

# Respect for Human Rights

## 1 Basic Policy

### **→P95** NIPPON PAPER GROUP Human Rights Policy

- This policy was approved by the Board of Directors of Nippon Paper Industries in May 2022.
- The policy is available in Japanese and English and disclosed on the NIPPON PAPER GROUP's website to inform all stakeholders, including the Group employees and suppliers.
- In addition to this Policy, all business entities of the Group comply with laws and regulations including minimum wages.

### **→P92** Principles and Basic Policies Concerning Raw Materials Procurement

- In September 2022, "Principles and Basic Policies Concerning Raw Materials Procurement" was revised.
- During the preparation process, the Group repeatedly engaged in dialogue with external experts and reflected stakeholders' opinions in the revised content.
- The document was prepared in Japanese and English and disclosed on the website of the Group to convey the content to its suppliers worldwide.

## NIPPON PAPER GROUP's Commitments Relating to Human Rights

Year	Topics	
2004	Signed and began participating in the United Nations Global Compact	● Expresses support for the 10 Principles in 4 fields, including human rights
2004	Established the Philosophy and Basic Policy on Human Rights, Employment and Labor	● Declaration of respect for basic human rights and prohibition of forced labor and child labor
2005	Established the Principles and Basic Policies Concerning Raw Materials Procurement	● Stated consideration of human rights throughout the supply chain
2022	Established the NIPPON PAPER GROUP Human Rights Policy by revising the Philosophy and Basic Policy on Human Rights, Employment and Labor	<ul style="list-style-type: none"> <li>● Revised in accordance with international human rights norms, endorsing the UN's Guiding Principles on Business and Human Rights</li> <li>● Declared respect for human rights in all business activities of the Group</li> </ul>
2022	Revised the Principles and Basic Policies Concerning Raw Materials Procurement	● Revised the content to allow more effective responses to social issues, such as respect for human rights and climate change

## 2 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.

### **→P08** Risk Management Promotion Structure

## 3 Human Rights Due Diligence

### 1. Human Rights Due Diligence Initiatives

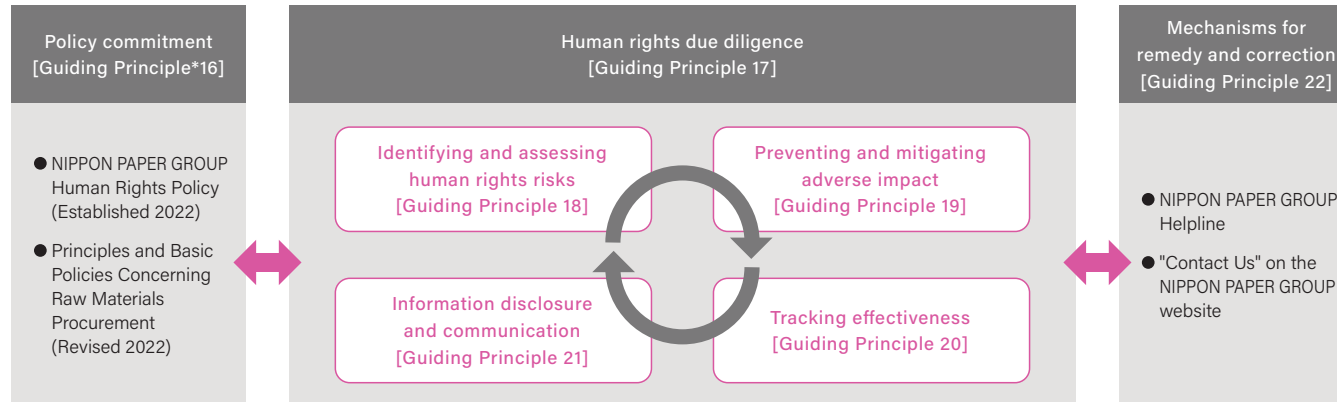
- The Company launched the Human Rights Working Group and introduced human rights due diligence in 2021.
- The Company has constructed a human rights due diligence system based on the "corporate responsibility to respect human rights" required by the United Nations "Guiding Principles on Business and Human Rights."
- In 2022, the Company 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, Group companies, suppliers, local communities, etc.) in value chains related to the Paper and Paperboard Business, the Paper-Pak Business, and the Chemical Business. Then the Company identified human rights issues that are high-risk and should be prioritized.
- The Company is working to address high-priority human rights issues, for example, by expanding the content and scope of the survey for its business partners.
- The Company will continue to conduct human rights risk assessments regularly, working with business partners to reduce risks and expanding the assessment scope.

### Initiatives to Confirm Respect for Human Rights in the Value Chain

Year	Content
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~	<ul style="list-style-type: none"> <li>● Confirmed initiatives related to human rights in <u>CSR surveys</u> <b>→P02</b> for overseas consolidated subsidiaries (For all consolidated subsidiaries from 2021)</li> </ul>
2015~	<ul style="list-style-type: none"> <li>● Conducted on-site interviews concerning human rights at overseas chip suppliers</li> <li>● Conducted interviews concerning human rights at contractors of mills in Japan</li> </ul>
2021~	● Conducted human rights due diligence by the Human Rights Working Group
2023~	● Expanded the supplier survey, which was previously limited to the woody material suppliers, to include critical suppliers of general raw materials for paper and paperboard products
2024~	● Started working on initiatives for products such as paper cartons, chemical, household paper and healthcare, and specialty paper, in the same way as for paper and paperboard

## Respect for Human Rights

### Overview of Human Rights Due Diligence (Nippon Paper Industries)



\* The United Nations Guiding Principles on Business and Human Rights

### 2. Identification of Human Rights Issues

The Company identified human rights issues that should be prioritized through the following process.

