The Oji Group is focused on developing a sustainable business model that is supported by three types of recycling: forest recycling, water recycling, and paper recycling. The company is working to deploy this sustainable model globally to contribute to building a sustainable society.

- **Forest Recycling**: Under the concept of "those who use trees have the responsibility to plant trees," the company is working on sustainable forest management by planting, cultivating, and utilizing trees while giving due consideration to the local ecosystem in Japan and overseas to create abundant forests.

- **Water Recycling**: This involves reducing water intake by treating used water and reusing it in the manufacturing process. The company is also working on purification of wastewater and reduction of environmental impact.

- **Paper Recycling**: About 60% of the raw material of the paper is recovered paper and about 40% is wood. The company is working on promoting the use of recovered paper by collecting and utilizing various types of recovered paper while maintaining its recycling system.

The Oji Group’s Sustainable Business Model is illustrated through a diagram that shows the flow of resources from procurement to sales, emphasizing the importance of resource circulation throughout the value chain. This includes sustainable forest resources, biomass power generation, paper and pulp manufacturing, and sales (consumption). The model also highlights the development of new materials derived from wood fiber, such as cellulose and hemicellulose, which can be used in various applications.

**Environmental Vision 2050**

- **Net-zero carbon**
- **Harmony with nature and society**

The Oji Group is committed to achieving net-zero carbon emissions and fostering harmony with nature and society through its operations and initiatives.

**Aiming for Further Development of the Sustainable Business Model**

Toward the realization of a decarbonized society, renewable forest resources have gathered significant attention. Alongside the conventional use of wood resources as raw materials for paper manufacturing, the Oji Group is accelerating their use in fields outside of papermaking. Specifically, the company is expanding its biomass power generation business, which utilizes wood chips as a primary fuel, across Japan. It is proactively making use of unused trees such as forest residues, for which few applications had previously been developed. In addition, the company is accelerating green innovations for the future, including developing wood-derived biomass plastics, promising replacements for petroleum-derived plastics, cellulose nanofiber (CNF), and wood-derived pharmaceutical products.
Core Competencies and Material Issues

Core Competencies

The Oji Group possesses Oji Forests spanning 573,000 ha domestically and overseas. As the Group engages in a cycle of cultivating forest resources, utilizing them, and cultivating them again, we are developing a wide range of businesses without regard for business domain. Rooted in our core competencies centered on forest resources, we aim to develop business and contribute to realizing a sustainable society.

Sustainable Forest Management

Owing due consideration to environmental conservation, the Group possesses production forests primarily for producing wood spanning a total of 432,000 ha, with 176,000 ha domestically and 256,000 ha overseas. Implementing sustainable forest management, which is environmentally, socially and economically conscious, forms the basis of our businesses.

Utilization of Renewable Resources

We promote recovered paper recycling. The recovered paper makes up about 60% of the raw material of the paper. We also thoroughly circulate and reuse the water that is essential to paper manufacturing in our production processes, and create systems for reducing the amount of water used and purifying wastewater in a sophisticated manner.

Development of New Materials Derived from Wood Fiber

Aiming to create new value, we are developing new materials, including cellulose nanofiber (CNF), a promising material for numerous fields; wood-derived biomass plastics; and wood-derived pharmaceutical products using hemicellulose.

Application of Fundamental Paper Manufacturing Technologies

Utilizing the fundamental technologies we have cultivated in our paper manufacturing business, we aim to expand our businesses in various fields which will help reduce our environmental impact. This includes developing our renewable energy business with a focus on hydropower generation and wood biomass power generation, industrial water production and industrial wastewater treatment businesses.

Material Issues

The Oji Group is systematically working on enhancing corporate value in the medium- and long-term by accurately responding to ever-changing social trends and addressing the needs of customers and society. To develop the sustainable business model that forms the basis of these efforts, material issues are identified in the following processes.

We have also set qualitative targets and KPIs for each material issue (P85-86).

Process for Identifying Material Issues

Step 1 Identification of core competencies

We identified five core competencies to support our business development centered on forest resources.

Step 2 Extraction of possible issues

We extracted issues comprehensively from global social issues, disclosed sustainable-related information, and adjusted material issues (P85-86).

Step 3 Assessment and analysis

We assessed each issue based on both social importance and business importance. The issues were narrowed down and sorted out in reference to opinions from external organizations.

Step 4 Validity assessment and approval

We verified the validity of the identified material issues and obtained approval at the ESG Promotion Project and Management Meeting. The necessity of reviewing material issues is discussed at the Sustainability Committee every year as we need to consider such issues as changes in the social environment and newly emerged issues.

