



View of Mt. Fuji from the Kamiinako Company-owned Forest



▶ Seeking Harmony with Nature and Society

“The Oji Group Environmental Charter requires the Oji Group to help create a truly enriched and sustainable society by developing business activities that harmonize with the environment from a global perspective. The Charter calls for the Oji Group to make autonomous efforts to achieve further environmental improvement and aggressively drive its sustainable forest management, paper recycling, and global warming countermeasures forward.” Based on the above Basic Policy of the Oji Group Environmental Charter, Oji Group has set the “Environmental Action Targets” for 2020 and is working as one to achieve the targets through its corporate activities.

Sustainable Forest Management

●Oji Group's Forests in Japan

Total Area: **190,000 ha**

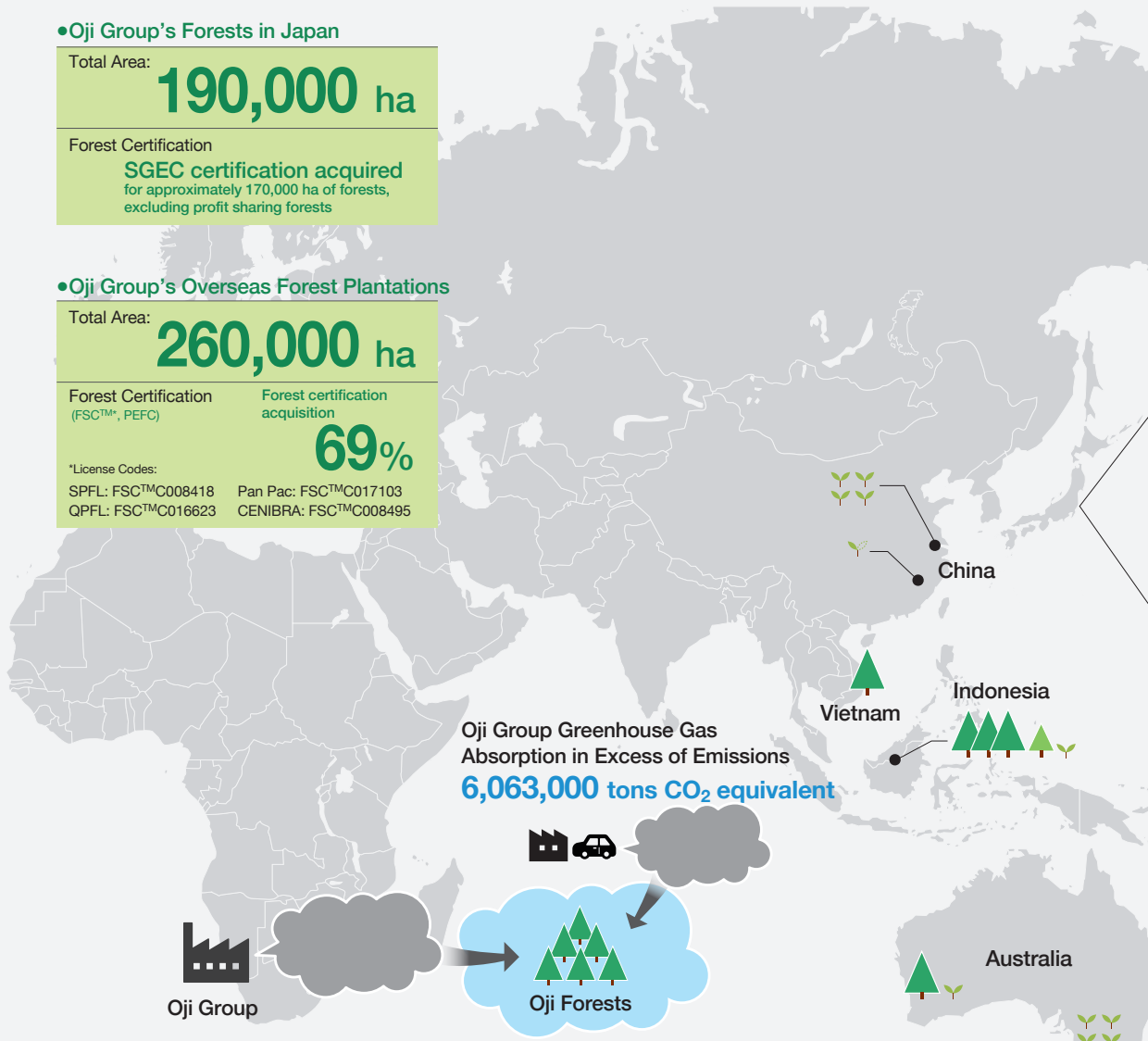
Forest Certification
SGEC certification acquired
 for approximately 170,000 ha of forests,
 excluding profit sharing forests