- (1) Referring to various kinds of international guidance, such as the human rights guidance tools formulated by the United Nations Environment Programme Finance Initiative and the Caux Round Table Japan's "Important Human Rights Issues by Industry (9th edition)," the Company has organized the human rights issues in the Company's\* value chain and made a list of human rights risks for each stakeholder.

\* The Paper and Paperboard Business, the Paper-Pak Business, and the Chemical Business

- (2) All human rights risks on the list were scored from the perspectives of "adverse impact on human rights," "probability of occurrence," and "relationship/distance with the Company," and the Company identified human rights that should be prioritized.

### 3. Human Rights Surveys at Contractors of Mills in Japan

- The Company sends survey forms to contractors of mills in Japan and has them conduct self-checks 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.
- In FY2022, the Company reviewed the survey contents based on the results of the human rights risk assessment and has conducted a survey using the revised version since FY2023.
- In FY2024, the Company received survey replies from a total of 82 contractors at 15 sites in Japan.

### 4. 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 Company is improving the current surveys by reviewing the contents of the interviews every year based on the results of previous interviews and dialogue with external stakeholders.

### Results of On-Site Surveys of Overseas Chip Suppliers

Year of Survey	Country	Results
FY2020	Thailand	No problems found
FY2021	Australia	No problems found
FY2022	Vietnam	No problems found
FY2023	Brazil, Thailand	No problems found
FY2024	Vietnam	No problems found

### 5. Expansion of Confirmation of Human Rights Issues for Material Suppliers

- Under the "Principles and Basic Policies Concerning Raw Materials Procurement," the Company formulated an action plan for the procurement of all raw materials in FY2022.
- Based on the action plan, the Company expanded the confirmation of human rights issues through a survey, which was previously limited to the suppliers of woody materials such as chips and pulp, to include critical suppliers of general raw materials not only for paper and paperboard products but also for paper cartons, chemical, household paper and healthcare and specialty paper. Surveys have been conducted successively since FY2024.

### 6. Human Rights Surveys within the Group

The Group conducts annual [CSR surveys](#) → P02 to confirm the status of human rights initiatives at each Group company.

## Respect for Human Rights

### 4 Remedy Mechanism

- The Company accepts inquiries regarding concerns about any possible violation of human rights through the "NIPPON PAPER GROUP Helpline," which the Company set up as an internal whistleblower system.
- The Group's website also accepts inquiries in Japanese and English through the "Contact Us" page, which is open to 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. In FY2024, there were 29 human rights-related complaints (harassment-related).
- The Group was subject to no legal actions whatsoever regarding human rights in FY2024.



→P11

#### Whistleblower System (Remedial Measures)

- ・NIPPON PAPER GROUP Helpline
- ・"Contact Us" on the NIPPON PAPER GROUP website

### 5 Other Initiatives

#### 1. Training and Development Activities for Employees, etc.

- In pursuit of personnel management cognizant of human rights, the Group has employees responsible for personnel matters at each company and office participate in training courses hosted by government agencies.
- The Group conducts compliance training to encourage all employees to help prevent harassment in the workplace.
- In FY2024, based on the "NIPPON PAPER GROUP Human Rights Policy," the Company held e-learning training →P02 for all Group employees, with a total of 9,615 participants (Theme: "Fundamentals of Business and Human Rights").
- The sustainability lecture, →P02 which is held regularly by the Company, featured human rights in FY2024 to raise awareness among all Group employees and contractors of its mills.



→P12

#### Achievements in Compliance-related Employee Training and Education

#### 2. Labor Initiatives

The Group implements the following initiatives regarding respect for human rights in labor.

- Support for the universal principles advocated by the United Nations Global Compact (freedom of association and recognition of the right to collective bargaining)
- Continuous dialogue between labor and management →P73
- Stipulating the prohibition of harassment in the Company's employment rules (Nippon Paper Industries)

### 3. Local Community Initiatives

The Group implements the following initiatives to protect the human rights of people in the areas where the Group conducts its business.

- Environmental communications →P27
- Coexistence with local communities in overseas plantation projects →P20

### 4. Relationships with Other External Organizations and Other Institutions

- The Company holds dialogues with external experts to confirm objective evaluations of its human rights initiatives and consider improvements.
- 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 FY2024, the parties discussed the human rights training for all Group employees, the human rights issue survey for contractors of mills in Japan, and the expansion of the scope of human rights issue confirmation through a survey for raw material suppliers.
- The Company participates in the Global Compact Network Japan's Human Rights Due Diligence Subcommittee to collect information and exchange opinions on the latest trends in human rights and the initiatives of each company.

# Realization of Diverse Work Styles

## 1 Basic Policy

Nippon Paper Industries states that one of the requirements of its Vision for the Group Mission is "instill pride in employees." Since employees' values regarding career building are diversified, the Company is promoting the development of an internal environment that realizes diverse work styles.

  **NIPPON PAPER GROUP Human Rights Policy**

  **Human Resource Strategy**  
(NIPPON PAPER GROUP Integrated Report 2025, P.48-51)  
[https://www.nipponpapergroup.com/english/csr/npg\\_ir\\_e\\_2025\\_48-51.pdf](https://www.nipponpapergroup.com/english/csr/npg_ir_e_2025_48-51.pdf)

## 2 Improving the Internal Environment to Enable Diverse Work Styles

### 1. Support for Balancing Childcare and Work

- The Company has implemented systems that exceed the provisions stipulated under the Act on Childcare Leave/Caregiver Leave to support the achievement of a balance between childcare and work.
- The Company issued a "Childbirth and Childcare Guidebook" summarizing information necessary for achieving a balance between childcare and work. The handbook has also been posted on the Company's intranet to provide information for employees.
- In 2016, the Company acquired "Kurumin" certification as a childrearing support company.

