

Society

Human Capital (HR Strategy)

Basic Personnel Policy—Our Organizational and Human Resources Ideal Based on a Long-Term Management Vision

The Company Group has contributed to the creation of a sustainable and prosperous society. Human resources are indispensable to achieving such a society. Therefore, we have positioned human resources as our most critical management capital, and have defined our Human Resources Vision as follows.

This defines the organizational culture and human resources ideal to be achieved by 2030. The personnel department believes that its long-term and most important mission is to stand between management and employees and implement various measures so that this desired image becomes the ideal image for employees.

Human Resources Vision Linked to Management Strategy—Efforts to Achieve the Ideal State of People and Organizations

The Organizational Culture We Aspire for

- An organization that can continue to devise ways to make a broader contribution to society through business from a global perspective, and with the spirit of the Company’s founding as its starting point.
- An organization that discards the notion of separate optimization and allows free, vigorous, and creative discussion, always with the goal of total optimization in mind
- An organization that actively promotes diversity and accepts a variety of ideas and perspectives
- An organization that can innovate (transform) to surpass competitors with its diversity of thought and challenging spirit
- An organization that provides highly motivated individuals with opportunities to grow both personally and professionally
- An organization that values team harmony, while recognizing those who demonstrate advanced abilities and produce results

The Human Talent We Seek

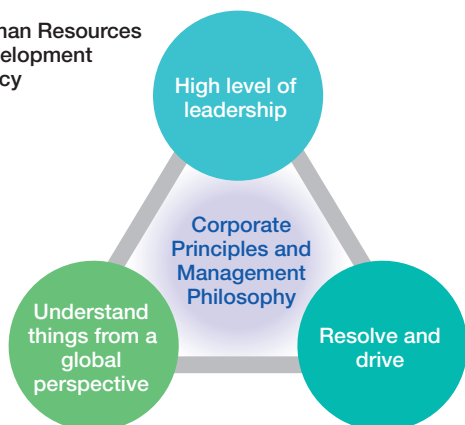
- People who can face up to difficulties and challenges independently and accomplish things with integrity, with the corporate principles and management philosophy as action guidelines
- People who can identify their own department’s and their own role in achieving high goals, and who can elevate the entire team’s sense of involvement, awareness of problems, and sense of urgency
- People who have high aspirations and dreams through their work
- People who have strong curiosity about everything and continue to grow and take up new challenges, not being bound by the past
- People who can always look ahead, identify issues that need to be done right away, demonstrate leadership, and lead the team to its goal (problem-solving)

Human Resources Development Policy/Internal Environment Development Policy

Our human resources development policy is to develop human resources who have a proper understanding of our corporate principles and management philosophy, who understand things from a global perspective, and who can demonstrate a high level of leadership, resolve, and drive. Moreover, we have

established an internal environmental improvement policy and are carrying out individual measures to create a workplace environment in which human resources with diverse experience and knowledge can play an active role while exercising their individuality, and work both at ease and in good health.

Human Resources Development Policy



Internal Environment Development Policy



Unlocking Capabilities of Diverse Human Resources and Pursuing Sustainable Organizational Growth

We are working to improve the linkage between management strategy and human resources strategy to enhance the quality of human resources and to reform organizational culture.

Human Resources Strategy in the New Medium-Term Management Plan: One2025

Under the new medium-term management plan, it is extremely important to achieve priorities in the area of human resources, such as the securing diverse human resources, developing professional human resources, and fostering a culture of transformation, and to improve the organizational and human resources capabilities of the entire Group in order to attain further growth and fulfill our management strategy. To ensure that these human resources policies function properly, we will constantly monitor the linkage between the management strategy and the human resources strategy and reflect this in our human resources policies. We will continue to accelerate our efforts to invest in human capital so that our most important management capital, human resources, can autonomously take up new challenges and feel fulfilled and comfortable in their work, as we aim to become the number one company in human resources development, as stated in the basic philosophy of the new medium-term management plan.

