

Paper Innovation for a Connected Future

ESG DATA BOOK

2024

Year ending March 31, 2024



KPP GROUP HOLDINGS CO., LTD.



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Sample Page This page will be updated after all contents are fixed.

This book is described as following structure throughout.

Management Environment Social Governance Data

Category can be recognized from Management, Environment, Social, Governance data at the top of page.

Energy

Our Approach (302) For GRI items, the GRI number is listed.

We have established an EMS based on ISO14001 and have designated energy consumption as a priority environmental management item. Every year, we set a target for reducing our energy consumption to conserve resources and reduce energy consumption in our business activities.

Fiscal year 2030 Targets

We have set a target of reducing our own energy consumption by 33% compared to fiscal year 2020 level at all domestic sites. Targets for reducing energy use at sites in Europe, South America, North America and the Asia-Pacific region are currently being formulated.

The data includes items, scopes, units, and the results for past three years.

Total Fuel Consumption from Non-renewable Sources^{*1} (302-1)

Item	Scope	Units	FY21	FY22	FY22
Calorific value of diesel fuel ^{*2}	HD, KPP	GJ	1,776	1,947	17,762 ^{*5}
Calorific value of diesel fuel ^{*2}	SPI	GJ	-	-	14,074
Calorific value of alternative diesel fuel ^{*3}	HD, KPP	GJ	-	-	2,667
Calorific value from gasoline	HD, KPP	GJ	1,901	1,405	3,967 ^{*5}
Calorific value from gasoline	SPI ^{*4}	GJ	-	-	1,769
Calorific value of LP gas	HD, KPP	GJ	9	38	404 ^{*5}
Calorific value of LP gas	SPI	GJ	-	-	5,810
Calorific value from city gas	HD, KPP	GJ	440	340	362
Calorific value from city gas	SPI	GJ	-	-	0
Calorific value from kerosene	HD, KPP	GJ	254	288	331
Calorific value from kerosene	SPI	GJ	-	-	0

^{*1} There is no use of heating, cooling, or steam.
^{*2} Calculation method: Fuel consumption at major sites in Japan was aggregated and converted to MJ by multiplying the coefficients in the List of Standard Calorific Values and Carbon Emission Coefficients by Energy Source. https://www.enecho.meti.go.jp/statistics/total_energy/carbon.html
^{*3} Alternative diesel fuel was used in a domestic subsidiary of Kokusai Pulp and Paper. While maintaining the same properties as petroleum-derived products, GHG emissions can be reduced by about 8.5% compared to diesel oil by alternative diesel fuels.
^{*4} Includes Spicers New Zealand only.
^{*5} FY2022 results includes KPP Group Holdings and Kokusai Pulp & Paper only. FY2023 results includes KPP Group Holdings, Kokusai Pulp & Paper, and its subsidiaries. Therefore, figures increased.

Supplementary explanations of calculation methods and scopes are listed with numbers below table.

1. Editorial Policy for the ESG Databook

Scope of Report (2-2)

We are developing three hybrid global business models tailored to the characteristics of each region. KPP Group Holdings oversees global business and has core operating companies in each region. The core operating companies in each region are as follows.

Northeast Asia: Kokusai Pulp & Paper

Europe, South America, North America: Antalis

Asia Pacific: Spicers

This report mainly covers the KPP Group as a whole. However, if the scope of reporting is not the KPP Group as a whole, the annotation is clearly described. Over the medium to long term, we aim to include all consolidated subsidiaries in the scope of reporting.

Reporting Period (2-3)

The period covered in this document varies by region. The reporting period (fiscal year) by region is as follows. In this book, the fiscal year is indicated by adding "FY" to the beginning of the number. For example, "FY23" refers to 2023 of the fiscal year.

Domestic Japanese companies: From April 1, 2023 to March 31, 2024

Overseas companies: From January 1, 2023 to December 31, 2023

Referenced Standards and Guidelines

GRI Standards

Environmental Reporting Guidelines (2018), Ministry of the Environment

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Issuer and Contact Information (2-1, 2-3, 2-4)

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Disclaimer

The earnings forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Please note that future results may differ significantly from these forecasts due to various factors. ESG data book was published in Japanese and English. The Japanese language version of ESG data book shall prevail in case of any inconsistencies with translated versions, if any.

External Assurance (2-5)

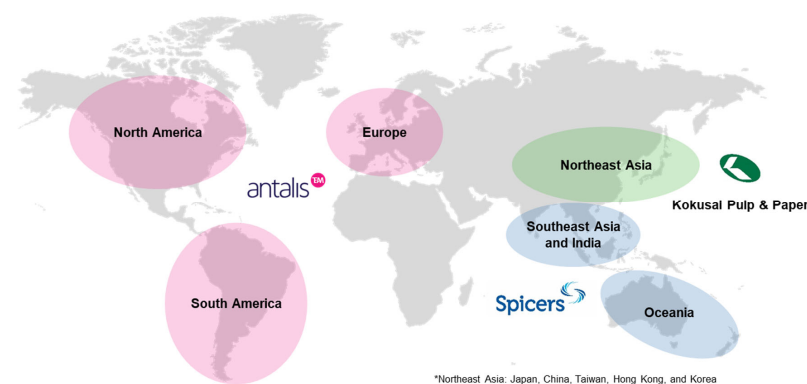
The content of this report has not been externally audited. We are preparing the implementation of external audits.

Management	Environment	Social	Governance	Data
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Three Types of Business Models

Paper Trading-oriented Business model overseas	Trade business utilizing a global network for paper, paperboard, and paper raw materials
Paper Distributor-oriented Business model in Japan	Paper-related wholesale business that combines indent business (contracted sales) and stock business (inventory sales)
Paper Merchant-oriented Business model in Europe, South America, North America and Asia Pacific	High value-added business through cutting and processing and sales of own-brand products by possessing large-scale logistics and distribution functions

Core Operating Companies and Regions



Abbreviations of Group Companies in this Report

Name	Abbreviations
KPP Group as a whole ^{*1}	GRP
KPP Group Holdings	HD
Kokusai Pulp & Paper ^{*2}	KPP
KPP Logistics	KPPL
Antalis ^{*3}	ANT
Spicers ^{*4}	SPI

^{*1} Includes KPP Group Holdings, Kokusai Pulp & Paper, Antalis, and Spicers.

^{*2} Includes Kokusai Pulp & Paper and its domestic subsidiaries.

^{*3} Includes Antalis and all its subsidiaries.

^{*4} Includes Spicers Australia and Spicers New Zealand.

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GRI Standard Comparison Table (as of March 31, 2024)

General Disclosures Page

Item			Disclosure (number of pages)		
			ESG	IR	SR
1. Organization and its reporting practices	2-1	Organization Details	-	78	Cover
	2-2	Entities included in the organization's sustainability reporting	5	2	5
	2-3	Reporting period, reporting frequency, and contact information point	5, 6	2	Cover
	2-4	Restatements of information	-	-	-
	2-5	External assurance	6	-	-
2. Activities and workers	2-6	Activities, value chains, and other business relationships	7	23	22
	2-7	Employees	42	13	9
	2-8	Workers who are not employees	-	-	-
	2-9	Governance structure and composition	58	69	49
3. Governance	2-10	Nomination and selection in the highest governance body	59	70	49
	2-11	Chair of the highest governance body	-	-	49
	2-12	Role of the highest governance body in overseeing the management of impacts	59	70	49
	2-13	Delegation of responsibility for managing impacts	-	-	-
	2-14	Role of the highest governance body in sustainability reporting	12	45	13
	2-15	Conflicts of interest	-	-	-
	2-16	Communication of critical concerns	-	-	-
	2-17	Collective knowledge of the highest governance body	-	-	-
	2-18	Evaluation of the performance of the highest governance body	61	70	52
	2-19	Remuneration policies	64	72	61
	2-20	Process to determine remuneration	64	72	62
	2-21	Annual total remuneration ratio	64	72	62
	2-22	Statement on sustainable development strategy	-	15	-
	2-23	Policy commitments	51	61	21
4. Strategy, policies and practices	2-24	Embedding policy commitments	53	61	21
	2-25	Processes to remediate negative impacts	68	75	53
	2-26	Mechanisms for seeking advice and raising concerns	68	75	53
	2-27	Compliance with laws and regulations	-	75	11
	2-28	Membership associations	-	-	-
	2-29	Approach to stakeholder engagement	-	-	-
5. Stakeholder engagement	2-30	Collective bargaining agreements	-	-	-
	2-31	Material topics	15	46	14
Material topics 2021	3-1	Process to determine material topics	15	46	14
	3-2	List of material topics	16	47	14
	3-3	Management of material topics	15	46	14

Legend	
ESG	ESG Databook 2023 (KPP Group Holdings)
IR	Integrated Report 2023 (KPP Group Holdings)
SR	Securities Report (Fiscal Year Ended March 2023) (KPP Group Holdings) (Japanese Only)
NA	Not Applicable
-	No available data

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Topic Disclosures

Item			Disclosure (number of pages)		
			ESG	IR	SR
Economic performance 2016	201-1	Direct economic value generated and distributed	-	13	1
	201-2	Financial implications and other risks and opportunities due to climate change	38	51	16
	201-3	Defined benefit plan obligations and other retirement plans	-	-	-
	201-4	Financial assistance received from government	-	-	-
Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-	-
	202-2	Proportion of senior management hired from the local community	-	-	-
Indirect Economic Impacts 2016	203-1	Infrastructure investment and services supported	-	-	-
	203-2	Significant indirect economic impacts	-	-	-
Procurement Practices 2016	204-1	Proportion of spending on local suppliers	-	-	-
Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-	-	-
	205-2	Communication and training about anti-corruption policies and procedures	68	75	53
	205-3	Confirmed incidents of corruption and actions taken	-	-	-
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	75	11
Tax 2019	207-1	Approach to tax	-	-	-
	207-2	Tax governance, control, and risk management	-	-	-
	207-3	Stakeholder engagement and management of concerns related to tax	-	-	-
	207-4	Country-by-country reporting	-	-	-
Materials 2016	301-1	Materials used by weight or volume	31	21	-
	301-2	Recycled input materials used	31	77	-
	301-3	Reclaimed products and their packaging materials	-	-	-
Energy 2016	302-1	Energy consumption within the organization	32	77	-
	302-2	Energy consumption outside of the organization	-	-	-
	302-3	Energy intensity	-	-	-
	302-4	Reduction of energy consumption	28	54	-
	302-5	Reduction in energy requirements of products and services	-	-	-
Water and Effluents 2018	303-1	Interaction with water as a shared resource	-	-	-
	303-2	Management of water discharge - related impacts	-	-	-
	303-3	Water withdrawal	-	-	-
	303-4	Water discharge	-	-	-
	303-5	Water consumption	33	77	-
Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA	NA	NA
	304-2	Significant impacts of activities, products and services on biodiversity	NA	NA	NA
	304-3	Habitats protected or restored	NA	NA	NA
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA	NA	NA

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Item			Disclosure (Number of pages)		
			ESG	IR	SR
Emissions 2016	305-1	Direct (scope 1) GHG emissions	26	53	20
	305-2	Indirect (scope 2) GHG emissions	26	53	20
	305-3	Other indirect (scope 3) GHG emissions	27	54	-
	305-4	GHG emissions intensity	26	53	-
	305-5	Reduction of GHG emissions	28	53	-
	305-6	Emissions of ozone-depleting substances (ODS)	-	-	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	-
Waste 2020	306-1	Waste generation and significant waste-related impacts	-	-	-
	306-2	Management of significant waste related impacts	-	-	-
	306-3	Waste generated	31	77	-
	306-4	Waste diverted from disposal	31	77	-
	306-5	Waste directed to disposal	31	77	-
Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-	-	-
	308-2	Negative environmental impacts in the supply chain and actions taken	-	-	-
Employment 2016	401-1	New employee hires and employee turnover	42	77	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	-	-	-
	401-3	Parental leave	43	77	9
Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-	-	-
Occupational Health and Safety 2018	403-1	Occupational health and safety management system	44	57	13
	403-2	Hazard identification, risk assessment, incident investigation	-	-	-
	403-3	Occupational health services	-	-	-
	403-4	Worker participation, consultation and communication on occupational health and safety	42	53	13
	403-5	Employee training on occupational health and safety	44	-	-
	403-6	Promotion of workers health	47	57	23
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	-	-
	403-8	Workers covered by an occupational health and safety management system	-	-	-
	403-9	Work-related injuries	44	57	-
	403-10	Work-related ill health	-	-	-
Training and Education 2016	404-1	Average hours of training per year per employee	48	59	-
	404-2	Programs for upgrading employee skills and transition assistance programs	48	59	22
	404-3	Percentage of employees receiving regular performance and career development reviews	48	-	-
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	49	70	-
	405-2	Ratio of basic salary to remuneration of women to men	49	58	9
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-	-	-

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Item			Disclosure (Number of pages)		
			ESG		
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	51	-	-
Child Labor 2016	408-1	Operational and suppliers at significant risk for incidents of child labour	51	-	-
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	51	-	-
Security Practices 2016	410-1	Security personnel trained in human rights policies and procedures	53	61	23
Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	NA	NA	NA
Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56	63	-
	413-2	Operations with significant actual and potential negative impacts on local communities	-	-	-
Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-	-	-
Public Policy 2016	414-2	Negative social impacts in the supply chain and actions taken	-	-	-
	415-1	Political contributions	-	-	-
Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	-	-	-
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	-
Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	-	-	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	-
	417-3	Incidents of non-compliance concerning marketing communications	-	-	-
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	-

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2. Sustainability Management

Our Approach

Based on the basic philosophy of the KPP Group Way, the KPP Group contributes to the realization of a sustainable society through the development of totally recycling-oriented management. In addition, we consider the environment, social, and governance to be important management issues and work to resolve important issues related to our business activities.

Sustainability Promotion System (2-14)

In April 2022, the Company established the Sustainability Committee, chaired by the Chairman and CEO. The Sustainability Committee receives reports from its five subcommittees and its core operating companies, Kokusai Pulp & Paper, Antalis, and Spicers, and provides guidance, advice, and supervision. It also reports on the progress of sustainability issues to the Board of Directors. Each committee sets sustainability issues, action plans, and KPIs, and manages the progress of initiatives. Through this system, we address sustainability issues in a sustainable and global manner.

Sustainability Promotion System (2-14)



System until March 31st, 2024. Please refer to URL for current system: <https://www.kpp-gr.com/ja/csr/TCFD.html> (Japanese only)

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Number of Meetings of the Sustainability Committee and KPP Subcommittees

Committee Name	Scope	Units	FY21	FY22	FY23
Sustainability Committee	GRP	Times	2	2	2
Compliance Committee	HD, KPP	Times	2	2	2
Risk Management Committee	HD, KPP	Times	2	2	2
Environmental Management Committee	HD, KPP	Times	2	2	2
Occupational Safety Committee	HD, KPP	Times	2	2	2
Information Security Committee	HD, KPP	Times	2	2	2

Major Agenda of the Sustainability Committee

Name of reporting company	Major agenda
HD	Sustainability Management System, KPP Group Basic Sustainability Policy, KPP Group Materiality, Sustainability Vision, KPP Group's KPI by Materiality, Action Plan (ISCC Certification, ESG Databook, CDP, GX League, Human Rights Response)
KPP	Initiatives and progress reports on important issues by each subcommittee (details are shown in the next page).
ANT	Sustainability strategies, products and services, supplier due diligence, monitoring of environmental regulations, carbon footprint, health and safety, developing competent human resources in the workplace, establishing training and development programs, communication, diversity and inclusion, supply chain efficiency, reducing energy consumption, ISO status, multisite FSC®-PEFC certification, ethics reporting platform, code of conduct, compliance, etc.
SPI	Spicers Group Sustainability Committee focuses on all ESG matters, which include, but are not limited to Environmental matters (Energy, CO2e Emissions, Waste, Recycling, Product Portfolio Rationalization, Sustainability Audits), Social matters (Health, Safety & Wellbeing, Community engagement and support, Leadership and Development, Diversity and Inclusion) and Governance matters (Strengthening Corporate Structure, Transparent Management, Information Disclosure, Certification, Risk Analysis and Mitigation).

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Main Proceedings of KPP Subcommittee

Committee Name	Major proceedings
Compliance Committee	Response to exclusion measures orders under the Antimonopoly Act (investigation of similar cases, updating compliance manuals, formulating antitrust compliance guidelines, explanatory meetings on antitrust compliance guidelines), conducting a survey on fraudulent accounting (no instances of fraudulent accounting or violations of the Antimonopoly Act), investigations through internal reporting, compliance training (prohibition of insider trading, prevention of harassment, protection of intellectual property, compliance with the Subcontract Act), and establishing a compliance system for KPP affiliated companies.
Risk Management Committee	Updating the group risk map, formulating risk response measures, managing product claims, updating the BCP manual and the list of alternative suppliers, conducting disaster prevention training, and conducting employee safety confirmation drill.
Environmental Management Committee	ISO14001 certification renewal audits, correction of non-conformity with forest certification, acquisition of ISCC certification, calculation of and promotion of reduction of KPP Group GHG emissions, external correspondence (CDP, EcoVadis, GX League, various exhibitions), publication of ESG data book, formulation of human rights policy, implementation of human rights study sessions, implementation of human rights due diligence.
Occupational Safety Committee	Thorough management of overtime by management, promotion of paid leave acquisition, understanding and support measures for the system of paternity leave for men, implementation of in-house health checkups, implementation of stress checks, monitoring of labor accident occurrences, office air quality, and status of industrial physician consultations.
Information Security Committee	Formulation and deployment of global IT security policies, introduction of Microsoft 365 E5, implementation of cyber attack countermeasures (targeted attack e-mail training), continuous implementation of activities to strengthen security (subsidiary security enhancement and security awareness activities, subsidiary network survey), incident reporting, password management alert briefing.

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Materiality

Our Approach

Under our Basic Policy on Sustainability, we perceive the environment, social, and governance to be important aspects of management and identify material issues related to business activities. We have selected themes and issues related to these material issues and set quantitative targets where possible. In addition, we will periodically review the material issues and update them in accordance with the circumstances of our stakeholders and the Company.

Selection Process and Management (3-1, 3-3)

The Group selects materiality in the following steps, sets action targets, and runs the PDCA cycle.

STEP 1 Identification of Issues

Taking into account domestic and international social issues, international guidelines and standards (ISO 26000, SDGs, GRI, IIRC, etc.), and evaluation items from ESG assessment organizations (MSCI, FTSE, etc.), we identified general strategic issues to be addressed as we proceed with our corporate activities.