Material Issues Reason for Identification

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>Reason for Identification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitigation and adaptation to climate change</td>
<td>As responding to the progression of climate change becomes an urgent issue, it is essential to reduce GHG emissions in the production and logistics processes, and extensively ramp up CO2 absorption via the expansion of company-owned forests and development of fast-growing trees.</td>
</tr>
<tr>
<td>Sustainable forest management (forest recycling)</td>
<td>To secure a stable supply of raw materials and, at the same time, maintain forests’ functions in areas such as conservation of biodiversity and CO2 absorption, it is necessary that we engage in the sustainable management of the vast forests we own in Japan and overseas.</td>
</tr>
<tr>
<td>Responsible raw materials procurement</td>
<td>The Oji Group’s procurement of raw materials is supported by numerous suppliers in Japan and overseas. Working to improve human rights, labor, environmental, and other issues at all of our suppliers, and fulfilling our social responsibilities are essential to the continuation of our business activities.</td>
</tr>
<tr>
<td>Stable supply of safe and secure products</td>
<td>As a manufacturer, the core of our business involves strengthening relationships of trust while building a system which provides services and quality which customers in a variety of fields can use with peace of mind.</td>
</tr>
<tr>
<td>Reduction of environmental burdens</td>
<td>We have a responsibility to promote the prevention of environmental pollution, and to contribute to the conservation of local environments, we establish voluntary management standards which are even stricter than existing laws and regulations regarding wastewater and emissions.</td>
</tr>
<tr>
<td>Effective resource utilization (paper and water recycling)</td>
<td>It is important that we work to protect resources and reduce waste by maintaining our recovered paper recycling systems through the procurement of recovered paper at fair prices, promoting the use of recovered paper, and promoting the effective use of waste and water resources in our manufacturing processes.</td>
</tr>
<tr>
<td>Respect for human rights</td>
<td>To achieve an even greater level of globalization going forward, it is necessary that not only our employees but all of our suppliers share our beliefs regarding respect for human rights, and implement concrete initiatives which will help prevent human rights issues.</td>
</tr>
<tr>
<td>Ensuring workplace safety and health</td>
<td>Ensuring employee safety and building a work environment where people can work with a sense of security is the cornerstone of our continued existence as a corporation. Also, responding rapidly to disasters, infectious diseases, and other risks is essential to ensuring safety and health.</td>
</tr>
<tr>
<td>Inclusion &amp; diversity</td>
<td>As a global enterprise, it is essential to have a diverse array of human resources that flourishes regardless of gender, age, disability, or nationality, and to be receptive to a variety of values and ideas to enhance corporate competitiveness and further development.</td>
</tr>
</tbody>
</table>
### Material Issues and KPI

#### Mitigation and adaptation to climate change
- **Key performance indicators (KPIs)**: Reduce GHG emissions by at least 70% compared to FY2018
- **Current value**: 11.3% reduction
  - 
  - 100,000 t of CO₂
  - 4.7% reduction
  - 45.7% reduction
  - 8.8% reduction
  - 5.0% reduction

#### Sustainable forest management (forest recycling)
- **Key performance indicators (KPIs)**: Increase the rate of overseas forest certification acquisition ratio
- **Current value**: 104.0% increase

#### Responsible raw procurement
- **Key performance indicators (KPIs)**: Secure the supply chain
- **Current value**: 100% (Survey period FY2000 - FY2002)

#### Reduction of environmental burdens (air, water and waste)
- **Key performance indicators (KPIs)**: Promote paper recycling
- **Current value**: 67.1% (Japan), 6.1% (Overseas)

#### Effective resource utilization (paper and water recycling)
- **Key performance indicators (KPIs)**: Increase the usage of renewable energy
- **Current value**: 60% through reduction of coal consumption

#### Stable supply of safe and secure products
- **Key performance indicators (KPIs)**: Maintain and expand CO₂ management policy
- **Current value**: 60% through reduction of coals

#### Respect for human rights
- **Key performance indicators (KPIs)**: Provide education and training in human rights
- **Current value**: 100%

#### Ensuring workplace safety and health
- **Key performance indicators (KPIs)**: Achieve zero fatal and serious work-related accidents
- **Current value**: 93.0% reduction compared to FY2018

#### Inclusion & diversity
- **Key performance indicators (KPIs)**: Increase the usage of renewable energy
- **Current value**: 6.1% (Japan), 10.5% (Overseas)

