and Integrated Report (Message from the President)
2004	● Formulated the Philosophy and Basic Policy on Human Rights, Employment and Labor	—
2005	● Formulated the Principles and Basic Policies Concerning Raw Materials Procurement	● Became advocate for consideration of human rights throughout the supply chain
2022	● Formulated the Nippon Paper Group Human Rights Policy by revising the existing Philosophy and Basic Policy on Human Rights, Employment and Labor.	<ul style="list-style-type: none"> ● Revised in accordance with international human rights norms, endorsing the UN's Guiding Principles on Business and Human Rights ● Declared respect for human rights in all business activities of the Group
2022	● Revised the Principles and Basic Policies Concerning Raw Materials Procurement	● Revised the content to make the response to social issues such as respect for human rights and climate change more effective

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).

Human Rights Due Diligence

— Past initiatives

2007-	● Confirmed initiatives related to human rights in audits for overseas chip suppliers based on the Action Plan for Wood-based Raw Material Procurement
2011-	● Confirmed initiatives related to human rights in CSR audits for overseas consolidated companies
2015-	<ul style="list-style-type: none"> ● Conducted on-site interviews concerning human rights at overseas chip suppliers ● Conducted interviews concerning human rights at contractors in Japan
2021-	● Conducted human rights due diligence by the Human Rights Working Group

— Human Rights Due Diligence

- The Company launched the Human Rights Working Group and introduced human rights due diligence in 2021.
- Since 2022, the Company has listed and evaluated human rights risks (forced labor, child labor, freedom of association, discrimination, customer-related risks, and community-related risks) for all stakeholders (employees and customers of the Company itself and the Group companies, local communities, etc.) in value chains related to the paper and paperboard business, the paper carton business, and the chemical business. Then the Group has identified the highest priority human rights risks and considered countermeasures for these.
- The Company will continue to regularly evaluate human rights risks and work to expand the scope of coverage.

Activities Related to Respect for Human Rights

— Confirmation of Consideration for Human Rights at Overseas Wood Chip Suppliers

- Based on the Principles and Basic Policies Concerning Raw Materials Procurement, the Company has employees in charge of procurement or local representatives visit overseas wood chip suppliers to conduct interviews covering matters such as health, hygiene, safety, disaster preparedness, working conditions, and local environmental concerns.
- The target area of the surveys is all countries from which the Company procures wood chips, with priority given to countries with high-volume transactions or high risks.
- The contents of the interviews and inspections are reviewed annually. Based on the results of the interviews, the Company carries out improvements of human rights.

Results of On-Site Surveys of Overseas Chip Suppliers

Year of Survey	Country	Results
FY2017	Vietnam, United States	No problems found.
FY2018	Vietnam, Chile	No problems found.
FY2019	Malaysia, Russia	No problems found.
FY2020	Thailand	No problems found.
FY2021	Australia	No problems found.

— Human Rights Surveys at Contracted Mills in Japan

- The Company sends surveys to contracted mills in Japan and has them conduct a self-check, mainly to confirm compliance with labor and safety laws and regulations (once a year).
- Survey results are shared with the human resource managers of each mill for the purpose of support for improvements.
- Follow-up surveys have been conducted since FY2019.

— 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 conducts compliance training (see P.14) to encourage all employees to help prevent harassment in the workplace.

— Labor Initiatives

The Group supports the universal principles advocated by the UN Global Compact (freedom of association and recognition of the right to collective bargaining) (see P. 2).

— 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.31)
- ▶ Human rights considerations for overseas forest plantations (see P.24-25)

— Relationships with External Organizations

- The Company has been a member of Amnesty International Japan since 2007 and has the opportunity to share opinions at least once a year. In FY2021, the Company exchanged opinions about matters such as consideration for human rights at overseas wood chip suppliers and women's participation and advancement in the workplace.
- The Company has participated in EcoVadis since 2016 and is registered as a supplier. In 2021, the Company's human rights and other initiatives were evaluated and the Company was awarded a Gold Medal (see P.53).
- The Company is a member of the Global Compact Network Japan's Human Rights Due Diligence Subcommittee and exchanges information and opinions on recent human rights trends and each company's efforts.

