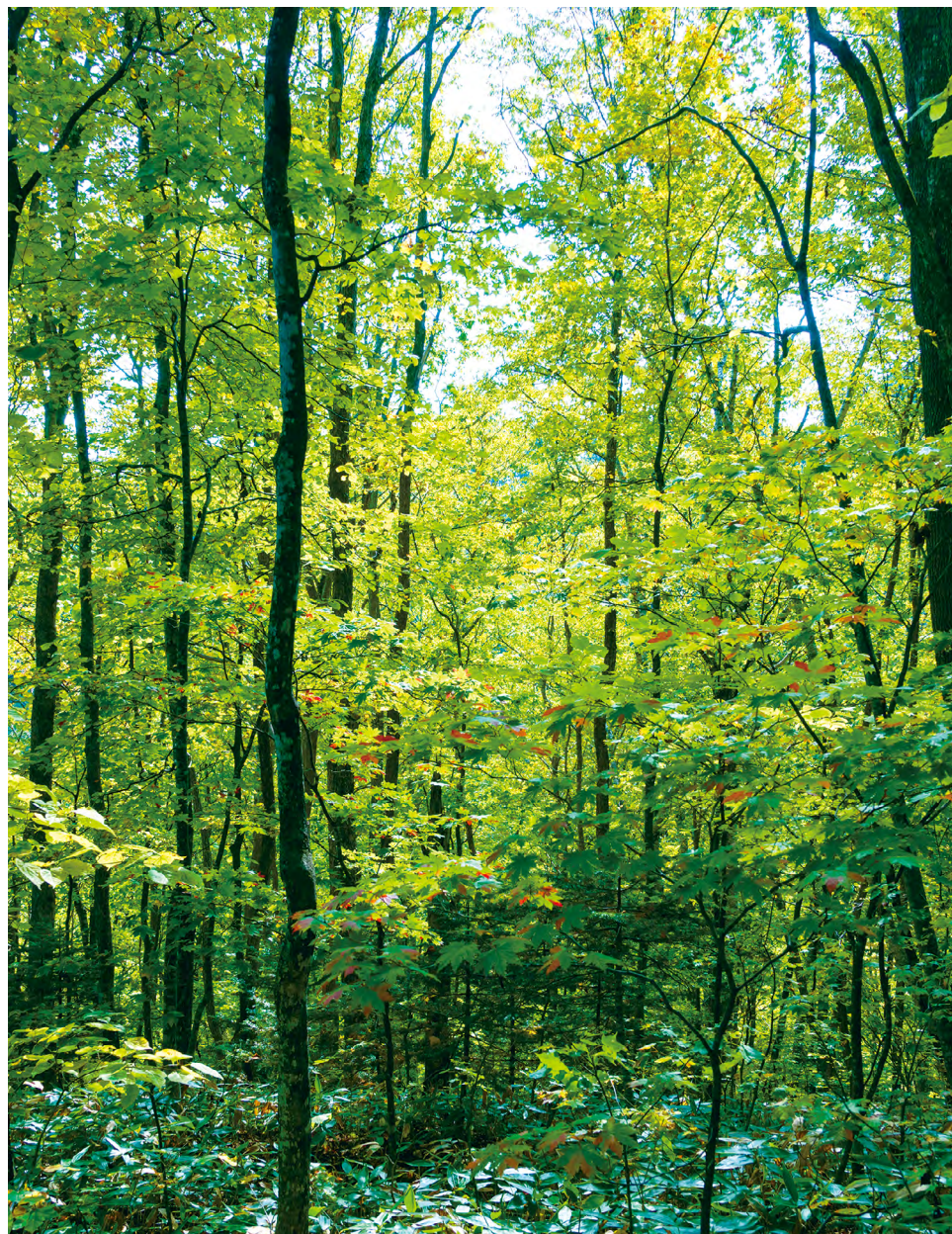


Sustainability

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Sustainability Governance

Basic Policy on Sustainability Initiatives

The Oji Group's Management Philosophy is "Creation of Innovative Value," "Contribution to the Future and the World," and "Harmony with Nature and Society." By promoting sustainable initiatives based on this philosophy, we aim to become a corporate group that continues to grow, while responding to change and creating sustainable value for the future.

▶ Basic Policy on Sustainability Initiatives

Governance

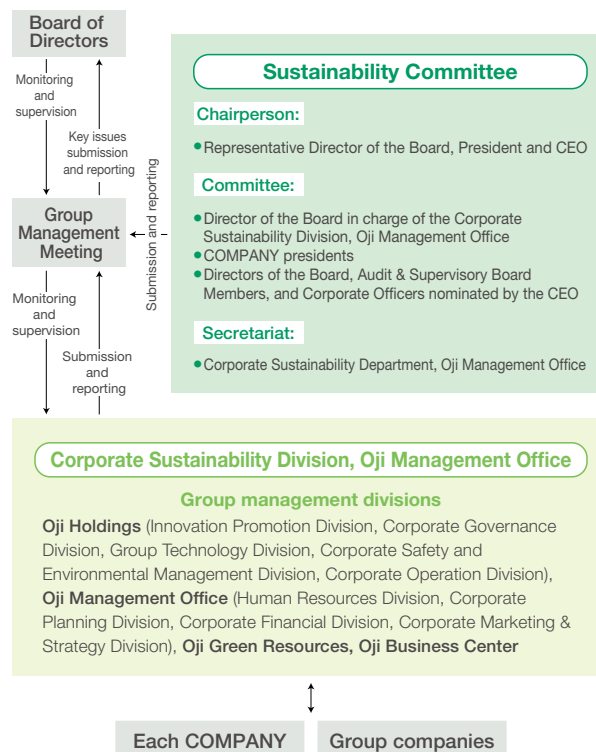
We discuss matters that are material to fulfilling our commitment to sustainability through the Sustainability Committee and monitored and supervised by our Board of Directors.