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2. The actual carbon stocks in living biomass: (t-CO₂)
3. Production forest: Actual merchantable volume at the end of FY2021 x Biomass expansion coefficient x (1 + underground / above-ground ratio) x Wood density x Carbon ratio x CO₂ conversion coefficient.
4. Material issues: **Qualitative targets**
5. Key performance indicators (KPIs)
6. Current value
7. Major initiatives
8. Value provided to society
9. Corresponding SDGs
10. Reference

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**Sustainability Strategy**

**Governance Strategy**

**History of the Oji Group’s Initiatives for Productivity Improvement**

**Green Innovation**

**Sustainability**

**Effective resource utilization (paper and water recycling)**

**Safety and health**

**Contribution to the solution of the water shortage issue**

**Supply of safe and secure products**

**Sustainable forest management (forest recycling)**

**Resilience of environmental issues**

**Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values**

**Provide customers with information on safety of raw materials (chemicals, materials)**

**Supply of FSC® certified products (FSC®-C124119 etc.)**

**Reduce waste intake and improve water recycling**

**Reduce GHG emissions by at least 70% compared to FY2018**

**Reduce SOx emissions intensity in exhaust gases by 25% compared to FY2018**

**Reduce water intake and improve water recycling**

**Reduce water intake and improve water recycling**

**Reduce and effectively use waste**

**Provide education and training in human rights**

**Reduce GHG emissions by at least 70% compared to FY2018**

**Reduce SOx emissions intensity in exhaust gases by 25% compared to FY2018**

**Reduce water intake and improve water recycling**

**Reduce and effectively use waste**

**Provide education and training in human rights**

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**Material issues**

**Qualitative targets**

**Key performance indicators (KPIs)**

**Current value**

**Major initiatives**

**Value provided to society**

**Corresponding SDGs**

**Reference**
Sustainability Strategy

Responsible Raw Materials Procurement

The Oji Group is expanding and enhancing its CSR (Corporate Social Responsibility) procurement, which takes environmental and social factors into consideration when procuring raw materials. The Group shares the Oji Group Partnership Procurement Policy with all its divisions involved in procurement, and requests the understanding of new suppliers before starting transactions. The Group also informs all existing suppliers of revised content at the time of revision of the policy to fulfill its social responsibilities along the entire supply chain.

The Oji Group Partnership Procurement Policy (revised in 2018)

  - *We revised the Policy provisions relating to reducing GHG emissions, as well as climate change, management of water resources, protection of labor rights, etc., and requested our suppliers to adhere to the revised Policy.*

The number of overseas suppliers has rapidly increased as we have expanded our businesses overseas. Under such circumstances, we have confirmed the status of operation of the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines. We have also conducted sustainability surveys for main suppliers since FY2020.

### Results of Supplier Sustainability Surveys (FY2020 and FY2021)

The results of surveys for 682 suppliers in Japan and overseas of recovered paper, pulp, base paper, woodchips, chemicals, PKS (palm kernel shells for use as fuel) and others in FY2020 and FY2021 are as follows. Number of suppliers that responded to the survey: 428 (rate of response: approx. 63%).

The surveys were conducted for eight items listed from an ESG perspective in the form of a questionnaire.

- The average score of all suppliers calculated by adding the points of all eight items including corporate governance, human rights and labor was 479 (out of 800), which is about 60%. The item with a high average score was “Labor” at 67 while the one with a low average score was “Corporate governance” at 53. We also focused on human rights, which has drawn global attention as a material issue, and extracted issues (see P88).

We will provide feedback of the response results to suppliers (with radar charts) so that the suppliers can understand their strengths and weaknesses in ESG to reduce risks in the entire supply chain.

### Human Rights-Related Issues

We extracted the following (1) to (3) for issues related to human rights.

1. Lack of awareness of basic stances and principles advocated globally, Japanese and foreign human rights-related laws and regulations, social and industrial norms, etc.
2. Lack of human rights-related policies or guidelines.

We will request suppliers that fall under (1) to (3) to take into active consideration (take actions for) the protection of human rights, the rights of laborers, etc. based on the Oji Group Partnership Procurement Policy through feedback of the survey results. We will also implement Human Rights Due Diligence step by step for main suppliers.

### Achieved Traceability at Wood Raw Material Suppliers (FY2021)

The Oji Group specifies items to confirm the origin of wood, forest management methods, illegally logged wood, mixture of wood with high conservation values and human rights violations based on the Wood Raw Material Procurement Guidelines, and procures only raw materials that are produced in properly managed forests. It is possible to trace the source of wood throughout the entire process from the forests of origin, woodchip mill to paper manufacturing and pulp mill.

