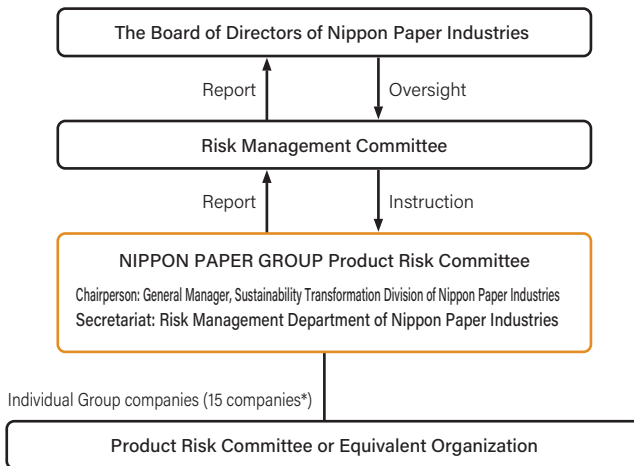| Management Responsibility | Responsibility for the Sustainable Use of Forest Resources | Environmental Responsibility | Responsibility to Customers | Human Rights, Employment and Labor Responsibility | Responsibility to Communities and Society | ESG Data Section | Basic Policy, etc. |

NIPPON PAPER GROUP ESG Databook 2025

Stable Supply of Products, Enhanced Safety

1 Basic Policy

📖 →P95 **Philosophy and Basic Policy on Product Safety**

2 Promotion Structure

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┌─────────────────────────────────────────────┐
│ The Board of Directors of Nippon Paper Industries │
└─────────────────────────────────────────────┘
      Report ↑        ↓ Oversight
┌─────────────────────────────────────────────┐
│           Risk Management Committee            │
└─────────────────────────────────────────────┘
      Report ↑        ↓ Instruction
┌─────────────────────────────────────────────┐
│ NIPPON PAPER GROUP Product Risk Committee      │
│ Chairperson: General Manager, Sustainability   │
│ Transformation Division of Nippon Paper Industries │
│ Secretariat: Risk Management Department of     │
│ Nippon Paper Industries                        │
└─────────────────────────────────────────────┘
Individual Group companies (15 companies*)
┌─────────────────────────────────────────────┐
│ Product Risk Committee or Equivalent Organization │
└─────────────────────────────────────────────┘
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* Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, Kokuei Paper, GAC, Nippon Paper Sacks, Kyouei Seitai, Nippon Paper Lumber, NP Trading, Flowric, Opal, Jujo Thermal, Siam Nippon Industrial Paper, Nippon Dynawave Packaging, Akita Jujo Chemicals
(As of June 30, 2025)

● NIPPON PAPER GROUP's product safety activities are overseen by the NIPPON PAPER GROUP Product Risk Committee, which the General Manager of the Sustainability Transformation Division chairs.

● The Group complies with laws and regulations in Japan and overseas, and strives to ensure product safety through management methods suited to the characteristics of its business and products.

● In FY2024, the Committee reported to the Board of Directors through the Risk Management Committee on the progress of strengthening product risk management at the Group and other matters.

3 Enhanced Product Safety

1. Efforts to Improve Product Safety

● The Group ensures product safety by conducting management based on laws and regulations such as the Food Sanitation Act and the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Pharmaceuticals and Medical Devices Act), according to the characteristics of its business and products. Management methods are reviewed as appropriate.

● Under relevant laws and internal regulations, the Group discloses information on the quality and safety of its products and provides this information on products and labels.

● In FY2022, major Group companies formulated and began implementing product risk management regulations based on minimum standards for product safety and quality assurance.

● With regard to food-related products, the Group engages in management in accordance with legal regulations on food safety, management systems and standards, and acquires certifications such as FSSC 22000 as necessary.

2. Response to the Positive List System for Food Product Utensils, Containers, and Packaging

● Food product utensils, containers, and packaging (made of synthetic resin) produced by the Group are in conformance with the Positive List System (which allows only substances that have been evaluated as safe. Hereinafter, "PL System") for synthetic resins stipulated by the Food Sanitation Act.