Chaired by the Representative Director of the Board, President and CEO of Oji Holdings Corporation, and consisting of the Director of the Board in charge of the Corporate Sustainability Division of Oji Management Office and the COMPANY presidents, as well as Directors of the Board (including female outside directors), Audit & Supervisory Board Members, and Corporate Officers nominated by the CEO, the Sustainability Committee meets biannually. Depending on their importance, the risks, opportunities, and responses discussed at these Committee meetings are referred for discussion and reported to the Group Management Meeting, after which the Board of Directors makes executive decisions concerning important matters related to Group management strategies.

The Corporate Sustainability Division identifies Group-wide risks and opportunities, and promotes matters decided upon by the Group Management Meeting. Furthermore, this division also submits monthly reports to the responsible officer and refers matters or submits reports to the Group Management Meeting, depending on their importance. Significant risks and opportunities are reported to the Board of Directors based on the judgment of the responsible officer.

▶ Sustainability Management Structure

Sustainability Governance Structure



Main matters discussed at Sustainability Committee Meetings (FY2024)

- Setting of metrics and targets related to nature
- Policies for responding to sustainability disclosure standards and frameworks
- Revised target for the percentage of women in management positions
- Announcement of No Deforestation and No Conversion Commitment
- Establishment of contact point for whistleblowing related to human rights (grievance mechanism)

Process for Identifying Material Issues

Taking into consideration ever-changing social trends, the Oji Group used the following process to discern risks and opportunities associated with its business, identify material issues, and set KPIs in 2019.

In 2023, we took steps to renew the components of material issues and revised the KPIs for enhancing human capital. More recently, in 2024, we added KPIs for biodiversity conservation.

▶ Process for Identifying Material Issues

Discernment of risks and opportunities	We have discerned risks and opportunities from both the business operating and sustainability perspectives.
Extraction of candidate issues	We extracted issues comprehensively from the SDGs, global risks, the assessment made by ESG assessment organizations, important matters recognized by the Group, our goals, and dialogue with stakeholders.
Implementing assessments and analyses by external organizations	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.
Validity assessment and approval at the Group Management Meeting	We verified the validity of the identified material issues and approved them at the Group 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





























Material Issues — Risks and Opportunities

The Oji Group recognizes that changes in its environment present both risks and significant opportunities. Against this backdrop, we will maximize our strengths to further enhance our corporate value.



















Material issues		Related risks and opportunities		Major initiatives designed to mitigate risks and maximize opportunities	
Mitigation and adaptation to climate change	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● An increase in costs due to the strengthening and introduction of the carbon tax, introduction of an emissions trading system, etc. ● Impact on sales from changes in the evaluation of corporate activities and market values ● Greater natural disasters caused by extreme weather 	<ul style="list-style-type: none"> ● Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel ● Maintain sustainable forest management, and increase the forest certification acquisition rate ● Maintain and expand the multifaceted functions of forests, including conserving biodiversity, cultivating water resources, and preserving soil ● Participate in the consortium aimed at the creation of international rules surrounding the valuation of natural capital (CGC-NBS) 	<ul style="list-style-type: none"> ● Increase the quantity of CO₂ absorbed and fixed through forest expansion and growth improvements ● Develop renewable energy businesses ● Develop environmentally friendly products ● Quantitatively evaluate natural capital, participate in discussions aimed at the creation of frameworks for natural capital accounting
	Opportunities	Short term to Medium term Medium term to Long term Medium term to Long term	<ul style="list-style-type: none"> ● A reevaluation of the value of company-owned forests in line with an increase in the importance of nature positive ● Growing demand for low-carbon products and products derived from wood ● Rising value of company-owned forests due to growing demand for forest-derived carbon and biodiversity credits 		
Circular use of resources	Risks	Medium term to Long term	<ul style="list-style-type: none"> ● Impact of resource depletion on core businesses 	<ul style="list-style-type: none"> ● Use wood resources based on sustainable forest management ● Utilize the recycling network and technology accumulated while promoting the use of recovered paper ● Reuse water and reduce water usage 	<ul style="list-style-type: none"> ● Expand the water treatment business overseas
	Opportunities	Short term to Medium term	<ul style="list-style-type: none"> ● Reevaluation of the value of recyclable paper products (contribution to elimination of plastics) ● Deployment of water treatment technology 		
Responsible raw materials procurement	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● Occurrence of cases lacking consideration for the environment and society in the supply chain ● Geopolitical risk associated with raw material procurement 	<ul style="list-style-type: none"> ● Work to upgrade and expand CSR procurement, taking into consideration the environment and society following the Oji Group Sustainability Action Guidelines for Supply Chains, the Wood Raw Material Procurement Guidelines, and the No Deforestation and No Conversion Commitment 	<ul style="list-style-type: none"> ● Manage the supply chain thoroughly (e.g., appropriate procurement through supplier monitoring, risk assessment, securing various suppliers) ● Supply FSC™-certified products (e.g., FSC™ C014119)
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● An increase in demand for environmentally friendly products owing to changes in consumer awareness and the tightening of regulations in Europe and other regions 		
Reduction of environmental burdens	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● Adverse effects on society due to pollution and the resulting decline in the trust of stakeholders 	<ul style="list-style-type: none"> ● Set voluntary management values that are stricter than the environmental regulatory standards ● Control emissions of pollutants in wastewater and exhaust gases 	<ul style="list-style-type: none"> ● Reduce and effectively use waste ● Develop environmentally friendly products and biodegradable materials (from fossil resource-derived to wood-derived)
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● An increase in demand for environmentally friendly products owing to changes in consumer awareness and the tightening of regulations in Europe and other regions 		
Respect for human rights	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● A decline in the trust of stakeholders due to the lack of consideration for human rights 	<ul style="list-style-type: none"> ● Formulate and implement the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, and the Oji Group Human Rights Policy ● Perform internal audits ● Implement the whistleblowing system 	<ul style="list-style-type: none"> ● Raise awareness of compliance and human rights through in-house training ● Assess risks associated with suppliers' respect for human rights ● Establish and operate a contact point for whistleblowing related to human rights (grievance mechanism)
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● An improvement in engagement 		
Enhancing human capital	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● Decline in hiring competitiveness and outflows of human resources ● Occurrence of non-compliance 	<ul style="list-style-type: none"> ● Create an environment for developing human resources ● Promote diverse work styles and diversity ● Enhance mid-career recruitment ● Thoroughly conduct compliance training 	
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● Increase in productivity and creation of innovation through securing excellent human resources 		
Ensuring workplace safety and health	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● Incidence of occupational accidents ● Health of employees hindered by the spread of infectious diseases 	<ul style="list-style-type: none"> ● Establish safety and health management structures and promote activities aimed at safety and health ● Thoroughly ensure safety in the handling of machines and equipment and in other operations ● Promote safety education 	<ul style="list-style-type: none"> ● Promote the physical and mental well-being of employees ● Create comfortable work environments ● Respond to infectious diseases
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● An increase in the trust of stakeholders resulting from the prompt response to occupational accidents and infectious diseases 		
Supply of safe and secure products	Risks	Short term to Medium term	<ul style="list-style-type: none"> ● A decline in the trust of stakeholders due to the spread of negative rumors 	<ul style="list-style-type: none"> ● Stably supply own products ● Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values 	<ul style="list-style-type: none"> ● Provide customers with information on the safety of products and raw materials (chemicals, materials)
	Opportunities	Medium term to Long term	<ul style="list-style-type: none"> ● Contribution to society through the stable supply of safe and secure products, and the resulting increase in corporate value 		