STEP 2 Evaluation of Materiality

These issues were mechanically mapped out as the first step by quantitatively selecting issues that were considered more important to each stakeholder and the Company through interviews with internal and external stakeholders, led by the project members.

STEP3 Evaluation of Validity through Discussion

The mapped issues were grouped based on similarity and re-mapped after discussion among project members. After further discussion of the results, material issues were mapped. After approval by the Board of Directors, the material issues identified in this manner are incorporated into management strategies, action goals are set for these strategies, and the PDCA cycle is implemented.

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Material Issues of the KPP Group (3-2)

Materiality	Key issues		
Global expansion	Creating of Group synergies	Global sharing of supplier and customer networks	
	Enhancement of inner communication	Permeation of KPP Group Way	
		Deepening mutual understanding within the Group	
Response to DX	Expansion of e-commerce	Expansion of global online sales	
	Development of new system	Revamping of new core system in Japan	
Implementation of eco-responsible Business	Resolution of the marine plastic pollution problem	Setting of global sales targets for environment responsible products	
	Reduction of environmental impact	Development and sales expansion of products and services with reduced environmental impact	
	Recycling and waste reduction	Promotion of recycling-oriented businesses in the domestic market	
Climate change countermeasures	Prevention of global warming	Development of solutions to prevent global warming	
		Reduction of GHG emissions	
	Expansion of information disclosure	Enhancement of information disclosure based on international frameworks	

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Specific measures	Results in FY2023	Scope
Implementation of cross-selling and other measures across the whole Group	Aggregated and shared of global market and supplier information	GRP
Publication of the KPP Group Brand Book (during FY2023)	Published KPP Group Brand Book (October 2023), Delivered to all employees	GRP
Establishment of KPP Group Award System	Shared objectives and screening axes, and started entry applications	GRP
Development of philosophy education (during FY2025)	Preparing to teach our philosophy through video content (under way)	GRP
Production of video content in multiple languages	Produced and deployed video content	GRP
Publication of the Group Newsletter	Published Group Report four times a year (in Japanese and English)	GRP
Increase e-commerce ratio (Japan and overseas)	e-commerce Sales of Antalis increased 3.5% to 386 million euros	GRP
Commencement of operation of new core system (scheduled for April 2025)	Developing new core system (underway)	HD, KPP
Target Green Biz Project sales: 6 billion yen (Target for FY2024)	Net sales: 3.8 billion yen (FY2023)	KPP
Development and sales expansion of products and services with reduced environmental impact	Published catalogs of products with reduced environmental impacts: Green Products & Solutions (KPP), Environs (SPI), Development and operation of Green Star System™ (ANT)	GRP
Sales expansion of forest certified pulp and paper	Sale amount of FSC / PEFC certified products 748 thousands of ton (Japan), Certified product ratio 92% (Spicers Australia), FSC Certification ratio 88% and PEFC Certification ratio 85% (ANT) (ANT) in Europe	GRP
Establishment of a paper recovery network and selling raw materials for recovered paper	Collected and recycled more than 70% of the base paper sold	KPP
Increase recovered paper collection volume	Developed of RISANET, a nationwide network of recovered paper wholesalers in Japan Developed the recovered paper collection solution, ecom series	KPP KPP
Development and distribution of a support system for optimizing biomass power plant operation	Expanded of sales of BMecomo, a support system for optimizing biomass power plant operation	KPP
Expansion of boundary of calculation	Domestic subsidiaries and facilities in New Zealand are included (Scope 1, 2)	KPP, SPI
Expansion of scope of calculation	Scope3 Upstream (Japan), Scope1, 2 (Australia, New Zealand)	HD, KPP, SPI
Setting emission reduction targets to achieve carbon neutrality by 2050	Set the target of 3.3% reduction compared to FY 2020 level (Scope 1, 2) (Already set in FY2022) Calculated GHG emissions from upstream of supply chain, and target will be set in future	HD, KPP HD, KPP
Setting the target and promotion of activities for energy conservation	Promoted energy-saving activities by introducing LED lighting, using GTL (alternative diesel fuels), verifying alternative transportation by using rivers, and participating in initiatives	GRP
Setting targets and promoting activities for the introduction of renewable energy	Introduced renewable energy (Japan) and solar power generation systems (Oceania, Europe)	GRP
Carbon offsetting	Continued Carbon offsetting, Supporting reforestation programs (Spicers Australia)	SPI
Publication of ESG data book based on GRI standard	Published ESG data book 2023 in Japanese and English	GRP
Improvement of CDP Climate Change Ratings	CDP Climate Change Score B (FY2023)	HD, KPP
Improvement of evaluation by EcoVadis	Assessed by EcoVadis (HD, KPP), Gold medal (ANT)	HD, KPP, ANT

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Materiality	Key issues		
Diversity & Inclusion	Ensuring Diversity	Human resource development	
		Prevention of harassment	
		Development of an employee-friendly working environment	
	Utilization of diverse personnel	Promotion of women's career advancement	
		Diversification of hiring practice	
Enhancement of governance	Risk Management & Incident Management	Establishment of a global risk management system	
		Establishment of the Group's incident management system	
		Enhancement of BCPs	
	Compliance	Implementation of training and education	
		Compliance with Antitrust Laws	
	Information security	Thorough information management	
		Enhancement of Cyber security	

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Specific measures	Results in FY2023	Scope
Expansion of in-house training system	Utilized e-learning to support employee's self-development	GRP
	Implemented career interviews for promoted employees and training by rank	HD, KPP
	Considered new KPI such as human resource education time	GRP
Introduction and implementation of fair personnel evaluation system	Introduced the mentor system	HD, KPP
	Provided appropriate feedback system on evaluation	HD, KPP
Implementation of harassment training	Trainings for all employees (Participation ratio 100%), Trainings for managers (Power Harassment, Sexual Harassment, Maternal Harassment, Participation ratio 100%)	HD, KPP
Diversification of working styles	Utilized the telework system	HD, KPP
	Implemented of leave and short-time work system for childcare and nursing care	HD, KPP
	Introduced a Parental leave System at Birth (October 2022)	HD, KPP
Correction of long working hours	Improving operation and working efficiency (underway)	HD, KPP
Appropriate management of working hours	Gaining an understanding on the actual status of overtime work (underway)	HD, KPP
Prevention of problems related to long working hours	Enhanced the interviews with industrial physicians	HD, KPP
Promoting the use of paid leave	Set the target of 70% or more of paid leave taken	HD, KPP
Formulation and implementation of the Plan for Promoting Women's Career Advancement	-	HD, KPP
Increase the ratio of female managers	Ratio of female managers: HD 13.6%, KPP 2.9%	HD, KPP
Increase the ratio of women in career-track positions	Women account for 30.8% of career-track employees	HD, KPP
Hiring of foreign students, mid-career workers, and people with disabilities	Mid-career employment rate: HD 100%, KPP 52% Employment rate of persons with disabilities: HD 3.4%, KPP 2.7%	HD, KPP
Establishment of a global risk management system	Established a system to identify and evaluate risks that are important for the management of the Group, determine priority countermeasures, and regularly monitor the implementation status of priority countermeasures.	GRP
Establishment of an incident reporting system	Established an incident reporting system and shared incident information among each operating company	GRP
Enhancement of organizational response capabilities to disasters and incidents	Prepared various manuals with a view to shifting to an all-hazard BCP system that assumes not only natural disasters but also infection risks and cyber attacks	HD, KPP
Expansion of emergency response drills (disaster prevention drills, etc.)	Conducted the drill of disaster prevention drills and safety confirmation system	HD, KPP
Implementation of the compliance training and e-learning to all employee	Implemented the trainings (Participant ratio 100%)	HD, KPP
Enhancement of compliance system including Antitrust Laws and thoroughly enforcing corporate ethics	formulated the "Guidelines for Compliance with the Antitrust Laws," in the compliance manual, conducted in-house training, and reported to the Board of Directors.	HD, KPP
Thorough management of IT assets and subsidiary information	Collected and corrected information on IT assets and subsidiaries	GRP
Expansion of the Kaede Standard System to Group Companies	Expanded to Khushu Kami-shoji and Okayama Kami-Shoji. (Completed the expansion to domestic subsidiaries)	HD, KPP

3. Environment

Environmental Philosophy

KPP Group Holdings Co., Ltd. and Kokusai Pulp & Paper Co., Ltd. recognize that the sound preservation of the global environment is a noble issue affecting the survival of humanity for generations to come, and we will make every effort to realize sustainable development by coexisting and harmonizing with the natural environment. Each and every employee shares our responsibility to take proactive action toward preserving the global environment as a good corporate citizen, under the effective organizational and management system of the Company.

Environmental Policy

As a paper distributor, we strive to reduce environmental impact through the sales activities of paper, paperboard, paper raw materials, and paper-related products, contributing to resource conservation and the establishment of a recycling-oriented society based on the following actions.

1. We constantly recognize environmental aspects related to our business activities, products sold, and services, strive for continuous improvement by establishing an environmental management system, and work to prevent environmental pollution.
2. We comply with environmental laws and regulations as well as other requirements that we agree to.
3. Among the environmental aspects related to our activities, products, and services, we focus on the following items as priority items for environmental management, and review them in response to changing circumstances.
 - 1) Promote a recovered paper collection and recycling business, promote sales of environmentally responsible paper, and advance proposal-based sales activities for environmentally responsible products.
 - 2) Strive to conserve all resources used in our business activities and reduce energy consumption.
 - 3) Prevent environmental pollution by actively engaging in waste reduction and the sorting and recycling of waste emitted from business activities and offices.
 - 4) Promote green procurement* and contribute to resource conservation.

- 5) Give consideration to biodiversity and strive to protect and improve biodiversity through business activities.
 - 6) Strive to reduce greenhouse gas emissions and to improve society's climate change issues through our products and services.
 - 7) Increase awareness of and work to conserve the water resources needed to develop forests and make paper.
4. To achieve this environmental policy, we will train and educate all employees and all people working for the Company, and promote environmental management throughout the Company.
 5. We will build a sustainable mutually beneficial relationship in cooperation with partners who agree with our policies. In addition, we will continue to operate clean business without illegal transactions, while considering human rights, safety, and compliance.

* Green procurement represents the procurement established by the Act on Promoting Green Procurement.

KPP Group holdings website Environmental Policies <https://www.kpp-gr.com/en/csr/action/PhilosophyPolicy.html>

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Important KPIs Related to the Environment

The Company sets the following indicators as important KPIs related to the environment and promotes initiatives to achieve its targets.

Company's GHG Emissions Reduction Rate (Scope 1, 2)

3.3% per year (Target year: FY30, Base year: FY20)

Scope: KPP Group Holdings, Kokusai Pulp & Paper, Domestic consolidated subsidiaries

Green Biz Project Net Sales

6 billion yen (Target year: FY24)

Scope: Kokusai Pulp & Paper

Recovered Paper Sales Volume

1,260,000 tons (Target year: FY23)

Scope: Kokusai Pulp & Paper

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ISO14001 (Status of the Entire Group)

Our Approach

We have constructed an environmental management system (EMS) in accordance with the international standard ISO 14001 in order to fulfill our duty of compliance with environment-related laws and regulations and to improve ESG performance while carrying out both efforts to resolve social issues and business activities. Through the system, we continue our activities to achieve environment-related KPIs. The results of our activities are regularly evaluated externally, and the evaluation results are disclosed in communication with stakeholders. In the fiscal year ending March 31, 2024, in particular, we have further clarified the targets applicable to HD and KPP towards the achievement of net zero emissions by 2050, and we are promoting activities that contribute to GHG emissions reduction, such as Scope 1 and 2 calculations and disclosures, and Scope 3 calculations. In addition, we have added biodiversity, conservation of water resources, and our commitment to sustainably strengthen a mutually beneficial relationship with our business partners, while considering human rights, safety, compliance, and the eradication of unfair trade practices, to our Environmental Policy. By doing so, we are promoting EMS activities that are more effective and meet the demands of the times.

Target - ISO Certification Acquisition Ratio

Item	Scope	Units	Target value	Target fiscal year
ISO14001 and/or 50001 ^{*1}	ANT	%	65.0	2026

^{*1} Calculation method: Total area of ISO 14001 and/or 50001 certified warehouses or production sites (leased or owned) / Total area of all warehouses or production sites (leased or owned).

Result - ISO Certification Acquisition Ratio

Item	Scope	Units	FY21	FY22	FY23
ISO14001 and/or 50001 ^{*1}	ANT	%	42.0	56.0 ^{*2}	57.2

^{*1} Calculation method: Total area of ISO 14001 and/or 50001 certified warehouses or production sites (leased or owned) / Total area of all warehouses or production sites (leased or owned).

^{*2} Actual as of June 30, 2023.

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Forest Certification

Our Approach

The forest certification system is one of the environmental labeling systems that promote the sustainable use and conservation of forests by attaching certification marks to wood and other materials produced from properly managed forests and appropriately managing them at all stages of production, processing, and distribution. We have acquired FSC® certification and PEFC certification under the Chain of Custody (CoC) system, which separates and manages forest-certified paper so that it does not mix with general products at the processing and distribution stages. We are working to expand sales in response to growing demand for certified forest products as environmental awareness increases.

Result - FSC and PEFC Certified Sales Volume

Item	Scope	Units	FY21	FY22	FY23
Sales volume of forest certified paper ^{*1}	KPP	Ton	654,215	639,408	596,010
Sales volume of forest certified pulp ^{*2}	KPP	Ton	172,561	145,807	152,580

^{*1} Result of total sales volume of KPP.

^{*2} Result of total sales volume of KPP.

Target - FSC and PEFC Certification Acquisition Ratio

Item	Scope	Units	Target value	Target fiscal year
FSC certification acquisition rate ^{*1}	ANT	%	90	2026
PEFC certification acquisition rate ^{*2}	ANT	%	90	2026
FSC and PEFC certification acquisition rate ^{*3}	SPI	%	100	2030

^{*1} Calculation method: Number of FSC certified operating entities in Europe / Total number of Antalis operating entities in Europe.

^{*2} Calculation method: Number of PEFC certified operating entities in Europe / Total number of Antalis operating entities in Europe.

^{*3} Calculation method: Number of fiber-based products certified by FSC and / or PEFC / Total number of fiber-based products. (Spicers Australia only).

Result - FSC and PEFC Certification Acquisition Ratio

Item	Scope	Units	FY21	FY22	FY23
FSC certification acquisition rate ^{*1}	ANT	%	-	93 ^{*4}	88 ^{*5}
PEFC certification acquisition rate ^{*2}	ANT	%	-	90 ^{*4}	85 ^{*6}
FSC and PEFC certification acquisition rate ^{*3}	SPI	%	85	87	92

^{*1} Calculation method: Number of FSC® certified operating entities in Europe / Total number of Antalis operating entities in Europe excluding companies acquired in 2023. Europe represents over 95.6% of the Group sales.

^{*2} Calculation method: Number of PEFC certified operating entities in Europe / Total number of Antalis operating entities in Europe excluding companies acquired in 2023. Europe represents over 95.6% of the Group sales.

^{*3} Number of fiber-based products certified by FSC and / or PEFC / Total number of fiber-based products.

^{*4} Actual as of June 30, 2023.

^{*5} Decreased due to merger and acquisition. 93% on constant parameters vs June 30, 2023.

^{*6} Decreased due to merger and acquisition. 90% on constant parameters vs June 30, 2023.

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Greenhouse Gas (GHG) Emission Reduction Targets and Results

Fiscal year 2050 Targets

Reduce GHG emissions by the KPP Group^{*1} (Scope1, 2, 3) to net zero and achieve carbon neutrality by fiscal year (FY) 2050.

^{*1} Includes KPP Group Holdings, Kokusai Pulp & Paper.

Fiscal year 2030 Targets

Reduce GHG emissions (Scope1 and 2) from all domestic facilities by 33% compared to FY2020 levels by FY2030.

The Company has set medium-term targets for reducing GHG emissions in each region in which it operates. In the future, we will consider targets for FY 2030 for the entire Group. The Spicers Group has changed its fiscal year 2030 target from the reduction of overall GHG emissions, to a reduction of GHG emissions intensity in line with total business revenue, to better align the target with the business acquisition and growth.

Target - GHG Emission Reduction

Item	Scope	Units	Target value	Target fiscal year	Base year
Reduction of GHG emissions amount ^{*1}	HD, KPP	%	33.0	2030	2020
Reduction of GHG emissions intensity ^{*2}	ANT	kgCO ₂ e / k€	6.0	2026	2021
Reduction of GHG emissions intensity ^{*3}	SPI	kgCO ₂ e / kAUD	6.0	2030	2020

^{*1} Includes KPP Group Holdings, Kokusai Pulp & Paper, KPP Logistics.

^{*2} CO₂e emissions (Scope 1 & 2, kgCO₂e) / net turnover (thousands of euros).

^{*3} CO₂e emissions (Scope 1 & 2, kgCO₂e) / net turnover (thousands of Australia dollars).

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Results - GHG Emissions from Own Company (Scope 1, 2) (305-1, 305-2)

Item	Scope	Units	FY21	FY22	FY23
GHG emissions (Scope 1) ^{*1}	GRP	Tons of CO2e	-	-	11,334
GHG emissions (Scope 2) ^{*1}	GRP	Tons of CO2e	-	-	9,493
GHG emissions (Scope 1, 2) ^{*1}	GRP	Tons of CO2e	-	-	20,827
GHG emissions (Scope 1) ^{*2,3}	HD, KPP	Tons of CO2e	72	91	1,748 ^{*7}
GHG emissions (Scope 2) ^{*4}	HD, KPP	Tons of CO2e	1,663	1,571	1,946 ^{*7}
GHG emissions (Scope 1, 2)	HD, KPP	Tons of CO2e	1,735	1,662	3,694 ^{*7}
GHG emissions (Scope 1)	ANT	Tons of CO2e	7,703	6,992	8,226
GHG emissions (Scope 2) ^{*5}	ANT	Tons of CO2e	8,286	7,010	6,224
GHG emissions (Scope 1, 2)	ANT	Tons of CO2e	15,989	14,002	14,450
GHG emissions (Scope 1)	SPI	Tons of CO2e	-	1,058	1,360
GHG emissions (Scope 2)	SPI	Tons of CO2e	-	1,417	1,323
GHG emissions (Scope 1, 2)	SPI	Tons of CO2e	871 ^{*6}	2,474	2,684

^{*1} Includes GHG emissions from KPP Group Holdings, Kokusai Pulp & Paper, Antalis and Spicers.