In FY2021, the Group procured 4,429 kBDT (bone dry tons) of woodchips in Japan and overseas and 162 kADT (air dry tons) of market pulp, obtained traceability reports from all the suppliers and confirmed with a third-party organization that the procurement was in accordance with the Wood Raw Material Procurement Guidelines.

### Utilization of Forest Certification Programs

The Group also manufactures FSC™ certified products (FSC™ C014119), etc., of which the use indirectly contributes to preserving forests. These products use woodchips that meet FSC™ requirements. The Group has acquired FSC™-FM certification¹ for its overseas forest plantations and FSC™-CoC certification² for its manufacturing, processing, and distribution operations. Acquiring integrated certification from forests, converting plants to distribution enables the Group to offer a wide range of FSC™ certified products, from intermediate products to end products such as photocopying paper and paper for household use.

- FSC™ certification: Confirmation of forest management
- FSC™-CoC certification: Confirmation of management on processing and distribution of produced wood

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¹ FM certification: Certification of forest management
² CoC certification: Certification of management on processing and distribution of produced wood
The depletion of water resources and damage from floods that have been caused by climate change in recent years pose significant risks not only to the continuity of businesses but also to industries and people’s health in the community where businesses are developed. When developing businesses, the Oji Group strives to identify water risks in businesses based on the assessment made by the World Resources Institute (WRI), a global environmental research organization.

**Effective Resource Utilization (Water)**

--- Initiatives for Water Risks

The analysis of water risk assessment of all 291 business sites (including those added in FY2021) based on the WRI’s water risk assessment tool AQUEDUCT (3.0) showed that there were 13 sites that were located at areas with high water risk (High and Extremely high). Water intake at the 13 sites accounted for less than 1% and their production accounted for about 2% of the total. This indicates that water risk in the entire business is deemed low. However, we will continue to take on initiatives to avoid water risks regardless of the assessment results.

### Water Risk Assessment

<table>
<thead>
<tr>
<th>Water risk</th>
<th>Number of business sites</th>
<th>Water intake (thousand m³)</th>
<th>Production (kilo ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (&lt;10%)</td>
<td>75</td>
<td>281,785</td>
<td>39%</td>
</tr>
<tr>
<td>Low to medium (10-20%)</td>
<td>110</td>
<td>303,245</td>
<td>43%</td>
</tr>
<tr>
<td>Medium to high (20-40%)</td>
<td>50</td>
<td>121,160</td>
<td>17%</td>
</tr>
<tr>
<td>High (40-80%)</td>
<td>7</td>
<td>1,246</td>
<td>0%</td>
</tr>
<tr>
<td>Extremely high (&gt;80%)</td>
<td>6</td>
<td>165</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>291</td>
<td>714,281</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Five-level assessment of Water Risk of AQUEDUCT (3.0), the WRI’s water risk assessment tool. It shows the degree of potential competition among other users in water use. The higher the value, the more competitive and riskier. [https://www.wri.org/aqueduct](https://www.wri.org/aqueduct)

### River Basin Management by CENIBRA, Brazil

CENIBRA’s eucalyptus plantations and pulp production use water from the Doça River basin in Minas Gerais, Brazil. In recent years, there has been less rainfall than usual, and the risk of a water shortage has been a concern for the whole region, so CENIBRA identified the subbasins of major influence based on regular water flow monitoring at each waterpoint, to focus on the water conservation activities for these subbasins in cooperation with public authorities as follows:

**Construction of water reservoirs in the forest:** CENIBRA constructed 51 reservoirs in its own forest from 2018 to 2020, enabling a total of more than 1 million m³ of water to be stored, enabling excess waste water during the rainy season to slowly filter into the soil, later into the river, maintaining the level of the water table in the basins. The location of these reservoirs was determined in consideration of the water supply also for residential use, increasing harmony with the local communities regarding the use of water resources.

**Subsoiling:** In recent years CENIBRA has developed subsoiling activities before planting seedlings, enhancing regular rainwater infiltration into soil that has been compacted by the activity of heavy machinery in its own forests. Now CENIBRA is transferring this technique and expertise to aid the surrounding lands, especially lands for grazing, to contribute to the recovery of underground water retention in compacted pasture lands, as well as the prevention of erosion resulting in better water quality in the basin.