Note: In general, this table summarizes risks and opportunities with a significant impact on our businesses, with those up to 2030 listed as "Short term to Medium term" and those from 2030 onward listed as "Medium term to Long term."

Material Issues — KPIs

Material issues		Definitions	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)		Current value*1	Corresponding SDGs
<div></div> <div>Mitigation and adaptation to climate change (PP.62–63) </div>	Contribute to the mitigation of climate change by reducing GHG emissions throughout the supply chain and promoting CO ₂ absorption and fixation by forests.	<div><div>● GHG emissions (Scope 1, 2)</div><div>Reduce emissions by at least 70% by FY2030 compared with FY2018 ・GHG emission*2 reduction: 20% ・Net increment in carbon stocks by forests*2: 50% Achieve net zero carbon emissions by FY2040 ・GHG emission*2 reduction: 50% ・Net increment in carbon stocks by forests*2: 50%</div></div>	<div><div>● 34.2% reduction</div><div>・Reduction in emissions: 11.9% ・Net increment in carbon stocks: 22.4%</div></div>	<div><div></div><div>7.2,7.3,7.a</div><div></div><div>12.2</div></div>		
		<div><div>● The actual carbon stocks in living biomass*2 expanded to at least 170,000 kt-CO₂ (calculated value)</div></div>	<div><div>● 142,020 kt-CO₂</div></div>			
		<div><div>● Renewable energy usage rate of at least 60% through reduction of coal consumption</div></div>	<div><div>● 56.4%</div></div>			
		<div><div>● Improve energy consumption intensity by at least 1% per year for the 5-year average</div></div>	<div><div>● 7.1% annual reduction (from FY2020 to FY2024)</div></div>			
		<div><div>● GHG emissions (Scope 3)</div><div>Reduce emissions from chip transport vessels by at least 40% by FY2040 compared with FY2018</div></div>	<div><div>● 33.6% reduction</div></div>			
<div></div> <div>Sustainable forest management and biodiversity conservation (PP.57–61) </div>	In the forests we own and manage, practice sustainable forest management in harmony with the environment and local communities, utilize forest resources, and achieve the multifunctionality of forests, including biodiversity conservation.	<div><div>● Increase the rate of overseas forest certification acquisition*2 (Maintain the domestic rate at 100%)</div></div>	<div><div>● Japan 100%, Overseas 96%</div></div>	<div><div></div><div>6.6</div><div></div><div>14.2</div></div>		
		<div><div>● Expand overseas forest plantations to 400,000 ha</div></div>	<div><div>● 295,000 ha</div></div>			
		<div><div>● Area of natural forest restored on owned land*2</div><div>At least 5,000 ha in FY2019–FY2040</div></div>	<div><div>● 1,933 ha</div></div>			
		<div><div>● Number of native tree species planted on owned land*2</div><div>At least 900,000 seedlings in FY2019–FY2040</div></div>	<div><div>● 320,000 seedlings</div></div>	<div><div></div><div>8.7</div><div></div><div>15.1,15.2,15.3, 15.4,15.5,15.c</div></div>		
		<div><div>● Area of ecological corridors formed outside owned land*2</div><div>At least 6,000 ha in FY2019–FY2040</div></div>	<div><div>● 2,260 ha</div></div>			
<div></div> <div>Circular use of resources (PP.64–65) </div>	To prevent resource depletion, promote the effective use of paper and water, which we view as valuable reusable resources.	<div><div>● Recovered paper utilization ratio*2: At least 70% in Japan by FY2030</div><div>● Recovered paper utilization ratio for containerboard: At least 90% in Japan by FY2040</div></div>	<div><div>● 67.4%</div><div>● 98.3%</div></div>	<div><div></div><div>6.4,6.5</div><div></div><div>14.1</div></div>		
		<div><div>● Reduce water intake intensity by at least 6% by FY2030 compared with FY2018</div><div>● Reduce total water withdrawal by at least 10% by FY2040 compared with FY2018</div></div>	<div><div>● (Intensity) 22.0% reduction</div><div>● (Total) 7.3% reduction</div></div>	<div><div></div><div>12.4,12.5, 12.6</div><div></div><div>15.1,15.2,15.3, 15.4,15.5,15.c</div></div>		
<div></div> <div>Responsible raw materials procurement (P.66) </div>	In the supply chain for procurement of all raw materials, pay close attention to environmental and social issues, including human rights, and address them responsibly.	<div><div>● Conduct sustainability surveys on all major suppliers*3</div></div>	<div><div>● 100% (FY2024, follow-up surveys)</div></div>	<div><div></div><div>8.7</div><div></div><div>15.1,15.2</div></div>		
		<div><div>● Achieve full traceability based on the Wood Raw Material Procurement Guidelines</div></div>	<div><div>● 100%</div></div>	<div><div></div><div>12.1,12.4,12.6</div></div>		
<div></div> <div>Reduction of environmental burdens (Sustainability) </div>	Promote waste reduction and purification of wastewater and exhaust gases in the manufacturing process to minimize the environmental impact on surrounding areas.	<div><div>● Enhance effective utilization rate of waste materials*2: Japan at least 99%, Overseas at least 95%</div></div>	<div><div>● Japan 99.4%, Overseas 90.2%</div></div>	<div><div></div><div>3.9</div><div></div><div>11.6</div><div></div><div>17.7,17.8</div></div>		
		<div><div>● Pollution load</div><div>Reduce BOD, COD, and SS intensity by 15% by FY2030 compared with FY2018 Reduce total BOD, COD, and SS by 20% by FY2040 compared with FY2018</div></div>	<div><div>● BOD: (Intensity) 39.7% reduction (Total) 28.1% reduction</div><div>● COD: (Intensity) 23.4% reduction (Total) 8.7% reduction</div><div>● SS : (Intensity) 32.8% reduction (Total) 19.9% reduction</div></div>			
		<div><div>● Air pollution impact</div><div>Reduce SOX intensity by 15% by FY2030 compared with FY2018 Reduce total SOx by 50% and total NOx by 10%, while maintaining VOC intensity, by FY2040 compared with FY2018</div></div>	<div><div>● SOx : (Intensity) 29.7% reduction (Total) 16.2% reduction</div><div>● NOx: (Total) 4.0% increase</div><div>● VOC: (Intensity) 76.5% reduction</div></div>	<div><div></div><div>6.1,6.3, 6.4</div><div></div><div>14.1,14.2, 14.3</div></div>		