●Oji Group's Overseas Forest Plantations

Total Area: **260,000 ha**

Forest Certification (FSC™, PEFC) Forest certification acquisition
69%

*License Codes:
 SPFL: FSC™C008418 Pan Pac: FSC™C017103
 QPFL: FSC™C016623 CENIBRA: FSC™C008495



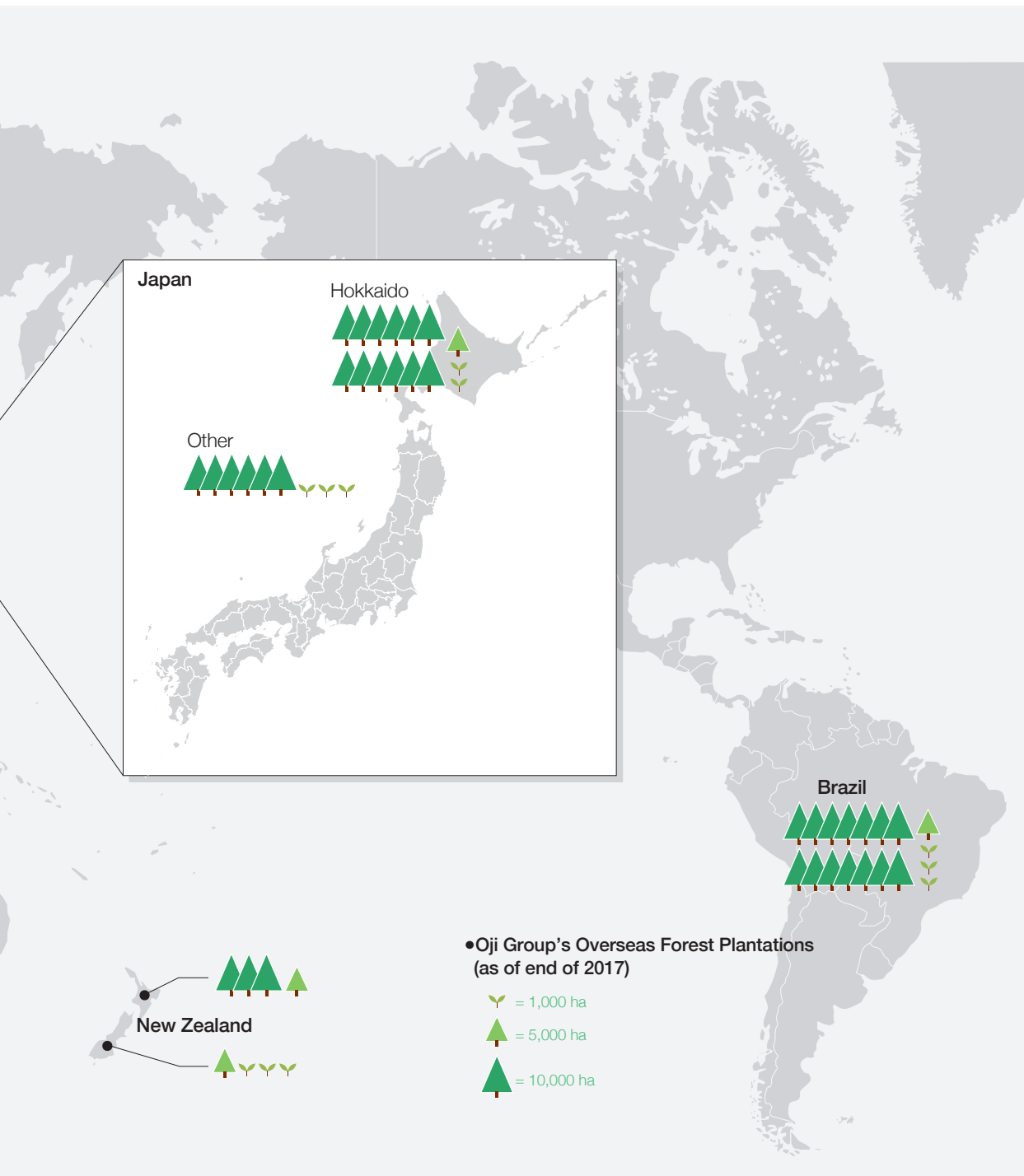
Oji Group Greenhouse Gas Absorption in Excess of Emissions
6,063,000 tons CO₂ equivalent