#### <Main systems for supporting a balance between childcare and work>

- Childbirth leave when spouse gives birth (5 days, paid)
- Childcare leave (can be taken until a child is 1 year and 2 months old)
- Childcare support measures (shorter working hours, exemption from overtime work, and other benefits) can be used until the end of the school year in which the child is in the third grade of elementary school
- Abolition of rules restricting uniform pay increases for employees taking childcare leave
- Expired annual paid leave (held over leave) can be taken for the purposes of raising a child or short-term childcare leave

### Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

The Company has formulated the following action plan to enable all employees to achieve their full potential by creating an environment where employees can balance work and childcare and where all employees can work comfortably.

#### 1. Planning period

Four years from April 1, 2023 to March 31, 2027

#### 2. Contents

**Goal 1** Implement a system to limit jobs, work locations, etc., for workers who wish to do so.

<Details of initiatives>

Examination of measures to be implemented in April 2023

Introduction of the system after April 2026

**Goal 2** Redevelop a re-employment system for those who retired due to childbirth or childcare.

<Details of initiatives>

Consider measures to promote the use of the system in April 2023 and implement the steps after October 2023.


### 2. Support for Balancing Caregiving and Work

- The Company has implemented systems that exceed the provisions stipulated under the Act on Childcare Leave/Caregiver Leave to support the achievement of a balance between caregiving and work.
- The Company issued a "Caregiving Guidebook" summarizing information necessary for achieving a balance between caregiving and work. The handbook has also been posted on the Company's intranet to provide information for employees.

#### <Main systems for supporting a balance between caregiving and work>

- Caregiving leave (up to 1 year in total for each eligible family member)
- Abolition of rules restricting uniform pay increases for employees taking caregiving leave
- Expired annual paid leave (held over leave) can be taken for the purposes of leave for caregiving for family members

## 3. Other Systems and Initiatives

- The Company promotes flexible working styles by introducing systems that encourage diversity  (a flextime system that does not set a core time, a system for taking annual paid leave in hourly increments, and a system to work from home).

- The Company is working towards reducing working hours by ensuring employees depart before 19:00, enforcing no overtime work days, and improving operational efficiency in each department.

- Financial assistance for employees transferred alone (without their family) who are not the head of their household\* is provided.

\* 12 times a year round-trip transportation expenses for returning home or other incidental costs

- A spouse overseas accompaniment leave system is available.

- A self-declaration leave system\* is available.

\* Leave for self-development, international contributions, and volunteer activities

- Expired annual paid leave (held over leave) can be taken for purposes such as volunteering, absence from work related to fertility treatment or pregnancy, and intermittent absence from work associated with treatment of a disease.

- Rules for guaranteeing exercise of civil rights\* have been defined.

\* 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

- A system for overseas personnel\* is available separately from that of employees in Japan.

\* A hardship allowance based on climate, security, medical care, etc. is added to the salary of employees stationed overseas. Bonuses are paid according to the same standards as in Japan. Operation of systems suitable for each region

## 4. Welfare

The Company has welfare programs that include the development of company housing and singles dormitories, the ownership of recreational facilities, and property formation (property accumulation savings, employee stock ownership association, etc.). A cafeteria plan is also available for employees to freely choose the welfare services they need according to their life plans and preferences.

## Realization of Diverse Work Styles

### 5. Achievements Related to Diverse Work Styles

#### Status of Use of Systems Related to Childbirth, Childcare, and Caregiving

(— is unaggregated)

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Employees taking childcare leave	Consolidated companies in Japan	Persons	28	30	166	160	175
Male	Consolidated companies in Japan	Persons	5	13	146	146	155
Female	Consolidated companies in Japan	Persons	23	17	20	14	20
Employees taking childcare leave	Nippon Paper Industries	Persons	11	12	113	101	115
Male	Nippon Paper Industries	Persons	5	8	104	98	104
Female	Nippon Paper Industries	Persons	6	4	9	3	11
Rate of taking childcare leave (Male)	Consolidated companies in Japan	%	—	—	82.0	84.4	84.2
Rate of taking childcare leave (Female)	Consolidated companies in Japan	%	92.0	94.4	100.0	100.0	100.0
Rate of taking childcare leave (Male)	Nippon Paper Industries	%	—	—	91.2	90.7	86.0
Rate of taking childcare leave (Female)	Nippon Paper Industries	%	85.7	80.0	100.0	100.0	100.0
Rate of returning to work after childbirth	Consolidated companies in Japan	%	100.0	99.0	100.0	99.4	98.9
Employees taking caregiving leave	Consolidated companies in Japan	Persons	0	1	2	0	3

\* Until FY2021, employees taking childcare leave are calculated for those who used childcare leave system. From FY2022, they are calculated for those who used childcare leave system, etc. and who used leave system for the purpose of childcare under the Act on Childcare Leave/Caregiver Leave

#### Total Working Hours and Rate of Taking Annual Paid Leave

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total working hours (All employees*)	Nippon Paper Industries	Hours per person	1,888	1,905	1,884	1,872	1,870
Total working hours (Union members)	Nippon Paper Industries	Hours per person	1,861	1,870	1,850	1,842	1,842
Rate of taking annual paid leave	Consolidated companies in Japan	%	64.7	70.8	74.2	78.5	75.9
Rate of taking annual paid leave	Nippon Paper Industries	%	67.9	73.6	78.4	80.3	78.8

\* All employees = union members + managers

### 3 Employee Training

As part of its initiatives to realize diverse work styles and active participation of diverse human resources, the Company holds diversity study sessions for its employees.