Material Issues — KPIs

Material issues	Definitions	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)		Current value*1	Corresponding SDGs
<div></div> <div>Respect for human rights (P.67) </div>	Do not tolerate human rights violations in any of our business activities.	<ul style="list-style-type: none">Percentage of target people who get education and training in human rights: 100%	<ul style="list-style-type: none">95.4% (2,647 participants from March to May 2025)	<div> 5.1,5.4, 5.5,5.c</div> <div> 10.2,10.3, 10.4</div> <div> 8.5,8.7,8.8</div>	
<div></div> <div>Enhancing human capital (PP.70–74) </div>	Secure and foster the diverse human resources (human capital) necessary for sustainable growth. Establish an environment in which every employee can fully demonstrate their potential and work comfortably.	<ul style="list-style-type: none">Annual total working hours: within 1,850 hours (26 companies in the Main Office region in Japan)Utilization ratio for childcare leave taken by men: 100% (16 companies in Japan*2)Percentage of managers that are women: at least 5.5% (16 companies in Japan*2, March 31, 2025)Percentage of new hires for generalist-track positions that are women*2: at least 30%Employment rate of people with disabilities: at least 2.5% (Group companies in Japan*2, June 2025)Participation in compliance meetings: 100% (Oji Holdings and all subsidiaries in Japan)	<ul style="list-style-type: none">1,850 hours115.9%4.9%41.2% (Joined the Company in 2025)Six applicable Group companies in Japan*2: 2.55%, 68 companies in Japan*2: 2.36% (June 2025)98.8% (Second half of FY2024)	<div> 5.1,5.4,5.5,5.c</div> <div> 8.2,8.5,8.8</div> <div> 10.2,10.3</div>	
<div></div> <div>Ensuring workplace safety and health (P.68) </div>	Ensure the safety and health of all employees and relevant persons.	<ul style="list-style-type: none">Achieve zero fatal and serious work-related accidents*4 (each fiscal year)Lost time injury frequency rate*2: 50% reduction compared with FY2018 (0.89)	<ul style="list-style-type: none">One accident (from January 1 to December 31, 2024)0.81 (from January 1 to December 31, 2024)	<div> 8.8</div>	
<div></div> <div>Supply of safe and secure products (Sustainability) </div>	Supply safe and secure products worldwide.	<ul style="list-style-type: none">Zero product liability accidents (each fiscal year)	<ul style="list-style-type: none">Zero accidents	<div> 9.4,9.b</div> <div> 17.7</div> <div> 12.4,12.6</div>	

*1 Aggregation period: Unless otherwise specified, from April 2024 to March 2025 or as of March 31, 2025 (for overseas, with some exceptions, from January to December 2024 or as of December 31, 2024). Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies

*2 Refer to [ESG Data](#) for information on calculation methods

*3 Suppliers in top 75% of transaction amount

*4 Serious accidents: The Oji Group considers accidents of Class 3 or higher as per the Appended Table of the Enforcement Regulation of the Workers' Accident Compensation Insurance Act to be serious accidents.

Environmental Action Program 2040

In FY2020, the Oji Group established Environmental Vision 2050, a long-term vision with a 30-year horizon, and formulated the Environmental Action Program 2030, which sets forth targets for 2030 as milestones toward the achievement of Environmental Vision 2050, and we have been promoting environmental initiatives accordingly.

In FY2025, we formulated the Environmental Action Program 2040, which sets forth targets for 2040 as additional milestones toward the achievement of Environmental Vision 2050, building on

the Environmental Action Program 2030. In the Environmental Action Program 2040, as with the Environmental Action Program 2030, we have set targets centered on what we have previously implemented or aimed for in the Oji Group's business activities, namely "Carbon Neutral," "Nature Positive," and "Circular Economy," as well as "stakeholder engagement," which forms the basis for these initiatives. Through the Environmental Action Program 2040, we sustain and expand the Oji Group's environmental initiatives.