Oji Group Greenhouse Gas Emissions (FY2017 Results)
7,844,000 tons CO₂ equivalent

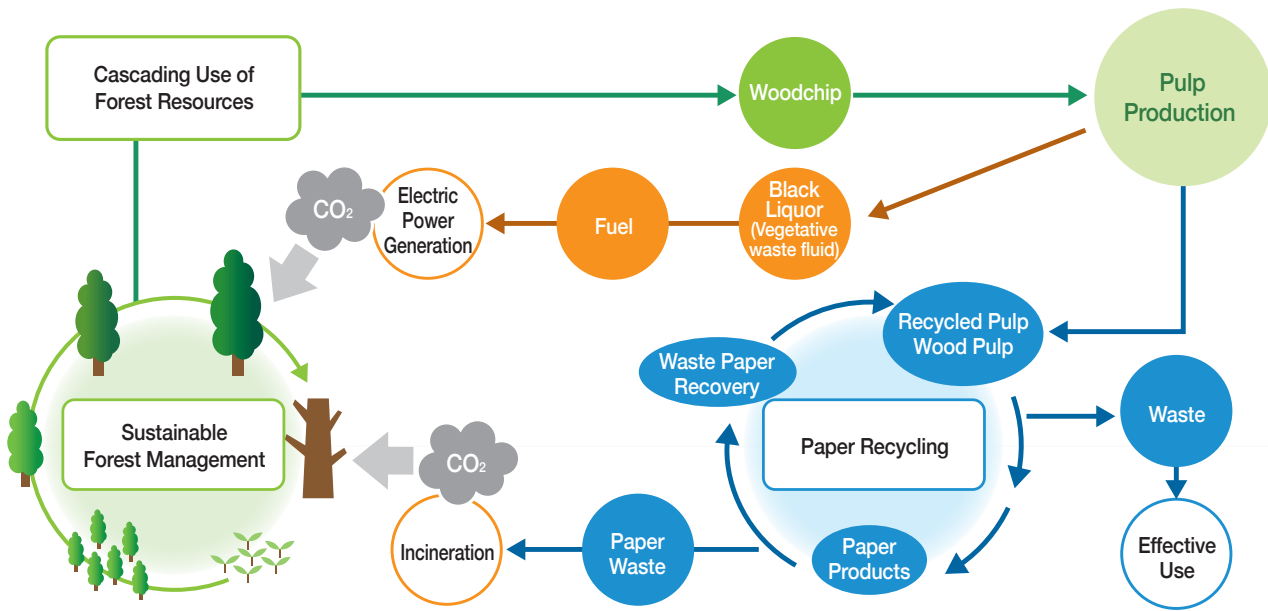
Oji Domestic and Overseas Forests' CO₂ Absorption (FY2017 Results)
13,907,000 tons CO₂ equivalent

Functions of Forests

- Absorption of CO₂
- Watershed Protection
- Biodiversity Conservation
- Soil Preservation
- Utilization of Forest Resources



▶ **Limitless Challenge to Zero-environmental Burden**
Sustainable Forest Management and Paper Recycling



Sustainable Forest Management

Oji Group believes in the principle “those who use trees have the responsibility to plant trees” and has long been working hard to realize “sustainable forest management” in each stage of the cycle, namely planting, growing, harvesting trees, and processing them into raw materials. Also, we are currently focusing on acquiring “forest certifications” from third-party organizations. Approximately 170,000 ha of our domestic forests, excluding profit-sharing forests, have acquired the SGEN forest certification, and 180,000 ha (69%) of our overseas forest plantations have acquired the FSC™ forest certification. We will continue to promote sustainable forest management and forest certification acquisition with the aim of improving our acquisition rate.

Paper Recycling

Oji Group has been taking initiatives in “paper recycling” and has achieved a waste paper utilization ratio of 64.0% in FY2017, while the goal set by pulp and paper industry is 65% by FY2020.