#### Recent training sessions

Year	Topics
FY2020	Employee Engagement
FY2021	(Canceled due to the spread of COVID-19)
FY2022	Systems Related to Childbirth and Childcare That Are Offered by the Company
FY2023	Employment of People with Disabilities
FY2025	Female-Specific Health Support and Career Support

#### CASE STUDY

##### Diversity Study Session on Female-Specific Health Support and Career Support

Women who are pursuing their careers while handling female-specific health issues sometimes end up quitting their jobs, especially in a work environment where there are more men than women, due to a lack of understanding and support for these issues. In June 2025, the Company invited Ms. Mineko Shoji, a career consultant and infertility peer supporter, to give a seminar for managers to help them deeply understand female health issues and establish a career support system at the workplace.

The seminar featured examples of "quiet quitting" based on female health issues, examples of balancing fertility treatment and work, period or menopause-related changes in physical or mental conditions and their effects on work, and how managers should respond to and support female workers.

The Company will continue implementing diversity education for its employees to realize diverse work styles and active participation of diverse human resources.



# Active Participation of Diverse Human Resources

## 1 Basic Policy

Nippon Paper Industries states that one of the requirements of its Vision for the Group Mission is "instill pride in employees." The Company is promoting organizational development that enables diverse work styles and allows diverse human resources to maximize their potential, aiming for better engagement (building relationships to ensure growth for both employees and companies).

  **NIPPON PAPER GROUP Human Rights Policy**

  **Human Resource Strategy**  
(NIPPON PAPER GROUP Integrated Report 2025, P.48-51)  
[https://www.nipponpapergroup.com/english/csr/npg\\_ir\\_e\\_2025\\_48-51.pdf](https://www.nipponpapergroup.com/english/csr/npg_ir_e_2025_48-51.pdf)

## 2 Employment and Recruitment Efforts and Status

- NIPPON PAPER GROUP strives to maintain stable employment and continue hiring new employees.
- The Group employs and recruits without discrimination based on the "NIPPON PAPER GROUP Human Rights Policy."
  - Instruct interviewers in training sessions to prohibit discrimination based on race, religion, nationality, place of origin, gender, educational background, etc.
  - Clearly and formally communicate the recruitment process to all recruitment candidates
- The Group carries out employment based on the place of operation.

### 1. Recruitment of New Graduates and Mid-career Employees

- The Company discloses information on the hiring of new graduates and mid-career employees on its website.
- To secure diverse personnel, the Company is working on expanding its recruitment channels.
  - <Initiatives in FY2024>
    - Global Apply recruitment (a system to hire students with language skills who are interested in working abroad as candidates for working overseas in the future)
    - Referral recruitment (a system to hire people recommended by employees)
    - Implementation of a lecture that helps deepen the understanding of the Company's sustainability management and green strategy to maximize forest value (open day)
    - Implementation of a mill tour and a research laboratory tour to help deepen the understanding of the Company's technologies, products, and business model (open day)
- The Company has introduced the "Mid-career Employee Onboarding" e-learning program to facilitate the smooth integration of new mid-career hires, mostly in career-track positions, into the workplace. This training helps foster shared knowledge and mutual understanding in both new employees and existing employees to help new mid-career hires play an active role as soon as possible.

### 2. Employment of People with Disabilities

- The Company's employment rate of people with disabilities is 2.56%, above the statutory employment rate of 2.5% (as of April 1, 2025). The Company will continue to work to maintain and improve the employment rate at each site.
- The Company aims to achieve an employment rate of people with disabilities of 2.8% by 2030 (the statutory employment rate is 2.7% for FY2026).

- The Company assigns people with disabilities to workplaces in consideration of the nature of their disabilities.
- At the head office of Nippon Paper Industries, the Company provides pre-employment workplace training before new employees join the Company, to prevent mismatches at the time of hiring. Furthermore, regular follow-up interviews are held at intervals of one month, three months, six months, and one year after joining to help employees settle into the workplace after joining the Company.
- The head office is equipped with barrier-free toilets which can be used by not only people with disabilities but also by anyone. The Company is also gradually promoting barrier-free facilities at its mills.

### 3. Employment of Elderly Persons

- The Company operates a re-employment system up to age 70 so that retired employees can continue to work according to their motivation and ability, at least until they are old enough to receive their pension.
- For general employees, the retirement age was extended to 65 years of age in April 2024.

### 4. Rehiring Retired Employees

- The Company has established the "NICORE (Nippon Paper Comeback & Re-entry) system\*" as a boomerang hiring system, allowing former employees to take advantage of the experience and skills they have cultivated over the years to play an active role in the company once more.

\* If a former employee registers in the human resource bank in advance in preparation for when they want to work or are able to work again, the Company will notify the registrant system that provides detailed information on job vacancies. There is no question about the reason for leaving when registering for the human resources bank

### 5. Dispatched Workers

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

## Active Participation of Diverse Human Resources

### 6. Statue of Regarding Employment, Recruitment, etc.

#### Number of Employees (Consolidated companies, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees on a consolidated basis	Persons	16,156	16,129	15,959	15,557	15,145
Male	Persons	13,984	13,926	13,593	13,273	12,879
Female	Persons	2,172	2,203	2,366	2,284	2,266

#### Number of Overseas Employees (Consolidated companies, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of overseas employees	Persons	5,961	6,050	6,062	5,748	5,399
Male	Persons	4,965	5,038	4,927	4,716	4,432
Female	Persons	996	1,012	1,135	1,032	967
Ratio of upper management* from the local community	%	94.7	94.6	94.9	94.0	95.2