— Remedy Mechanism

- The Company accepts inquiries regarding concerns about any possible violation of human rights through the Nippon Paper Group Helpline (→P.13), which the Company set up as an internal whistleblower system.
- Inquiries are also accepted through the Group's corporate website in both Japanese and English from anyone.
- The Company's Compliance Office and associated departments respond to inquiries received through the Nippon Paper Group Helpline and the Group's corporate website.
 - ▶ Number of human rights complaints: 18 (Nippon Paper, FY2021)
- The Group was subject to no legal actions whatsoever regarding human rights in FY2021.

→ Nippon Paper Group Inquiries
<https://www.nipponpapergroup.com/english/inquire/>

Realizing Diverse Work Styles

Improving Its Working Environment for Diverse Work Style

- Nippon Paper Industries focuses on improving its working environment where employees can demonstrate their abilities more. The Company is also working to create a working environment that realizes diverse work styles and to review its working system.
- In addition to promoting diversity through the development of an environment that realizes diverse work styles, the Company is formulating a BCP for situations that require responses, such as pandemics.

<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.)
- ▶ Half-day unit acquisition of expired annual paid leave (preserved leave)
- ▶ 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)
- ▶ 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 allow employees to take leave for volunteering (Japan Overseas Cooperation Volunteers, etc.)
- ▶ A system to overseas personnel (treatment tailored to other countries. For those seconded from Japan, overseas secondment system, hardship allowance, etc.)
- ▶ Guaranteeing exercise of civil rights*

* If employees exercise their right to vote or any other civil rights or perform a public duty during working hours for an unavoidable reason, they must be given the time required for such action based on their request and they shall be deemed to have worked during that time.

Systems introduced and revised in FY2021

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

Systems introduced and revised in April 2022

- ▶ Application of expired annual paid leave to absence from work related to fertility treatment and pregnancy and intermittent absence from work associated with treatment of a disease
- ▶ Extension of a period of application of childcare support measures, etc. (extended from before enrollment in elementary school to the end of the third grade of elementary school)
- ▶ Revision of the salary increase rule for those who have taken childcare leave or nursing-care leave

— 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 in 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 has been designated by Japan's Minister of Health, Labour and Welfare as a company that supports child rearing and has 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 regarding 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 work and nursing care, including preparation for 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)

	Scope	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Employees taking child-care leave	Consolidated companies in Japan	Persons	26	23	23	28	30
Male		Persons	0	3	2	5	13
Female		Persons	26	20	21	23	17
Recently giving birth		%	100	100	100	92	94
Who returned to work		%	100	90	100	100	99
Employees taking maternity/paternity leave	Consolidated companies in Japan	Persons	148	183	203	154	170
Male		Persons	122	163	184	129	152
Female		Persons	26	20	19	25	18
Average number of days taken for maternity/paternity leave	Consolidated companies in Japan						
Male		Days	3.4	3.7	3.8	4.0	4.0
Female		Days	78.0	79.2	67.9	77.7	88.9
Employees taking nursing-care leave	Consolidated companies in Japan	Persons	1	2	1	0	1
Total number of working hours	Nippon Paper Industries						
Non-management employees		Hours per person	1,903	1,900	1,885	1,861	1,870
All employees		Hours per person	1,927	1,923	1,894	1,888	1,905
The rate of annual paid leave taken by employees	Consolidated companies in Japan	%	—	—	74.4	64.7	70.8
	Nippon Paper Industries	%	71.8	75.1	76.6	67.9	73.6

— Initiatives to Shorten Working Hours

- The Company aims to make the total average working hours per year less than 1,850 hours for all employees, and is working on initiatives to promote the taking of annual paid leave, to thoroughly implement an office leaving time no later than 7:00 p.m. and no-overtime days, and improve work efficiency at each department.
- The Company has been promoting work-life balance since FY2021 by enabling flexible work styles for employees through the work-from-home system and the flextime system with no core time.