^{*2} CO2, CH4, N2O are included in Scope 1. Other gases are not emitted. There are no bioderived CO2e emissions.

^{*3} Scope 1 was calculated by multiplying the list of emission factors under the Calculation, Reporting and Publication System by the amount of activity.

^{*4} Scope 2 was calculated by multiplying the activity amount by the emission factor based on the contract with the electric power company. (Market Based)

^{*5} Emissions for electricity were calculated using both the market-based method and the location-based method.

^{*6} In FY2021, the amount of GHG emissions (Scope 1, 2) includes Spicers Australia only. It was calculated by Greenfleet based on limited data submitted to Greenfleet, and the same amount was offset. From FY2022, Spicers calculated Scope 1 and Scope 2 including Spicers Australia and Spicers New Zealand.

^{*7} Subsidiaries of Kokusai Pulp & Paper were not included in FY2021 and FY2022. Therefore, the amount increased significantly from in FY2023.

GHG emission intensity (In-house emissions (Scope 1, 2) (305-1, 305-2)

Item	Scope	Unit	FY21	FY22	FY23
GHG emission intensity (Scope1,2) ^{*1}	GRP	kgCO2e /MJPY	-	-	32.3

^{*1} GHG emissions of KPP Group as a whole (Tons of CO2) / Sales of KPP Group as a whole (Millions of Japanese yen) * 1,000

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GHG Emissions (Scope 3)

Specific Measures to Reduce GHG Emissions (305-3)

In order to reduce GHG emissions not only from our own operations, but also from the entire supply chain, we are calculating GHG emissions from the supply chain as well. In fiscal 2024, emissions from upstream supply chains were calculated based on fiscal year 2023 results. In the future, we will expand the boundary of calculation, set reduction targets, and promote concrete measures.

Result - GHG Emissions from Supply Chains by Category (Scope 3)^{*1} (305-3)

Item	Scope	Units	FY21	FY22	FY23
Category 1	HD, KPP	Tons of CO2e	-	1,072,703	1,037,784
Category 2	HD, KPP	Tons of CO2e	-	61,861	2,889
Category 3	HD, KPP	Tons of CO2e	-	-	-
Category 4	HD, KPP	Tons of CO2e	-	19,759	16,452
Category 5	HD, KPP	Tons of CO2e	-	34	30
Category 6	HD, KPP	Tons of CO2e	-	1,046	1,570
Category 7	HD, KPP	Tons of CO2e	-	348	326
Category 8	HD, KPP	Tons of CO2e	-	414	675
Category 9 ^{*2}	HD, KPP	Tons of CO2e	-	-	-
Category 10 ^{*3}	HD, KPP	Tons of CO2e	-	-	-
Category 11 ^{*4}	HD, KPP	Tons of CO2e	-	0	0
Category 12 ^{*3}	HD, KPP	Tons of CO2e	-	-	-
Category 13 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Category 14 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Category 15 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Total	HD, KPP	Tons of CO2e	-	1,156,165	1,059,726

^{*1} The GHG emissions were calculated by using the audited financial indicators of the KPP Group Holdings as a whole as the activity volume and the values specified in the Ministry of the Environment's Input-Output Table as the emission coefficient.

^{*2} Category 9 (transportation and delivery (downstream)) is included in the calculation results of Category 4 (transportation and delivery (upstream)) because it is difficult to distinguish between upstream and downstream.

^{*3} Category 10 (processing of sold products) and Category 12 (disposal of sold products) are not calculated because it is difficult to set up a calculation model.

^{*4} Category 11 (use of sold products) is not expected to generate GHG emissions.

^{*5} Not applicable for Category 13 (Leased assets (downstream)), Category 14 (Franchise) and Category 15 (Investments).

GHG Emissions Reduction Initiatives (Scope 1, Scope 2)

Specific Measures to Reduce GHG Emissions (302-4)

The Group is reducing its own GHG emissions (Scope 1 and 2) in each region. We are focusing on the replacement of LED lighting, Improving the efficiency of transportation, electrification and introduction of renewable energies and proceeding through the following initiatives.

Initiative	Scope	Description
Replacement of LED Lighting	KPP	Major facilities in Japan managed by Kokusai Pulp & Paper completed introduction of the system in FY21.
	ANT	In Europe, we have completed installation in the Netherlands, France, Hungary and Denmark.
	SPI	96% of all lights in Spicers Australia's facilities are LED.
Improving the Efficiency of Transportation	KPP	Musashino-Shigo, the subsidiary of Kokusai Pulp & Paper, used GTL, the diesel alternative fuel, to reduce the GHG emissions. GTL has 8.5% lower emission factor, comparing with the conventional diesel fuel and we expect to reduce 16 tons of CO ₂ e in FY2023.
	ANT	River Trial: Antalis UK has undertaken river trials on the Thames in London, transporting goods from the port of Dartford to Woolwich, then into a central London warehouse. The journey's final leg to customers utilizes cargo bikes, both lowering emissions and alleviating traffic congestion.
Electrification	ANT, SPI	In Europe, South America, North America and the Asia-Pacific region, we are promoting the electrification of forklifts in warehouses and manufacturing sites.
	SPI	19% of Spicers Australia's commercial sales vehicles are hybrids (As of December 2023).
Introduction of renewable energies	KPP	KPP Kyushu Branch switched to the power with virtually zero GHG emissions from June 2023 and we expect to reduce 13 tons of CO ₂ e in FY2023.
	ANT	In November 2023, Antalis Switzerland inaugurated its new photovoltaic system comprised of 954 solar panels in Lupfig. Installed on 1,840 sqm, it is one of the largest parking deck photovoltaic systems in the region. With an estimated average electricity output of 378,000 kWh per year, a significant portion of Antalis Switzerland's future electricity needs will now be covered by renewable energy.
	SPI	Solar power generation facilities have been installed in 50% of our main warehouses in Australia.

Result - Progress of GHG emissions Reduction from Own Company (Scope 1, 2) (302-4)

Item	Scope	Units	Target value	FY23 Results	Progress rate
GHG emission reduction ratio ^{*1}	HD, KPP ^{*6}	%	33.0	10.7	32.4%
GHG emissions intensity reduction ratio ^{*2}	ANT	kgCO ₂ e / k€	6.0	7.8	35.7%
GHG emissions intensity reduction ratio ^{*3*4*5}	SPI	kgCO ₂ / kAUD	6.0	4.0	100.0%

^{*1} Calculation method: GHG emission reduction rate = (GHG emissions in the base year - GHG emissions in fiscal 2023) / GHG emissions in the base year * 100.
Progress rate = GHG emission reduction rate in fiscal 2022 / 33% (target for fiscal 2030).

^{*2} Calculation method: GHG emissions intensity = Scope 1 and 2 emissions (kgCO₂e) / Net turnover in thousands of euros.

Progress ratio = (GHG emission intensity in base year (8.8) - GHG emission intensity in FY2023 (7.8)) / (GHG emission intensity in base year (8.8) - GHG emission intensity in target year (6.0)) * 100.

^{*3} In consideration of the increase in GHG emissions due to business acquisitions and business growth, the GHG emission reduction target for FY2030 was changed from the absolute value target to the emission intensity per unit of sales.

^{*4} Scope 1 and 2 emissions (kgCO₂e) / net turnover in thousands of Australia dollars.

^{*5} Progress rate: The result in FY 2023, 4.0, exceeds the target value, 6.0. Therefore, progress rate is 100.0%.

^{*6} Includes KPP group holdings, Kokusai Pulp & paper and KPP logistics, Other domestic subsidiaries of Kokusai Pulp & paper are not included.

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Totally Recycling-oriented Business Model

By combining our mainstay domestic paper and paperboard wholesale business with our paper raw material business, we are expanding the recycling-oriented business models that contribute to the realization of a sustainable society. In addition to Material Recycling Business, which supplies recovered paper and other recycled resources, we provide a variety of products related to the circular economy, such as the biomass power plant operation support systems, and fuels made from by-products emitted from factories to power plants.

Domestic Recovered Paper Raw Material Recovery Ratio

Item	Scope	Units	FY21	FY22	FY23
Amount of paper sales ^{*1}	KPP	10,000 Tons	180	170	154
Amount of recovered paper sales ^{*2}	KPP	10,000 Tons	108	116	112
Utilization ratio of recovered paper raw material ^{*3}	KPP	%	59.9	68.2	72.7

^{*1} Sales amount of paper and paper board in KPP.

^{*2} Sales amount of recovered paper in KPP.

^{*3} Calculation method: Recovered paper sales amount / Paper sales amount x 100.

Initiatives

- Recovered paper is collected through the nationwide network of recovered paper wholesalers (KPP RISANET) and delivered to paper manufacturers as raw materials for papermaking (recycled raw materials).
- KPP RISANET
KPP RISANET is a network organization of leading recovered paper wholesalers throughout Japan. "RISANET" is an abbreviation for "recycling network." The amount of recovered paper by 31 member companies of the association reaches about 40% of the total amount of recovered paper in Japan.
- Recovered paper collection solution business by Town ecom^{*1} and Office ecom^{*2} developed by Kokusai Pulp & Paper.

^{*1} Town ecom: A system in which recovered paper generated at home is collected in point-reduction recovered paper collection boxes installed at retail stores, etc., and recycled as raw materials for papermaking.

^{*2} Office ecom: A system for safely collecting confidential office documents in special boxes and recycling them as raw materials for papermaking.

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- We offer the "ecom Closed Recycle Service," a closed-loop recycling system that recycles resources such as recovered paper generated by companies and delivers them as products. It is possible to visualize the amount of resources discharged, the recycling route, and the amount of recycling.

Raw Materials and Recycled Materials

We provide products and services in Northeast Asia, the Asia-Pacific region, Europe, South America, North America and other regions using recycled resources such as recovered paper, pulp, and chemical products as the main raw materials in addition to paper.

Raw Materials Used (paper) (301-1)

Item	Scope	Units	FY21	FY22	FY23
Paper Sales Volume ^{*1}	GRP	10,000 Tons	224 ^{*2}	202 ^{*2}	167

^{*1} Sales amount of paper in KPP group.

^{*2} Rounding down 1 from last year's report

Amount of Recycled Materials (Recovered Paper) Used (301-2)

Item	Scope	Units	FY21	FY22	FY23
Amount of recovered paper used ^{*1}	KPP	10,000 Tons	108	116	112

^{*1} Sales amount of recovered paper in KPP group.

Waste Emissions (306-3)

Item	Scope	Units	FY21	FY22	FY23
Amount of waste generated ^{*1}	HD, KPP ^{*2}	kg	105,867	101,756	91,437
Amount of waste generated ^{*1}	SPI	kg	-	-	2,137,657

^{*1} Amount of waste generated from facilities

^{*2} Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan).

Amount of Recycled Waste^{*1} (306-4)

Item	Scope	Units	FY21	FY22	FY23
Amount of recycled waste ^{*1}	HD, KPP ^{*3}	kg	70,347	63,946	58,209
Amount of recycled waste ^{*1}	SPI	kg	-	-	1,155,897
Waste recycling ratio ^{*2}	HD, KPP ^{*3}	%	66.4	65.4	63.7
Waste recycling ratio ^{*2}	SPI	%	-	-	54.1

^{*1} Amount of recycled generated from facilities

^{*2} Recycling rate = Amount of recycled waste / Amount of waste generated x 100.

^{*3} Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan).

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Energy

Our Approach (302)

We have established an EMS based on ISO14001 and have designated energy consumption as a priority environmental management item. Every year, we set a target for reducing our energy consumption to conserve resources and reduce energy consumption in our business activities.

Fiscal year 2030 Targets

We have set a target of reducing our own energy consumption by 33% compared to fiscal year 2020 level at all domestic sites. Targets for reducing energy use at sites in Europe, South America, North America and the Asia-Pacific region are currently being formulated.

Total Fuel Consumption from Non-renewable Sources*¹ (302-1)

Item	Scope	Units	FY21	FY22	FY22
Calorific value of diesel fuel* ²	HD, KPP	GJ	1,776	1,947	17,762* ⁵
Calorific value of diesel fuel* ²	SPI	GJ	-	-	14,074
Calorific value of alternative diesel fuel* ³	HD, KPP	GJ	-	-	2,667
Calorific value from gasoline	HD, KPP	GJ	1,901	1,405	3,967* ⁵
Calorific value from gasoline	SPI* ⁴	GJ	-	-	1,769
Calorific value of LP gas	HD, KPP	GJ	9	38	404* ⁵
Calorific value of LP gas	SPI	GJ	-	-	5,810
Calorific value from city gas	HD, KPP	GJ	440	340	362
Calorific value from city gas	SPI	GJ	-	-	0
Calorific value from kerosene	HD, KPP	GJ	254	288	331
Calorific value from kerosene	SPI	GJ	-	-	0

*1 There is no use of heating, cooling, or steam.

*2 Calculation method: Fuel consumption at major sites in Japan was aggregated and converted to MJ by multiplying the coefficients in the List of Standard Calorific Values and Carbon Emission Coefficients by Energy Source. https://www.enecho.meti.go.jp/statistics/total_energy/carbon.html

*3 Alternative diesel fuel was used in a domestic subsidiary of Kokusai Pulp and Paper. While maintaining the same properties as petroleum-derived products, GHG emissions can be reduced by about 8.5% compared to diesel oil by alternative diesel fuels.

*4 Includes Spicers New Zealand only.

*5 FY2022 results includes KPP Group Holdings and Kokusai Pulp & Paper only, were included. FY2023 results includes KPP Group Holdings, Kokusai Pulp & Paper, and its subsidiaries. Therefore, figures increased.

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Power Consumption (302-1)

Item	Scope	Units	FY21	FY22	FY23
Power consumption* ^{1,2}	HD, KPP	kWh	3,822,649	3,699,048	5,018,604* ³
Power consumption	SPI	kWh	-	913,671	1,799,436* ⁴

*1 Heating, cooling, and steam have not been used within the scope of this report.

*2 Accumulation of invoice figures.

*3 FY2021 and FY2022 results include KPP Group Holdings and Kokusai Pulp & Paper and KPP logistics only. From FY2023, domestic subsidiaries of Kokusai Pulp & Paper were included, therefore figures increased.

*4 FY2022 results include Spicers Australia only. FY2023 results includes Spicers Australia and Spicers New Zealand. Therefore, figures increased.

Power Consumption – Renewable energy (302-1)

Item	Scope	Units	FY21	FY22	FY23
Power consumption* ^{1,2}	HD, KPP	kWh	0	0	29,148
Power consumption* ¹	SPI	kWh	0	0	0

*1 We reported the purchased amount of power with virtually zero GHG emissions. Powers generated in our facilities are not included.

*2 Heating, cooling, and steam have not been used within the scope of this report.

Water Consumption (303-5)

Item	Scope	Units	FY21	FY22	FY23
Water consumption* ¹	HD, KPP* ²	m ³	8,074	9,290	9,223
Water consumption	SPI* ³	m ³	-	-	277

*1 Accumulation of invoice figures.

*2 Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan). Water consumption in common areas of tenant office is not included.

*3 Includes Spicers New Zealand only.

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Environmentally Responsible Products and Services

We recognize the impact of climate change as materiality and provide environmentally responsible products and services that contribute to mitigating the impact. We have set targets for sales and sales volume of forest certified paper and pulp. We will also expand sales of Green Products and Green Solutions defined by our Green Biz Project, products and services in Green Star System™ by Antalis, products and services in Environs by Spicers, as products and services that contribute to climate change mitigation, using sales and sales volume as indicators.

Initiatives

- **Green Biz Project (KPP)**

Under the Green Biz Project (GBP), KPP is working to resolve issues across the entire organization in order to receive orders for and increase sales of environment-related products, to invigorate problem-solving through the appointment of human resources with expertise in environmental issues, and to collaborate with the Marketing Office to closely monitor market trends and deepen product knowledge. In order to expand our environment-related businesses, we hold seminars for young sales personnel on solution sales and sales methods for environment-related products (Amica Terra, Oji Fiber, Ranpak, etc.). By sharing the training content throughout the company, we are also working to visualize the sales processes and skills of high-performance personnel, standardize operations, and build a system that enhances reproducibility.

- **Green Star System™ (ANT)**

Antalis has developed the Green Star System™, a rating system to classify the products for its three business sectors: Paper, Packaging, and Visual Communication. It is providing Antalis' customers with the clarity and guidance they need to make informed choices about sustainable alternative products.

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- **Environs (SPI)**

Environs by Spicers was created to demonstrate the company's commitment to developing sustainable products and services that help customers and their clients achieve their sustainability goals. The Environs product portfolio includes industry-leading brands and substrates that have been tested and approved for their technical and aesthetic performance across all printing processes. Each volume has focused on Spicers' Commercial Print, Digital Media, Label, Packaging and Visual Communications portfolios. This includes a selection of sustainable paper-based, polypropylene, and non-PVC products, ensuring that users can find suitable options for various applications without compromising on quality or environmental impact. By choosing Environs, users can select from a variety of products that meet high environmental standards, including FSC Certified, PEFC Certified, Biodegradable, PVC Free, Recycled Content, Fully Recyclable, and Recycled Collection options. Environs by Spicers represents a significant step towards more sustainable printing, offering high-quality, environmentally responsible options for a wide range of applications. Environs by Spicers are responsible choices made easy.

Targets for Environmentally Responsible Products and Services

Item	Scope	Units	Target value	Target fiscal year
GBP sales ^{*1}	KPP	Billion yen	6	2024
GSS Sales Ratio (Paper) ^{*2}	ANT	%	60	2026
GSS Sales Ratio (Visual Communication) ^{*3}	ANT	%	35	2026
GSS Deployment Ratio (Packaging) ^{*4}	ANT	%	- ^{*5}	2026

^{*1} Calculation method: Sales of products and services that meet the standards set by the Green Biz Project.

^{*2} Calculation method: Sales of certified products of GSS 3 *, 4 * and 5 * (Paper) / Total sales of Paper products (coated, offset, copier, specialty papers).

^{*3} Calculation method: Sales of certified products of GSS 3 *, 4 * and 5 * (Visual Communication) / Total sales of Visual Communication products (excluding machines, inks and accessories).