● Paper and paperboard will also likely be subject to the PL system in the future. To respond to this system, the paper industry is revising its voluntary standards. Prior to the revision of the industry's voluntary standards, Nippon Paper Industries revised its internal guidelines in FY2024.

4 Quality Management

1. Common Initiatives among Group Companies and Businesses

● Nippon Paper Industries has acquired ISO9001 certification, an international standard for quality management, as necessary.

● The Company has built quality management systems that match the characteristics of its products.

● The Company has established management systems to prevent product defects from occurring, and provide a response in the unlikely event that a defect does occur.

● Each management system is reviewed as necessary.

2. Quality Initiatives in the Paper and Paperboard Business (Nippon Paper Industries)

● Each sales department has technical staff in place who listen directly to customer requests.

● Utilizing an in-house database that connects production, sales, and technology departments together, the Company shares the necessary information with all personnel involved in quality control.

● The Risk Management Department audits the above operations conducted by the quality management division to ensure the proper procedures are followed.

● In preparation for possible product defects, the following measures are being implemented.

  ▪ Establish reporting lines in case of a defect and launch an emergency organization as necessary
  ▪ Ensure traceability
  ▪ Take out product liability insurance (PL insurance) for main products
  ▪ Implement countermeasures horizontally to prevent similar defects

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Stable Supply of Products, Enhanced Safety

● The Company has established respective management systems in order to respond to customer requests, such as waste paper pulp blending ratios, forest certification, use of wood from forest thinning, etc.

- At the head office, procedures have been established and followed for identification of brands subject to management, issuance of certificates, etc.
- The Company manages production procedures at each of the Group's mills, based on the ISO 14001 environmental management system.
- Operational management of the foregoing is confirmed through internal and third party audits, and each department makes revisions as necessary.

3. Initiatives in the Packaging Business (Nippon Paper Industries)

Paper-Pak Sales Division provides quality and technical support (as needed), local quality meetings, and product safety and health audits (once a year) at each business location of Nippon Paper Liquid Package Product, which are production sites.

4. Occurrence of Product Incidents

The Group had no "Product Incidents" or "Serious Product Incidents"* in FY2024.

* "Product Incidents" and "Serious Product Incidents" as stipulated in Article 2, Paragraphs 5 and 6 of the Consumer Product Safety Act

5 Acquisition Status of Major Certifications Related to Product Safety

Acquisition Status of Major Certifications Related to Product Safety at Japanese Production Sites (As of March 31, 2025)

Company name	Quality management system (ISO9001)	Quality management systems for food product safety and other certifications
Nippon Paper Industries	Shiraoi Mill[1], Akita Mill, Nakoso Mill, Ashikaga Mill, Soka Mill, Fuji Mill (Yoshinaga), Gotsu Mill[2], Otake Mill, Iwakuni Mill[3], Higashimatsuyama Mill	FSSC22000: Gotsu Mill[4] Halal Certification: Gotsu Mill[5]
Nippon Paper Industries (Related to cellulose derivative business such as CNF)[6]	Fuji Innovative Materials Research Laboratory, Ishinomaki Mill's Cellulose Nanofiber Development Section, Biomass Material Sales Promotion Department	—
Nippon Paper Crecia	Tokyo Mill	—
Nippon Paper Papylia	Harada Mill, Suita Mill, Kochi Mill	ISO22000: Kochi Mill
GAC	Head office/Mill, Marketing Division	—
Nippon Paper Sacks	Hokkaido Office, Maebashi Mill, Saitama Mill, Kansai Office	—
Kyouei Seitai	Head office, Koganei Mill, Hokkaido Mill	—
N&E	Head Office Plant	—
Flowric	Head office, Concrete Research Center, Nagoya Mill	—
Nippon Paper Ishinomaki Technology	Head office	—
NIPPON PAPER UNITEC	Head office, Kasukabe Office	—
Nippon Paper Liquid Package Product	—	FSSC22000: Egawa Mill, Miki Mill, Ishioka Mill
Akita Jujo Chemicals[7]	—	Akita Prefecture HACCP: Head Office Plant