— Welfare

The Company has the following welfare programs.

<Examples of welfare programs>

- ▶ Provision of company housing, single dormitories, etc.
- ▶ Provision of recreational facilities
- ▶ Supporting property formation (property formation savings, the employee stockholding association (which regular employees can join), housing loan system, etc.)

Active Roles for Diverse Personnel

Recruitment and Employment

The Nippon Paper Group strives to stabilize employment and continue to recruit new employees and hire without discrimination based on the “Nippon Paper Group Human Rights Policy.”

- ▶ Clearly and formally communicate the recruitment process to all recruitment candidates
- ▶ Instruct interviewers in training sessions to prohibit discrimination based on race, religion, nationality, place of origin, gender, educational background, etc.
- ▶ Employment based on the place of operation

— Recruitment of New Graduates

The Company discloses information on the hiring of new graduates on its website.

— Mid-career Hiring

In addition to utilizing human resources within the company, the Company is also hiring mid-career employees, and will continue to do so in the future.

— Employment of People with Disabilities

- As of April 1, 2022, the employment rate of persons with disabilities in Nippon Paper Industries is 2.35%, achieving the statutory employment rate of 2.3%. The Company will continue to maintain and improve the employment rate at each site.
- The Company aims to achieve the employment rate of people with disabilities of 2.8% by 2030 (120% of the statutory employment rate).
- In order to avoid mismatches at the time of recruitment, the Company provides pre-training at workplaces before new hires join the Company. In addition, to ensure retention of new hires after joining the Company, we conduct regular follow-up interviews at one, three, and six months and a year after they joined the Company.
- The Company assigns people with disabilities to workplaces in consideration of the nature of their disabilities.
- The head office of Nippon Paper Industries is equipped with barrier-free toilets which can be used by not only people with disabilities but also by anyone. Mills are pushing forward with the installation of barrier-free toilets one after another.

— 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.
- In response to the amended Law Concerning Stabilization of Employment of Older Persons, which took effect in April 2013, the Company has 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.

— Rehiring Retired Employees

The Company has established a system that allows employees who have retired for any reason to play an active role in the Company again by making use of the experience and abilities cultivated while at the Company.

— Dispatched Workers

The cost of accepting dispatched workers is borne by the Company.

Employment Indicators

	Scope	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees on a consolidated basis* ¹	Consolidated companies	Persons	12,881	12,943	12,592	16,156	16,129
Male		Persons	11,451	11,503	11,118	13,984	13,926
Female		Persons	1,430	1,440	1,474	2,172	2,203
Number of overseas employees		Persons	2,582	2,587	2,504	5,961	6,050
Male		Persons	2,257	2,263	2,158	4,965	5,038
Female		Persons	325	324	346	996	1,012
Percentage of upper management from the local community		%	80.6	82.1	89.3	94.7	94.6
Number of new graduates hired	Consolidated companies in Japan	Persons	245	200	182	214	209
Male		Persons	220	171	146	167	166
Female		Persons	25	29	36	47	43
Number of mid-career recruits	Consolidated companies in Japan	Persons	198	204	222	172	122
Male		Persons	169	180	199	149	109
Female		Persons	29	24	23	23	13
Number of employees seeking reemployment after retirement	Nippon Paper Industries	Persons	46	168	95	80	126
Number of employees reemployed after retirement age	Nippon Paper Industries	Persons	46	168	95	81	126
	Consolidated companies in Japan	Persons	227	332	296	301	591
Average age of employees* ¹	Consolidated companies in Japan	Years	43.4	43.4	43.7	43.6	44.4
Male		Years	43.4	43.3	43.6	43.6	44.4
Female		Years	43.5	43.6	43.7	43.5	43.9
Average years of employment* ¹	Consolidated companies in Japan	Years	19.4	19.3	19.2	18.8	19.0
Male		Years	19.6	19.5	19.3	19.1	19.3
Female		Years	18.0	17.8	17.8	17.0	16.9
Turnover rate(Includes employees leaving at the mandatory retirement age)* ¹	Consolidated companies in Japan	%	2.6	5.7	4.6	3.0	3.3
Number of Managers* ^{1*2}	Nippon Paper Industries	Persons	1,095	1,134	1,112	1,132	1,218
Female		Persons	27	26	27	30	33
	Consolidated companies in Japan	Persons	2,305	2,227	2,302	2,385	2,404
Female		Persons	55	55	62	67	69
	Consolidated companies outside Japan* ³	Persons	139	151	196	358	556
Female		Persons	20	24	33	82	129
Percentage of female employees in management* ^{1*2}	Nippon Paper Industries	%	2.47	2.29	2.43	2.65	2.71
	Consolidated companies in Japan	%	2.39	2.47	2.70	2.81	2.87
	Consolidated companies outside Japan* ³	%	14.4	15.9	16.8	22.9	23.2
Dispatched workers* ¹	Consolidated companies in Japan	Persons	105	89	108	111	105
Male		Persons	39	41	47	46	38
Female		Persons	66	48	61	65	67
Percentage of dispatched workers	Consolidated companies in Japan	%	1.0	0.8	1.1	1.1	1.0
Number of part-time workers* ¹	Consolidated companies in Japan	Persons	431	465	512	514	465
Male		Persons	245	293	293	290	279
Female		Persons	186	172	219	224	186