^{*4} Calculation method: Number of standard Packaging products registered with GSS / Total packaged products*100. Standard products are all packaging consumables, excluding machines/equipment and customized/bespoke.

^{*5} GSS Product classification for Packaging under deployment.

Data Related to Environmentally Responsible Products and Services

Item	Scope	Units	FY21	FY22	FY23
GBP Sales	KPP	Billion yen	-	1.6	3.8
GSS Sales Ratio (Paper)	ANT	%	-	54 ^{*1}	54
GSS Sales Ratio (Visual Communication)	ANT	%	-	32 ^{*1}	32
GSS Deployment Ratio (Packaging)	ANT	%	-	-	Being deployed

^{*1} Actual as of June 30, 2023.

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Biodiversity

Our business relies heavily on resources derived from forests. Conserving forest resources and using them appropriately is essential to our sustainable business growth. The pulp and paper industry as a whole is increasing its plantations worldwide, and the active use of forest-certified products will accelerate this trend.

In addition to these business-based efforts, we support the activities of the C.W. Nicol Afan Woodland Trust to preserve biodiversity based on Mr. Nicol's desire to bring back the beautiful natural environment inherent to Japan.

Initiatives

Initiative	Scope	Description
Support for the C. W. Nicol Afan Woodland Trust	HD KPP	We endorse C.W. Nicol's desire to "bring back the beautiful natural environment inherent to Japan" as well as "the Great East Japan Earthquake reconstruction project" promoted by the trust and have been supporting their activities as an official sponsor since 2015. In 2024, the northern area of the Afan Forest, which we have been supporting for some time, was certified as a "site in harmony with nature" as an "area where biodiversity is being conserved through private sector initiatives." In the future, it is planned to be registered in the international database as OECM ^{*1} .
Afan KPP Forest	HD KPP	In February 2022, we began supporting forest revitalization activities in the southern area of the Afan Forest. The area was gradually purchased by the Afan Woodland Trust, which is working to expand healthy forests, and is currently about 18 hectares ^{*2} in size. In 2024, the Afan KPP Forest will be created in the same area, covering an area of approximately 3.5 hectares. In the future, we will continue to transform this area into a rich forest full of biodiversity, and in the future, we will develop it with the aim of restoring the original forest ecosystem of the area, mainly large diameter trees.
Participation in 30by30, an Alliance for Biodiversity	HD KPP	In February 2022, we joined the "30by30 Alliance for Biodiversity" ^{*3} , an initiative aimed at stopping and reversing biodiversity loss toward the goal of nature positive. The Afan Woodland is gaining attention as a model case for this activity. We contribute to biodiversity conservation through support for the Afan Woodland Trust's forest creation activities.
Support for Wildlife Conservation, Afforestation and Reforestation Activities	ANT	Antalis UK actively supports reforestation projects, like the Lowther Estate initiative in Cumbria, which combines carbon capture with wildlife conservation. Our collaboration with the Forest Carbon charity has resulted in the planting of over 16,500 trees, restoring 13 hectares of the ecosystem.

^{*1} Abbreviation for Other Effective area-based Conservation Measures. Areas where conservation is being pursued through efforts by the private sector, etc., and areas where management that is not for the purpose of conservation contributes to the protection of the natural environment as a result.

^{*2} The size of about 4 Tokyo Domes stadium

^{*3} This initiative was established to promote all-Japan efforts to achieve the goal of effectively conserving more than 30% of the country's land and sea areas as healthy ecosystems by 2030 30by30 alliance website (Ministry of Environment) <https://policies.env.go.jp/nature/biodiversity/30by30alliance/>

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Initiative	Scope	Description
Donation to 1% for the Planet ^{*4}	ANT	Antalis Olin Origins and Data Copy® brands donate 1% of their revenue to the organisation "1% for the Planet" for global environmental causes that protect the planet. Through this membership we are able to support energy, environment, ocean, wildlife protection, education or social initiatives. Within its 1% for the Planet membership, Data Copy® chose to support several organisations across Europe, contributing to specific non-profit projects in collaboration with "Inventons Nos Vies Bas Carbone" and "Coral Guardian" in France, "City to Sea" in the United Kingdom, "Chelonias" in Spain, "One Earth – One Ocean" in Germany and "Nordic Ocean Watch" in Denmark, focusing on ocean protection, waste cleaning and restoration as well as educational purposes.
Partnership with Greenfleet ^{*5}	SPI	Spicers Australia works in partnership with "Greenfleet", an Australian environmental non-profit organization. Greenfleet is planting biodiversity-rich forests in Australasia and New Zealand to restore vital ecosystems and capture CO2e emissions on behalf of supporters. These forests are legally protected, absorbing carbon from the atmosphere, improving soil and water quality, and providing an important habitat for native wildlife. Since mid-2022 Australia has been offsetting most direct operational emissions through Greenfleet.
Spicers New Zealand 'net zero' with Toitū ^{*6} (SPI)	SPI	Spicers New Zealand successfully completed a carbon emissions audit through Toitū in late 2023, achieving certification as a 'net carbonzero' organisation. Toitū net carbonzero certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; managing and reducing against Toitū requirements; and offsetting remaining emissions following Toitū requirements.

^{*4} 1% FOR THE PLANET website <https://www.onepercentfortheplanet.org/>

^{*5} Greenfleet website www.greenfleet.com.au

^{*6} Toitū website <https://www.toitu.co.nz/tools-and-resources/the-carbon-standard>

^{*7} Carbon offset: The concept of first making efforts to reduce emissions of greenhouse gases such as CO2 that are unavoidable in daily life and economic activities as much as possible, and then investing in activities that reduce greenhouse gases equivalent to the emissions that cannot be avoided. https://www.env.go.jp/earth/ondanka/mechanism/carbon_offset.html

Disclosure on Climate Change Response (TCFD Framework)

The Company recognizes the impact of climate change on its business as a major issue and has reflected the assessment and analysis of risks and opportunities in its management strategy. In June 2022, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, we will continue to advance our efforts to address climate change issues, and work to realize sustainable social and economic development in coexistence and harmony with the natural environment. In addition to this, we have joined the GX League (GX: green transformation) led by the Ministry of Economy, Trade, and Industry this year, and are taking steps toward achieving carbon neutrality by 2050.

Governance

The Board of Directors is responsible for climate change-related issues and receives reports twice a year from the Sustainability Committee on sustainability matters, including our response to climate change. In 2022, the Board received reports on the status of our response to climate change issues, such as reduction of GHG emissions and risk management (plans, progress, issues, future plans, etc.), and provided guidance and advice.

Strategy

With regard to the risks and opportunities posed by climate change, we anticipate risks and opportunities of transition to a decarbonized society, such as tighter regulations, innovations in low-carbon technology, and market changes in response to climate change, as well as physical risks and opportunities resulting from increased frequency and severity of disasters caused by the advance of climate change.

We have identified and organized risks and opportunities related to climate that could impact our business and finances, taking into consideration the 2°C scenario, which involves transitioning to a decarbonized society, and the 4°C scenario, in which climate change advances, based on the climate change scenarios provided by the International Energy Agency (IEA).

We evaluated the identified and organized factors from the perspectives of degree of impact on business and finances, timeframe for risk manifestation and opportunity realization, and likelihood of manifestation and realization. Accordingly, we organized the important risks and opportunities and the measures we will take to address them.

Future Initiatives Based on Analysis Results

- Selection of products with low environmental impact
- Calculation and reducing GHG emissions across the supply chain

Risk Management

- We evaluate material issues in terms of their importance to our business and society. As a result, we have identified climate change countermeasures as one of the KPP Group's material issues. In addition, in assessing climate change-related risks and opportunities, we assess their importance by taking into account their impact on our business and the likelihood of their occurrence. Risks of high importance assessed by the Environmental Management Committee are reported to the Risk Management Committee.
As a company-wide risk management system, risks that are judged to have a particularly significant impact on management are managed in accordance with the Risk Management Regulations through means such as establishing and controlling a response committee.

Indicators and Targets

- Net zero greenhouse gas (GHG) emissions by fiscal year 2050^{*1}.
*1 Includes KPP Group Holdings, Kokusai Pulp & Paper.
- Reduce GHG emissions from domestic business activities (Scope 1, 2) by 33% from fiscal year 2020 levels by fiscal year 2030.
- In the future, we will set global GHG emission reduction targets, including those for the value chain (Scope 3) and overseas facilities, and work to reduce GHG emissions throughout the value chain.

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Assumed Scenarios and Main Climate-related Risk and Opportunity Factors that could impact the Business

		2 ° C Scenario: Scenario for a decarbonized society	4 ° C Scenario Scenario as a result of dependence on fossil oil
Transition risks	Regulation	• Strengthening of GHG emission regulations such as carbon pricing	
	Market	• Increased demand for environmentally certified products	
	Reputation	• Stricter evaluation of efforts to address climate change issues, and growing demand for information disclosure	
	Technology	• Competitive decline in renewable energy prices (solar, wind, etc.) • Shift in demand from wood-based biomass fuels as demand for herbaceous biomass fuels increases	
Physical risks	Acute		• More frequent and severe flooding (typhoons and heavy rains) • Deterioration of water quality (increase in turbidity of intake rivers, etc.)
	Chronic		• Changes in ecosystems and outbreaks of pests • Worsening of droughts and forest fires • Changes in precipitation and weather patterns and increases in average temperature • Depletion of water resources (changes in water supply and demand) and rising sea levels
Transition opportunities	Products and services	• Expansion of use of non-fossil energy and expansion of e-commerce market • Changes in consumer preferences, the spread of eco-packaging, and the formation of a recycling-oriented society • Promotion of biomass material products	

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Transition Risks and Physical Risks

Major risks			Impact on business	Period	Countermeasures
Transition Risks	Regulation	Stricter GHG emissions regulations such as carbon pricing	• Introduction of carbon tax on operation • Increase in operation and procurement costs due to introduction of carbon tax, etc. on procurement goods or GHG reduction measures	Medium term	• Actively utilize renewable energy to thoroughly and strengthen energy conservation • Actively select products with reduced environmental impact and promote green purchasing in consideration of the global environment
			• Increase in transportation and storage costs due to the introduction of carbon taxes on distribution centers / offices and delivery vehicles	Medium term	• Joint delivery with other companies and improvement of delivery efficiency • Streamline operations at logistics centers and business sites
Physical Risks	Acute	Increase in disasters of extreme severity (Frequent occurrence of typhoons and torrential rains)	• Increase in restoration costs due to damage to own facilities / equipment • Decrease in procurement volume and sales due to suspension of own operations	Medium to long term	• Promotion of disaster prevention measures at high-risk sites • Strengthen cooperation between sites • Review and strengthen BCP
	Chronic	Changes in precipitation and weather patterns and increases in average temperature	• Increase in procurement costs due to damage to suppliers and suspension of operations. • Decrease in procurement volume and sales due to disruption of supply chain	Short to medium term	• Improve business resilience by strengthening supply chains, etc.
			• Decrease in procurement volume due to suspension of operations by paper manufacturers due to changes in water supply and demand, increase in water usage fees and procurement prices	Medium term	

Opportunities

Opportunities			Impact on business	Period	Measures to capture opportunities
Transition and opportunities	Products and services	Promotion of eco-packaging	• Increase in sales by switching from fossil fuel materials to paper materials for packing	Medium Term	• Expansion of packaging business in line with market characteristics
		Changes in consumer preferences and domestic and international regulations	• Increase in sales by switching to recyclable resources (e.g., introduction of paper containers)	Medium Terms	• Development and distribution of environmentally friendly materials and products
		Formation of a recycling-oriented society	• Increase in sales through increased business opportunities using various paper recovery services (ecomo)	Long term	• Establish a recycling-oriented business model by selling products and collecting recovered paper
		Expanded use of non-fossil energy	• Increase in sales due to increased demand for wood for biomass power generation and operation support systems	Medium term	• Development of biomass power plant operation support systems

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4. Social

Human Capital Management

Our Approach

The Company considers that an environment where the most important asset of a trading company, human resources, can fully unleash their potential is the very foundation for sustainable growth and is essential for expanding our totally recycling-oriented business. Those human resources necessary for our business are considered as human capital, centered around the Human Resources Committee composed of top executives, we conduct research and analysis on organizations and human capital, as well as formulate policies related to human capital and make decisions. The Human Resources Committee is working to establish the human resources strategy that leads to securing human resources and enabling employees to perform well and achieve results. The strategy includes developing transparent hiring and performance evaluation system and human resources development based on human capital strategy. Further, we have established the Occupational Safety Committee and continue to focus on improving the workplace environment based on the KPP Group Charter to enable all our employees to work safely with peace of mind.

Employee Data for the Entire Group (2-7, 401-1)

Item	Scope	Units	FY21	FY22	FY23
Number of employees	GRP	Person	5,354	5,457	5,624
Number of employees by region	HD, KPP	Person	1,007	1,044	1,014
Number of employees by region	ANT	Person	3,839	3,972	4,154
Number of employees by region	SPI	Person	425	431	448

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Employees Data

Item	Scope	Units	FY21	FY22	FY23
Number of employees by gender (Male)	HD	Person	-	34	33
	KPP	Person	365	319	310
	SPI	Person	-	-	298
Number of employees by gender (Female)	HD	Person	-	18	19
	KPP	Person	242	228	230
	SPI	Person	-	-	150
Average years of service	HD	Year	-	12.8	12.0
	KPP	Year	17.9	18.8	19.0
Hiring rate of persons with Disabilities	HD	%	-	3.2	3.4
	KPP	%	2.4	2.5	2.7
Number of continued employment system users	HD	Person	-	3	5
	KPP	Person	29	26	33
Number of new graduates hired	HD	Person	-	0	0
	KPP	Person	6	11	15
Number of mid-career employees hired	HD	Person	-	6	8
	KPP	Person	11	14	16
Total number of employees Hired	HD	Person	-	6	8
	KPP	Person	17	25	31
Hiring ratio of mid-career employees	HD	%	-	100.0	100.0
	KPP	%	65.0	56.0	52.0

Work-Life Balance Data (401-3)

Item	Scope	Units	FY21	FY22	FY23
Number of parental leave Users^{*1}	KPP	Person	12	6	11
Number of parental leave-takers who return to work^{*1}	KPP	Person	12	5	11
Percentage of employees returning to work after parental leave^{*1*2}	KPP	%	100.0	89.0	100.0
Number of employees who used childcare shortened work-hour system^{*1}	KPP	Person	12	15	13
Number of Staggered Working Hours Users^{*3}	KPP	Year	19	20	17
Turnover rate^{*4}	ANT	%	-	18.0	20.0
Voluntary attrition rate^{*5}	SPI ^{*6}	%	7.3	9.0	9.5

^{*1} No user applied in KPP Group Holdings.

^{*2} Calculation method: Return to work rate = Number of people returning to work after parental leave / Number of users of parental leave system × 100.

^{*3} Users with off-peak commuting reasons are not included.

^{*4} Calculation method: [(Number of departures during the current year + number of arrivals during the current year) / 2] / Headcount at 1 January of the current year. Excluding acquisitions

^{*5} Australian only data. Calculation method: Number of voluntary resignations during reporting period / total number of leavers in the reporting period + total number of employees at the end of the reporting period.

^{*6} Includes Spicers Australia only.

Occupational Safety and Health (403)

The Occupational Safety and Health Committee has been established as a subcommittee of the Sustainability Committee, which manages company-wide sustainability management. The Occupational Safety and Health Committee is responsible for the management and improvement of occupational safety and health conditions in KPP Group Holdings, Kokusai Pulp & Paper and its domestic subsidiary companies. Each of the core operating companies of the KPP Group is promoting its own occupational safety initiatives.

Occupational Safety and Health Data (403-9)

Item	Scope	Units	FY21	FY22	FY23
Lost time injuries severity ratio ^{*1}	HD, KPP ^{*9}	-	-	0	0
Lost time injuries frequency ratio ^{*1}	HD, KPP ^{*9}	-	-	-	0
Frequency ratio of work-related injuries ^{*2}	ANT	-	4.18	2.77	3.06
Frequency ratio of lost time injuries (LTIFR) ^{*3 *4}	SPI	-	3.3	6.4	2.3
Medically treated injuries frequency ratio ^{*5 *6}	SPI	-	3.3	3.2	1.2
Number of notifiable incidents as defined by local standards ^{*7}	SPI	Number	0	0	0
ISO 45001 certification acquisition ratio ^{*8}	ANT	%	-	39.0 ^{*10}	52.3

^{*1} Calculation method: in accordance with the industrial accident severity rate stipulated by the Ministry of Health, Labor and Welfare. website https://anzeninfo.mhlw.go.jp/yougo/yougo22_1.html

^{*2} Calculation method: Number of accidents involving three or more days off work / (full-time equivalent x 1000).

^{*3} Calculation method: number of lost time injuries in the reporting period x 1,000,000 / total hours worked in the reporting period. A 'lost time injury' is a work-related injury that results in a person losing one or more full days or full shifts of work. (Data is for Australia and New Zealand as of 31 December).

^{*4} Lost-time injuries: An occupational accident in which the employee loses one or more actual working days or shifts. In accordance with local standards.

^{*5} Calculation method: Calculation method: number of medical treatment injuries in the reporting period x 1,000,000 / total hours worked in the reporting period.

^{*6} Medically treated injuries: A work-related injury that results in a person requiring medical treatment beyond first-aid treatment, but the person does not lose one or more full days or full shifts of work. In accordance with local standards.

^{*7} Notifiable Accidents: An incident that is required to be reported to a workplace regulatory authority. It is a serious workplace incident such as death of a person, loss of limbs or a dangerous incident such as fire, collapse of structure or uncontrolled chemical spills, as of December 31, 2022.

^{*8} Calculation method: Total number of ISO certified sqm (leased or owned sites with a warehouse or production site) / Total number of sqm of leased or owned sites with a warehouse or production site.

^{*9} Subsidiaries of Kokusai Pulp & Paper are not included.

^{*10} Actual as of June 30, 2023.