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

#### Number of Employees by Region (Consolidated companies, as of the end of FY2024)

	Unit	Japan	Oceania	Asia	North America	Other
Number of employees	Persons	9,818	3,675	261	517	874
Male	Persons	8,511	2,983	202	445	738
Female	Persons	1,307	692	59	72	136

#### Number of Employees by Age Group (Nippon Paper Industries, as of the end of FY2024)

	Unit	Less than 30	30 to 50	Over 50	Total
Number of employees	Persons	850	2,318	1,815	4,983
Male	Persons	725	2,132	1,653	4,510
Female	Persons	125	186	162	473

#### Average Age of Employees and Average Years of Employment (Consolidated companies in Japan, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Average age of employees	Age	43.6	44.4	44.5	44.9	45.2
Male	Age	43.6	44.4	44.5	45.1	45.5
Female	Age	43.5	43.9	44.2	43.9	43.5
Average years of employment	Years	18.8	19.0	19.0	19.1	19.4
Male	Years	19.1	19.3	19.2	19.5	19.9
Female	Years	17.0	16.9	17.1	16.6	16.3

#### Number of Hires and Turnover Rate (Consolidated companies in Japan)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of new graduates hired	Persons	214	209	174	145	157
Male	Persons	167	166	133	104	115
Female	Persons	47	43	41	41	42
Number of mid-career recruits	Persons	172	122	167	277	357
Male	Persons	149	109	143	231	290
Female	Persons	23	13	24	46	67
Turnover rate (Includes employees leaving at the mandatory retirement age)	%	3.0	3.3	6.0	5.7	5.4

#### Retention Rate after Joining the Company (Nippon Paper Industries, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Retention rate after 10 years of employment	%	66	60	63	50	71

## Active Participation of Diverse Human Resources

### Number of Employees Seeking Reemployment after Retirement / Employees Reemployed after Retirement Age

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees seeking reemployment after retirement	Nippon Paper Industries	Persons	80	126	155	69	49
Number of employees reemployed after retirement age	Nippon Paper Industries	Persons	81	126	155	69	49
Number of employees reemployed after retirement age	Consolidated companies in Japan	Persons	301	591	401	296	273

### Number of Managers / Ratio of Female Employees in Management (At the end of each fiscal year)

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of managers	Nippon Paper Industries	Persons	1,132	1,218	1,162	1,111	1,098
Female	Nippon Paper Industries	Persons	30	33	37	33	36
Ratio of female employees in management	Nippon Paper Industries	%	2.65	2.71	3.18	2.97	3.28
Number of managers	Consolidated companies in Japan	Persons	2,385	2,404	2,393	2,358	2,303
Female	Consolidated companies in Japan	Persons	67	69	82	83	93
Ratio of female employees in management	Consolidated companies in Japan	%	2.81	2.87	3.43	3.52	4.04
Number of managers	Consolidated companies outside Japan	Persons	358	556	531	470	516
Female	Consolidated companies outside Japan	Persons	82	129	119	112	128
Ratio of female employees in management	Consolidated companies outside Japan	%	22.9	23.2	22.4	23.8	24.8

### Number of Dispatched Workers and Part-time Workers (Consolidated companies in Japan, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of dispatched workers	Persons	111	105	121	127	120
Male	Persons	46	38	44	50	51
Female	Persons	65	67	77	77	69
Ratio of dispatched workers	%	1.1	1.0	1.2	1.3	1.2
Number of part-time workers	Persons	514	465	536	566	306
Male	Persons	290	279	287	311	187
Female	Persons	224	186	249	255	119

### 7. Other Employment-related Information

- The Company conducts risk assessments and responds to labor issues related to new business and existing business.
- The Company did not carry out layoffs in FY2024.
- There were no employees affected by the Company's M&A in FY2024.
- Average annual salary (including bonuses and extra wages) of the Company as of the end of FY2024 was 6,772,567 JPY.
- Calculated based on the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace," the wage gap between male and female regular employees (ratio of female employees with male employees as the denominator) at the Company in FY2024 was 74.2%. Regarding the gender gap, there is no difference in wages for doing the same work, and the difference mainly depends on whether allowances are paid for shift work that male employees are engaged in.



## Active Participation of Diverse Human Resources

### 3 Promotion of Women's Participation and Advancement in the Workplace

#### 1. 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 flextime, taking leave in hourly increments and working from home will be set at 70% for both male and female employees to promote diversity.

##### 3. Intermediate performance (FY2024)

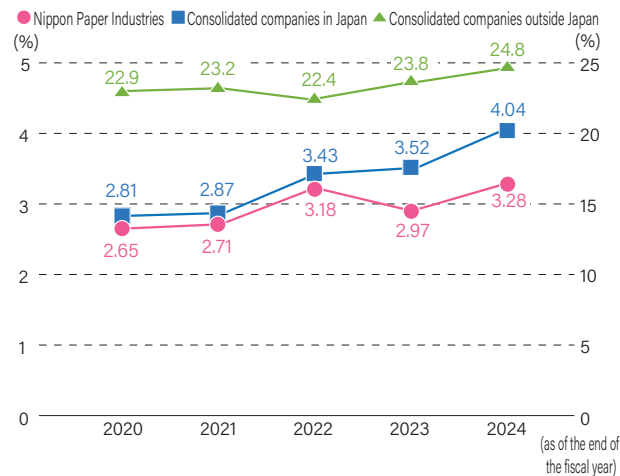
**Goal 1** 101%

**Goal 2** 84.4%

- In February 2022, the Company received "Eruboshi Certification (Stage 2 certification)."