*1 Fiscal year-end data

*2 Percentage 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

*3 Managerial personnel at the level of section manager or positions higher

— Other Employment-related Information

- The Company conducts risk assessments and respond to labor issues related to new business and existing business.
- The Company did not carry out layoffs in FY2021.
- There were no employees affected by the Company's M&As in FY2021.

Number of Employees by Age Group (Nippon Paper Industries, March 31, 2022)

	Unit	Less than 30	30 to 50	Over 50	Total
Number of employees	Persons	931	3,041	2,551	6,523
Male	Persons	852	2,798	2,289	5,939
Female	Persons	79	243	262	584

Number of Employees by Region (March 31, 2022)

	Unit	Japan	Oceania	Asia	North America	Other
Number of employees	Persons	10,150	4,465	241	515	758
Male	Persons	8,955	3,694	178	442	657
Female	Persons	1,195	771	63	73	101

Promotion of Women's Participation and Advancement in the Workplace

The Company obtained "L-boshi certification (level 2)" from the Tokyo Labor Bureau in February 2022.

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

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

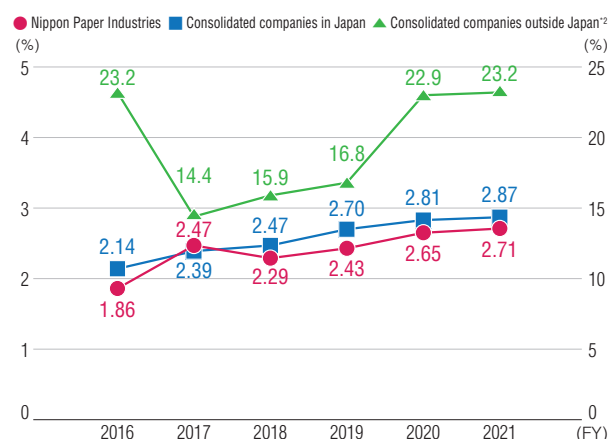
2. Contents

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.

— Percentage of Female Employees in Management and Hiring of New Graduates for Career-Track Positions

Percentage of Female Employees in Management*1



*1 Percentage 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

*2 Managerial personnel at the level of section manager or positions higher

Hiring of new graduates for career-track positions (Nippon Paper Industries)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Career-track hires	Persons	53	50	48	43	48
Female	Persons	13	13	17	13	19
Percentage of women	%	25	26	35	30	40

Initiatives Aimed at Developing Human Resources

– Training Personnel to Match the Group’s Ideal Vision

The Company’s ideal vision for personnel is “leaders who will promote change,” and the Company is implementing the following initiatives to strengthen the development of such personnel.