Initiatives

- Health and Safety Management (HD, KPP) (403-4)
We have established a health and safety management system, elected health and safety committee members, and held a health and safety committee meeting once a month with the attendance of an industrial physician. The Safety and Health Committee confirms the status of domestic subsidiary companies and promotes Group-wide safety and health activities.
- Risk Management for Occupational Safety (HD, KPP)
A Risk Management Committee has been established to maintain and improve the Group's risk management system. The Risk Management Committee identifies and evaluates important risks in Group management (including personal injuries, fires and accidents, and labor management), determines priority measures, monitors the implementation status of priority measures on a regular basis, and reports the results to the Sustainability Committee.
KPP group holdings website <https://www.kpp-GRP.com/ja/ir/management/risk.html>
- 2023 RoSPA President's Award (ANT)
Antalis UK & Ireland received the 2023 RoSPA^{*} President's Award for the thirteenth consecutive year. RoSPA, a well-respected organisation, champions accident prevention in many sectors.
^{*} RoSPA (Royal Society for the Prevention of Accidents) is a not-for-profit organisation that has worked for more than 100 years to help people recognise and reduce their risk of accidents, at home, on the road, at work and at leisure.
- Annual H&S Event 2023 (ANT)
Our 2023 annual H&S event aimed to reinforce awareness in the workplace of three key aspects that underpin our international H&S initiative: Healthy Mind, Healthy Body, Healthy Workplace. The event featured a wide range of activities, including earthquake and fire-fighting training, the distribution of healthy food, first aid training, and the promotion of ergonomic workstation practices. These initiatives further underline the Antalis Group's commitment to employee wellbeing, giving employees the opportunity to provide their feedback.

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- Preventive Programs and Safety Systems (SPI)

The Spicers Group continues to apply preventative programs in accordance with legislative requirements and our comprehensive Safety Management systems. This includes monthly reports to all senior leaders regarding key safety KPIs or new incidents, regular safety committees across all sites to engage employees in safety, regular training and re-training regarding safety procedures, risk assessments and safety audits facilitated both internally and externally.

- Rapid System (SPI)

Spicers seeks to modernize and unify our safety systems and processes. This commenced in 2023 with the introduction of the "Rapid" online system as a way to manage induction training for employees and contractors electronically. The "Rapid" system is now also used to report safety or operational incidents, allowing for prompt review and resolution of incidents raised.

Other health and safety related initiatives carried out in FY2023 were listed below.

Initiative	Scope	Description
Annual Health Check	HD KPP	Annual Health Checks required by Law are provided to all employees in KPP Group Holdings and Kokusai Pulp & Paper.
Stress Check	HD KPP	Stress checks are provided to all employees in KPP Group Holdings and Kokusai Pulp & Paper.
Monthly Review of Occupational Accidents at Executive Meeting	ANT	A full review of all accidents worldwide are reported to the Executive Committee on a monthly basis to ensure proper follow-up and continuous H&S improvement throughout the organization.
	SPI	All workplace injuries and notifiable incidents are reported directly and immediately to the CEO, CFO and relevant local leaders to ensure they are resolved quickly and appropriately. During monthly business review meetings, led by the CEO and CFO, safety updates, actions and incidents are discussed.
Annual Health & Safety Day	ANT	Take part to the annual World Day for Safety and Health at Work which promotes the prevention of occupational accidents and diseases globally.
Quarterly H&S Best Practices Sharing	ANT	Quarterly Best Practices Sharing with the H&S community reviewing accidents and proposing advice.
Annual European Staff Representative Meeting	ANT	An annual health and safety report is presented to the Group's European Workers Council.
Physical Health Checks	ANT	For all new entrance and on a regular basis for the whole population depending on the local regulation. Annual physical Physical health checks are provided.

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Initiative	Scope	Description
Health and/or Disability Insurance	ANT	Health and/or Disability Insurance Coverage for its Employees.
New Contractor Management and Induction	SPI	Implemented New Contractor Management and Induction Tool for Australia and New Zealand.
New Online Spicers Group Employee Induction and Compliance Training System	SPI	Implemented a New Online Spicers Group Employee Induction and Compliance Training System.
New Spicers Group Incident Reporting System	SPI	Prepared for the implementation of a New Spicers Group Incident Reporting System for Safety, Environment and Compliance Incidents in early 2024.
Speak Up	SPI	Ongoing provision of an anonymous whistleblowing service ("Speak Up") for internal and external stakeholders to raise serious concerns regarding breaches of the law, or health and safety.
Employee Assistance Program	SPI	Ongoing employee, friends and family access to an Employee Assistance Program for free counselling in relation to mental, physical and financial health.
Regular Internal Safety Audits and Safety Committee Meetings	SPI	Regular internal safety audits and safety committee meeting is organized, and managers and employees attend.
Annual Physical Health Checks	SPI	Annual physical health checks, including optional screening and some mandatory testing as required by legislation, are provided.
Wellbeing Payment	SPI	Wellbeing payments have been provided to all Australia and New Zealand employees since 2023, allowing employees to receive a payment reimbursement up to \$200 (AUD or NZD) each year towards personal wellbeing programs such as gym or sports club memberships, nutrition consultations, massage, skin cancer checks or physiotherapy.
Promotion of Workers' Health	SPI	Employees are offered health checkups at least once per year. We also conduct lifestyle disease screening and provide specific health guidance based on the results of the screening.

Health Promotion Data

Item	Scope	Units	FY21	FY22	FY23
Periodic health checkup implementation rate ^{*1}	HD, KPP	%	100.0	100.0	100.0 ^{*5}
Stress check implementation rate ^{*2}	HD	%	-	- ^{*4}	93.9
Stress check implementation rate ^{*2}	KPP ^{*3}	%	100.0	95.0	94.3
				or more	

^{*1} Calculation method: Number of employees who received regular health check-ups / Total number of employees covered.

^{*2} Calculation method: Number of stress checkers / Total number of employees in the scope of the stress check.

^{*3} Subsidiaries of Kokusai Pulp & Paper are not included.

^{*4} Stress check was implemented before the establishment of KPP group holdings in FY2022. Therefore, there was no data in FY2022.

^{*5} Three employees on childcare leave (optional) and two employees on overseas assignment (for local reservation reasons) are not included.

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Human Resource Development (404)

Our Approach

We focus on improving the quality and reliable implementation of various training programs to cultivate autonomous human resources and to produce more human resources who can pioneer the future with “Paper Innovation for a Connected Future” stated as Values in the KPP Group Way, our philosophy. We are working to develop human resources in each region where we operate.

Initiatives (404-2)

Scope	Details of implementation
HD, KPP	Implementation of training by rank, career support training by age, and new induction training ^{*1} (HD, KPP)
ANT	Language training GoFLUENT ^{*2} , Promotion of training through a single global platform, Digital Academy focusing on modern selling, SAP training, Compliance campaigns, ESG training and information sessions
SPI	Mandatory compliance training ^{*3} , Development training ^{*4,5}

^{*1} Conducted training for newly appointed executive officers, rank-based training, career counseling for employees in their first to fourth year of employment, age-based career support training, tutor training, and plant tour training.

^{*2} With our goFLUENT platform on our intranet WeConnect, our employees have the opportunity to improve their skills in 12 languages through videos, articles, e-learning and conversational classes

^{*3} Facilitated regularly for all employees, at induction and thereafter.

^{*4} Managed through individualized employee plans considering performance and potential.

^{*5} Formal training (qualifications, accreditations and license training), informal 'on-the-job' skills training, coaching, mentoring or industry event attendance and memberships are included.

Human Resource Development Data (404-1, 404-3)

Item	Scope	Units	FY21	FY22	FY23
Training hours ^{*1}	HD, KPP	Hour	-	291	2,322
Training expenses per employee ^{*2}	HD, KPP	Thousand yen	-	58	29
Training hours per employee ^{*3}	ANT	Hour / Person	-	8.6	13.1
Annual Development Review participation rate ^{*4}	ANT	%	97.3	97.7	98.1
HRD Program Participation ^{*5}	SPI ^{*6}	%	-	100.0	88.0

^{*1} Calculation method: Total hours of training for employees managed by the Human resource department of KPP Group Holdings in FY2021 and in FY2022. Total hours of training for employees managed by the Human resource department and other department of KPP Group Holdings in FY 2023. Therefore, figures increased significantly.

^{*2} Calculation method: Average cost per total number of participants for paid training administered by the Human resource department of KPP Group Holdings in FY2021 and FY2022. Average cost per total number of participants for paid training administered by the Human resource department and other department of KPP Group Holdings in FY2023.

^{*3} Calculation method: Total number of training hours / Total number of employees.

^{*4} Calculation method: Number of employees who signed the Performance Development Review / Number of employees assigned to the campaign.

^{*5} Calculation method: Completion rate of individual employee development plans that were agreed for the period.

^{*6} Includes Spicers Australia only.

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Diversity & Inclusion (405)

The Group considers diversity and inclusion to be an important management sustainability issue and has selected it as a materiality issue. We are promoting diversity and inclusion initiatives in each region where we operate.

Diversity-Related Data

Item	Scope	Units	FY21	FY22	FY23
Gender Ratio in Management positions (Male)	HD	%	-	91.3	86.4
Gender Ratio in Management positions (Female)	HD	%	-	8.7	13.6
Gender Ratio in Management positions (Male)	KPP	%	97.0	97.2	97.1
Gender Ratio in Management positions (Female)	KPP	%	3.0	2.8	2.9
Gender Ratio in Management positions (Female) ^{*1}	ANT	%	32.4	32.0	35.0
Gender Ratio in Management positions (Female) ^{*1}	SPI ^{*9}	%	9.8	12.5	23.5
Gender Wage Gap ^{*2}	HD	%	-	52.2	66.0
Gender Wage Gap ^{*2}	KPP	%	-	59.2	60.5
Employee satisfaction survey response rate ^{*3}	KPP ^{*10}	%	86.6	-	94.7
Employee satisfaction survey response rate ^{*4}	ANT	%	- ^{*11}	77.0	- ^{*11}
Employee satisfaction survey-response rate ^{*5}	SPI ^{*9}	%	-	-	61.0
Employee satisfaction survey-average happiness rating ^{*6,7}	SPI ^{*9}	%	-	-	89.0
Social program engagement ^{*8}	SPI ^{*9}	%	-	17.0	22.3

^{*1} Considers women managers as a percentage of total managers.

^{*2} Calculation method: Calculated based on the Law Concerning the Promotion of Women's Participation and Advancement in the Workplace.

^{*3} Calculation method: Number of employees responding / Number of eligible employees * 100.

^{*4} Calculation method: Considers percentage of total workforce that responded to the survey.

^{*5} Considers percentage of total workforce that responded to the survey.

^{*6} Considers the average employee happiness rating, based on positive 'Agree' or 'Strongly Agree' responses across all statements asked.

^{*7} Different surveys were facilitated in 2021 and 2022 due to the COVID-19. Annual survey resumes in 2023 and will be considered in future reporting.

^{*8} Percentage of total workforce participating in volunteering or charity activities arranged or approved by the Company (a 'social program').

^{*9} Includes Spicers Australia only.

^{*10} In fiscal 2020, all employees (including seconded employees) below the general manager level of KPP were surveyed, and in fiscal 2021, all employees (including seconded employees) at KPP's GM grade or lower were surveyed. In FY2022, the survey was not conducted due to the impact of the COVID-19.

^{*11} Employee satisfaction survey is implemented every three years.

Initiatives

- Personnel Exchanges among Group Companies (GRP)**
 Since April 2022, one manager from Antalis and one general employee from Spicers have been accepted. The strengthening of global Group management set forth in the third medium-term business plan requires the securing and development of human resources who can play an active role on a global level, so we will continue to promote personnel exchanges among Group companies in the future.
- Implementation of Telework (HD, KPP)**
 Based on our experience during the spread of COVID-19, we have revised our business continuity planning for emergencies and have also responded to diverse work styles for employees by establishing detailed rules on the implementation of telework that allow all employees to telework depending on their workplace and job situations. Furthermore, under the telework work system, specified teleworkers are selected every six months, with a maximum of eight working days at office per month in principle, and a total of 165 employees.
- Hybrid/remote Working (ANT)**
 Antalis policy for Hybrid/remote Working to guide countries in its implementation, with each entity being responsible for ensuring compliance with local regulations. (ANT)
- Paid Volunteer Leave (SPI)**
 Spicers Australia and Spicers New Zealand continue to provide all employees with one day of paid volunteer leave per year, to support positive employee engagement with their local communities.
- Flexibility and Remote Working (SPI)**
 Spicers Group continues to provide flexibility and remote working arrangements, in accordance with local legislation, company policies and role responsibilities.

KPP Group's Human Rights

KPP Group Human Right Policy

KPP Group Holdings ("the KPP Group") has established the KPP Group Charter as a guideline for its Management Philosophy of "Contributing to the realization of a recycling-oriented society through paper innovation", which states that it respects the human rights of all people and does not discriminate in any way based on race, gender, religion, or creed. The KPP Group hereby establishes the KPP Group Human Rights Policy ("the Policy") based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council in June 2011, and ensures that all officers and employees fulfill their responsibilities to respect human rights.

1. Basic Stance on Human Rights (408, 409)

The KPP Group supports and respects the United Nations International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), which stipulates the fundamental human rights of all persons, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, as well as other international treaties and declarations related to the protection of human rights, including conventions on workers' human rights such as wages and working hours, the OECD Guidelines for Multinational Enterprises and the United Nations Declaration on the Rights of Indigenous Peoples. The KPP Group also endorses and respects the Ten Principles of the United Nations Global Compact. The Policy declares our commitments to respect human rights based on the KPP Group Charter, the code of conduct, and related internal policies and regulations, in order to fulfill our responsibility to respect human rights for our stakeholders.

* This includes respect for the International Labour Organization's Core Labour Standards: the effective abolition of child labour, the elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment and occupation, freedom of association and the effective recognition of the right to collective bargaining, and a safe and healthy working environment.

2. Scope of Application

The Policy will apply to all officers and employees of the KPP Group. We also request that all business partners and other parties involved in our business activities, products, and services to comply with the Policy and adhere to its values and principles.

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3. Compliance with Applicable Laws and Regulations

The KPP Group complies with applicable laws and regulations in the jurisdictions within which it operates. Where internationally recognized human rights principles and standards are higher than those of the laws and regulations of a country, we will seek to ensure that the highest human rights standards are applied in our operations to the maximum extent possible.

4. Responsibility

The KPP Group understands that its business activities may unintentionally cause direct or indirect adverse impacts on human rights. We will seek to fulfill our responsibility to respect human rights by not violating the human rights of those affected by our business activities, and by taking appropriate measures to implement remedies where our business activities may unintentionally cause or contribute to any adverse impacts on human rights. If we suspect that an adverse impact on human rights by our business partners or other parties is related to our business activities, products, or services, we will take appropriate measures together with the relevant partners or parties to remedy any impact and prevent recurrence.

5. Due Diligence

The KPP Group will establish a human rights due diligence system in accordance with the United Nations Guiding Principles on Business and Human Rights, to identify, prevent, and mitigate any adverse impacts on human rights the KPP Group may unintentionally have on its stakeholders.

6. Dialogue and Consultation

In the process of implementing the Policy, the KPP Group will refer to independent third parties' human rights expertise and seek to engage in dialogue and consultation with its stakeholders.

7. Education and Training

The KPP Group will provide appropriate education, training and information sessions to all officers and employees to ensure that the Policy is integrated into all business activities and effectively implemented, and inform its business partners and other parties to adhere to its values and principles.

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8. Remedy

If it becomes clear that the KPP Group's business activities have caused adverse impacts on human rights, or there is involvement or suspected involvement through its business partners or other parties, we will seek to remedy such impacts through dialogue and appropriate procedures in accordance with the United Nations Guiding Principles on Business and Human Rights and other international standards.

9. Responsible Executive Officer

The KPP Group will appoint an executive officer responsible for the implementation of the Policy and supervising the implementation status.

10. Information Disclosure

The KPP Group will disclose the progress and results of its efforts to respect human rights on its website and in other media.

The Policy has been approved by the KPP Group's Board of Directors and signed by the President and Executive Officer.

Representative Director of the Board
President & Chief Operating Officer
Yasuyuki Sakata
Establishment: March 24, 2024

Initiatives

KPP Group Holdings implemented the following initiatives in fiscal year 2023 ^{*1}.

* 1 The survey was conducted in fiscal year 2023, which is outside the period covered by this report.

- **Formulation of KPP Group Human Rights Policy (HD, KPP)**
We formulated a Basic Policy on Human Rights that applies to the entire Group.
KPP group human rights policy [KPP グループ人権方針](#) | [サステナビリティ](#) | [KPP グループホールディングス株式会社 \(kpp-gr.com\)](#)
(Japanese only)
- **Human Rights Due Diligence (HD, KPP)**
In fiscal year 2023, Kokusai Pulp & Paper conducted Human Rights Due Diligence (hereinafter referred to as "Human Rights Due Diligence") for the Company and its major subsidiaries. In implementing the Human Rights DD, we launched a project in which the President and Representative Director serves as the project owner. The project was examined not only by internal stakeholders but also by external experts, including the Japan Committee of CAUX ROUND TABLE.

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- **Human Rights Education for Employees (HD, KPP) (406)**
In December 2023, we conducted human rights education and harassment prevention training for all employees. In this training, we explained the recent situation surrounding "business and human rights," our response to the human rights required of companies, examples from the paper manufacturing industry, trading companies, and other industries, and asked questions to deepen our understanding of why we need to address "business and human rights."
- **Supplier Due Diligence using Ecovadis and Sedex (ANT)**
Antalis, which operates in Europe and South America, is moving to internationally recognized due diligence platforms to manage and assess ethical risks in its supply chain. In this way, we are promoting sustainable business in cooperation with responsible suppliers. As of December 31, 2023, 70% of our strategic suppliers were registered with Sedex or Ecovadis.
- **Human Rights Reinforced by our FSC® Multi-Site Certification**
In addition to the fundamental values and principles set out in our Group's Code of Conduct, 88% of our European operating entities are FSC® certified by an independent third party. While the protection of workers' rights has always been part of FSC®'s principles and mandatory for forest management certificate holders, new Core Labor Requirements have been introduced such as abolition of child labour, elimination of all forms of forced labour, elimination of discrimination in employment and occupation, and respect and recognition of a worker's freedom of association and right to collective bargaining.
- **Whistleblowing Platform (ANT)**
Whistleblowing platform in 22 languages is available to all employees and stakeholders.
- **Compliance with National Human Rights Legislation (SPI)**
In the Asia-Pacific area, the "Modern Slavery & Human Trafficking Statement" and the "Whistleblowing Policy" have been established in line with Australian laws and are being applied to Australian bases. A long-standing "Equal Opportunity Policy" and related compliance training apply to our bases in Australia and New Zealand. This will also apply our bases in Asia from mid-2024.