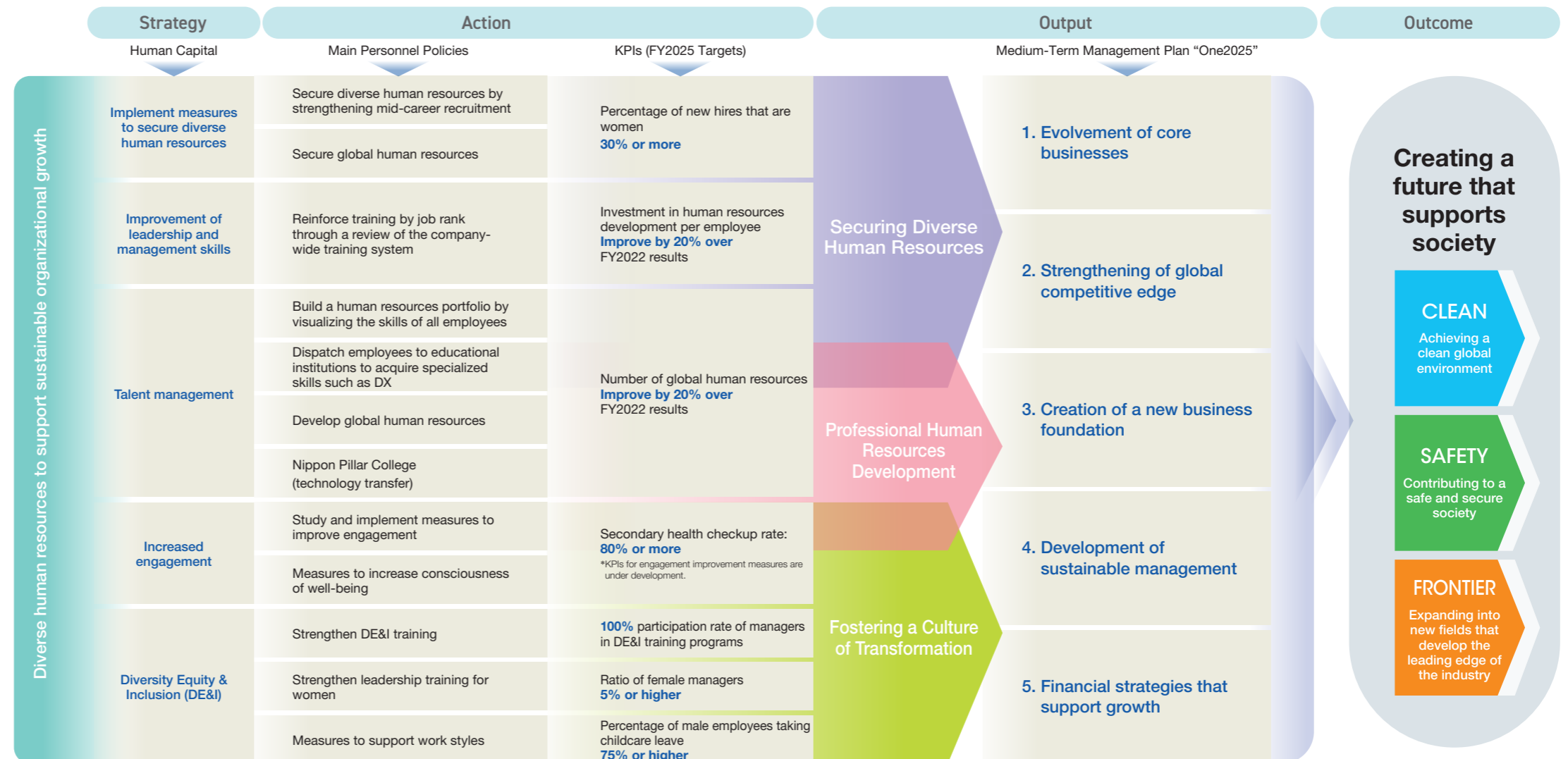
Securing Diverse Human Resources

The Group plans to make Tanken Seal Seiko a Group company and to start operating the Fukuchiyama Second Factory in the fall of 2023. In addition, we will rapidly expand our overseas business by opening new bases and other measures in the new medium-term management plan. In addition to the rapid expansion of the Company's scale, measures to secure human resources are extremely important in order to meet the Company's business strategy of creating new businesses such as launching next-generation batteries, hydrogen, thermal storage, and other products, thus the Company will more actively recruit diverse human resources, including those from different industries.