- ▶ 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 the Company’s 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, etc.

– 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 the following five key points.

① Support for self-development and voluntary skill acquisition

- ▶ 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, groups based on the year of joining the Company, and new managers, is conducted jointly by Group members.
- ▶ Job-level-based training at the head office
- ▶ Job-level-based training at mills is conducted not just for a single mill but together with neighboring mills.
- ▶ Dispatching employees to colleges/universities in Japan (to obtain a degree)

② Assignment of the right people to the right positions

- ▶ 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.
- ▶ Introduction of an “internal side occupations program*”

* A system in which an employee is allowed to be engaged in operations of a department in which they are interested, while retaining the position in their own organization

③ Development of employees capable of acting on a global stage

- ▶ 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

- ▶ Creating a committee to strengthen frontline capabilities in FY2006 in all mills.
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

- ▶ 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.

— Provision of Education and Training

- In FY2021, the number of hours of education per employee at consolidated companies in Japan was 5.1 hours.
- The Company's educational expenses related to human resource development supervised by the Human Resources Department in FY2021 amounted to ¥41,754,032. The educational expense per employee who received education was ¥52,323 and the time required for education per such person was 17.6 hours.

Major Training Sessions Provided (Nippon Paper Industries, FY2021)

Type of training, etc.		Expense (Thousand Yen)	Hours per person	Number of participants
Career advancement	Job-level-based	34,425	224.5	269
	Selective	1,525	21	91
Training for evaluators		4,688	7.5	179
Language training		1,116	2	259

CASE STUDY Implement Small Group Activities*¹ 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*² (once a year)
- ▶ Nippon Paper Group (including overseas): presentation meeting*³ (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 Held online in FY2021 to prevent the spread of COVID-19

*3 Held online for Japanese Group companies only in FY2021 to prevent the spread of COVID-19

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 standards 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 to enhance objectivity for decisions on promotions to management and other positions
- The Company has adopted a "Performance Evaluation System" under which compensation to employees is determined depending on their performance.
- The Company has established a program such as president awards, business site manager awards, president awards for patents, and outstanding technician awards, to recognize special achievements.
- The Company has established a system under which incentives are paid to achievements of employees.
 - ▶ e-Kaizen Program: A proposal system for business improvement. The impact of proposals is evaluated in points and incentives are paid according to the points
 - ▶ Invention Compensation System: Appropriate consideration will be paid to employee invention in accordance with the Patent Act
- There is no difference between male and female in the salary system of the Company.

— Engagement Survey

- The Company has conducted an employee engagement survey once in two years since 2019.
- The Company considers that this survey is important to reinforce the relationship of employees to the Company so that they head in the same direction and grow together. The Company strives to promote communication, improve the working environment, and make such other efforts based on the results obtained through the surveys.