**Provision of septic tanks to third parties:** As an initiative to improve the water quality in the streams and the overall health of local communities in the regions where it operates, CENIBRA donated 100 septic tanks in 2020. They are used to treat household effluent on the rural properties in the regions, including the participants in the Forest Incentive Program promoted by CENIBRA.

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### Purification of Wastewater

At mills, we manage wastewater quality with voluntary management values that are stricter than the regulatory values. We are working to purify the wastewater. For example, COD emissions for substances of environmental concern* in wastewater have been reduced by at least approximately 47% compared to the emissions in keeping with the regulatory values to purify the wastewater.

* BOD (Biochemical oxygen demand): The amount of oxygen consumed when organic matter is broken down by aerobic microorganisms. The most widely used indicator of pollution. When BOD is high, foul odors, etc. begin to be produced. COD (Chemical oxygen demand): The amount of oxygen required as calculated from the amount of oxidant that is consumed when organic matter is oxidized. SS (Suspended solids): Particulates suspended in water.
**Effective Resource Utilization (Recovered Paper)**

Around 60% of the raw materials for paper production comes from recovered paper. The recovered paper from household is mainly collected through “community collection” and “administrative collection by local authorities” and used in the paper production at the paper mills. The idea of sustainable paper recycling is becoming more important with the growing demand for paper as an alternative “Plastic-Free” material. Supported by the paper recycling, which has become a regular part of our daily lives, the Oji Group is actively involved in the use of recovered paper and strives to obtain a sound paper recycling system by setting stable recovered paper procurement prices. In order to further improve our recovered paper utilization ratio, we are promoting the use of various types of recovered paper and working to expand the paper recycling from a broader perspective by participating in cross-industry activities.

**Initiatives for the Expanded Use of Recovered Paper**

The Oji Group produces a diverse range of products, including newsprint, printing paper and paperboard, and uses various types of recovered paper, including old newspapers, old magazines, and old corrugated containers. The relationship between the main types of recovered paper and the products that use recovered paper is shown in the diagram on the right. The Oji Group is also involved in recycling confidential documents that were previously often incinerated, difficult-to-process recovered paper that was unsuitable for paper recycling, such as plastic-laminated products, and paper that contains gold and silver.

**Current Recovered Paper Utilization Ratio**

The Oji Group consumes 3.83 million tons of recovered paper for its production annually. This is equivalent to 24% of 16.03 million tons of the total recovered paper consumed in Japan. In recent years, the decline in printing paper production has been greater than the increase of paperboard, which has a higher recovered paper utilization ratio, and changes in the paper variety composition have pushed up the overall recovered paper utilization ratio. In FY2020, the ratio became 66.5% because of significant decrease in the production of paper due to the spread of COVID-19 and other reasons. In FY2021, the ratio was 67.1% due to a recovery in paper production.

The Oji Group has maintained a high recovered paper utilization ratio by continuously working on the recycling of various types of recovered paper. From FY2021, we have been working to further expand the use of recovered paper with the aim of achieving a recovered paper utilization ratio of 70% or more (in Japan) under the Environmental Action Program 2020.

**Present State and Activities in Japan**

### Use of Recovered Paper in New Zealand

Oji Fibre Solutions (NZ) Ltd is the only containerboard manufacturer in New Zealand and the largest consumer of recovered paper. It boasts a recovery volume that exceeds not only its own consumption, but also that of the country’s domestic consumption. Oji FS collected about 240,000 tons in FY2021, and the surplus exceeding its own consumption was exported overseas, mostly to the Oji Group company GSPP (Malaysia).

### Use of Recovered Paper in Malaysia

GSPP manufactures containerboard made of recovered paper, and significantly enhanced production capacity in 2021. In addition to approximately 240,000 tons of recovered paper collected primarily from participating and sorting sites in Malaysia, GSPP imports recovered paper from overseas including New Zealand and Japan. GSPP also examines the quality of recovered paper collected in Malaysia when receiving it to improve the quality of recovered paper.

### Initiatives in Overseas Group Companies

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Respect for Human Rights

In the belief that the responsibility to respect human rights is an important element of the global code of conduct, in August 2020 we established the Oji Group Human Rights Policy in order to further strengthen and implement initiatives involving respect for human rights. From FY2022, we will implement Human Rights Due Diligence to conduct assessment surveys for consolidated companies in Japan and overseas. The details will be discussed twice a year at the Sustainability Committee chaired by the Group CEO with Directors as members to make use of the results in the policy for the following fiscal year.