[Full text of Environmental Action Program 2040](#)

	Carbon Neutral	Nature Positive	Circular Economy
	Environmental Vision 2050 (Vision for FY2050)		
Environmental Action Program 2040 (Targets for FY2040) Reduction targets are set in comparison with FY2018	<ul style="list-style-type: none"> • Scope 1 and 2 GHG emissions: More ambitious reduction targets (Achieve net zero carbon emissions, including absorbing and sequestering by forests) • Scope 3 GHG emissions: Set reduction targets (Reduce Category 4 emissions from chip transport vessels by 40%) 	<ul style="list-style-type: none"> • Sustainable forest management: Added "maintaining no deforestation" • Sustainable forest management: Maintain target for the rate of forest certification acquisition • Biodiversity conservation: Set quantitative targets At least 5,000 ha of natural forest restoration and at least 900,000 seedlings of native tree species planted between FY2018 and FY2040 Establishment of ecological corridors: At least 6,000 ha 	<ul style="list-style-type: none"> • Waste: Maintaining our target for the effective utilization rate • Set target for recovered paper utilization ratio for containerboard: At least 90% in Japan • Water withdrawal: Set target for reduction of total amount, 10% reduction • Establish and commercialize technologies for producing fossil resource alternatives • Wastewater and exhaust gases: Set targets for reducing the total amounts of pollutants Reduce BOD, COD, and SS by 20% Reduce SOx by 50%, reduce NOx by 10%
Environmental Action Program 2030 (Targets for FY2030) Reduction targets are set in comparison with FY2018	<ul style="list-style-type: none"> • Scope 1 and 2 GHG emissions: Reduction targets (Reduce emissions by at least 70%, including absorption and fixation by forests) • Scope 3 GHG emissions: Promote initiatives for reduction 	<ul style="list-style-type: none"> • Sustainable forest management: Target for the rate of forest certification acquisition (Forest certification acquisition rate of 100% and expansion of certified products) • Biodiversity conservation: Promote initiatives 	<ul style="list-style-type: none"> • Waste: Target for effective utilization rate Japan at least 99%, Overseas at least 95% • Target for recovered paper utilization ratio of at least 70% in Japan • Water intake: Target for reduction of intensity, 6% reduction • Wastewater and exhaust gases: Targets for reducing the intensity of pollutants Reduce BOD, COD, and SS by 15%, and SOx by 15%
	Stakeholder Engagement <ul style="list-style-type: none"> • We will expand procurement that considers the environment and society, manufacture products that contribute to a decarbonized society, and conduct business activities in compliance with environmental laws and regulations. 		

The Oji Group Biodiversity Commitment / No Deforestation and No Conversion Commitment

For more than a century, the Oji Group has practiced sustainable forest management guided by the teachings of Ginjiro Fujiwara, who advocated that “those who use trees are responsible for planting them.” For the Oji Group, forests are an important natural resource that act as the foundation for our businesses. Through business management rooted in forest resources, we have developed a deep understanding of the diverse functions of forests and their value, while also cultivating forests in cooperation with local communities. The conservation of forests and biodiversity will help

cultivate abundant forests and healthy ecosystems, while also contributing to sustainably securing forest resources to support the Oji Group's businesses. We have announced the following two commitments to more broadly and clearly communicate information on past initiatives. The Oji Group protects and nurtures forests—the foundation of our business—by responsibly utilizing and supporting natural capital, connecting this to future value creation.



Sustainable Forest Management

Natural Capital for the Future — Oji Forests

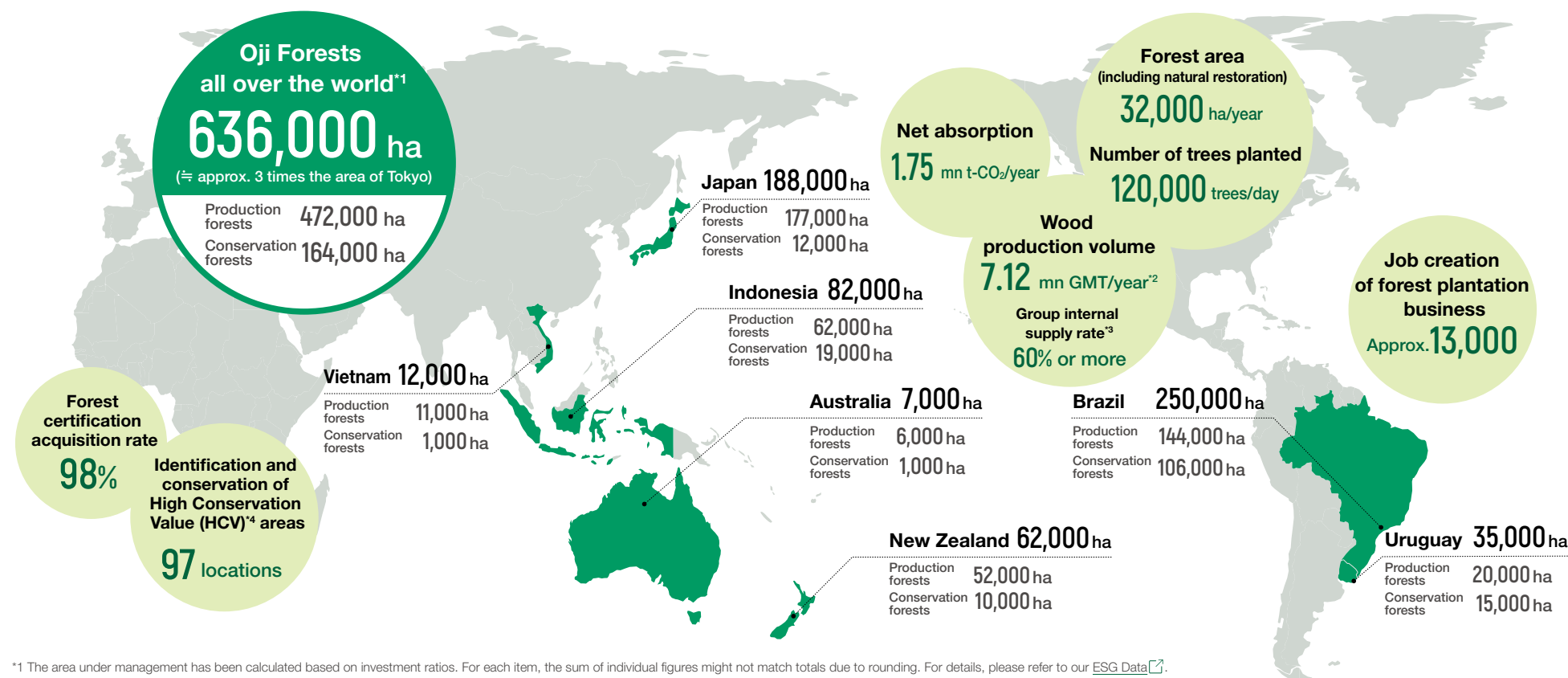
The Oji Group's businesses are based on the sustainable utilization of forest resources. We have been managing forests since we began forest plantation in Shizuoka in 1893. Based on the philosophy that "those who use trees are responsible for planting them," we have expanded Oji Forests in Japan and have been managing Oji Forests overseas since the 1970s. At present, we own and manage approximately 640,000 ha of forests in seven countries around the world.

