

Wood raw material procurement report for FY 2019

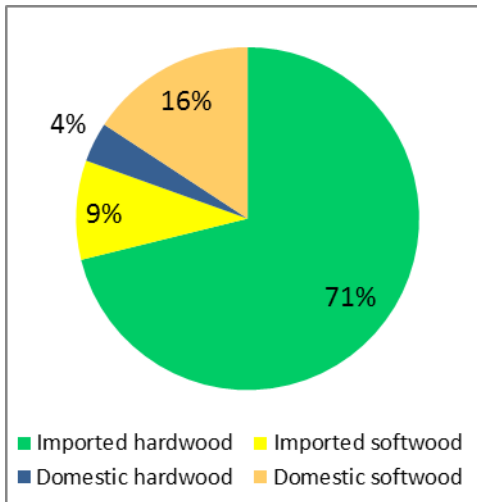
Our wood raw material procurement guidelines address “CSR procurement for wood raw material” by purchasing resources under the sustainable forest management.

We received 492 traceability reports from domestic woodchip suppliers, 217 reports on each shipment from overseas woodchip suppliers and 393 reports from pulp suppliers for the fiscal year 2019. The reports have confirmed our procurement complies with the wood raw material procurement guidelines.

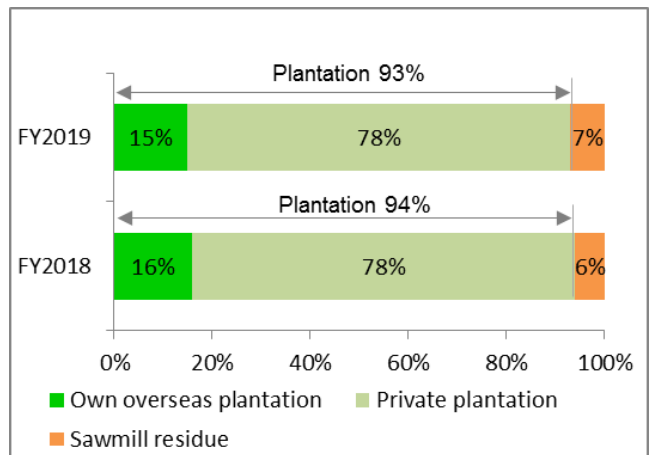
Oji group owns and manages 190,000 hectares of forests in Japan, and we have 250,000 hectares of forest plantations overseas.

The pie chart below shows the breakdown of purchased woodchips and pulp in the fiscal year 2019, and the bar graph shows the imported plantation woodchips ratio and the certified plantation woodchips ratio.

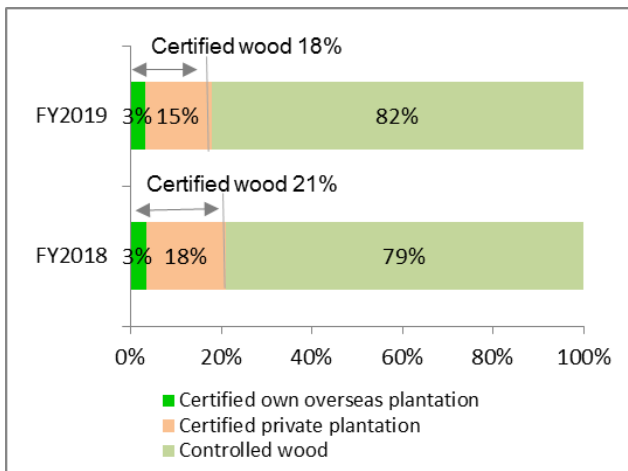
The procurement composition of wood chips was 80% imported chips and 20% domestic chips.



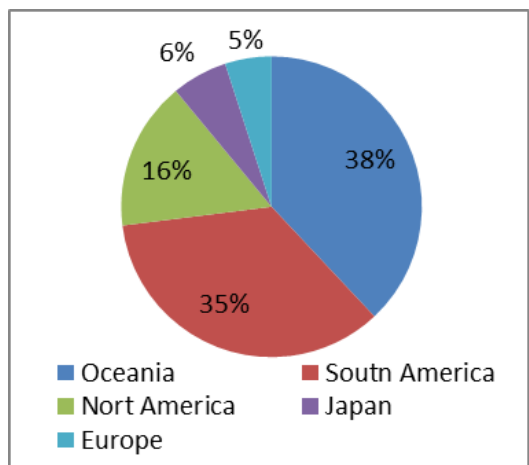
All imported woodchips were planted wood or sawmill residue. The imported plantation woodchips ratio was 93%, and the our own overseas plantation ratio was 15%.



The certified plantation woodchips ratio in imported woodchips increased 18%. We procured after confirming that the non-certified wood was properly controlled wood.



The procurement composition of market pulp is 38% in Oceania, 35% in South America, 16% in North America, 6% in Japan, and 5% in Europe.





SGS Japan Inc.

Oji Forest & Products Co., Ltd.

Summary Report for Third Party Audit on Wood Raw Material Traceability Reports 2019

【Purposes of the Audit】

The audit was conducted, regarding the operation of Traceability Report program in 2019 which is aimed to ensure traceability of all wood supplies procured, to confirm that Oji Forest & Products Co., Ltd. had acquired traceability information report from each of the suppliers of wood raw material and reports included description required for each defined point.