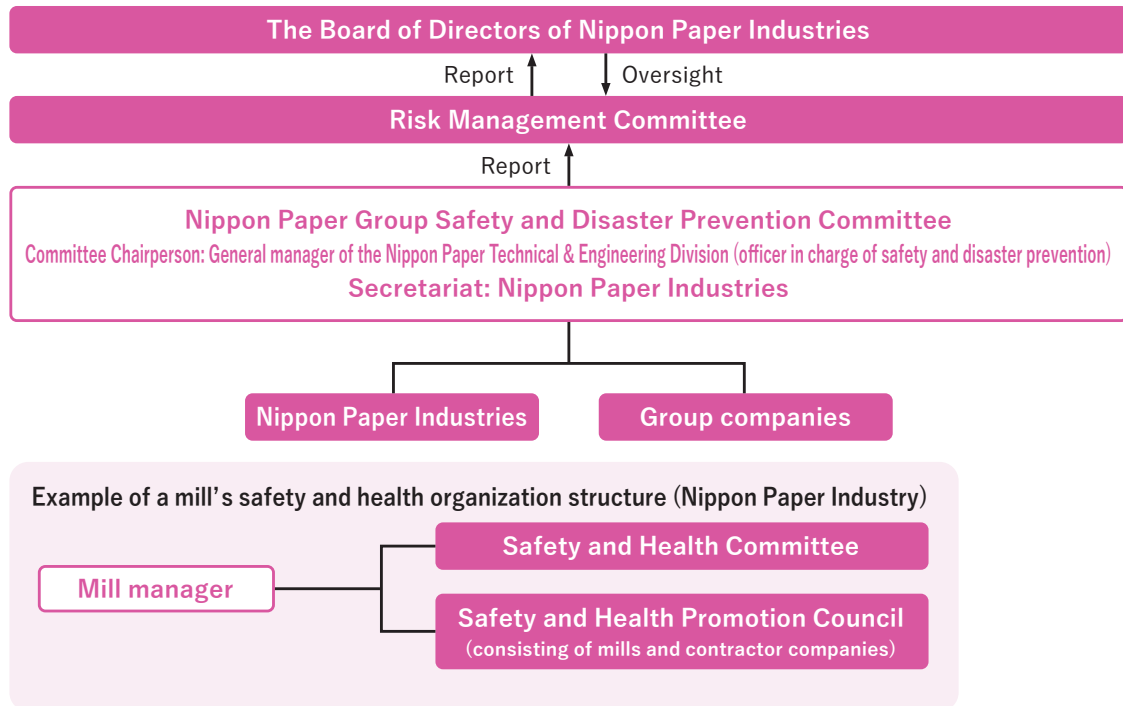
Industrial Relations

- 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.
- The Company has adopted a union-shop system and all of the employees covered by collective bargaining agreements are union members. (Number of labor union members as of March 31, 2022: 4,613)
- 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. Based on the agreements between employees and the management, the Company takes various measures and works to improve the working conditions and environment. 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.

Occupational Safety and Health

» Philosophy and Basic Policy on Safety and Health Measures (see P.90)

Occupational Safety and Health Promotion Structure



- Nippon Paper 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 contractors) are held separately at each location including mills and offices once a month.
- The Company promotes safety and health management activities by cooperating and collaborating with management and employees, as well as contractors and related sub-contractors working at each location.
- The Nippon Paper Group Philosophy and Basic Policy on Safety and Disaster Prevention also applies to any contractors and sub-contractors working on site.

— Occupational Safety and Health Management System

- The Group operates 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. In addition to existing work, if there is new work or a change in work, the Group predicts health and safety risks and takes preventive measures.
- The Group formulates and promotes safety and health plans for each mill, business site, and Group company, and conducts Mill Safety Audits at least once a year as part of its drive to improve safety standards.
- The Company also incorporates into its safety activities any advice from external experts on ways to improve its standards, including safety diagnoses conducted by the Japan Industrial Safety and Health Association.

Acquisition of ISO 45001 Certification (as of the end of 2021)

	Number of certified companies	Total number of companies
Consolidated Group companies in Japan	0	28
Consolidated companies outside Japan	2*	12
Total	2	40

* Certified companies: Jujo Thermal and Opal (Opal has ISO45000 certification at 14 locations and AS4801 certification at 9 locations)

External Awards for Safety Activities (FY2021)

Award	Awarded Company, Office
61st National Conference of the Pulp and Paper Industry on Safety and Health (Safety Award)	Nippon Paper Industries Iwanuma Mill and Nippon Paper Papyrus Suita Mill
61st National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award)	Nippon Paper Industries Kushiro and Iwakuni Mills
2022 Company with an Excellent Safety and Health Environment (Gold Medal)*	Siam Nippon Industrial Paper

*Received the 2022 award

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.