In forest management in the past, economic value generated by producing forest products such as paper and timber was prioritized. In recent years, however, there has been increased appreciation of the multifaceted value of forests, including environmental functions such as CO₂ absorption, biodiversity, and water resource conservation, and social aspects, such as respect for human rights and coexistence with local communities. Since our early days, the Oji Group has practiced forest management that generates diverse value over the long term through zoning, in which production forests and conservation forests are separated and appropriately managed.

These initiatives form the basis for value creation that leverages natural capital and supports responses to climate change and biodiversity challenges. At the same time, they also contribute to sustainable corporate growth through co-creation with local communities and diverse stakeholders.

We will work toward a deeper circular value chain based on forests, while also refining our core operations to balance profitability with a contribution to decarbonization and resource recycling. In this way, we will continue taking on the challenge of new value creation aimed at achieving a sustainable future.

Sustainable Forest Management



^{*1} The area under management has been calculated based on investment ratios. For each item, the sum of individual figures might not match totals due to rounding. For details, please refer to our [ESG Data](#) .

^{*2} GMT (Green Metric Ton): A unit based on the weight of dried wood that indicates the volume of wood produced, taking into consideration the moisture content.

^{*3} The Group internal supply rate refers to the proportion of wood produced by Oji Forests supplied to Group paper and pulp mills.

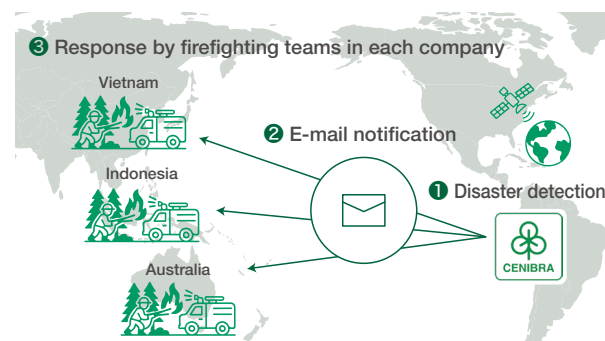
^{*4} For details concerning High Conservation Value (HCV) areas, please also refer to "Precious value of Oji Forests – identifying and protecting High Conservation Value areas" on P.59.

Sustainable Forest Management

Collective Strengths of the Oji Group to Support Forest Management

Strength in achieving high-quality forestry across the Group as a whole

In the Oji Group, we have accumulated expertise and advanced technology for more than a century of forest management. By sharing these within the Group and having each Group company adopt them in a coordinated manner, we are enhancing the quality of forest management around the world and achieving high-quality forest management. We flexibly adapt to regions in different countries, with different weather conditions, and work in ways tailored to local society and environmental characteristics. This enables us to coexist with local communities, while also sustainably and stably managing forests. Another strength of the Oji Group is our system for ensuring that harvested wood contributes to the value chain. We have developed a system for ensuring that the value of wood makes its way into the economy, through mechanisms for contributing to downstream industries such as raw materials for paper manufacturing, materials for lumber and plywood, fuels for biomass power generation, and new materials. We are building a forest management model that is realistically profitable, while also protecting natural capital, that is, forests.



Example of internal Group cooperation: We have built and are trialing a fire alert system to monitor the company-owned forests of five forest plantation business companies in Indonesia, Vietnam, and Australia, using open data from the "FIRMS" fire monitoring tool provided by NASA, based on the expertise of Celulose Nipo-Brasileira S.A. (Brazil), which has technology for utilizing satellite data. We are working to quickly discover and promptly respond to fires, in cooperation with the firefighting teams of each company.

Strength in R&D to cultivate and utilize forests

Oji has established major research centers in Japan, Brazil, and Indonesia, where we research wide-ranging themes to support the cultivation and utilization of forests. In "forest cultivation" research, we are focusing on making seedling production and silviculture more efficient, as well as breeding, with the aim of optimal management based on the principle of "the right tree in the right place, with the right management" depending on the characteristics and purpose of each forest. In "forest utilization" research, we focus on the effective utilization of wood. We are working on the utilization of previously discarded unused wood, as well as the development of applications other than paper and pulp. We are also researching the utilization of forest resources other than wood and focusing on previously unrecognized potential values of forests, while quantifying their various functions.



Researchers from the Forest Resource Research Center of Japan who conduct R&D on forest cultivation and utilization

Strength in frontline work to achieve sustainable forestry

In recent years, complex challenges have become apparent in frontline forestry, including labor shortages and an aging workforce, declining wood productivity due to climate change, harsh outdoor working conditions and rising costs due to inflation. The Oji Group is working to address these challenges through smart forestry. We are increasing work efficiency and conserving labor by utilizing ICT, including high-performance forestry machines, drones, and remote sensing technology. We are also focusing on high-precision forest resource management and enhancing traceability. Furthermore, we are developing inclusive working environments to encourage the participation of women and young human resources, and enhancing educational programs aimed at passing on technical expertise. Through these efforts, we are increasing the diversity and sustainability of forestry, while also boosting reliability across the supply chain, and strengthening our ability to respond to uncertainties such as climate change and disaster.



A logging operator specially employed after technical training without prior experience at Celulose Nipo-Brasileira S.A. We are securing diverse human resources through enhancements to the environment and inventive hiring activities.