Oji Group Human Rights Policy

The Oji Group Human Rights Policy supports and respects international norms such as the International Bill of Human Rights based on the United Nations Guiding Principles on Business and Human Rights. The policy is applicable to all the officers and employees of the Oji Group and is reflected in all its business activities. All the stakeholders of the Oji Group are expected to understand and follow the policy. We will also create a system of Human Rights Due Diligence to identify, prevent, mitigate and remedy the negative effects on human rights related to business activities to take responsibility for respect for human rights.

Human Rights Due Diligence

We will start the initiatives of Human Rights Due Diligence from FY2022. First, we will conduct the assessment of human rights risks and identify sustainability issues that we should focus on. We will also create a system of Human Rights Due Diligence to conduct assessment surveys for consolidated companies in Japan and overseas. The details will be discussed twice a year at the Sustainability Committee chaired by the Group CEO with Directors as members to make use of the results in the policy for the following fiscal year.

(1) Human rights risk assessment: In FY2022, the surveys will be conducted for the consolidated and other companies in Japan and overseas to identify regions and sites whose human rights risk is considered to be high as top priorities.

(2) Flow for Human Rights-Related Initiatives

- Human Rights Due Diligence

- Continuous improvement through PDCA cycles

- Follow-up surveys

- Information disclosure

(3) Follow-up surveys: Continuous follow-up surveys will be conducted based on appropriate indexes to determine whether effective responses are being made for the effects on human rights.

(4) Information disclosure: Negative effects will be identified and activities conducted will be disclosed in the sustainability report, the company website, etc.

Human Resources Education for the Practice of Management Strategies

We foster human resources who embody the Oji Group Human Resource Philosophy by providing various kinds of human resources education. In FY2021, we conducted web training for all management level employees for the purpose of acquiring feedback skills of assessment that are important to help their subordinates develop their skills and grow. Thus, we could not only actively foster global human resources but also change the mindset and behavior of management level employees.

Main training content (Organized by Oji Management Office)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Name of training</th>
<th>Eligible employees</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global human resource development</td>
<td>New employee global challenge</td>
<td>Employees in their first year</td>
<td>Selected new employees are sent to an overseas site for one week</td>
</tr>
<tr>
<td></td>
<td>Overseas training for young employees (as follows)</td>
<td>Employees in their first three to fifth year</td>
<td>Three months of language training, followed by five years of practical experience at an overseas site</td>
</tr>
<tr>
<td></td>
<td>Oji Technical School</td>
<td>Employees of the age of 31 to 40 years</td>
<td>Six months of language training in Japan, followed by overseas assignment</td>
</tr>
<tr>
<td></td>
<td>Online English conversational classes</td>
<td>All employees who apply</td>
<td>Increases overall English ability and develops cross-cultural communication capacity</td>
</tr>
<tr>
<td></td>
<td>New managerial training</td>
<td>New managers</td>
<td>In-depth education and training for new managerial positions</td>
</tr>
<tr>
<td></td>
<td>Global management training</td>
<td>New managers</td>
<td>Develop practical communication, leadership, and management skills</td>
</tr>
<tr>
<td></td>
<td>Overseas managerial training</td>
<td>New managers</td>
<td>Develop practical communication, leadership, and management skills</td>
</tr>
<tr>
<td>Management training</td>
<td>Diversity Management Webinar</td>
<td>Managers of Group companies in Japan with 301 or more employees</td>
<td>In-person training for managers who are responsible for human resource development</td>
</tr>
<tr>
<td></td>
<td>Online managerial training</td>
<td>Managers of Group companies in Japan with 301 or more employees</td>
<td>In-person training for managers who are responsible for human resource development</td>
</tr>
<tr>
<td></td>
<td>Career design training</td>
<td>Career design training for young employees on the generalist track and career design training for young employees on the generalist track</td>
<td>In-person training for career design training for young employees on the generalist track</td>
</tr>
<tr>
<td>Support for employee skill development</td>
<td>Career development training</td>
<td>Career development training for young employees on the generalist track</td>
<td>In-person training for career development</td>
</tr>
<tr>
<td></td>
<td>Online English conversation classes</td>
<td>Employees in their first year</td>
<td>Increases overall English ability and develops cross-cultural communication capacity</td>
</tr>
</tbody>
</table>

*2 The figure for career design training refers to the one calculated by adding the figures for the career building training for employees on the generalist track and career design training for young employees on the generalist track in the following table.

*1 The figure for management training refers to the one calculated by adding the figures for the new manager training, new general manager training, and Diversity Management Webinar holding in the following table.