#### 2. Ratio of Female Employees in Management and Hiring of New Graduates for Career-track Positions

##### Ratio of Female Employees in Management



##### Hiring of New Graduates for Career-track Positions (Nippon Paper Industries)

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Career-track hires	Persons	43	48	43	63	74
Female	Persons	13	19	21	23	35
Ratio of female career-track hires	%	30	40	49	37	47

### 4 Human Resources Development

The Company is working to develop human resources who take on change as an investment in human capital to promote business structure transformation and yield results. The Company will take various measures to nurture employees who will be the source of expanding profitability of growing businesses and reinforcing competitiveness of foundation businesses, while also enabling employees themselves to improve their individual skills and realize personal growth through their careers.

#### 1. Recruitment and Development of Career-track Employees

The Company defines the ideal type of person that career-track employees should aim to be as "leaders who will promote change." The Company is implementing the following initiatives to secure 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
- Strengthening the development of "autonomous human resources" with global perspectives that can face the "challenge" of new things

#### 2. Leadership Training System

The Company works to develop its leadership personnel through OJT, systematic rotations and OFF-JT, including job-level-based training and optional training.

- 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
- Besides job-level-based training at OFF-JT, the Company has established a dispatch system for career-track employees to overseas business sites
- After employees are promoted to management positions, the Company also conducts training related to management and other skills

## Active Participation of Diverse Human Resources

### 3. Priority Initiatives in Human Resources Development

The Company provides its employees with equal learning opportunities, and has developed a system that enables motivated and capable employees to further improve their skills, with a focus on the following key points.

#### (1) Support for voluntary skill development

- Job-level-based training
  - Job-level-based training for new hires and for assistant manager-level employees is conducted jointly throughout the Group
  - Training at the head office: Career training for young employees and new manager training
  - Training at mills: Some job-level-based training is conducted not just for a single mill but together with neighboring mills
- Optional training
  - Group training (technical skills [DX, accounting], conceptual skills, human skills, etc.)
  - Distance learning (approximately 300 courses including business skills, qualifications/certifications, languages, digital skills, etc.)
- Other systems
  - Systems that pay rewards for qualifications

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

- Constructing a talent management system\*
  - \* An information system that centrally manages and visualizes basic employee information and talent information, such as abilities, experience, and skills, and leads to strategic human resource development and placement
- Implementation of employee surveys to ascertain what kind of job assignments they wish to have (target: all employees, once a year)
- Establishment 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 of the Group companies
- Selective education for local mill hires (with a program for change of career track\*)
  - \* Programs for local mill hires in general positions to help employees with outstanding skills to maintain and improve their motivations, such as dispatching to colleges/universities in Japan (to obtain a degree), developing and promoting to managers, and changing to career track positions
- Establishment of an "in-house side jobs system\*" (Number of employees who used the system in FY2024: 13)
  - \* Without being transferred, employees can be involved in the work of another department that they are interested in for up to 20% of the prescribed working hours, allowing them to take on the challenge of new operation while working on the main business of the department to which they belong
- "Self-recurrent Program" (reskilling for employees who have been internally transferred to a job in which they have no prior experience)

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

- Open invitation to applicants and implementation of long-term dispatch to 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) Initiatives to promote the assignment of employees in line with business structure transformation

- Supporting general employees who are transferred (a system to pay special preparation expenses, a special transfer allowance, and the cost of a return trip home for caregiving to local mill hires for transfers that require relocation)
- Job-type change allowance (a system to reward local mill hires for their efforts to change their mindsets to take an optimistic view on career building, including transfer, and their commitments toward business structure transformation)

#### (6) Life plan design support

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

### 4. Provision of Education and Training

- The Company's educational expenses related to human resource development, supervised by the Personnel Department, in FY2024 amounted to 83,128,765 JPY. The average training cost per employee targeted for such training was 44,959 JPY, and the average training time was 10.0 hours.

## Active Participation of Diverse Human Resources

### 5 Reinforcing Engagement



→WEB

#### Initiatives to Increase Engagement

(NIPPON PAPER GROUP Integrated Report 2025, P.50-51)

[https://www.nipponpapergroup.com/english/csr/npgr\\_ir\\_e\\_2025\\_48-51.pdf](https://www.nipponpapergroup.com/english/csr/npgr_ir_e_2025_48-51.pdf)

#### 1. Initiatives for Fair Evaluation and Compensation

- The Company carries out the following as part of a fair and transparent personnel examination.
  - Inform employees of wage regulations, including wage structure and the criteria for pay raises and promotions
  - Clarify evaluation criteria and items
  - Conducting review sessions where managers provide feedback on performance evaluations and results to employees (for all general employees, twice a 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 employee compensation is determined based on performance.
- The Company has established programs such as president awards, mill manager/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 inventions in accordance with the Patent Act

#### 2. Employee Engagement Survey

- The Company has conducted employee engagement surveys since FY2019 and in FY2023 the Company changed the survey frequency from once every two years to once a year.
- This survey is positioned as essential to further strengthen the relationship between employees and the Company so that both can grow.
- The Company reports the survey results to general managers and executives, and strives to improve communication within the workplace, education and training, and the working environment based on advice from external consultants in order to achieve a smooth business structure transformation.
 