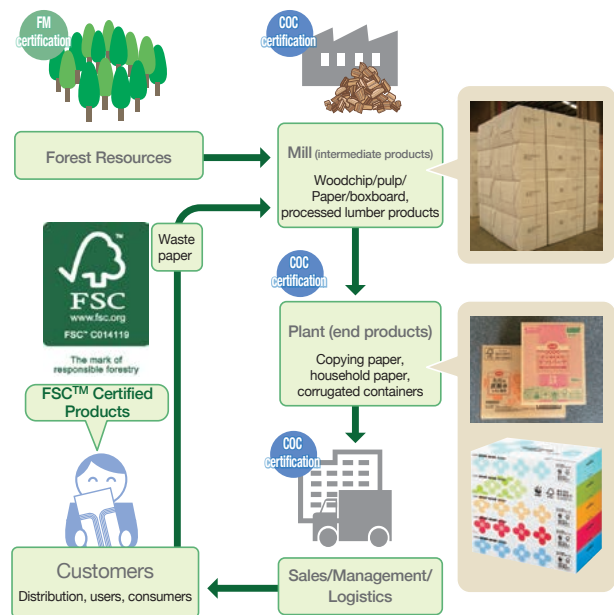
Moving forward, we aim for further improvement in waste paper utilization through expanding the use of confidential documents and difficult-to-process waste paper as well as strengthening collaboration within the industry to enhance quality.

FSC™ Certified Products: Providing Eco-friendly Products

Oji Group has acquired the FSC™ FM certification*1 for its overseas forest plantations and the COC certification*2 for its manufacturing and processing operations. The advantage in acquiring these certifications for the forests and converting plants is that they enable us to offer a wide range of FSC™ certified products, from primary-processed products such as log, woodchip and lumber products, to secondary products such as pulp, as well as end products such as copying paper, household paper and corrugated containers. Finally, end-products are recycled as recovered paper. We are also actively manufacturing FSC™ certified corrugated container products as all recovered paper has become eligible to receive FSC™ credits since 2015.

*1 FM certification: confirmation of forest management

*2 COC certification: confirmation of management on processing/distribution procedures of produced wood



SGEC Forest Certification

The SGEC (Sustainable Green Ecosystem Council) is a unique Japanese forest certification system. We have already acquired the SGEC-FM certification for all Oji Group's forests in Japan excluding profit-sharing forests whose land owners are external organizations. In addition, Oji Forest & Products, the company in charge of the Group's forests in Japan and related activities, has acquired the SGEC-COC certification. In FY2016, the SGEC signed a mutual recognition agreement with the PEFC, an international organization which promotes mutual recognition of different forest certification standards in each country and region. As such, wood products certified by SGEC can enter into overseas markets as internationally certified products.

Activities for Biodiversity Conservation

Domestic Activities

- Conservation of endangered fish species, Itou (Sarufutsu Company-owned Forest, Hokkaido)
Sarufutsu Itou Conservation Council: <http://www.sarufutsu-icc.gr.jp/english/>
- Conservation of Alpine Plants at Mt. Apoi (Samani Company-owned Forest, Hokkaido)
- Conservation of Fairy Pitta (Koyagauchi Company-owned Forest, Kochi)

Overseas Activities

- Breeding and raising Mutum (Cracidae), an endangered species (Brazil)
- Collaborative efforts for Kiwi conservation (New Zealand)



Mutum



Kiwi

▶ Limitless Challenge to Zero-environmental Burden

Zero-emission



Zero Environmental Accidents, Zero Product Liability Accidents

Oji Group takes preventive and corrective actions against accidents and evaluates their effectiveness, with the aim of achieving zero environmental accidents and keeping zero product liability accidents.

Number of Environmental Accidents*1		
	FY2020 Target	FY2017 Result
Japan and overseas	0	6

*1 Environmental accident: exceeding a regulated value set by environment-related laws and regulations

Number of Product Liability Accidents		
	FY2020 Target	FY2017 Result
Japan and overseas	0	0

Reduction of Greenhouse Gas (GHG) Emissions Intensity

Oji Group is reducing GHG emissions intensity by expanding the use of biomass fuel and other renewable energy, conserving energy, and changing fuels.

GHG Emissions Intensity*2		
	FY2020 Target (compared with FY2013)	FY2017 Result (compared with FY2013)
Japan and overseas	Reduction of 10% and above	Reduction of 8%

*2 GHG emissions intensity [ton CO₂ equivalent/ton] = Emissions [ton CO₂ equivalent] ÷ Production volume [ton]

Promotion of the Effective Utilization of Waste

Oji Group is reducing landfill waste by curtailing the amount of waste generated and effectively using waste generated.