Professional Human Resources Development

In order to strengthen the Group structure, we must promote the improvement of the management and leadership skills of the entire Group as well as the professional skills of each individual. We will improve the quality of human resources and organizational capabilities by implementing training programs and management and leadership education for each generation, and by visualizing the skills of all employees through the use of digital tools.

We have newly defined the requirements for global human resources to strengthen our global competitiveness. In addition to training expatriate staff and management to improve their management skills, we will accelerate localization measures that promote executives and management from national staff to local subsidiaries, thereby strengthening our global human resources system.



Fostering a Culture of Transformation

We aim to create an organizational culture in which each and every employee autonomously takes on challenges and leads in transformation. In addition to continuing measures to encourage taking on challenges and making changes, we remain conscious of well-being and promote health management and work-life balance measures in order to create a safe and secure work environment. We also identify employee strengths and sources of motivation, identify personnel and organizational issues, and study and implement measures to improve engagement.

Mid-career hires account for more than 40% of our management positions, and we have a culture that accepts others and fosters change. We will continue to promote Diversity, Equity & Inclusion (DE&I) and other measures to foster a work environment conducive to change.

Employee Interviews



Group photo taken at a training session in Japan for overseas local employees. Ms. Arta is at center.

The joy of making a contribution to society through Pillar's technology

I was actively involved in the preparation to establish a representative office in Indonesia in 2019, and the trust my boss had in me at that time increased my confidence in my ability to contribute more to the Company, which positively impacted my own skill level.

Pillar has always been like a family to me, and I practice the corporate principles of harmonious cooperation. Pillar's technology contributes to global environmental sustainability and helps society through business; I am happy to be a member of the Nippon Pillar Packing Group.

PT.Nippon Pillar Indonesia **Arta Mustika Marpaung**

Establishment of the Group Human Rights Policy

In order to create a future that supports society, we respect the diversity of our human resources and create new values for a sustainable society based on the idea that new ideas never seen before are created by a diversity of values. In this context, we established the Group Human Rights Policy based on the Group Code of Conduct in order to clearly define our approach to human rights in conducting business in countries

and regions around the world. We will actively fulfill our responsibility to respect human rights for all people through the concerted efforts of all Group executives and employees to promote respect for human rights.

For more information, including the full text of the Group Human Rights Policy, please visit our website.

<https://www.pillar.co.jp/en/sustainability/human-right/>



Diversity Equity & Inclusion (DE&I)

We are committed to promoting diversity based on the belief that new and unprecedented ideas are created by a diverse workforce. We will continue to respect diversity and aim for sustainable corporate growth by creating more opportunities for women than ever before, developing new products that take advantage of ideas generated by different values through the active promotion of non-Japanese human resources, and developing internal systems that allow people with disabilities to play an active role.

thereby creating opportunities for women to play an even more active role in the Company. In addition, to support male participation in childcare, we aim to encourage male employees to take childcare leave. 22.7% of male employees took childcare leave in fiscal 2022. We will continue to promote awareness of the system through e-learning and other means to foster a workplace environment that is supportive of childcare.

For more information on our diversity management policy, please visit our website.

<https://www.pillar.co.jp/en/sustainability/diversity/>



In fiscal 2022, the percentage of female managers was 3%; we aim to increase this to 5% by fiscal 2025 and to 10% by fiscal 2030,

“Excellent Corporations for Health and Productivity Management 2023” Certification

We have formulated a Health Management Declaration in order to achieve organizational revitalization and sustainable corporate value enhancement through the safe and healthy work of a diverse range of human resources. With the aim of raising health awareness among employees and their families and encouraging them to work in good mental and physical health, we have enhanced measures such as the establishment of a health management promotion system, mental health care, secondary health checkups, and a work-life balance. In recognition of these efforts, the Ministry of Economy, Trade and Industry and the



Japan Health Council jointly implemented a certification system for excellent corporations for health and productivity management, and we were recognized as an Excellent Corporation for Health and Productivity Management 2023 in the large corporation category as a “corporation that takes a strategic approach to employee health management from a business perspective.”