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- **PEFC and FSC Product Certification Audits (SPI)**
Completed in Australia and New Zealand annually, these externally facilitated audits consider compliance with Modern Slavery legislation.
- **'Speak Up' Whistleblowing Platform (SPI)**
Accessible to all employees and all external stakeholders relating to the Spicers Group of businesses. Provided through a third-party (Deloitte) to support full anonymity and appropriate handling of all reports raised.

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Coexistence with Local Communities (413)

The Company proactively engages in local community-based activities to fulfill its role as a good corporate citizen. In addition to providing value created through our business activities to society, we also contribute to the development of local communities and society through promoting culture and arts, supporting sports, environmental conservation, and donations. In addition, our core operating companies overseas are promoting activities that are rooted in their respective local communities.

Initiatives

Initiative	Scope	Description
Donation to Food Banks	HD KPP	Food Banks: The Company has been providing disaster stockpile foods to food banks in support of reducing food waste and aiding people facing hardships. This initiative started in FY2021, and we have donated 7,886 emergency meals and 1,686 bottles of drinking water nationwide.
Display of Sendai Tanabata Decorations	HD KPP	Narumiya Kami-shoji, a subsidiary of Kokusai Pulp & Paper, has been involved in the production of Tanabata decorations for many years and has played a role in conveying local festivals and traditional culture. We display Tanabata decorations made by Narumi-ya Kami-shoji in the entrance on the first floor of our Head Office building, in the Ginza Shochiku Building, and in the Kyobashi Saiku District, so that local residents can enjoy beautiful Tanabata decorations. Along with the Tanabata decorations, new materials made from paper and bamboo are introduced, providing useful information for reducing environmental impact.
Support for Papermaking Class at Miyanomori Elementary School, Higashi-Matsushima City	HD KPP	The Company participates in the Great East Japan Earthquake reconstruction project promoted by the C.W. Nicol Afan Woodland Trust. As part of this, we support the papermaking class at the Miyanomori Elementary School, Higashi-Matsushima City in Miyagi Prefecture from 2016. This year as well, we welcomed the Japanese paper craft artist Rogier Uitenboogaart as a lecturer and conducted a comprehensive learning class for third-grade elementary students.
Publication of Public Relations Magazine TSUNAGU	HD KPP	"TSUNAGU" was first published in April 2007 as an information communication tool based on the KPP Group's corporate message, "Paper Innovation for a Connected Future." Since 2013, the magazine has been published as a quarterly publication. With the theme of rediscovering the charm of paper, we cover various topics that explore things, people, and thoughts related to paper, such as art and traditional crafts using paper. Although many companies are discontinuing their PR magazines and replacing them with electronic versions, we hope to contribute to the development of paper culture by conveying the appeal and potential of paper through our PR magazine that connects paper with culture, business, and people.

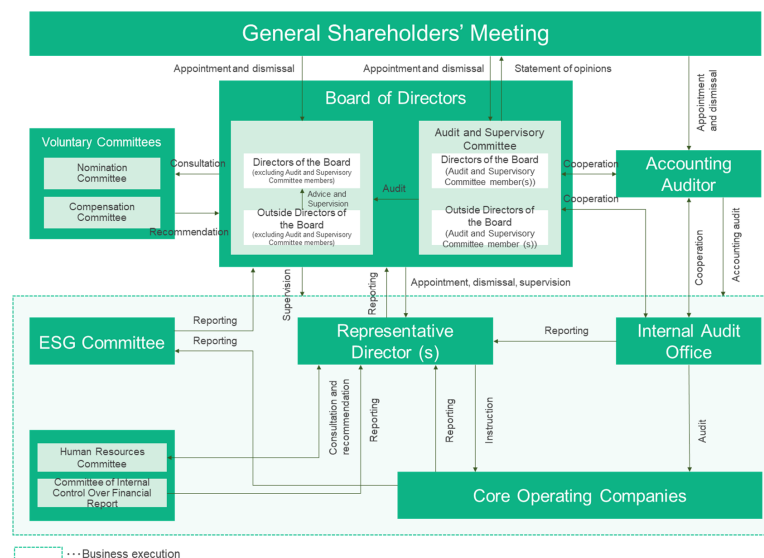
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Initiative	Scope	Description
Humanity & Inclusion: The Pyramid of Shoes event in France	ANT	A flagship initiative of H&I for the past 30 years, this event is dedicated to raising awareness of the bombing of civilians. In addition to contributing footwear to the event, our volunteers in Paris and Lyon assisted with setting up stands and supervising the event over two days. The event helped to raise financial support thanks to the 10 tons of shoes collected for solidarity and recycling.
Give & Gain Days	ANT	"Give & Gain Days", an initiative involving tens of thousands of volunteers in Czech Republic. This project supports pro bono activities for the public benefit or for non-profit organisations. As part of this initiative, Antalis offers employees in the Czech Republic paid working days to pursue several different activities with charitable organisations. We can dedicate time and energy to gain personal experience of a public benefit environment, develop their personal values.
Donation to TAVI DRAUGI	ANT	Antalis donated packaging materials to "TAVI DRAUGI", a charitable organization that provides humanitarian aid to Ukrainian citizens and extends support to vulnerable families and seniors in Latvia.
Support for Club Respect	SPI	As a Proud Partner of "Club Respect", Spicers supports "Club Respect", a not-for-profit organization who deliver programs to community sports clubs, at all levels across Australia, to create a culture that is inclusive, respectful and leaves no room for bullying, discrimination or violence since 2018.
Women in Print	SPI	Spicers actively sponsors "Women in Print", an Australian organization that creates networking and educational events for women working in the print, packaging, visual communications and design industries.
Volunteer Leave and Fundraising	SPI	In 2023, Australia and New Zealand introduced 1 day of paid volunteer leave per year for employees to access. Employees can take part in volunteering events arranged by the company, or one of their choosing. 2023 company-arranged volunteer events included tree-planting for Greenfleet (Australia), "Very Long Walk" charity fundraising walk (Australia), Charity Golf Day- fundraising event (New Zealand) and "Ronald McDonald House" volunteering to support families of children with cancer (New Zealand). All regions of Spicers also hold regular employee fundraising events for charities of various causes.

5. Governance

Our Approach (2-9)

The Company is committed to achieving the sustainable growth and medium- to long-term improvement of its corporate value in order to fulfill the mandate we have received from our stakeholders including shareholders, customers, suppliers, local communities, and employees. Against this backdrop, we are working to establish a corporate governance structure based on our Basic Policy on Corporate Governance in an aim for transparent, fair, swift, and decisive decision-making while balancing management supervision and business execution. In May 2021, the Nomination Committee and the Remuneration Committee were established as voluntary advisory bodies to the Board of Directors to enhance corporate governance and strengthen accountability. In October 2022, the Company transitioned to a holding company structure, where the Board of Directors of the holding company and its members, including outside directors, are responsible for decision-making and supervision, while the business execution functions are mainly handled by each operating company, making the division of responsibilities more clearly defined.

Corporate Governance System (2-9) *1

* 1 As of April 22, 2024. The Sustainability Committee was renamed the ESG Committee and reorganized into a committee organization with members from each operating company of the Group in order to further clarify ESG initiatives in order to strengthen global governance. The existing subcommittees (Compliance Committee, Risk Management Committee, Occupational Safety and Health Committee, Environmental Management Committee, and Information Security Committee) will continue to be independent as individual committee organizations.

Executive Officers (2-9)

Name	Position and responsibility	Term of office ^{3,4} (Years)	Number of shares	Attendance at meetings	Membership status	Compensation committee
			owned (Stocks)	of the Board of Directors	Nomination committee	
Madoka Tanabe	Representative Director of the Board Chairman & Chief Executive Officer	20	70,000	16 / 16		Chair person
Yasuyuki Sakata	Representative Director of the Board President & Chief Operating Officer	1	30,000	11 / 11		Chair person
Tadashi Kurihara	Director of the Board	10	30,000	16 / 16-		
David Martin ¹	Director of the Board	-	-	-		
Hervé Poncin ¹	Director of the Board	-	-	-		
Tatsushi Yano	Director of the Board ²	5	-	16 / 16		Member
Mina Ito	Director of the Board ²	3	-	16 / 16		Member
Yuzo Tomita	Member of the Audit and Supervisory Committee	1	30,000	11 / 11		
Shoko Kataoka	Member of the Audit and Supervisory Committee ²	2	-	16 / 16		Member
Keigo Omi	Member of the Audit and Supervisory Committee ²	1	-	11 / 11		Member

*1 Newly appointed director

*2 Independent outside director

*3 Term of office of Directors: 1 year from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2024

*4 Term of office of Directors who are Audit and Supervisory Committee Members. 2 Years from the conclusion of the Ordinary General Meeting of Shareholders held on June 27, 2024.

Functions of the Board of Directors

Nine directors, including four outside directors with diverse skills and experience, make decisions on important management matters and provide supervision on business execution. In order to achieve sustainable growth and medium- to long term improvement of corporate value, we are promoting appropriate decision-making and management supervision by leveraging the abundant business experience of internal directors, as well as the practical and specialized knowledge of outside directors.

Role of and Selection Policy for Independent Outside Directors (2-9)

The role of independent outside directors is to provide recommendations from an objective perspective on the nomination of candidates for director, the establishment of a representative director succession plan, the implementation of procedures for appointment and dismissal of directors (including representative directors), the decision on remuneration, etc. of directors (remuneration levels, ratio of fixed remuneration and

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performance-linked remuneration), ensuring of the fairness, transparency, and objectivity of procedures of the Board of Directors, the enhancement of corporate governance, and strengthening of accountability. In addition to the requirements for independent directors stipulated by the Tokyo Stock Exchange, the Company has established its own criteria for determining the independence of candidates for independent outside directors and appoints those who will contribute to the enhancement and improvement of corporate governance.

Composition of Directors (Outside, Male/Female) (2-9)

The Board of Directors consists of ten directors. Of these, four are outside directors, two of which are women, with a wide range of expertise, including lawyer, certified public accountant, and corporate executive, who bring diverse perspectives to the supervision of the Company's management. Candidates for outside directors, regardless of gender or nationality, are selected after organizing their knowledge and expertise into a skills matrix and considering the overall balance of the Board of Directors.

Skill Matrix

Name	Corporate management	International experience	Business strategy	Finance and accounting	Legal affairs and risk management	ESG	IT / Digital	Human resources and labor
Madoka Tanabe	•	•	•			•		•
Yasuyuki Sakata	•	•	•	•				
Tadashi Kurihara	•		•			•	•	•
David Martin	•	•	•			•	•	•
Hervé Poncin	•	•	•			•	•	•
Tatsushi Yano	•	•	•		•			
Mina Ito	•	•			•	•		
Yuzo Tomita	•	•	•					
Shoko Kataoka	•	•			•			
Keigo Omi	•	•		•	•			

Provision of Information to Outside Directors

For the purpose of promoting understanding of agenda items at Board of Directors meetings and ensuring sufficient time for discussion, materials are distributed in advance by a full-time Audit and Supervisory Committee member or the general manager of the responsible division, and prior explanations are given as necessary. We also make efforts to share information by sending important meeting materials of the Group.

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Main Topics of Discussion and Agenda for the Board of Directors Meeting for FY2023

In accordance with the Board of Directors Regulations, the Board of Directors discusses and makes decisions on important matters related to overall management. In principle, a regular meeting of the Board of Directors is held once a month, and during fiscal year 2023, a total of 16 meetings were held to discuss and consider the following issues.

Main Topics of Discussion and Agenda for the Board of Directors Meeting for FY2023

Theme	Major Resolutions and Reports
Management strategy	<ul style="list-style-type: none"> Progress of the Third Medium-Term Business Plan Creation of KPP Group Synergies Progress and Monitoring of Investment Projects Based on Inorganic Strategy Progress of Environment-related Businesses and Recycling-Oriented Businesses Digital shift in Sales and Marketing
Corporate Governance	<ul style="list-style-type: none"> Compliance Status Materialization of Corporate Governance Internal Control Evaluation Results reports and Plans Analysis and evaluation of the Board of Directors' effectiveness Sustainability Committee Activities Report
Settlement of accounts, finance and general shareholders' meeting	<ul style="list-style-type: none"> Financial Strategy, Capital Policy, Policy for Shareholder Returns Review of the significance of cross-shareholdings ownership toward reduction Measures for Achieving Management that is Conscious of Capital Costs and the Stock Price Status of Dialogue with Shareholders etc.

• Analysis and Evaluation of the Board of Directors' Effectiveness

With the aim of improving the functions of the Board of Directors, the Company analyzes and evaluates the effectiveness of the Board of Directors every year. In the fiscal year ending March 2024, as in the previous fiscal year, we conducted a questionnaire survey of all directors in cooperation with external organizations, shared the results with the Board of Directors, and deliberated on the contents. As a result, we evaluated that the effectiveness of the Board of Directors as a whole has been sufficiently ensured. Specifically, we received particularly high marks for "comprehensive and multifaceted consideration of important agenda items," "appropriate performance indicators," and "consistency and balance of executive compensation with management strategies." In addition, the evaluation of "management with an awareness of sustainability, including ESG perspectives" improved, but it was confirmed that there is room for improvement in discussions on "products and services that utilize data and digital technology," "so-called DX (digital transformation) such as business model transformation," and "feedback

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through dialogue with shareholders."

We will continue our efforts to improve the system and strive to ensure greater effectiveness.

Number and Composition of Board of Directors by Attribute

Item	Scope	Units	FY21	FY22	FY23	
Number of Directors (Internal)	Female	HD	Person	0	0	0
Number of Directors (Internal)	Male	HD	Person	5	4	5
Number of Directors (Internal)	Total	HD	Person	5	4	5
Number of Directors (Independent Outside Directors)	Female	HD	Person	1	1	1
Number of Directors (Independent Outside Directors)	Male	HD	Person	1	1	1
Number of Directors (Independent Outside Directors)	Total	HD	Person	2	2	2
Number of Directors and Audit and Supervisory Committee Members (Internal)	Female	HD	Person	0	0	0
Number of Directors and Audit and Supervisory Committee Members (Internal)	Male	HD	Person	1	1	1
Number of Directors and Audit and Supervisory Committee Members (Internal)	Total	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Female	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Male	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Total	HD	Person	2	2	2
Total number of directors ^{*1}	Total	HD	Person	10	9	10
Total number of independent outside directors ^{*2}	Total	HD	Person	4	4	4
Total number of female directors ^{*3}	Total	HD	Person	2	2	2
Ratio of Independent Directors ^{*4}	-	HD	%	40.0	44.4	40.0
Ratio of female directors ^{*5}	-	HD	%	20.0	22.2	20.0

*1 Total number of Directors = Directors + Directors who are Audit and Supervisory Committee Members.

*2 Total number of Independent Directors = Directors (Outside) + Directors who are Audit and Supervisory Committee Members (Outside).

*3 Total number of female Directors = Directors (female) + Directors who are Audit and Supervisory Committee Members (female).

*4 Ratio of Independent Directors = Total number of Independent Directors / Total number of Directors.

*5 Ratio of female directors = Total number of female directors / Total number of directors.

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Number of Meetings of the Board of Directors and Related Meetings

Meeting Name	Scope	Units	FY21	FY22	FY23
Board of directors meeting	HD	Times	14	12	16
Nomination Committee ^{*1}	HD	Times	5	5	3
Remuneration Committee ^{*2}	HD	Times	3	4	4
Investment Committee ^{*3}	HD	Times	21	9	10

* 1 The Board of Directors serves as an advisory body to the Board of Directors in order to strengthen the fairness, transparency, and objectivity of procedures relating to the nomination of director candidates, succession planning for representative directors, and the appointment and dismissal of directors (including representative directors), as well as to enhance corporate governance and strengthen accountability.

* 2 The Remuneration Committee serves as an advisory body to the Board of Directors in order to strengthen the fairness, transparency and objectivity of procedures relating to the remuneration, etc. (remuneration level, fixed remuneration / performance-linked remuneration ratio) of Directors, and to enhance corporate governance and accountability.

* 3 The Company has a role to contribute to management policy and decision-making by conducting a wide range of investigations, verifications and judgments from a professional perspective regarding important investment and transfer projects based on the Company-wide strategy. The Committee deliberates on business acquisitions and transfers, the establishment of new operating companies in line with new businesses, and business withdrawals.

Officer Remuneration

Our Approach (2-19)

- i. The structure of remuneration for directors, etc., takes into account not only their achievement of short-term performance targets but also their contributions to increasing corporate value in the medium to long term. The value they have provided shall be shared with shareholders.
- ii. The amounts of remuneration for directors, etc., are determined in consideration of a balance of various factors such as their achievements and industry trends.
- iii. The amount of remuneration for an individual director is determined by the Board of Directors, with pertinent participation and advice from independent outside directors, within the scope of total remuneration determined at general shareholders' meetings.

Outline of the System

Remuneration for directors (excluding Audit and Supervisory Committee members and outside directors) consists of the fixed remuneration, bonuses, and performance-linked stock-based remuneration. Remuneration for outside directors and directors who are Audit and Supervisory Committee members consists of the fixed remuneration only.

Performance-linked stock-based remuneration is a medium- to long-term incentive remuneration program that is linked to business performance and varies according to the degree of achievement of business performance in each fiscal year. The Company contributes to this stock-based remuneration plan, which is funded by the amount of remuneration paid to directors, etc. by the Company, and the Company's shares and money equivalent to the conversion value of the Company's shares are delivered to and paid to directors, etc. through a trust.

Remuneration Structure (Fiscal Year Ending March 2024) (2-20, 2-21)

Type of remuneration, etc.	Remuneration composition ratio (estimate)%		Process for determining remuneration	
	Director ^{*1}	Outside Directors and Directors who are Audit and Supervisory Committee Members		
Fixed remuneration	62~64% [64~66%]	100%	Director ^{*2}	The amount to be paid to each individual for each position within the limit is calculated based on the internal rules, discussed by the Remuneration Committee, and decided by the Board of Directors.
			Audit and Supervisory Committee Member Directors	Determined through consultation with the Audit and Supervisory Committee based on internal rules within the limit amount
Bonuses	23% [24~25%]	-	<ul style="list-style-type: none"> As short-term incentive remuneration, performance-linked monetary remuneration that fluctuates according to the degree of achievement of performance for each business year Amount of payment^{*3} = Monthly fixed remuneration x Magnification by position x Performance-linked coefficient Indicators used to determine the performance-linked coefficient: EBITDA, ROA, and consolidated sales 	
Performance-linked Stock-based remuneration	13~15% [10~11%]	-	<ul style="list-style-type: none"> As medium - to long-term incentive remuneration, performance-linked stock remuneration that fluctuates according to the degree of achievement of performance for each fiscal year^{*4} Set the payment ratio so that the higher the rank of Directors, the higher the performance-linked remuneration, taking into consideration their responsibilities, etc. Points granted^{*5} = Basic points^{*6} x Performance-linked coefficient Indicators used to determine the performance-linked coefficient: consolidated ROIC, net income attributable to owners of parent, non-financial indicators^{*7} 	

^{*1} Bonus and performance-linked stock remuneration are 100% of the target achievement. Figures in [] are ratios for the fiscal year ended March 2022.