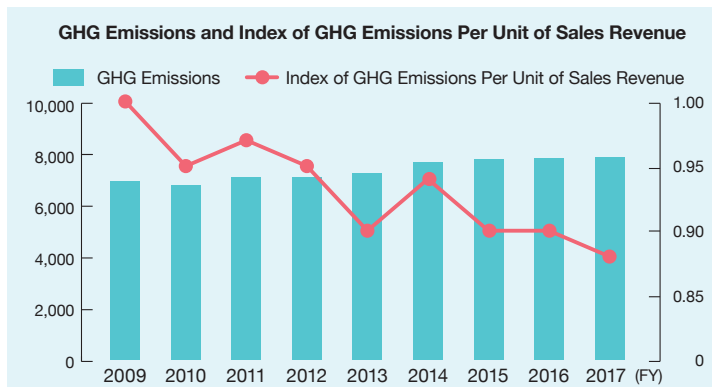
Effective Utilization Rate*3		
	FY2020 Target	FY2017 Result
Japan	99% and above	98.3%
Overseas	95% and above	89.1%

*3 Effective utilization rate of wastes (%) = [generation volume (ton) - landfill disposal volume (ton)] / generation volume (ton) × 100

Management of Wastewater and Exhaust Gases in Consideration of Local Ecosystems

Oji Group strives to comply with environmental laws and regulations, reduce substances of environmental concern, and investigate wastewater and exhaust gas management in consideration of ecosystems.

Topic
 GHG emissions of the Oji Group activities have increased as a result of our accelerated expansion of overseas packaging and pulp businesses. However, we have been shifting to a low-carbon business structure that is shown by a declining trend of the index of GHG emissions per unit of sales revenue.



▶ Responsible Raw Materials Procurement

Oji Group is committed to engaging in responsible raw materials procurement which takes into account environmental and community considerations as well as ensuring the safety and legitimacy of its raw materials; in line with the “Oji Group Partnership Procurement Policy” and the “Wood Raw Material Procurement Guidelines” that follow the principles outlined in the United Nations Global Compact, the “Oji Group Corporate Code of Conduct” and “Oji Group Environmental Charter.”

Relevant Group companies are registered as wood-related business entities as provided in the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (the Clean Wood Act), which came into effect on May 20, 2017.

Oji Group Partnership Procurement Policy

1. Ensure stable supply
2. Comply with laws and social standards, and engage in fair trade
3. Consider the environment
4. Demonstrate social concern
5. Communicate with society

● Fiber-sourcing (Pulp and Woodchips)

In pursuit of proper use of wood raw materials from among raw materials, the “Wood Raw Material Procurement Guidelines” was established and is to be adhered to when conducting the procurement of wood raw materials, including pulp.

● Wood Raw Material Procurement Guidelines

1. Expand procurement of wood from certified forests
2. Increase use of plantation trees
3. Utilize unused wood effectively
4. Verify that procurement is in compliance with laws and is environmentally friendly and socially responsible
5. Disclose information (available online)

https://www.ojiholdings.co.jp/sustainability/forest_recycling/view.html (in Japanese)

● Traceability Verification

Oji Group verifies that its wood raw materials come from properly managed forests via traceability reports that trace them back to their places of origin. In addition, we conduct regular on-site inspections in forests, woodchip mills and shipping sites, as well as discussing with the government and other related parties to assess problems such as illegal logging.



Audit for the FSC™ FM certification at QPFL
License code: FSC™ C016623

Oji Group's global subsidiaries regularly carry out various social support activities that contribute to development, sports and culture, as well as health promotion and education of local residents.

► Culture

Fujihara Foundation of Science

The Fujihara Foundation of Science was established by Ginjiro Fujihara, referred to as Japan's king of paper manufacturing, and famous for contributing his private fortune to establish Fujihara Institute of Technology (current name: Keio University's Faculty of Science and Technology). With its mission to contribute to the domestic development of science and technology, the Foundation presents the "Fujihara Award" annually and provides assistance to hold the "Fujihara Seminar" twice per year. The Fujihara Award is a historic and highly prestigious award which is only awarded to scientists who have made major contributions to the advancement of science and technology in Japan. The 59th Award was presented this year; and several Fujihara Award winners have also moved on to become Nobel Prize winners.