[BTvision22 Initiatives and Major Achievements]

Human Resources Strategy	Major Achievements (FY2022)	
<ul style="list-style-type: none"> • Revision of personnel system • Review of education and training system • Strengthening of recruitment of new graduates and mid-career hires • Diversity Equity & Inclusion (D&I) • Formulation of Health Management Declaration 	• Education and training expenses	More than 25% YoY
	• Number of mid-career hires	4 times increase YoY
	• Ratio of female managers	3.0%
	• Percentage of mid-career hires in management positions	45.2%
	• Percentage of male employees taking childcare leave	22.7%
	• D&I training for managers (department managers and above)	100% attendance
	• Ratio of employees with disabilities	2.54%
<ul style="list-style-type: none"> • “Excellent Corporations for Health and Productivity Management 2023” Certification 		
For more details, see KPIs (FY2025 Targets) P46		

Occupational Health and Safety

We believe that the health and safety of our employees is an unparalleled value. To ensure a safe and comfortable work environment, we have committed to eliminating occupational accidents in our Group Code of Conduct and to complying with all applicable laws and regulations as well as internal rules such as the Health and Safety Management Regulations and Various Work Procedures.

health and safety, and meets monthly.

In addition, we continue to implement hazard prediction activities and have the President visit each factory to inspect the site. In addition, each factory publishes Health and Safety News to raise employee awareness of safety. Moreover, the Health and Safety Committee members conduct on-site inspections to assess the level of danger in the workplace. Priority is given to workplaces with high hazard levels in order to analyze the causes of possible hazards and implement effective hazard source control measures, thereby preventing occupational accidents from occurring or recurring.

The Health and Safety Committee was established to ensure employee safety and promote the maintenance of health. The Committee formulates annual policies and activity plans related to

Promoting CSR Procurement

In order to continue fair and transparent transactions with our suppliers and to carry out our purchasing activities, we have established our “Procurement Policy” and are striving to realize fair business activities. We also hold procurement policy briefing sessions for suppliers as part of measures to ensure smooth procurement activities, providing information on the initiatives of each business, production overview, and future production plans among other topics. In fiscal 2022, the sessions were held remotely, as in the previous year, to prevent the spread of COVID-19.

do not purchase any mineral or textile raw materials of concern. These issues related to supply chain management cover a wide range of areas, including the environment, human rights, quality, business practices, and disaster response. In order to appropriately manage and respond to these risks, we have revised and are implementing the PILLAR CSR Procurement Guidelines, a group procurement policy that outlines our Procurement Policy and CSR Procurement Standard. Moreover, in order to understand the status of our suppliers’ CSR activity systems, compliance with laws and regulations, human rights, and environmental conservation, we conducted a questionnaire on CSR procurement with 111 major suppliers, representing approximately 95% of our transaction value in fiscal 2022, and obtained a 100% response rate. We will conduct educational activities to deepen the understanding of suppliers with whom improvement is desirable.

In consideration of the expansion of ESG-related investments and global procurement, we will also appropriately address issues surrounding supply chain management, which is an important issue for both companies and our stakeholders. We recognize that social issues such as conflict minerals and violations of fundamental human rights pose serious problems in our supply chain, and we

Purchasing information (PILLAR Basic Procurement Policy)

<https://www.pillar.co.jp/en/about/purchasing/>



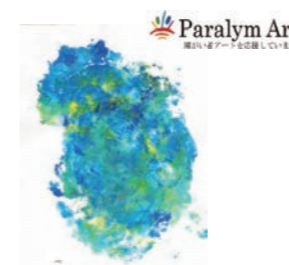
PILLAR CSR Procurement Guidelines

https://media.nippon-pillar.com/en/pdf/PILLAR_CSR_Guidelines_en.pdf



Social Contribution Activities

We are fully aware that our Company is a part of society, and we actively engage in interactions with local communities and sponsorship of traditional culture and the arts.



Support for Paralym Art, a general incorporated association for promoting independence of persons with disabilities



Bread sales by social welfare corporation Wakatake Fukushima, multifunctional office for persons with disabilities, Fureai Center “Bakery Working Tamba”



Lecture on career education at Kyoto Prefectural Fukuchiyama High School



Sponsorship of Public Utility Foundation Yamamoto Noh Theater
Photo courtesy: Yamamoto Noh Theater