



Respecting Human Rights

Our Approach to Respect for Human Rights

The Group shall maintain a healthy work environment free from harassment or discrimination on the basis of gender, age, nationality, race, ethnicity, creed, religion, social status, disability, place of origin, etc., and shall prevent all forms of harassment and take prompt and appropriate action in the event of an occurrence. In the event of a problem, we will promptly investigate and take decisive measures to provide relief to the sufferer and prevent recurrence.

In all countries and regions, we prohibit all forms of labor against the will (forced labor) and child labor under the working age as defined by the laws of each country or region. At the same time, we will comply with the laws and regulations of all countries and regions in which we operate, and ensure the freedom of association and the right to collective bargaining for all people.

Human Resource Development, Recruitment and Retention

Raising Human Resource Value

The Group is committed to enhancing the value of its human resources because we believe that it is the power of people that generates continuous corporate growth.

In addition to enhancing internal training programs, including level-based training, in a manner that meets the needs of our employees, we are working with outside educational institutions and dispatching employees to enhance their specialized skills. In addition, while promoting IT/DX education, which is becoming more widespread these days, we are building an organized system for passing on core

technologies and skills and training data scientists through industry-academia collaboration, flexibly responding to changes in the business environment and striving to develop human resources that will be the engine of sustainable growth. Furthermore, we focus on developing global human resources, including local workers.

As part of this effort, we introduced a talent management system in fiscal 2020. This system allows us to visualize the knowledge, skills, values, and career visions possessed by our employees, and to assign the best people to the right jobs.

Occupational Health and Safety

Enhancing the Workplace Environment

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. 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 health and safety, and meets monthly.

In addition, we continue to implement hazard prediction activities and have the President visit each plant to inspect the site. In addition, each plant 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 and implement effective hazard countermeasures, thereby preventing occupational accidents from occurring or recurring.

Promoting a Diverse Workforce and Work Styles

Formulating a Health Management Declaration

We regard health promotion as a key management issue and formulated the Health Management Declaration in April 2022 in order to revitalize our organization and realize sustainable corporate value enhancement. We aim to create a workplace environment where employees can work comfortably, where employees and their families can enhance their own

awareness of their health, and where they can work in good physical and mental health. We will also strive to improve the workplace environment and promote various health management measures that will lead to improved employee engagement.

Promoting Work Style Reform

To ensure a good work-life balance for our employees, the Group aims to enable them to exercise their individuality and achieve self-fulfillment, as well as to realize diverse forms of employment, work styles, evaluation systems, and leave

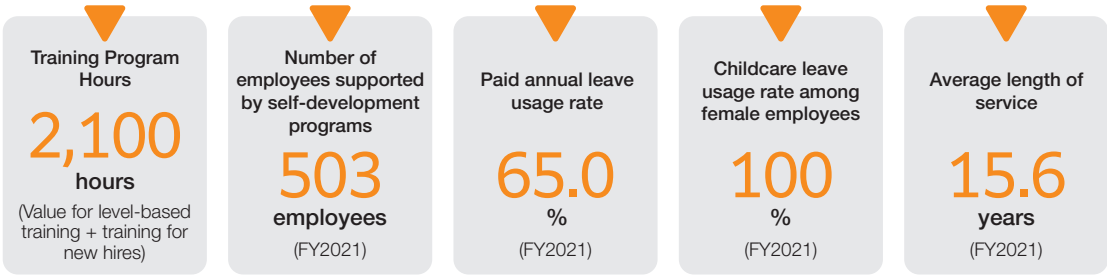
systems. As part of this effort, we are promoting more efficient work styles through the introduction of telecommuting and the use of IT, such as meetings with customers via video conferencing.

Diversity Initiatives

Based on the idea that new and innovative ideas are created by a diverse workforce, the Group has been focusing on the promotion of diversity since fiscal 2021 with the Diversity Management Policy.

In June 2021, the first female outside director was

appointed to the Board of Directors, and the Company has set a target ratio of women in management positions. We are also actively promoting mid-career hires to management positions, with mid-career hires currently accounting for approximately 40% of our management positions.



Column

Strengthening sustainability-related training

We conducted executive training and e-learning training on the SDGs to ensure that our employees understand the basic content of the SDGs and their relevance to the Company and that each and every one of them can perceive the SDGs as directly concerning them.

Comments from the e-learning training participants

The training program made me realize that our company is deeply engaged with the SDGs, for example, the overlap with our management philosophy and the initiatives we are undertaking by citing the names of our specific products. We are making daily efforts to improve the level of quality, price, and delivery time, which are the competitive edge of our products. It made me realize that contributing to the SDGs will become one factor in evaluating our company and products in the future.