<Recent initiatives>

  - Periodic conferences between general managers (in management) and junior career-track employees in other departments (designed for junior career-track employees to learn about the Company's wide range of business and job areas, the thoughts of management, and growth opportunities to improve their engagement)
  - Coaching skill training for mill line managers (reinforcing communication skills to improve work environments)

### 6 Industrial Relations

- The Company 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."
- The Company and principal consolidated subsidiaries have formed labor unions. They maintain harmonious labor-management relations even at companies without labor unions.
- The Company has adopted a union-shop system, and 100% of employees subject to labor agreements are members of the labor union (number of labor union members: 4,370 [as of March 31, 2025]).
- With the common labor-management aim of "developing the company and improving the welfare of union members," the Company has established various specialized labor-management committees, such as the "Agreement Management Expert Committee" and the "Manpower Measures Expert Committee." Along with this, based on the agreements between labor and management, the Company is working on various measures and improving working conditions and environments. The Company also holds "labor-management conferences" twice a year (in the spring and fall) to facilitate communication between labor and management, such as by explaining management policies, management plans, and business performance trends to the labor union.
- Under the labor agreements, the Company takes into fair consideration the requests, health conditions, and skills of union members when transferring them to other departments due to administrative reasons. It also informs the labor union without delay when conducting personnel transfers and organizational changes.

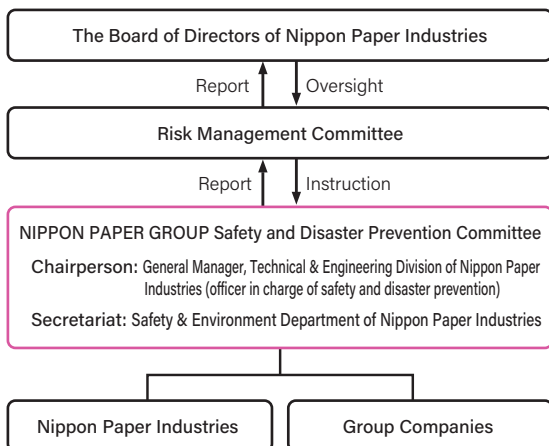
# Promotion of Occupational Health and Safety

## 1 Basic Policy

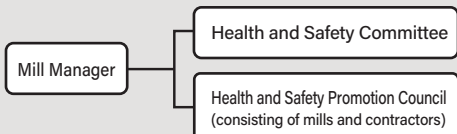
### P97 Philosophy and Basic Policy on Safety and Disaster Prevention

- The policy also applies to contractors and temporary site visitors working on the Company's premises.

## 2 Promotion Structure



### Example of a Mill's Health and Safety Organization Structure (Nippon Paper Industries)



## 1. Occupational Health and Safety Promotion Structure

- Nippon Paper Industries regularly holds health and safety meetings attended by both labor and management including health and safety personnel from the head office, mills, and labor unions, where the opinions of employees are represented.

- Meetings of the Health and Safety Committee and Health and Safety Promotion Council (consisting of mills and contractors) are held separately at each location including mills and offices, once a month.
- The Company promotes health and safety management activities by cooperating and collaborating with labor and management, as well as contractors and temporary site visitors working at each location.
- The Company has established a communication system between the mills and the head office, as well as between departments within the head office, to report necessary information in the event of a disaster to the NIPPON PAPER GROUP Safety and Disaster Prevention Committee and its management.

## 2. Reporting to the Board of Directors

- The Group's occupational health and safety and disaster prevention activities are overseen by the NIPPON PAPER GROUP Safety and Disaster Prevention Committee, chaired by the officer in charge of safety and disaster prevention, and reports to the Board of Directors through the Risk Management Committee.
- In FY2024, the committee reported to the Board of Directors on risks and examples of safety and disaster prevention, as well as the status of occupational accidents.

## 3 Occupational Safety and Health Management System

- The Group operates its own Nippon Paper Occupational Safety and Health Management System (NPSS\*).

\* The NPSS was established under the "Guidelines on Occupational Safety and Health Management Systems" presented by the Minister of Health, Labour and Welfare

### NPSS (Nippon Paper Occupational Safety and Health Management System)

NPSS incorporates specific, ongoing, and voluntary activities at each mill and business site as health and safety plans, following company policies and measures relating to health and safety. The system is helping to improve health and safety levels by preventing occupational accidents, promoting worker health, and creating comfortable working environments. It also implements measures to predict and prevent health and safety risks, not only for existing work but also for new work and where changes in work have been made.

- The Company formulates annual plans for Occupational Safety and Health Management Systems at all manufacturing and research sites (18 sites) and conducts risk assessment and training.

- The Company has a system for reviewing and improving the content of education and the target employees, as necessary.
- The Group formulates and promotes health and safety 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 maintain and 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.

## 4 Acquisition of Occupational Safety Certifications and Awards

### Acquisition of ISO 45001 Certification (As of March 31, 2025)

Company name	Number of certified sites
Opal	18 sites
Jujo Thermal	1 site

\* 2 out of 54 in Japan and overseas consolidated companies certified (Consolidated companies in Japan: 0 out of 28 companies, overseas consolidated companies: 2 out of 26 companies)

### External Awards for Safety Activities (FY2024)

Company (office) name	Award
Nippon Paper Industries (Nakoso Mill)	64th National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award 1st Class)
Nippon Paper Papylia (Kochi Mill)	64th National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award 1st Class)
Nippon Paper Industries (Iwanuma Mill, Iwakuni Mill)	64th National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award)
Nippon Paper Industries (Ishinomaki Mill Health and Safety Cooperation Association, Iwanuma Mill Health and Safety Cooperation Association, Gotsu Mill Health and Safety Cooperation Association)	64th National Conference of the Pulp and Paper Industry on Safety and Health (Safety Excellence Award)