【Results of the Audit】

This is to confirm that Oji Forest & Products Co., Ltd. has adequately acquired traceability information reports from all the relevant suppliers in 2019, and that the information presented in each report has adequately covered the following points as requested.

Points confirmed include:

- (1) District of origin of wood raw material *1
- (2) Quantity of wood raw material, including quantity of each material category such as certified material carrying forest certification claims, plantation wood, native wood, or sawmill residues
- (3) Forest management methods and any relevant forest certificates for each supplier *2
- (4) Exclusion of wood originating in illegal logging *2
- (5) Exclusion of wood originating in GMOs (genetically-modified organisms) *2
- (6) Noninvolvement in logging in officially-recognized high conservation value forests *2
- (7) Freedom from major social conflicts regarding the relevant wood raw material *2
- (8) Consideration for protection of human rights and workers' rights *2

*1 Except for recycled materials

*2 Except for sawmill residues and recycled materials

03 SEP 2020

Senior Executive & Business Manager
Certification and Business Enhancement

Yuji Takeuchi

A handwritten signature in black ink, appearing to read 'Yuji Takeuchi', written over a faint grid background.

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SGS Japan Inc.

OCM Fiber Trading Co., Ltd.

Summary Report for Third Party Audit on Wood Raw Material Traceability Reports 2019

【Purposes of the Audit】

The audit was conducted, regarding the operation of Traceability Report program in 2019 which is aimed to ensure traceability of all imported wood supplies procured, to confirm that OCM Fiber Trading Co., Ltd. had acquired traceability information report from each of the suppliers of wood raw material and reports included description required for each defined point.

【Results of the Audit】

This is to confirm that OCM Fiber Trading Co., Ltd. has adequately acquired traceability information reports from all the relevant suppliers in 2019, and that the information presented in each report has adequately covered the following points as requested.

Points confirmed include:

- (1) District of origin of wood raw material
- (2) Quantity of wood raw material, including quantity of each material category such as certified material carrying forest certification claims, plantation wood, native wood, or sawmill residues
- (3) Forest management methods and any relevant forest certificates for each supplier
- (4) Exclusion of wood originating in illegal logging
- (5) Exclusion of wood originating in GMOs (genetically-modified organisms)
- (6) Noninvolvement in logging in officially-recognized high conservation value forests
- (7) Freedom from major social conflicts regarding the relevant wood raw material
- (8) Consideration for protection of human rights and workers' rights

03 SEP 2020

Senior Executive & Business Manager
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SGS Japan Inc.

Oji Green Resources Co., Ltd.

Summary Report for Third Party Audit on Purchased Pulp Traceability Reports 2019

【Purposes of the Audit】

The audit was conducted, regarding the operation of Traceability Report program in 2019 which is aimed to ensure traceability of all pulp supplies procured, to confirm that Oji Green Resources Co., Ltd. had acquired traceability information report from each of the suppliers of domestic and imported pulp and reports included description required for each defined point.

【Results of the Audit】

This is to confirm that Oji Green Resources Co., Ltd. has adequately acquired traceability information reports from all the relevant suppliers in 2019, and that the information presented in each report has adequately covered the following points as requested.

Points confirmed include:

- (1) Country of origin of wood raw material
- (2) Composition of raw material, including each material category such as certified or controlled wood material carrying forest certification claims, plantation wood, native wood, or sawmill residues
- (3) Exclusion of wood originating in illegal logging
- (4) Exclusion of wood originating in GMOs (genetically-modified organisms)
- (5) Noninvolvement in logging in officially-recognized high conservation value forests
- (6) Freedom from major social conflicts regarding the relevant wood raw material
- (7) Use of ECF or TCF (bleaching method without chlorine gas) in pulp bleaching processes

03 SEP 2020

Senior Executive & Business Manager
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OJI KINOCLOTH CO., LTD.

Summary Report for Third Party Audit on Purchased Pulp Traceability Reports 2019

【Purposes of the Audit】

The audit was conducted, regarding the operation of Traceability Report program in 2019 which is aimed to ensure traceability of all pulp supplies procured, to confirm that OJI KINOCLOTH CO., LTD. had acquired traceability information report from each of the pulp suppliers and reports included description required for each defined point.

【Results of the Audit】

This is to confirm that OJI KINOCLOTH CO., LTD. has adequately acquired traceability information reports from all the relevant suppliers in 2019, and that the information presented in each report has adequately covered the following points as requested.

Points confirmed include:

- (1) Country of origin of wood raw material
- (2) Composition of raw material, including each material category such as certified material or controlled wood material carrying forest certification claims, plantation wood, native wood, or sawmill residues
- (3) Exclusion of wood originating in illegal logging
- (4) Exclusion of wood originating in GMOs (genetically-modified organisms)
- (5) Noninvolvement in logging in officially-recognized high conservation value forests
- (6) Freedom from major social conflicts regarding the relevant wood raw material
- (7) Use of ECF or TCF (bleaching method without chlorine gas) in pulp bleaching processes

03 SEP 2020

Senior Executive & Business Manager
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