^{*2} Excluding Directors who are Audit and Supervisory Committee Members.

^{*3} The amount calculated by multiplying the monthly amount of fixed remuneration by the ratio of each position varies within the range of 0% to 200% depending on the degree of achievement of the performance targets for each fiscal year set at the beginning of the fiscal year.

^{*4} Points are awarded based on rank, achievement of performance, etc., and the Company's shares are issued according to the points.

^{*5} Paid within the range of 0% to 200% of the base points according to the degree of achievement of the performance targets for each fiscal year announced in the financial results report.

^{*6} Formula for calculating basic points: Basic amount determined by position / Average closing price of the Company's shares on the Tokyo Stock Exchange in the month preceding the month in which the Applicable Period starts.

^{*7} Progress in the development and distribution of products that contribute to reducing environmental impact.

Result of Officer's Remuneration in FY2023(2-20, 2-21)

Total amount of remuneration, etc. for each category of officers, total amount by type of remuneration, and number of eligible officers

Category by officer	Total amount of remuneration (Million JPY)	Total amount by type of remuneration (Million JPY)			Number of eligible officers
		Fixed	Performance-linked		
			Bonuses	Stock-based	
Directors ^{*1}	277	170	61	45	7
(Outside directors)	(14)	(14)	(-)	(-)	(2)
Directors ^{*2}	34	34	-	-	5
(Outside directors)	(14)	(14)			(3)

* 1 Member of the Audit and Supervisory Committee excluded.

* 2 Member of the Audit and Supervisory Committee only.

KPP Group's Risk Management

Risk Management System and Management Process

We are implementing group-wide risk management to appropriately promote business activities in a rapidly changing external environment. In order to maintain and improve the Group's risk management system, the Risk Management Committee has been established and the Chairperson of the Sustainability Committee appoints the Chairperson and Vice Chairperson of the Risk Management Committee in accordance with the Risk Management Committee Rules. Based on the results of risk analysis at the core operating companies, the Risk Management Committee identifies and evaluates risks that are important for Group management, determines priority countermeasures, monitors the implementation of priority countermeasures on a regular basis, and reports the results to the Sustainability Committee. The Risk Management Committee met twice in FY2023 to evaluate key risks based on comparisons with the previous fiscal year and discuss priority countermeasures.

KPP group holdings website - risk management <https://www.kpp-gr.com/ja/ir/management/risk.html>

Risk Management System

We are implementing group-wide risk management to appropriately promote business activities in a rapidly changing external environment. In order to maintain and improve the Group's risk management system, the Risk Management Committee has been established and the Chairperson of the Sustainability Committee appoints the Chairperson and Vice Chairperson of the Risk Management Committee in accordance with the Risk Management Committee Rules. Based on the results of risk analysis at the core operating companies, the Risk Management Committee identifies and evaluates risks that are important for Group management, determines priority countermeasures, monitors the implementation of priority countermeasures on a regular basis, and reports the results to the Sustainability Committee.

Initiatives

- Risk Management Committee Held
- Holding Disaster Prevention Drills
- Review of the BCP
- Review of the Risk Map

Management	Environment	Social	Governance	Data
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Compliance (Anti-corruption)

Basic Policy

The Group will conduct business with thorough compliance in accordance with the ten principles set forth in the KPP Group Charter, in order to ensure compliance with laws and regulations and meet the demands of stakeholders by acting in an ethical manner as a corporate citizen.

Compliance Structure

We have established the Compliance Committee as the organization to oversee compliance. The Compliance Committee is responsible for the confirmation of laws and regulations, the establishment of related rules, and investigations of and responses to violations of laws and regulations. In addition, the committee works to raise compliance awareness of every employee by conducting internal training related to compliance. Furthermore, as a compliance-related whistleblowing system, we have established an internal compliance reporting counter at the compliance secretariat and an external compliance reporting counter at an outside contractor. In FY2023, we held two meeting of the Compliance Committee to discuss the content of training programs aimed at improving the compliance awareness of employees and the status of responses to whistleblowing reports.

Initiatives

- Holding the Compliance Committee
- Implementation of Compliance Training
- Implementation of Insider Trading Prevention Training
- Implementation of a Survey on Fraudulent Accounting
- Measures to Build a Compliance System
- Response to Investigations through Internal Reporting

Management	Environment	Social	Governance	Data
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Sustainability Data

Number of Meetings of the Sustainability Committee and KPP Subcommittees

Committee Name	Scope	Units	FY21	FY22	FY23
Sustainability Committee	GRP	Times	2	2	2
Compliance Committee	HD, KPP	Times	2	2	2
Risk Management Committee	HD, KPP	Times	2	2	2
Environmental Management Committee	HD, KPP	Times	2	2	2
Occupational Safety Committee	HD, KPP	Times	2	2	2
Information Security Committee	HD, KPP	Times	2	2	2

Environmental data

Result - ISO Certification Acquisition Ratio

Item	Scope	Units	FY21	FY22	FY23
ISO14001 and/or 50001 ^{*1}	ANT	%	42.0	56.0 ^{*2}	57.2

^{*1} Calculation method: Total area of ISO 14001 certified warehouses or production sites (leased or owned) / Total area of all warehouses or production sites (leased or owned).

^{*2} Actual as of June 30, 2023.

Result - FSC and PEFC Certified Sales Volume

Item	Scope	Units	FY21	FY22	FY23
Sales volume of forest certified paper ^{*1}	KPP	Ton	654,215	639,408	596,010
Sales volume of forest certified pulp ^{*2}	KPP	Ton	172,561	145,807	152,580

^{*1} Result of total sales volume of KPP.

Management	Environment	Social	Governance	Data
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Result - FSC and PEFC Certification Acquisition Ratio

Item	Scope	Units	FY21	FY22	FY23
FSC certification acquisition rate ^{*1}	ANT	%	-	93 ^{*4}	88 ^{*5}
PEFC certification acquisition rate ^{*2}	ANT	%	-	90 ^{*4}	85 ^{*6}
FSC and PEFC certification acquisition rate ^{*3}	SPI	%	85	87	92

^{*1} Calculation method: Number of FSC® certified operating entities in Europe / Total number of Antalis operating entities in Europe excluding companies acquired in 2023. Europe represents over 95.6% of the Group sales.

^{*2} Calculation method: Number of PEFC certified operating entities in Europe / Total number of Antalis operating entities in Europe excluding companies acquired in 2023. Europe represents over 95.6% of the Group sales.

^{*3} Number of fiber-based products certified by FSC and / or PEFC / Total number of fiber-based products.

^{*4} Actual as of June 30, 2023.

^{*5} Decreased due to merger and acquisition. 93% on constant parameters vs June 30, 2023.

^{*6} Decreased due to merger and acquisition. 90% on constant parameters vs June 30, 2023.

Results - GHG Emissions from Own Company (Scope 1, 2) (305-1, 305-2)

Item	Scope	Units	FY21	FY22	FY23
GHG emissions (Scope 1) ^{*1}	GRP	Tons of CO2e	-	-	11,334
GHG emissions (Scope 2) ^{*1}	GRP	Tons of CO2e	-	-	9,493
GHG emissions (Scope 1, 2) ^{*1}	GRP	Tons of CO2e	-	-	20,827
GHG emissions (Scope 1) ^{*2*3}	HD, KPP	Tons of CO2e	72	91	1,748 ^{*7}
GHG emissions (Scope 2) ^{*4}	HD, KPP	Tons of CO2e	1,663	1,571	1,946 ^{*7}
GHG emissions (Scope 1, 2)	HD, KPP	Tons of CO2e	1,735	1,662	3,694 ^{*7}
GHG emissions (Scope 1)	ANT	Tons of CO2e	7,703	6,992	8,226
GHG emissions (Scope 2) ^{*5}	ANT	Tons of CO2e	8,286	7,010	6,224
GHG emissions (Scope 1, 2)	ANT	Tons of CO2e	15,989	14,002	14,450
GHG emissions (Scope 1)	SPI	Tons of CO2e	-	1,058	1,360
GHG emissions (Scope 2)	SPI	Tons of CO2e	-	1,417	1,323
GHG emissions (Scope 1, 2)	SPI	Tons of CO2e	871 ^{*6}	2,474	2,684

^{*1} Includes GHG emissions from KPP Group Holdings, Kokusai Pulp & Paper, Antalis and Spicers.

^{*2} CO2, CH4, N2O are included in Scope 1. Other gases are not emitted. There are no bioderived CO2e emissions.

^{*3} Scope 1 was calculated by multiplying the list of emission factors under the Calculation, Reporting and Publication System by the amount of activity.

^{*4} Scope 2 was calculated by multiplying the activity amount by the emission factor based on the contract with the electric power company. (Market Based)

^{*5} Emissions for electricity were calculated using both the market-based method and the location-based method.

^{*6} In FY2021, the amount of GHG emissions (Scope 1, 2) includes Spicers Australia only. It was calculated by Greenfleet based on limited data submitted to Greenfleet, and the same amount was offset. From FY2022, Spicers calculated Scope 1 and Scope 2 including Spicers Australia and Spicers New Zealand.

^{*7} Subsidiaries of Kokusai Pulp & Paper were not included in FY2021 and FY2022. Therefore, the amount increased significantly from in FY2023.

GHG emission intensity (In-house emissions (Scope 1, 2) (305-1, 305-2)

Item	Scope	Unit	FY21	FY22	FY23
GHG emission intensity (Scope1,2) ^{*1}	GRP	kgCO2e /MJPY	-	-	32.3

^{*1} GHG emissions of KPP Group as a whole (Tons of CO2) / Sales of KPP Group as a whole (Millions of Japanese yen) * 1,000

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Result - GHG Emissions from Supply Chains by Category (Scope 3)^{*1} (305-3)

Item	Scope	Units	FY21	FY22	FY23
Category 1	HD, KPP	Tons of CO2e	-	1,072,703	1,037,784
Category 2	HD, KPP	Tons of CO2e	-	61,861	2,889
Category 3	HD, KPP	Tons of CO2e	-	-	-
Category 4	HD, KPP	Tons of CO2e	-	19,759	16,452
Category 5	HD, KPP	Tons of CO2e	-	34	30
Category 6	HD, KPP	Tons of CO2e	-	1,046	1,570
Category 7	HD, KPP	Tons of CO2e	-	348	326
Category 8	HD, KPP	Tons of CO2e	-	414	675
Category 9 ^{*2}	HD, KPP	Tons of CO2e	-	-	-
Category 10 ^{*3}	HD, KPP	Tons of CO2e	-	-	-
Category 11 ^{*4}	HD, KPP	Tons of CO2e	-	0	0
Category 12 ^{*3}	HD, KPP	Tons of CO2e	-	-	-
Category 13 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Category 14 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Category 15 ^{*5}	HD, KPP	Tons of CO2e	-	-	-
Total	HD, KPP	Tons of CO2e	-	1,156,165	1,059,726

^{*1} The GHG emissions were calculated by using the audited financial indicators of the KPP Group Holdings as a whole as the activity volume and the values specified in the Ministry of the Environment's Input-Output Table as the emission coefficient.

^{*2} Category 9 (transportation and delivery (downstream)) is included in the calculation results of Category 4 (transportation and delivery (upstream)) because it is difficult to distinguish between upstream and downstream.

^{*3} Category 10 (processing of sold products) and Category 12 (disposal of sold products) are not calculated because it is difficult to set up a calculation model.

^{*4} Category 11 (use of sold products) is not expected to generate GHG emissions.

^{*5} Not applicable for Category 13 (Leased assets (downstream)), Category 14 (Franchise) and Category 15 (Investments).

Result - Progress of GHG emissions Reduction from Own Company (Scope 1, 2) (302-4)

Item	Scope	Units	Target value	FY23 Results	Progress rate
GHG emission reduction ratio ^{*1}	HD, KPP ^{*6}	%	33.0	10.7	32.4%
GHG emissions intensity reduction ratio ^{*2}	ANT	kgCO2e / k€	6.0	7.8	35.7%
GHG emissions intensity reduction ratio ^{*3*4*5}	SPI	kgCO2 / kAUD	6.0	4.0	100.0%

^{*1} Calculation method: GHG emission reduction rate = (GHG emissions in the base year - GHG emissions in fiscal 2022) / GHG emissions in the base year *100.

Progress rate = GHG emission reduction rate in fiscal 2022 / 33% (target for fiscal 2030) *100.

^{*2} Calculation method: GHG emissions intensity = Scope 1 and 2 emissions (kgCO2e) / Net turnover in thousands of euros.

Progress ratio = (GHG emission intensity in base year (8.8) - GHG emission intensity in FY2023 (7.8)) / (GHG emission intensity in base year (8.8) - GHG emission intensity in target year (6.0)).

^{*3} In consideration of the increase in GHG emissions due to business acquisitions and business growth, the GHG emission reduction target for FY2030 was changed from the absolute value target to the emission intensity per unit of sales.

^{*4} Scope 1 and 2 emissions (kgCO2e) / net turnover in thousands of Australia dollars.

^{*5} Progress rate: The result in FY 2023, 4.0, exceeds the target value, 6.0. Therefore, progress rate is 100.0%.

^{*6} Includes KPP group holdings, Kokusai Pulp & paper and KPP logistics. Other domestic subsidiaries of Kokusai Pulp & paper are not included.

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Domestic Recovered Paper Raw Material Recovery Ratio

Item	Scope	Units	FY21	FY22	FY23
Amount of paper sales ^{*1}	KPP	10,000 Tons	180	170	154
Amount of recovered paper sales ^{*2}	KPP	10,000 Tons	108	116	112
Utilization ratio of recovered paper raw material ^{*3}	KPP	%	59.9	68.2	72.7

*1 Sales amount of paper and paper board in KPP.

*2 Sales amount of recovered paper in KPP.

*3 Calculation method: Recovered paper sales amount / Paper sales amount x 100.

Raw Materials Used (paper) (301-1)

Item	Scope	Units	FY21	FY22	FY23
Paper Sales Volume ^{*1}	GRP	10,000 Tons	224 ^{*2}	202 ^{*2}	167

*1 Sales amount of paper in KPP group.

*2 Rounding down 1 from last year's report

Amount of Recycled Materials (Recovered Paper) Used (301-2)

Item	Scope	Units	FY21	FY22	FY23
Amount of recovered paper used ^{*1}	KPP	10,000 Tons	108	116	112

*1 Sales amount of recovered paper in KPP group.

Waste Emissions (306-3)

Item	Scope	Units	FY21	FY22	FY23
Amount of waste generated ^{*1}	HD, KPP ^{*2}	kg	105,867	101,756	91,437
Amount of waste generated ^{*1}	SPI	kg	-	-	2,137,657

*1 Amount of waste generated from facilities

*2 Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan).

Amount of Recycled Waste^{*1} (306-4)

Item	Scope	Units	FY21	FY22	FY23
Amount of recycled waste ^{*1}	HD, KPP ^{*3}	kg	70,347	63,946	58,209
Amount of recycled waste ^{*1}	SPI	kg	-	-	1,155,897
Waste recycling ratio ^{*2}	HD, KPP ^{*3}	%	66.4	65.4	63.7
Waste recycling ratio ^{*2}	SPI	%	-	-	54.1

*1 Amount of recycled generated from facilities

*2 Recycling rate = Amount of recycled waste / Amount of waste generated x 100.

*3 Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan).

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Total Fuel Consumption from Non-renewable Sources^{*1} (302-1)

Item	Scope	Units	FY21	FY22	FY22
Calorific value of diesel fuel ^{*2}	HD, KPP	GJ	1,776	1,947	17,762 ^{*5}
Calorific value of diesel fuel ^{*2}	SPI	GJ	-	-	14,074
Calorific value of alternative diesel fuel ^{*3}	HD, KPP	GJ	-	-	2,667
Calorific value from gasoline	HD, KPP	GJ	1,901	1,405	3,967 ^{*5}
Calorific value from gasoline	SPI ^{*4}	GJ	-	-	1,769
Calorific value of LP gas	HD, KPP	GJ	9	38	404 ^{*5}
Calorific value of LP gas	SPI	GJ	-	-	5,810
Calorific value from city gas	HD, KPP	GJ	440	362	362
Calorific value from city gas	SPI	GJ	-	-	0
Calorific value from kerosene	HD, KPP	GJ	254	288	331
Calorific value from kerosene	SPI	GJ	-	-	0

*1 There is no use of heating, cooling, or steam.

*2 Calculation method: Fuel consumption at major sites in Japan was aggregated and converted to MJ by multiplying the coefficients in the List of Standard Calorific Values and Carbon Emission Coefficients by Energy Source. https://www.enecho.meti.go.jp/statistics/total_energy/carbon.html

*3 Alternative diesel fuel was used in a domestic subsidiary of Kokusai Pulp and Paper. While maintaining the same properties as petroleum-derived products, GHG emissions can be reduced by about 8.5% compared to diesel oil by alternative diesel fuels.

*4 Includes Spicers New Zealand only.

*5 FY2022 results includes KPP Group Holdings and Kokusai Pulp & Paper only, were included. FY2023 results includes KPP Group Holdings, Kokusai Pulp & Paper, and its subsidiaries. Therefore, figures increased.

Power Consumption (302-1)

Item	Scope	Units	FY21	FY22	FY23
Power consumption ^{*1*2}	HD, KPP	kWh	3,822,649	3,699,048	5,018,604 ^{*3}
Power consumption	SPI	kWh	-	913,671	1,799,436 ^{*4}

*1 Heating, cooling, and steam have not been used within the scope of this report.

*2 Accumulation of invoice figures.

*3 FY2021 and FY2022 results include KPP Group Holdings and Kokusai Pulp & Paper and KPP logistics only. From FY2023, domestic subsidiaries of Kokusai Pulp & Paper were included, therefore figures increased.