## Promotion of Occupational Health and Safety

### 5 Efforts regarding Health and Hygiene

- In cooperation with the health insurance union, the Group implements the following initiatives to promote employees' health and prevent and detect illness early.
  - Regular physical examinations and lifestyle-related disease checkups at all Group companies that are members of the Nippon Paper Industries Health Insurance Union
  - Improve work environments based on the results of regular workplace visits by industrial physicians
  - Health examinations for spouses of employees
  - Walking events and providing health-related information using health promotion apps
  - Quit smoking program (health insurance support project)
- The Company implements the following mental health initiatives for our employees.
  - Mental health counseling for all employees and their families in collaboration with external EAP (Employee Assistance Program)
  - Consultation by a specialist for employees who are judged to require care in a "stress check" (conducted once a year)
  - Rehabilitation work system when returning to work (a system that allows employees to come to work and work on a trial basis before fully returning to work)
- The Company implements the following initiatives for employees posted abroad regarding global health issues such as infectious diseases.
  - Regular physical examinations, lifestyle-related disease checkups, and complete medical examinations at the time of assignment and return for employees stationed overseas and their accompanying spouses
  - Vaccinations as required, according to the situation of the overseas posting/business trip destination

### 6 Initiatives Related to Safety and Disaster Prevention

#### 1. Ensuring Safety within Mills

##### Medium-term Safety Activity Plan (Established July, 2020)

Plan pillars	(1) Developing safe working environments, (2) Managing risks, (3) Training personnel to work safely
Ultimate environment	Ensuring that nobody*1 is injured within the premises of its mills
The goal	To build a foundation for achieving zero disasters based on an independent safety-conscious climate
Plan duration	2020-2025
Performance indicators*2	2020-2022 Serious occupational accident eradication measures period (Serious occupational accidents: 0, Lost-time injury frequency rate: 0.4)
	2023-2025 Period for preparing for zero occupational accidents (Serious occupational accidents: 0, Lost-time injury frequency rate : 0.1)

\*1 This ultimate environment includes all stakeholders on NIPPON PAPER GROUP premises including Group employees, employees of contractors of mills working on site, and visitors from outside

\*2 Mill management indicators are determined every 12 months

- With its mission of "Ensuring that nobody is injured within the premises of 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 health and safety-related work.
- Safety inspections of equipment are conducted for employee health and safety.
- Provide guidance to contractors and promote voluntary safety activities, including risk prediction and risk assessments.

#### 2. Other Safety and Disaster Prevention Countermeasures

- The Group implements the following measures for operations with a high risk of injury.
  - Manage facilities in accordance with the Industrial Safety and Health Act 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
  - Special medical examinations for employees engaged in certain types of hazardous work
- The Group implements the following measures to prepare for emergencies such as natural disasters and fires.
  - Create disaster preparedness manuals reflecting local hazard map information
  - Participation in regular disaster drills and lifesaving courses in collaboration with local fire departments and other public safety agencies
  - Undergo regular disaster prevention surveys by specialist risk assessment companies (Nippon Paper Industries)
- The Group implements the following initiatives aimed at raising awareness of traffic safety.
  - Traffic safety training and lectures
  - Participate in traffic safety campaigns hosted by local police stations



## Promotion of Occupational Health and Safety

### 7 Occurrence of Occupational Accidents

#### Occurrence of Occupational Accidents (Calendar year)

		2020	2021	2022	2023	2024
Lost-time injury frequency rate* <sup>1</sup>	Nippon Paper Industries	0.39	0.51	0.95	0.98	0.71
	NIPPON PAPER GROUP* <sup>3</sup>	0.37	0.46	0.86	0.78	0.68
	NIPPON PAPER GROUP* <sup>3</sup> contractor	1.10	0.62	0.52	0.69	0.95
	Manufacturing industry	1.21	1.31	1.25	1.29	1.30
	Pulp, paper and converted paper product manufacturing industry	1.54	1.85	1.59	1.33	2.07
Occupational Accident Severity Rate* <sup>2</sup>	Nippon Paper Industries	0.01	0.04	0.12	0.04	0.03
	NIPPON PAPER GROUP* <sup>3</sup>	0.01	0.03	0.09	0.03	0.03
	NIPPON PAPER GROUP* <sup>3</sup> contractor	1.10	0.09	0.11	0.64	0.05
	Manufacturing industry	0.07	0.06	0.08	0.08	0.06
	Pulp, paper and converted paper product manufacturing industry	0.39	0.06	0.19	0.05	0.08
Number of work-related employee/ contractor fatalities	Nippon Paper Industries	0	0	0	0	0
	NIPPON PAPER GROUP* <sup>3</sup>	0	0	0	0	0
	NIPPON PAPER GROUP* <sup>3</sup> contractor	2	0	0	1	0

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

\*2 Indicates the seriousness of occupational accidents in terms of the number of workdays lost per 1,000 work hours

\*3 Scope: Manufacturing locations of Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, and Nippon Paper Liquid Package Product

#### Number of Violations of the Labor Standards Act\* (Nippon Paper Industries)(Calendar year)

2020	2021	2022	2023	2024
0	0	0	0	0

\* Number of cases subject to judicial disposition for violations of the Labor Standards Act

### 8 Training and Education for Employees, etc.

- The Group promotes the dissemination and establishment of health and safety awareness by conducting safety training for employees, contractors, and temporary site visitors.
- The Company provides e-learning training on safety for employees. In FY2024, training was held on "safety education for elderly employees" and "fall accident prevention."
- The Company ensures providing 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.
- The Company also provides training on emergency lifesaving, heat stroke prevention, and traffic safety, as well as safety education for its contractors, including temporary site visitors.
- The Company encourages participation in safety-related qualifications (e.g., RST\*) and external training to gain specialized knowledge.

\* Roudosyo (Ministry of Labour in Japanese) Safety and Health Education Trainer

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