While the SDGs' goals are ambitious and span the entire planet, even the little things we do in our daily lives can make a difference. My son enjoys watching SDG content for children. I hope to continue working on the SDGs so that more in my children's generation will take action to inspire everyone, and that we can be the kind of company that is appreciated by society.

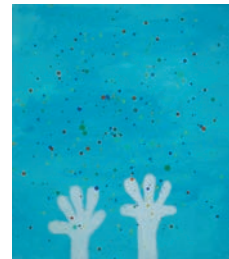


3rd Sales Dept., Sales Headquarters
Hiroaki Iguchi

Contribution to Regional and Community Development

▶ Support for Paralym Art®

Since 2022, we have endorsed the philosophy of Paralym Art®, which promotes the independence of people with disabilities, and we have been supporting the program as an official partner. We support the independence of people with disabilities by using the works of artists who are active in regions associated with our Company in the design of our shareholder benefits and novelties.



Title of Kenbo's work:
Seize the Opportunity

▶ Participation in KOSEN Women's Forum in Kansai

The KOSEN Women's Forum is an event dedicated to female students of technical colleges, where students and companies present each other's approaches to career education to enable female students attending technical colleges to continue working as engineers, as there are not a small number of women who leave the engineering profession due to marriage or childbirth. On December 19, 2021, our Company participated in this event in order to contribute to this valuable opportunity for female students to acquire the knowledge necessary to find employment and play an active role as a female engineer.

Female employees working as engineers and female human resources staff participated in the online forum and we presented information about our Company's work, workplace atmosphere, and efforts to promote the advancement of women. We will continue to support students in their career development so that they can be active and vibrant members of society.



Presented firsthand accounts from female engineers in our Company including the more difficult aspects



Photo courtesy: Yamamoto Noh Theater

▶ Sponsorship of Traditional Arts and Culture

Nippon Pillar Packing believes in the importance of interacting with the communities in which its factories and offices are located. Based on this idea, we sponsor the Yamamoto Noh Theater, the Osaka Philharmonic Orchestra and the Kansai Philharmonic Orchestra with the aim of revitalizing Osaka City, where our head office is located.

Through such sponsorship, we support the development of traditional performing arts and the promotion of culture. Going forward, we intend to support the promotion of culture and arts as well as regional revitalization, not only in the communities we serve but also throughout the world.

Product Development and Manufacturing in Response to Social Issues

▶ Together with Customers

Nippon Pillar Packing recognizes that important hints for business development are often concealed in the requests of customers and organizes their requests and feedback using customer request cards. These requests are reported at the Strategy Meeting, Management Meeting and meetings of other bodies and discussed in order to tie the feedback into

product improvements and new product development.

Also, in order to serve customer requests, coordination between sales and engineering divisions is essential. When we visit our customers, our engineering staff accompanies sales staff, and by adding a technical perspective, we are able to understand the essence of the issues regarding their

requests and make the best proposals.

In fiscal 2021, we were forced to refrain from visiting our customers due to the pandemic but responded to their requests while ensuring the safety and security of customers and employees by introducing a video conferencing system along with other solutions.

Furthermore, based on the recognition that ensuring the quality of our products is one of the most important priorities in gaining and maintaining the trust of our customers, we will continue to implement the PDCA cycle for quality control

activities based on the ISO 9001 quality management system, as well as complying with the quality and standards required by each country and each industry.

As for customer evaluations of our products and services, we conduct a questionnaire of Customer Satisfaction Survey, once a year. Starting in fiscal 2020, we have made this questionnaire electronic, so that we can quickly absorb customer feedback and strive to further improve customer satisfaction through discussions at management meetings and feedback to workplaces.

Promoting CSR Procurement

▶ 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 2021, the sessions were held remotely, as in the previous year, to prevent the spread of COVID-19.

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 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, and human rights and environmental conservation, we conducted a questionnaire on CSR procurement with all suppliers who have made purchases in fiscal 2020 and beyond. We received responses from 84.2% of our business partners, and we will continue to communicate and follow up with business partners with whom we hope to see improvements. In the future, we will review the content of the questions to better understand the reality on the ground, for example, by varying the content of the questions according to the size of the responding company.

Column

Supplier feedback

Nippon Pillar Packing's efforts to communicate in an easy-to-understand way are very instructive to us as well.

At the annual procurement policy briefing, we are given a concrete understanding of the current environment, business policies, and issues.

In addition, the CSR Procurement Guidelines also present policies from various perspectives, including compliance, environmental conservation, and health and safety.

In the relationships with suppliers, Nippon Pillar Packing focuses on strengthening relationships and building trust based on the spirit of mutual prosperity. As a raw material manufacturer, we accept the burden of responsibility to play a role in the development of the industry and hope to develop our business together with Nippon Pillar Packing.

We look forward to the new challenges and business development of your company in the future.



Deputy General Manager,
Chemicals Division
Daikin Industries, Ltd.

Naoki Wakao