[1] Certified for the production of pulp and base paper for food on No.9 and 10 paper machine and No.32 coater
[2] Certified for the production of CMC (carboxymethyl cellulose), CM-CNF (carboxymethylated cellulose nanofiber), powdered cellulose, ribonucleic acid and enucleated yeast
[3] Chemical Production Department is certified
[4] Certified for the production of CMC, CM-CNF, powdered cellulose, stevia and licorice sweeteners (all for use in food)
[5] Certified for dissolving pulp, CMC (including CM-CNF), ribonucleic acid, stevia products (partial)
[6] Certified for the design, development, and manufacturing of cellulose derivative business at Fuji Innovative Materials Research Laboratory
[7] Certified for food additives (heme iron, butter oil flavoring)

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Stable Supply of Products, Enhanced Safety

Acquisition Status of Major Certifications Related to Product Safety at Overseas Production Sites (As of March 31, 2025)

Company name	Quality management system (ISO9001)	Quality management systems for food product safety and other certifications
Nippon Dynawave Packaging	Longview Washington Mill[1]	FSSC22000: Longview Washington Mill[2]
Opal	Acquired at 28 sites	FSSC22000: Acquired at 5 sites. ISO22000: Acquired at 5 sites.
Jujo Thermal	Kauttua	ISO22000: Kauttua
Siam Nippon Industrial Paper	Siam Nippon Industrial Paper	Good Manufacturing Practice: Siam Nippon Industrial Paper
TS Packaging	Ipoh	FSSC22000: Ipoh

[1] Certified for the manufacture of liquid packaging board rolls which are sold uncoated and coated to converting plants
[2] Certified for the manufacture of liquid packaging boards for use in food applications

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CASE STUDY

Establishment of a System to Respond to Earthquakes and Other Disasters (Nippon Paper Industries)

If the supply of newsprint becomes difficult due to disasters or other reasons, the Company has developed a system to ensure smooth supply jointly with member companies under the emergency response guidelines established by the Japan Paper Association's Newsprint Committee.

Development and Introduction of "e-musen junkai™" (e-wireless patrol) System
(Nippon Paper Industries, NIPPON PAPER UNITEC, and Sakurai)

"e-musen junkai™" is a facility monitoring system developed independently by the Group. In the past, signs of equipment abnormality were mainly detected by people patrolling the production site. By using "e-musen junkai™," temperature and vibration acceleration data of machinery in operation are collected wirelessly, and trends can be monitored with graph data. This helps to prevent sudden stoppages caused by equipment problems for stable machinery operation and further contributes to resolving labor shortages by reducing the burden on on-site workers. While being successively introduced to all the Company mills in Japan, the system has been adopted by a growing number of companies outside the Group, including major automotive and textile companies. The Company has also obtained wireless certification and begun sales in Thailand.

6 Stable Supply of Products

- The Company is securing stable supplies of raw materials and systematically developing and updating production facilities to supply its customers with the quantity they need when needed.

- Sales departments and production departments coordinate in developing flexible and lean production plans and inventory management.

- Anticipating that carrying out normal business operations will become difficult in the event of large-scale disasters, outbreaks of infectious diseases, and other serious consequences, each department formulates a BCP (business continuity plan) based on the BCM (business continuity management) scheme and reviews it as necessary.

7 Employee Training and Education

- The NIPPON PAPER GROUP Product Risk Committee conducts training on product safety twice a year.

- The Group provides technical personnel and others with information on laws and regulations centered on chemical substance management.

Management Responsibility | Responsibility for the Sustainable Use of Forest Resources | Environmental Responsibility | **Responsibility to Customers** | Human Rights, Employment and Labor Responsibility | Responsibility to Communities and Society | ESG Data Section | Basic Policy, etc.