Efforts regarding Safety and Disaster Prevention

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

Medium-Term Safety Activity Plan

Plan pillars	(1) Developing safe working environments, (2) Managing risks, (3) Training personnel to work safely
Ultimate Environment	Eliminating all personal injuries* ¹ within its mills
The goal	To build a foundation for achieving zero disasters based on an independent safety-conscious climate
Plan Duration	2020-2025
Performance Indicators²	2020-2022 Serious occupational accident eradication measures period (Serious occupational accidents: 0, Frequency rate for lost-worktime injuries: 0.4)
	2023-2025 Period for preparing for zero occupational accidents (Serious occupational accidents: 0, Frequency rate for lost-worktime injuries: 0.1)

*1 This ultimate environment includes all stakeholders on Nippon Paper Group premises including Group employees, employees of contractors working on site, and visitors from outside.
*2 Mill management indicators are determined every 12 months

— Safety Education

- The Nippon Paper Group promotes further safety and health awareness by providing opportunities for safety education throughout the Group, including to employees, contractors, and sub-contractors.
- The Company formulates annual Occupational Safety and Health Management System plans at each of its mills and offices, and implements safety education. It also has a system to review and improve educational content and the intended audience as necessary.
- The Company without fail implements the education mandated under the Industrial Safety and Health Act based on the Guidelines on Safety and Health Education established by the Ministry of Health, Labour and Welfare. It also implements education on topics such as emergency lifesaving, heat stroke prevention, and traffic safety, as well as safety education to visitors.
- The Company encourages participation in safety-related qualifications (e.g., RST*) and external training to gain specialized knowledge.

*Rodosho (Ministry of Labor in Japanese) Safety and Health Education Trainer

- The Company conducts a survey once a year to keep abreast of the status of safety and health education at each of its mills and offices.

— Ensuring Thorough Safety on Site

- Based on its mission of eliminating all personal injuries within its mills, the Company conducts safety patrols in collaboration with labor unions and contractors, and gives instructions and guidance to correct unsafe practices.
- Provide personal protective equipment and other safety equipment for safety and health-related work.
- Provide guidance to contractors and promote voluntary safety activities, including risk prediction and risk assessments.

— 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 investigates the dangers and toxicity of these substances and uses what it learns to take appropriate risk reduction measures and manage residual risks.

— Preparing for Natural Disasters and Fires

The Group implements the following measures in preparation for natural disasters and fires:

- ▶ 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.
- ▶ Undergo regular disaster prevention surveys by specialist risk assessment companies.*

*At Nippon Paper Industries

— Raising awareness of traffic safety

The Group implements the following initiatives aimed at raising awareness of traffic safety:

- ▶ 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^{*1}

(Calendar year)

	2016	2017	2018	2019	2020	2021
Nippon Paper Industries	0.15	0.65	1.21	0.73	0.39	0.51
Nippon Paper Group ^{*2}	0.10	0.69	1.16	0.54	0.37	0.46
Nippon Paper Group ^{*2} (contractors only)	0.57	0.61	0.54	0.98	1.10	0.62
Manufacturing industry	1.15	1.02	1.20	1.20	1.21	1.31
Pulp, paper and converted paper product manufacturing industry	1.31	1.46	1.88	1.94	1.54	1.85

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

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

Occupational Accident Severity Rate^{*1}

(Calendar year)

	2016	2017	2018	2019	2020	2021
Nippon Paper Industries	0.01	0.03	0.02	0.03	0.01	0.04
Nippon Paper Group ^{*2}	0.01	0.02	0.03	0.03	0.01	0.03
Nippon Paper Group ^{*2} (contractors only)	0.04	0.03	0.47	0.55	1.10	0.09
Manufacturing industry	0.07	0.08	0.10	0.10	0.07	0.06
Pulp, paper and converted paper product manufacturing industry	0.04	0.24	0.22	0.63	0.39	0.06

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

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

Number of work-related employee/contractor fatalities of Nippon Paper Group^{*}

(Calendar year)

	2017	2018	2019	2020	2021
Nippon Paper Group Employees	0	0	0	0	0
Contractors	0	1	1	2	0
Total	0	1	1	2	0

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

• In 2021 there were no work-related fatalities in the Group.