*4 FY2022 results include Spicers Australia only. FY2023 results includes Spicers Australia and Spicers New Zealand. Therefore, figures increased.

Power Consumption – Renewable energy (302-1)

Item	Scope	Units	FY21	FY22	FY23
Power consumption ^{*1*2}	HD, KPP	kWh	0	0	29,148
Power consumption ^{*1}	SPI	kWh	0	0	0

*1 We reported the purchased amount of power with virtually zero GHG emissions. Powers generated in our facilities are not included.

*2 Heating, cooling, and steam have not been used within the scope of this report.

Water Consumption (303-5)

Item	Scope	Units	FY21	FY22	FY23
Water consumption ^{*1}	HD, KPP ^{*2}	m ³	8,074	9,290	9,223
Water consumption	SPI ^{*3}	m ³	-	-	277

*1 Accumulation of invoice figures.

*2 Includes KPP Group Holdings, Kokusai Pulp & Paper (the sales and administrative departments of the head office and branches in Japan). Water consumption in common areas of tenant office is not included.

*3 Includes Spicers New Zealand only.

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Data Related to Environmentally Responsible Products and Services

Item	Scope	Units	FY21	FY22	FY23
GBP Sales	KPP	Billion yen	-	1.6	3.8
GSS Sales Ratio (Paper)	ANT	%	-	54 ^{*1}	54
GSS Sales Ratio (Visual Communication)	ANT	%	-	32 ^{*1}	32
GSS Deployment Ratio (Packaging)	ANT	%	-	-	Being deployed

^{*1} Actual as of June 30, 2023.

Social data

Employee Data for the Entire Group (2-7, 401-1)

Item	Scope	Units	FY21	FY22	FY23
Number of employees	GRP	Person	5,354	5,457	5,624
Number of employees by region	HD, KPP	Person	1,007	1,044	1,014
Number of employees by region	ANT	Person	3,839	3,972	4,154
Number of employees by region	SPI	Person	425	431	448

Employees Data

Item	Scope	Units	FY21	FY22	FY23
Number of employees by gender (Male)	HD	Person	-	34	33
	KPP	Person	365	319	310
	SPI	Person	-	-	298
Number of employees by gender (Female)	HD	Person	-	18	19
	KPP	Person	242	228	230
	SPI	Person	-	-	150
Average years of service	HD	Year	-	12.8	12.0
	KPP	Year	17.9	18.8	19.0
Hiring rate of persons with Disabilities	HD	%	-	3.2	3.4
	KPP	%	2.4	2.5	2.7
Number of continued employment system users	HD	Person	-	3	5
	KPP	Person	29	26	33
Number of new graduates Hired	HD	Person	-	0	0
	KPP	Person	6	11	15
Number of mid-career employees hired	HD	Person	-	6	8
	KPP	Person	11	14	16
Total number of employees Hired	HD	Person	-	6	8
	KPP	Person	17	25	31
Hiring ratio of mid-career Employees	HD	%	-	100.0	100.0
	KPP	%	65.0	56.0	52.0

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Work-Life Balance Data (401-3)

Item	Scope	Units	FY21	FY22	FY23
Number of parental leave Users ^{*1}	KPP	Person	12	6	11
Number of parental leave-takers who return to work ^{*1}	KPP	Person	12	5	11
Percentage of employees returning to work after parental leave ^{*1*2}	KPP	%	100.0	89.0	100.0
Number of employees who used childcare shortened work-hour system ^{*1}	KPP	Person	12	15	13
Number of Staggered Working Hours Users ^{*3}	KPP	Year	19	20	17
Turnover rate ^{*4}	ANT	%	-	18.0	20.0
Voluntary attrition rate ^{*5}	SPI ^{*6}	%	7.3	9.0	9.5

^{*1} No user applied in KPP Group Holdings.

^{*2} Calculation method: Return to work rate = Number of people returning to work after parental leave / Number of users of parental leave system × 100.

^{*3} Users with off-peak commuting reasons are not included.

^{*4} Calculation method: [(Number of departures during the current year + number of arrivals during the current year) / 2] / Headcount at 1 January of the current year. Excluding acquisitions

^{*5} Australian only data. Calculation method: Number of voluntary resignations during reporting period / total number of leavers in the reporting period + total number of employees at the end of the reporting period.

^{*6} Includes Spicers Australia only.

Occupational Safety and Health Data (403-9)

Item	Scope	Units	FY21	FY22	FY23
Lost time injuries severity ratio ^{*1}	HD, KPP ^{*9}	-	-	0	0
Lost time injuries frequency ratio ^{*1}	HD, KPP ^{*9}	-	-	-	0
Frequency ratio of work-related injuries ^{*2}	ANT	-	4.18	2.77	3.06
Frequency ratio of lost time injuries (LTIFR) ^{*3 *4}	SPI	-	3.3	6.4	2.3
Medically treated injuries frequency ratio ^{*5 *6}	SPI	-	3.3	3.2	1.2
Number of notifiable incidents as defined by local standards ^{*7}	SPI	Number	0	0	0
ISO 45001 certification acquisition ratio ^{*8}	ANT	%	-	39.0 ^{*10}	52.3

^{*1} Calculation method: in accordance with the industrial accident severity rate stipulated by the Ministry of Health, Labor and Welfare. website https://anzeninfo.mhlw.go.jp/yougo/yougo22_1.html

^{*2} Calculation method: Number of accidents involving three or more days off work / (full-time equivalent x 1000).

^{*3} Calculation method: number of lost time injuries in the reporting period x 1,000,000 / total hours worked in the reporting period. A 'lost time injury' is a work-related injury that results in a person losing one or more full days or full shifts of work. (Data is for Australia and New Zealand as of 31 December).

^{*4} Lost-time injuries: An occupational accident in which the employee loses one or more actual working days or shifts. In accordance with local standards.

^{*5} Calculation method: Calculation method: number of medical treatment injuries in the reporting period x 1,000,000 / total hours worked in the reporting period.

^{*6} Medically treated injuries: A work-related injury that results in a person requiring medical treatment beyond first-aid treatment, but the person does not lose one or more full days or full shifts of work. In accordance with local standards.

^{*7} Notifiable Accidents: An incident that is required to be reported to a workplace regulatory authority. It is a serious workplace incident such as death of a person, loss of limbs or a dangerous incident such as fire, collapse of structure or uncontrolled chemical spills, as of December 31, 2022.

^{*8} Calculation method: Total number of ISO certified sqm (leased or owned sites with a warehouse or production site) / Total number of sqm of leased or owned sites with a warehouse or production site.

^{*9} Subsidiaries of Kokusai Pulp & Paper are not included.

^{*10} Actual as of June 30, 2023.

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Health Promotion Data

Item	Scope	Units	FY21	FY22	FY23
Periodic health checkup implementation rate ^{*1}	HD, KPP	%	100.0	100.0	100.0 ^{*5}
Stress check implementation rate ^{*2}	HD	%	-	- ^{*4}	93.9
Stress check implementation rate ^{*2}	KPP ^{*3}	%	100.0	95.0 or more	94.3

*1 Calculation method: Number of employees who received regular health check-ups / Total number of employees covered.

*2 Calculation method: Number of stress checkers / Total number of employees in the scope of the stress check.

*3 Subsidiaries of Kokusai Pulp & Paper are not included.

*4 Stress check was implemented before the establishment of KPP group holdings in FY2022. Therefore, there was no data in FY2022.

*5 Three employees on childcare leave (optional) and two employees on overseas assignment (for local reservation reasons) are not included.

Human Resource Development Data (404-1, 404-3)

Item	Scope	Units	FY21	FY22	FY23
Training hours ^{*1}	HD, KPP	Hour	-	291	2,322
Training expenses per employee ^{*2}	HD, KPP	Thousand yen	-	58	29
Training hours per employee ^{*3}	ANT	Hour / Person	-	8.6	13.1
Annual Development Review participation rate ^{*4}	ANT	%	97.3	97.7	98.1
HRD Program Participation ^{*5}	SPI ^{*6}	%	-	100.0	88.0

*1 Calculation method: Total hours of training for employees managed by the Human resource department of KPP Group Holdings in FY2021 and in FY2022.

Total hours of training for employees managed by the Human resource department and other department of KPP Group Holdings in FY 2023. Therefore, figures increased significantly.

*2 Calculation method: Average cost per total number of participants for paid training administered by the Human resource department of KPP Group Holdings in FY2021 and FY2022. Average cost per total number of participants for paid training administered by the Human resource department and other department of KPP Group Holdings in FY2023.

*3 Calculation method: Total number of training hours / Total number of employees.

*4 Calculation method: Number of employees who signed the Performance Development Review / Number of employees assigned to the campaign.

*5 Calculation method: Completion rate of individual employee development plans that were agreed for the period.

*6 Includes Spicers Australia only.

Management	Environment	Social	Governance	Data
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Diversity-Related Data

Item	Scope	Units	FY21	FY22	FY23
Gender Ratio in Management positions (Male)	HD	%	-	91.3	86.4
Gender Ratio in Management positions (Female)	HD	%	-	8.7	13.6
Gender Ratio in Management positions (Male)	KPP	%	97.0	97.2	97.1
Gender Ratio in Management positions (Female)	KPP	%	3.0	2.8	2.9
Gender Ratio in Management positions (Female) ^{*1}	ANT	%	32.4	32.0	35.0
Gender Ratio in Management positions (Female) ^{*1}	SPI ^{*9}	%	9.8	12.5	23.5
Gender Wage Gap ^{*2}	HD	%	-	52.2	66.0
Gender Wage Gap ^{*2}	KPP	%	-	59.2	60.5
Employee satisfaction survey response rate ^{*3}	KPP ^{*10}	%	86.6	-	94.7
Employee satisfaction survey response rate ^{*4}	ANT	%	- ^{*11}	77.0	- ^{*11}
Employee satisfaction survey-response rate ^{*5}	SPI ^{*9}	%	-	-	61.0
Employee satisfaction survey-average happiness rating ^{*6*7}	SPI ^{*9}	%	-	-	89.0
Social program engagement ^{*8}	SPI ^{*9}	%	-	17.0	22.3

*1 Considers women managers as a percentage of total managers.

*2 Calculation method: Calculated based on the Law Concerning the Promotion of Women's Participation and Advancement in the Workplace.

*3 Calculation method: Number of employees responding / Number of eligible employees * 100.

*4 Calculation method: Considers percentage of total workforce that responded to the survey

*5 Considers percentage of total workforce that responded to the survey.

*6 Considers the average employee happiness rating, based on positive 'Agree' or 'Strongly Agree' responses across all statements asked.

*7 Note: Different surveys were facilitated in 2021 and 2022 due to the COVID-19. Annual survey resumes in 2023 and will be considered in future reporting.

*8 Percentage of total workforce participating in volunteering or charity activities arranged or approved by the Company (a 'social program').

*9 Includes Spicers Australia only.

*10 In fiscal 2020, all employees (including seconded employees) below the general manager level of KPP were surveyed, and in fiscal 2021, all employees (including seconded employees) at KPP's GM grade or lower were surveyed. In FY2022, the survey was not conducted due to the impact of the COVID-19.

*11 Employee satisfaction survey is implemented every three years.

Governance Data

Number and Composition of Board of Directors by Attribute

Item	Scope	Units	FY21	FY22	FY23	
Number of Directors (Internal)	Female	HD	Person	0	0	0
Number of Directors (Internal)	Male	HD	Person	5	4	5
Number of Directors (Internal)	Total	HD	Person	5	4	5
Number of Directors (Independent Outside Directors)	Female	HD	Person	1	1	1
Number of Directors (Independent Outside Directors)	Male	HD	Person	1	1	1
Number of Directors (Independent Outside Directors)	Total	HD	Person	2	2	2
Number of Directors and Audit and Supervisory Committee Members (Internal)	Female	HD	Person	0	0	0
Number of Directors and Audit and Supervisory Committee Members (Internal)	Male	HD	Person	1	1	1
Number of Directors and Audit and Supervisory Committee Members (Internal)	Total	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Female	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Male	HD	Person	1	1	1
Number of Directors, Audit and Supervisory Committee Members (Independent Outside Directors)	Total	HD	Person	2	2	2
Total number of directors ¹	Total	HD	Person	10	9	10
Total number of independent outside directors ²	Total	HD	Person	4	4	4
Total number of female directors ³	Total	HD	Person	2	2	2
Ratio of Independent Directors ⁴	-	HD	%	40.0	44.4	40.0
Ratio of female directors ⁵	-	HD	%	20.0	22.2	20.0

*1 Total number of Directors = Directors + Directors who are Audit and Supervisory Committee Members.

*2 Total number of Independent Directors = Directors (Outside) + Directors who are Audit and Supervisory Committee Members (Outside).

*3 Total number of female Directors = Directors (female) + Directors who are Audit and Supervisory Committee Members (female).

*4 Ratio of Independent Directors = Total number of Independent Directors / Total number of Directors.

*5 Ratio of female directors = Total number of female directors / Total number of directors.

Number of Meetings of the Board of Directors and Related Meetings

Meeting Name	Scope	Units	FY21	FY22	FY23
Board of directors meeting	HD	Times	14	12	16
Nomination Committee ^{*1}	HD	Times	5	5	3
Remuneration Committee ^{*2}	HD	Times	3	4	4
Investment Committee ^{*3}	HD	Times	21	9	10

* 1 The Board of Directors serves as an advisory body to the Board of Directors in order to strengthen the fairness, transparency, and objectivity of procedures relating to the nomination of director candidates, succession planning for representative directors, and the appointment and dismissal of directors (including representative directors), as well as to enhance corporate governance and strengthen accountability.

* 2 The Remuneration Committee serves as an advisory body to the Board of Directors in order to strengthen the fairness, transparency and objectivity of procedures relating to the remuneration, etc. (remuneration level, fixed remuneration / performance-linked remuneration ratio) of Directors, and to enhance corporate governance and accountability.

* 3 The Company has a role to contribute to management policy and decision-making by conducting a wide range of investigations, verifications and judgments from a professional perspective regarding important investment and transfer projects based on the Company-wide strategy. The Committee deliberates on business acquisitions and transfers, the establishment of new operating companies in line with new businesses, and business withdrawals.

Remuneration Structure (Fiscal Year Ending March 2024) (2-20, 2-21)

Type of remuneration, etc.	Remuneration composition ratio (estimate)%		Process for determining remuneration	
	Director ^{*1}	Outside Directors and Directors who are Audit and Supervisory Committee Members		
Fixed remuneration	62~64% [64~66%]	100%	Director ^{*2}	The amount to be paid to each individual for each position within the limit is calculated based on the internal rules, discussed by the Remuneration Committee, and decided by the Board of Directors.
			Audit and Supervisory Committee Member Directors	Determined through consultation with the Audit and Supervisory Committee based on internal rules within the limit amount
Bonuses	23% [24~25%]	-	<ul style="list-style-type: none"> As short-term incentive remuneration, performance-linked monetary remuneration that fluctuates according to the degree of achievement of performance for each business year Amount of payment^{*3} = Monthly fixed remuneration x Magnification by position x Performance-linked coefficient Indicators used to determine the performance-linked coefficient: EBITDA, ROA, and consolidated sales 	
Performance-linked Stock-based remuneration	13~15% [10~11%]	-	<ul style="list-style-type: none"> As medium - to long-term incentive remuneration, performance-linked stock remuneration that fluctuates according to the degree of achievement of performance for each fiscal year^{*4} Set the payment ratio so that the higher the rank of Directors, the higher the performance-linked remuneration, taking into consideration their responsibilities, etc. Points granted^{*5} = Basic points^{*6} x Performance-linked coefficient Indicators used to determine the performance-linked coefficient: consolidated ROIC, net income attributable to owners of parent, non-financial indicators^{*7} 	

^{*1} Bonus and performance-linked stock remuneration are 100% of the target achievement. Figures in [] are ratios for the fiscal year ended March 2022.

^{*2} Excluding Directors who are Audit and Supervisory Committee Members.

^{*3} The amount calculated by multiplying the monthly amount of fixed remuneration by the ratio of each position varies within the range of 0% to 200% depending on the degree of achievement of the performance targets for each fiscal year set at the beginning of the fiscal year.

^{*4} Points are awarded based on rank, achievement of performance, etc., and the Company's shares are issued according to the points.

^{*5} Paid within the range of 0% to 200% of the base points according to the degree of achievement of the performance targets for each fiscal year announced in the financial results report.

^{*6} Formula for calculating basic points: Basic amount determined by position / Average closing price of the Company's shares on the Tokyo Stock Exchange in the month preceding the month in which the Applicable Period starts.

^{*7} Progress in the development and distribution of products that contribute to reducing environmental impact.

Result of Officer's Renumeration in FY2023 (2-20, 2-21)

Total amount of remuneration, etc. for each category of officers, total amount by type of remuneration, and number of eligible officers

Category by officer	Total amount of remuneration (Million JPY)	Total amount by type of remuneration (Million JPY)			Number of eligible officers
		Fixed	Performance-linked		
			Bonuses	Stock-based	
Directors ^{*1}	277	170	61	45	7
(Outside directors)	(14)	(14)	(-)	(-)	(2)
Directors ^{*2}	34	34	-	-	5
(Outside directors)	(14)	(14)			(3)

^{*1} 1 Member of the Audit and Supervisory Committee excluded.

^{*2} 2 Member of the Audit and Supervisory Committee only.

External Evaluation

CDP Climate Change

- The CDP ^{*1}, an international NGO on climate change issues, sends out questionnaires to companies to evaluate their climate change response, strategies, and information disclosure.
- Addressing climate change is one of our most important materiality issues, and since FY2022 HD and KPP have been responding to CDP on climate change.

* 1 Formerly known as Carbon Disclosure Project.

EcoVadis

- EcoVadis provides a comprehensive Corporate Social Responsibility (CSR) Assessment Service via a cloud-based SaaS platform, and the results of the assessment are publicly available globally.
- Environmental issues other than climate change, social issues such as human rights, labor safety, and human resource development, and governance are also important issues for the Company. For this reason, KPP Group Holdings and Antalis, our core operating Group in Europe, South America and North America, are being assessed by EcoVadis on an annual basis.

ESG Evaluation Results

Item	Scope	Units	FY21	FY22	FY23
CDP Climate Change	GRP	-	-	C	B
EcoVadis	HD, KPP	-	Bronze	-	-
EcoVadis	ANT	-	Silver	Silver	Gold



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