Additional note: The Oji Group Human Resources Management Strategy 2021-2024 was established in March 2021. This strategy focuses on developing future leaders and global human resources, and improving the working environment. Specific initiatives include training new managers, developing future leaders, and enhancing the global human resource development capabilities of employees. Oji's Human Resources Development Strategy 2021-2024 aims to strengthen the management team and improve the global human resource development capabilities of employees.
In FY2022, we are constructing a training center in Fujinomiya City, Shizuoka Prefecture to foster human resources including those from overseas through the exchange and training of human resources, etc. We will aim to complete it within the fiscal year to provide better human resources education.

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**Working Style Reforms**

<table>
<thead>
<tr>
<th>Target</th>
<th>Total working hours: 1,850.0 hours (26 Oji Group companies in the Main Office region)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results</td>
<td>Total working hours: 1,843.3 hours (26 Oji Group companies in the Main Office region)</td>
</tr>
</tbody>
</table>

In order to thoroughly pursue objectives in line with management strategies, we are taking steps to reduce total working hours and improve operational efficiency by utilizing the flex-time system and encouraging employees to take annual paid leave with a focus on properly operating the role-based personnel grading system and boosting productivity. Furthermore, with a view to the creation of innovative value, we have implemented the certified productivity. Furthermore, with a view to the creation of innovative value, we have implemented the certified productivity.

**Health and Productivity Management**

<table>
<thead>
<tr>
<th>Target</th>
<th>Certification in Health and Productivity Management Organization Recognition Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results</td>
<td>Recognized under the 2022 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) (for two consecutive years from FY2021)</td>
</tr>
</tbody>
</table>

We established the Oji Group Health Declaration in October 2020. We are working on ensuring the good health of employees under the leadership of our Chief Health Officer (Group CEO). Our activities for health and productivity management are promoted through cooperation between companies, health insurance unions and labor unions of the Oji Group, and the industrial physicians of each business site. These measures aim to create working environments where employees can actively work with sound health.

Examples of health and productivity management activities
- Conduct health examinations and stress checks
- Installation of Health Consultation Office
- Workplace COVID-19 vaccinations
- Introduction of special leave for getting vaccinated
- Flu vaccinations (workplace vaccine option, cost subsidized)
- Hourly use of accumulated annual leave to go to the hospital

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**Inclusion & Diversity**

- **Percentage of female managers**: 5.5% (16 companies in Japan, at the end of March 2025)
- **Employment rate of people with disabilities**: 2.3% (Japan)

The Oji Group is promoting “Inclusion & Diversity” with a view to “vitalization of individuals and the organization,” which enables every employee to play an active role regardless of attributes such as gender, age, disability, or nationality, ultimately strengthening the Group’s competitiveness with their diverse values and ideas. We have set specific policies of the “development of abilities and careers of diverse human resources,” “change in mindset and behavior of management level employees” and “improvement in work-life management (working style reforms and health and productivity management),” and conduct awareness surveys as indicators to assess activities.

In April 2022, we integrated the Diversity Promotion Committee with the Sustainability Committee, which is chaired by the Group CEO with Directors as members due to its establishment to share diversity promotion policies and targets across the Group.

**Development of abilities and careers of diverse human resources**

- **Promoting the active participation of women**
  - We are working on initiatives by setting a goal of raising the percentage of female managers to 5.5% by the end of March 2025. We provide training such as career building training for employees on the generalist track to pre-management male and female employees on the generalist track, aiming at fostering employees without gender gaps.
- **Percentage of female managers (16 Group companies in Japan)**
  - 2014: 2.0% 2015: 2.1% 2016: 2.3% 2017: 2.9% 2018: 3.1% 2019: 3.5% 2020: 3.7% 2021: 4.2%
  - A star mark indicates that FY2021 figure has been assured by KPMG ASSA Sustainability Co., Ltd. For the calculation method, see P107.

**Foreign technical interns**

The Oji Group recruits a large number of foreign technical interns (including employees hired by local companies outside Japan) from countries such as Vietnam and Thailand in its corrugated container and folding carton processing businesses, and has established a system so that they can work actively in the Group.

**Change in mindset and behavior of management level employees**

In FY2021, we provided Diversity Management Web Training with the themes of “feedback” and “human rights” to managers in the Group.