Challenges surrounding forest management, countermeasures, and their effects

Challenges	Countermeasures	Effect
Reduction in wood productivity due to climate change	Manage work based on climate forecast data and breeding	Stable supply, risk avoidance
Labor shortages	Introduce high-performance forestry machines and improvements to work efficiency	Increased labor productivity and reduced personnel costs
Aging workforce	Encourage employment of young people and conduct educational programs	Securing of workforce and passing on technical expertise
Harsh working environment (outdoor work)	Introduce ICT and remote surveillance technology	Increased safety and enhanced utilization of diverse human resources
Inflation and rising costs	Conserve and optimize labor across the value chain	Limit on costs and increased profitability
Market fluctuations	Develop diverse products and expand the market	Stabilized profits and distribution of risk

Sustainable Forest Management

TOPICS

Value creation through co-creation with diverse stakeholders, 2024 topics

The Oji Group alone cannot ensure that forests are protected and cultivated.

In forest management, the Oji Group prioritizes not only wood production but also wide-ranging value creation, including coexistence with local communities, respect for the rights of indigenous peoples, response to climate change, and the conservation of biodiversity. These initiatives are only possible through dialogue and collaboration with diverse stakeholders and involve the co-creation of social, environmental, and economic value. Through this co-creation, we will enhance reliability across the global supply chain and strengthen our ability to respond to international rules and regulations and the needs of customers. As a result, we expect to mitigate business risk and enhance our reputation, while also contributing to securing sustainable profits and boosting long-term growth in corporate value.



Broaden and Promote Sustainable Forest Management

At Quy Nhon Plantation Forest Company Vietnam Ltd. (QPFL), we have begun supporting partner companies in obtaining forest certification for the forests they own. This support for local small and mid-sized companies contributes to invigorating the local economy, developing forestry human resources, and broaden the base of the industry. This is also expected to provide a certain benefit to Oji Holdings, including strengthening sustainable raw material procurement and boosting our reputation through coexistence with the local community.

Response to the European Union Deforestation Regulation and the Amended Clean Wood Act

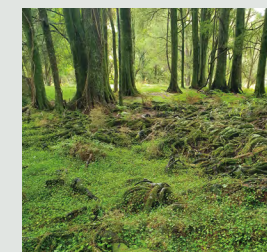
Ahead of our response to the European Union Deforestation Regulation (EUDR) and the Amended Clean Wood Act to be applied from 2025, in 2024, Oji Group subsidiaries and affiliates shared information within the industry and engaged in dialogue with administrative bodies. At the same time, we collaborated with suppliers and customers to create a more accurate traceability system and information sharing system, capable of checking legality as required by both these frameworks and eliminating the risk of deforestation. Our response to these laws and regulations will contribute to maintaining trust with customers, ensuring stable international trade, and enhancing reliability around the world.

Promote sustainable forest management through our jointly established forest fund

We have established a forest fund together with our partner, New Forests, through which we are implementing new types of forest expansion and conservation initiatives. In this way, we are distributing risk and creating growth opportunities through collaboration with investors. We have also jointly developed an investment policy, the Sustainability Impact Management System (SIMS). Under SIMS, we are required to conduct FPIC* and acquire forest certification when investing in forests. We will only invest when the forests in question are appropriately managed and their sustainability is secured. In our environmental management, we engage in regular monitoring and necessary improvements, while also appropriately disclosing information in line with international frameworks.

Precious value of Oji Forests – identifying and protecting High Conservation Value areas

High Conservation Value (HCV) refers to areas that are particularly important for the natural environment and local community. The identification and protection of these areas is one of the standards for forest certification. These areas are classified into six categories based on ecological, social, and cultural importance, including areas of rich biodiversity, important water sources, and places essential to local communities' livelihoods. The Oji Group's policy of "No Deforestation and No Conversion Commitment" includes the protection of HCV areas. We identify and protect such areas through scientific surveys and dialogue with local communities while ensuring that the protection of HCV areas is compatible with our business activities. These initiatives will contribute to long-term business continuity, not just through consideration for the environment but also through the fulfillment of our social responsibility and building trust with local communities.



Pakuratahi Bush, a scenic primary forest conserved by Pan Pac (New Zealand)

* Free, Prior and Informed Consent

Nature Positive

Nature Positive Actions

As global environmental challenges intensify, it is crucial that we pursue growth through our economic activities while addressing critical issues such as climate change, biodiversity loss, and ensuring harmony and balance with nature. At Oji Holdings, we are committed to fulfilling this responsibility.

One notable feature of our businesses is its foundation in sustainable forest management, in which we make products from renewable forest resources, and they can be used in a circular manner. By continuously refining and enhancing this business model, we aim to become nature positive.



Visualization of the economic value of Oji Forests

In past discussions on global environmental problems, there has been a particularly strong focus on climate change. As the degradation of nature continues on a global scale, however, we have seen increasingly active discussion aimed at creating

frameworks for “natural capital accounting,” which comprehensively considers natural capital (e.g., forests, soil, water, air, living resources) as economic value, and mobilizing funds for the recovery of nature. Given this background, we estimated the economic value of “Oji Forests” in Japan (188,000 ha) at approximately ¥550 billion per year, based on the Forestry Agency of Japan’s methods.

In Anticipation of the Creation of International Standards for Assessing Economic Value

We are actively participating in the standardization process, as there are currently no established international standards for natural capital accounting. Since 2024, together with Hokkaido University, we have begun initiatives to visualize the value of forests and restore nature at our company-owned forest in Sarufutsu, in northern Hokkaido. We are assessing biodiversity using cutting-edge technology from start-up companies. [In a survey in 2024](#), we confirmed the existence of 141 species of plants and animals, including Japanese crane, an endangered

species of bird. In this survey, we also identified the status of these species’ habitats. Through these initiatives, we aim to establish an “Oji Model” as a method for assessing natural capital and include the economic value of these assets on our balance sheet.



Participation in Nature Positive Initiative trial program

Under our aim to create a framework for standards for measuring the value of natural capital, we are participating in the [Nature Positive Initiative \(NPI\)](#) trial program, alongside nature conservation bodies, information disclosure bodies, academic institutions, and other organizations around the world, as a TNFD partner. In this program, we will leverage the survey results and assessment methods from Sarufutsu to evaluate matters such as the effectiveness of standards developed by NPI, as well as their ability to accurately assess and disclose the state of Japan’s unique natural environment.