Oji Holdings has been assisting the Foundation mainly through financial support.

Website: http://www.fujizai.or.jp/e_gaiyo.htm



The 59th Fujihara Award presentation ceremony



Naoto Nagaosa, D.Sci.
(Deputy Director, Center for Emergent Matter Science,
RIKEN Advanced Science Institute)



Takashi Kadowaki, MD
(Specially-appointed professor, Graduate School of Medicine
and Faculty of Medicine, The University of Tokyo; full-time visiting
professor, School of Medicine, Teikyo University)

Oji Hall

Oji Hall, which marked its 25th anniversary in October 2017, is a full-fledged, 315-seat music hall in the main building of Oji Holdings. It makes use of its location in Ginza, Tokyo to host various sponsored events such as the Ginza Buratto Concerts and also functions as rental space for chamber music and recitals. Despite its small size, the hall has been praised for its homey atmosphere by Japanese performers and fans as well as renowned artists from the West.

Major renovations were implemented on the hall to update various facilities in 2018, and the hall re-opened on October 25.

Website: <https://www.ojihall.jp/> (in Japanese)



Oji Hall 25th anniversary commemorative concert
MARO World Vol. 32 by Fuminori "Maro" Shinozaki and the MARO Company



► Community Healthcare

Oji General Hospital

Starting out as a health facility supporting Oji Paper's Tomakomai Mill, with its 22 departments and 440 beds currently, the Oji General Hospital has come a long way to become the region's core hospital which efficiently offers highly functional and high-quality medical services to residents. It has been designated as a disaster base hospital, regional cancer treatment collaboration site, and local perinatal center and performs important public functions. It strives to provide secure and safe medical services through collaborations with facilities commissioned by Tomakomai City, Hokkaido such as the central regional comprehensive support center, an affiliated nursing school, a long-term care health facility, etc.

Website: <http://www.ojihosp.or.jp/> (in Japanese)



► Sports

Oji Group has the Oji Baseball Team, which is based at the Oji Paper Kasugai Mill, and the Oji Eagles, an ice hockey team based in Tomakomai City, Hokkaido. Each team focuses on promoting the sports while enhancing their skills.



Ice hockey game



▶ Environmental Education

Oji Forest Nature School

Together with Japan Environmental Education Forum, we make use of our mills and company-owned forests to run “Oji Forest Nature School,” an environmental education program that provides nature exposure and experiences for children. Reaching its 14th year in 2018, the project encourages children to learn “connections between forests, human, and industry” by hosting paper mills visits, and organizing programs in relation with forests such as nature observation and tree thinning.

Oji Forest Nature School

Website: https://www.ojiholdings.co.jp/sustainability/forest_recycling/view.html (in Japanese)



▶ Overseas Activities



nepia 1,000 Toilets Program

There are children who lose their lives due to diarrhea and dehydration in environments which lack potable water and proper sanitary systems in the world. Recognizing this fact, Oji Nepia has launched the “nepia 1,000 Toilets Program” using a fraction of its proceeds since 2008, to fund the UNICEF’s campaign in providing toilet facilities and fostering safe hygiene practices in East Timor. Ongoing support will be provided to protect the lives and health of East Timorese children and their families.

Website: <https://1000toilets.com/> (in Japanese)



nepia 1,000 Toilets Program

Other Activities

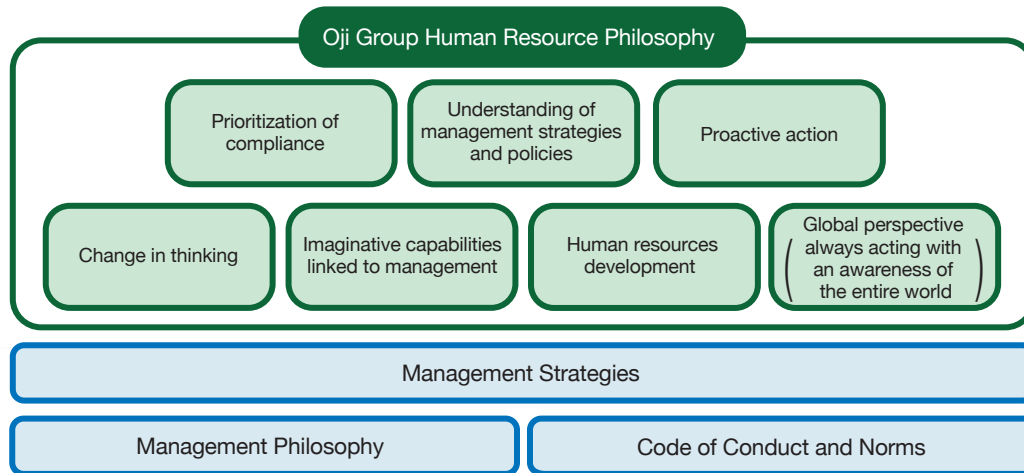
- To improve the local educational environment, Oji Group established the “Oji Charitable Education Fund” together with Nantongshi Charity Federation and Nantongshi Development Zone Charity Federation, in Nantong City, China, where Jiangsu Oji Paper is located.
- Oji Group supports the dispatch of doctors to areas with a shortage of medical professionals and repair of nursery schools and other activities in Binh Dinh Province, Vietnam, where we conduct our forest plantation business.
- In Brazil, Oji Group makes social contributions by donating money to funds and other organizations that support sports associations for persons with disabilities and impoverished children.