**Improvement in work-life management**

- **Support for balancing work and childcare or nursing care**
  - The Oji Group has introduced various systems that enable employees with childcare or nursing care responsibilities to continue to actively participate in their work, and has informed all employees of such systems.
  - **Encouragement of male employees to engage in childcare**
    - We encourage male employees to engage in childcare, and in FY2021, 84.7% of eligible male employees took paternity leave (83.5% a year earlier).
- **Main Initiatives**
  - Nursery subsidies for employees who return to work early from their childcare leave
  - Paternity leave system for male employees (paid leave of five consecutive days)
  - Hourly use of accumulated annual leave for childcare/nursing care
  - Leave system for employees to accompany their spouses’ overseas transfers
Oji Group's 2022 Safety and Health Promotion Plan

One-third of accidents that occurred in 2021 involved workers being caught in machines. They occurred mainly because operators who enter the Group's premises (businesses with at least 100 employees), in 2021, their own thinking as a key measure. We will work to prevent accidents by implementing education and training to ensure that rules are observed and improving the safety of machinery/equipment.

1. Basic policies: The Oji Group will promote activities with the target of zero work-related accidents across the entire Group under the basic principle of “safety as its absolute top priority.”
2. Slogan: Always Follow the Rules and Ensure that Others Follow the Rules to Prevent Fatal and Serious Accidents
3. Key Targets (Target of the entire Oji Group): Zero fatal and serious work-related accidents
4. Key Measures: The Oji Group employees (including contractors/contractors who enter facilities temporarily) will build a safety culture based on their own thinking as a key measure. We will work to prevent accidents at work by implementing education and training to ensure that rules are observed and improving the safety of machinery/equipment.

Safety and Health Management Structures

Oji Group Safety and Health Management Structures aim to prevent occupational accidents and maintain and promote the good health of Group employees (including affiliates and business operators who enter the Group’s premises on a temporary basis), and also clarify responsibilities relating to safety and health. It stipulates fundamental matters in the Group Safety and Health Management Rules.

Initiatives for Prevention of Occupational Accident in Companies Overseas

Hazard prediction training (KYT)

The Oji Group conducts hazard prediction training (KYT) using research on the example of accidents that occurred in the Group and the KY sheet so that every employee can improve sensitivity to risks and identify risk factors. Participants said, “Risk factors are hidden in daily operation,” “There are risk factors that I wasn’t aware of,” and “I would like to make use of the highly immersive VR video. One said, “In the scene where you experience an accident, I reflexively flinched or tried to run. The video let me experience accidents in a way not otherwise possible. I realized how scary accidents are and gained a renewed sense of the importance of following rules.” We create original content which includes scenarios that have ever occurred in the Oji Group every year so that employees can learn in an environment that is similar to the operation sites where they work every day.

Hands-on Risk Training Using Virtual Reality (VR)

Installation of devices that simulate hazards and encouraging personnel to take external courses to simulate hazards gives workers firsthand experience, contributing to improving employees’ sensitivity to risks and awareness of safety. In beginning 2020, we are gradually conducting hands-on risk training sessions using VR at workplaces in Japan and overseas. Many participants remarked about the highly immersive VR video. One said, “In the scene where you experience an accident, I reflexively flinched or tried to run. The video let me experience accidents in a way not otherwise possible. I realized how scary accidents are and gained a renewed sense of the importance of following rules.” We create original content which includes scenarios that have ever occurred in the Oji Group every year so that employees can learn in an environment that is similar to the operation sites where they work every day.

Future Initiatives

The Oji Holdings Safety Administration Department and the safety divisions of COMPANIES and Lead Company will promote initiatives to prevent similar accidents by improving and revitalizing safety and health activities across the entire workplace. Such initiatives include actively going to operational sites and holding meetings with management members at the sites and workplaces to confirm the structures for safety and health management, safety of machinery/equipment, and the status of education, as well as participation in workplace safety and health meetings to hear the opinions of workers at the operational area.

Initiatives for the Prevention of Occupational Accident

Promotion of holding safety and health meetings joined by all employees

Oji Group workplaces in Japan hold safety and health meetings (occupational safety and health committees, workplace safety and health meetings, workplace discussions, etc.) to have opportunities to discuss the prevention of occupational accidents, health impairment, creation of comfortable working environments, and maintenance and promotion of good health every month, thereby promoting safety and health activities with a unified labor and management approach.

In addition, the Group workplaces in Japan work on safety and health activities with a unified approach of affiliates (contractors in the facilities) and all the employees. In order to create an open working environment, the employees and affiliates attend each other's safety and health meetings or hold joint meetings, and hold safety and health meetings joined by non-regular employees and temporary employees. We also hold online meetings to prevent the spread of COVID-19.