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Responses to Changes in the Social Environment

1 Basic Policy

As a comprehensive biomass company, NIPPON PAPER GROUP responds appropriately to changes in the social environment and customer needs, while providing products and services that contribute to the building of a sustainable society, through which the Group aims to improve its corporate and economic value, thereby realizing the Group Mission.

2 Products that Contribute to the Building of a Sustainable Society

● The Group will continue to contribute to building a sustainable society and achieving SDGs (Sustainable Development Goals) by providing products and services that leverage its diverse technologies and know-how in the field of renewable wood resources.

● Each of the companies in the Group promotes the development of environmentally friendly products at each stage of the product life cycle, including raw material procurement, product manufacturing, use, post-use, and disposal.

CASE STUDY

Strawless Paper Pack for School Milk "School POP®" (Nippon Paper Industries)

The product is designed to be easy to open and hygienic so that you can drink directly from the carton, and a straw hole in the carton is left in consideration of those who need straws. Nippon Paper Industries contributes to addressing climate change issues by cutting CO_2 emissions by reducing the use of disposable straws.

The product has been adopted in 24 prefectures as of April 2025.

CASE STUDY

"Long-lasting Roll" Series (Nippon Paper Crecia)

The "SCOTTIE® Toilet Rolls FLOWERPACK 3 times long use 4 Rolls (Series)" lasts 3 times longer than the conventional product*, so you can reduce the hassle of replacing and save storage space. In addition, it contributes to a reduction of environmental impact, such as reducing the core of rolls and reducing CO_2 emissions by improving the loading rate during delivery.

* SCOTTIE® FLOWERPACK 12 Rolls (Series)

Cellenpia® (Nippon Paper Industries)

The CNF Cellenpia® series is a biomass material created using technology that breaks down the fiber of cellulose to the nano-level. Its plant-based fiber origin reduces the environmental impact of production and disposal, and the material has various properties, including lightweight, high strength, high oxygen barrier properties, and thermal stability. In addition to its growing applications in food and cosmetics, Cellenpia® was adopted for mass-produced parts of transportation equipment in 2023, the first case in the world*.

* According to research by the Company

Genki MoriMori™ (Nippon Paper Industries)

Genki MoriMori™ is a new cattle feed made by utilizing pulping technology to remove lignin from wood material and extract highly digestible fiber (cellulose). The feed is high in energy and easy to digest, and its stable quality and supply are both ensured by using wood sourced in Japan and manufacturing in a domestic mill. The Company contributes to the sustainable development of livestock farming with products that make effective use of wood resources.

3 Addressing Customer Issues

The Group works on proactive communication with customers, from daily sales activities by sales departments to quality patrols by technical staff, in order to understand and respond to a wide range of customer issues and needs.

Main Initiatives

Company name	Method	Details
NIPPON PAPER GROUP	Inquiries on the website	Acceptance of inquiries on businesses, products, activities, etc. are accepted in Japanese and English.
NIPPON PAPER GROUP	Factory tours and inspections	Acceptance of factory tours for local students and residents, and factory audits by certification bodies, etc.
Nippon Paper Industries	Technical lectures for customers	Conducting technical lectures (Paper-Pak School) for customers in charge of filling machine at dairy and beverage companies.
Nippon Paper Crecia	Customer consultation desk	Offering a system whereby the opinions and questions of customers can be utilized for the further development and improvement of products.

4 Participation in ESG Information Sharing Platform

As a supplier, the Group participates in international platforms that share information on and improve companies' environmental and social practices in the supply chain.

Platform Participation and Assessment

Company name (site)	Name of platform	Year of participation	Assessment/Audit
Nippon Paper Industries	EcoVadis	2016	Awarded the bronze medal in 2024
Nippon Paper Liquid Package Product (Egawa Mill)	Sedex	2019	Undergone "SMETA Audit" for CSR assessment