A fence installed at a nursery school in Vietnam



Diversity of values and flexibility are extremely important for reinforcing corporate competitiveness and achieving continuous development. For the Oji Group to grow as a global enterprise “beyond boundaries,” we have been committed to promoting “human resources development,” “working styles reforms,” and “diversity promotion” in order to encourage every employee to embrace diversity of values and flexibility in thinking and to enhance his/her skills; with “a company’s strength originates from human resources” as our fundamental principle.



► Human Resources Development

1. Next-generation development

We will foster human resources who will be the core of management of our Group companies, which will be the key to achieving our management strategies.

Main Initiatives

- Mid-level management training (Oji Juku)

2. Global human resource development

In addition to identifying and developing human resources, Oji Group actively recruits outstanding human resources from outside the Group

Main Initiatives

- Language training
- Training at overseas business sites (primarily in China and Southeast Asia)

3. Management training and training by job type

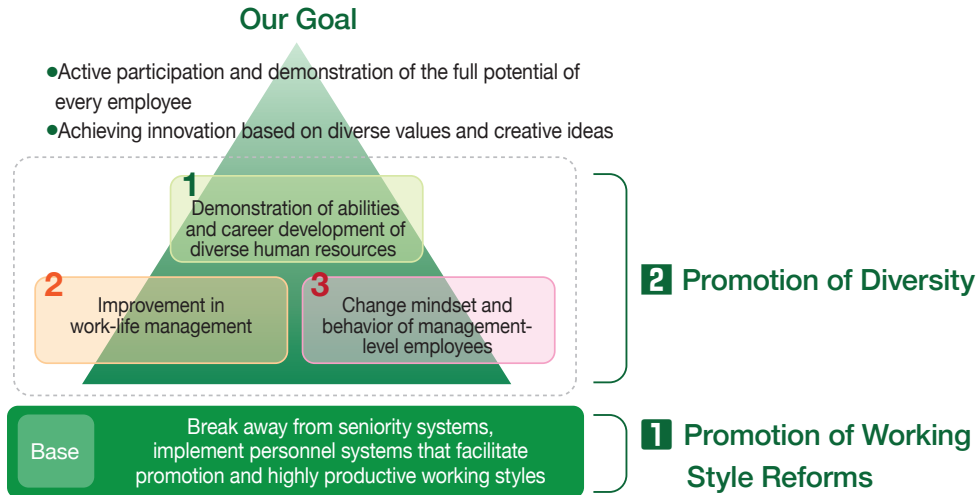
To successfully carry out management strategies centered on business structural reforms, we have clarified the ideal in human resources for each COMPANY and are holding awareness-changing training and division-specific training.

Main Initiatives

- General manager training in conjunction with the introduction of new personnel systems
- New manager training
- Sales personnel training

Promotion of Working Style Reforms and Diversity

Oji Group takes measures so that diverse human resources can actively participate in their work.

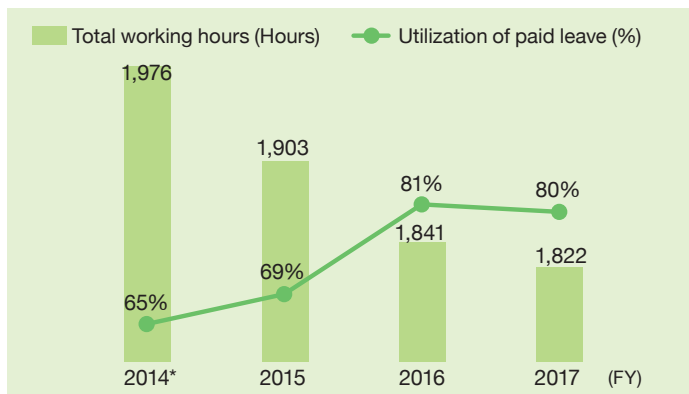


1 Promotion of Working Style Reforms

1. Reduction of total working hours and promotion of operational efficiency

We have been working to implement business reforms and reduce total working hours.

Reduction of total working hours and utilization ratio of paid leave (Oji Group Main Office region)



* Working style reforms initiated in the second half of FY2014

2. Initiatives to change personnel system for promotion of working style reforms

Main Initiatives

(1) Role-based personnel grading system

In order to break away from seniority systems and realize early identification of personnel suitable for advancement, each employee is evaluated based on whether or not he/she has fulfilled his/her clarified roles.

(2) Certified researcher system

In order to promote creation of innovative value, working environments that allow researchers with particularly high levels of specialized knowledge to focus on research, are developed.

(3) Retirement at age 65

Introduced in FY2017 to enable employees to demonstrate their knowledge, skills, and abilities to the fullest and work with enthusiasm.



2 Promotion of Diversity

1. Demonstration of abilities by diverse human resources and career development

Promoting the active participation of women

- Training to develop female managers
- (Scope: Management-level employees with female subordinates, pre-management-level female employees, and young female employees on the generalist track)
- Female manager candidates for general manager positions sent for outside training
- Creation of models for advancement of women in the workplace (expansion of applicable job categories for women)



Training for female candidates for managerial positions

Outside evaluations

“Nadeshiko Brand,” Ministry of Economy, Trade and Industry and Tokyo Stock Exchange

(Scope: Oji Holdings, Oji Management Office)



“Eruboshi,” Ministry of Health, Labour and Welfare

(Scope: Oji Holdings)



MSCI Japan Empowering Women Index (As of June 2018)

(Scope: Oji Holdings)



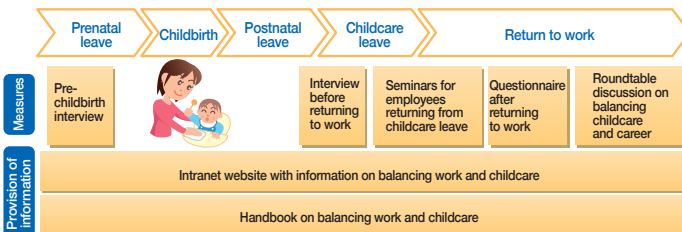
Supporting the active participation of disabled persons

Oji Group established a Three-Year Disabled Persons Employment Plan to promote the recruitment of disabled persons throughout the Group

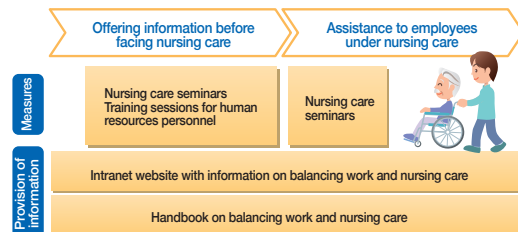
2. Improvement in work-life management

We are introducing various systems that encourage employees with childcare or nursing care responsibilities to continue to actively participate in their work.

Support for balancing work and childcare



Support for balancing work and nursing care



Main Initiatives

- Daycare center 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 obligated to leave work to accompany their spouses' overseas transfers



Seminars for employees returning from childcare leave

Opening of Nepia SODATERASU* company-led childcare facility

The Nepia SODATERASU nursery opened within a Group company facility in Edogawa-ku, Tokyo on April 2, 2018. The objectives of the nursery are to help employees maintain a balance between childcare and work, promote the active participation of women in their work, and contribute to the elimination of unattended children as a part of our corporate social responsibility.

* “SODATERASU” name is derived from “*sodate*” (meaning to wish for healthy growth), “*terasu*” (meaning to brighten the future), and “*terrace*” (a place where children can play with peace of mind).



3. Change of mindset and behavior of management-level employees

Main Initiatives

- Study sessions held by the Diversity Promotion Committee
- Diversity management training for officers and general managers
- Roundtable discussion by managers