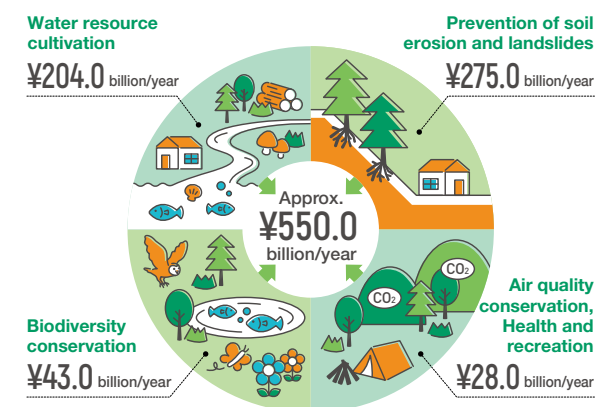
Based on these findings, we will provide appropriate feedback.

Natural capital accounting initiatives and contributions to resolving global environmental issues through business activities

We aim to establish an “Oji Model” as a method for quantitatively assessing the natural capital of the Oji Forests. We will maximize the value of this natural capital and influence the creation of a framework for natural capital accounting. The Oji Group is committed to becoming nature positive and carbon neutral through these initiatives.



Economic value of Oji Forests (domestic)



Notes:

1. Calculated based on the methodology in the Forestry Agency of Japan's Valuation of the Public Benefit Functions of Forests
2. Reviewed by an external environmental assessment company

Nature Positive

Actively Participating in the Creation of Frameworks for Natural Capital Accounting

To develop a framework for “natural capital accounting,” we believe global discussions with stakeholders will be crucial and we are actively advancing these efforts through various activities such as sharing information at international conferences and participating in projects led by international bodies.

Sharing information at international conferences

We provide information about our initiatives to become nature positive and emphasize the importance of forest management through presentation sessions at international conferences, such as the COP (Conference of the Parties to the Convention*), WEF (World Economic Forum), and OECD (Organisation for Economic Co-operation and Development).

* 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), 16th Conference of the Parties to the Convention on Biological Diversity (COP16)

Participation in consortium of Japanese companies

The University of Tokyo Center for Global Commons [\[link\]](#) and the domestic business community have cooperated to establish the CGC-Nature on the Balance Sheet joint project (in Japanese only) [\[link\]](#), which aims to integrate the measured value of natural capital into financial accounting. We are cooperating with this project, with the intention of engaging in cross-industry discussions with other Japanese companies.

Participation in various international bodies and strengthening participation in standardization

The International Sustainable Forestry Coalition (ISFC) (P.96) [\[link\]](#), which aims to utilize forests to build a sustainable circular bioeconomic society, has launched a project [\[link\]](#) targeting the application of common general principles for natural capital accounting and reporting formats across the forest sector. Through these activities, we will reinforce our involvement in discussions aimed at establishing the fundamental framework for natural capital accounting.



VOICE Comments from experts

In recent years, the environment surrounding forest resources have been changing at an accelerated pace, requiring responses on a global scale that go beyond countries and industries. As a company that owns and manages extensive forests, we recognize our responsibility to engage in dialogue with diverse stakeholders and promote management that balances coexistence with nature, the enhancement of corporate value, and ecosystem restoration. Through these efforts, Oji Holdings is committed to becoming nature positive.

On this occasion, we present feedback from two leading experts in biodiversity and natural capital accounting on our activities.

Forest management required in the age of green infrastructure

Futoshi Nakamura

Hokkaido University, Honorary Professor



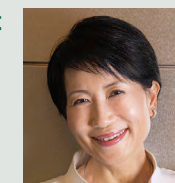
Recent global environmental problems include increased natural disasters such as floods and typhoons caused by climate change, and the excessive use of forests. On the other hand, in mountainous regions in Japan, the use of natural resources is lacking as a result of population decline. This results in the ongoing degradation of ecosystems and loss of biodiversity. In urban areas, it is projected that it will become difficult to maintain and manage existing infrastructure.

Oji Holdings is considering the utilization of the various ecosystem services of forests by proposing nature-based solutions and introducing green infrastructure, and I expect that these efforts will yield positive outcomes. For example, they can contribute to reducing flooding risk and the conservation of biodiversity by strengthening forest conservation and water resource management. Furthermore, by leveraging state-of-the-art technologies to collect and analyze environmental data, I expect them to promote projects aimed at ecosystem conservation and restoration.

Nature on the Balance Sheet

Naoko Ishii

Director, University of Tokyo Center for Global Commons, Specially Appointed Professor



In recent years, scientists have shown that stable global environmental systems, the foundation of our civilization, are on the verge of a serious crisis. Of the nine important global systems, six have already exceeded their limits, through climate change, biodiversity loss, and other factors. Our current economic system, which does not reflect the intrinsic value of nature, is coming up against the limits of the earth.

In response to these circumstances, there have been numerous trials aimed at measuring the value of natural capital. The real challenge is recognizing the economic value of natural capital measured in this way and adding it to financial statements as an investable asset. It is critical to integrate natural capital accounting with financial accounting. As a leading company in terms of forest management, I expect Oji Holdings to demonstrate leadership to integrate nature with economic systems. I believe this will contribute to the achievement of a nature positive economy.

Carbon Neutral (Climate Change Mitigation and Adaptation)

Basic Approach

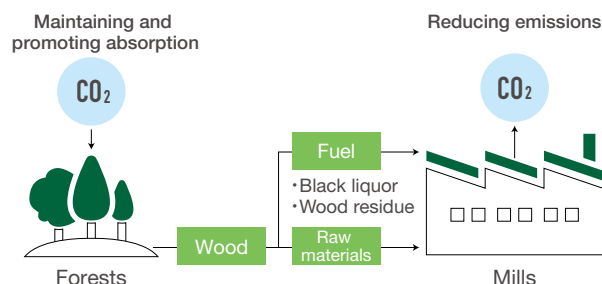
Taking into consideration the 1.5° C target of the Paris Agreement, the Oji Group has set a target to achieve net zero carbon emissions (Scope 1 + 2) by FY2040, to respond to the transition to a decarbonized society. To achieve this aim, we reduce actual emissions by expanding the use of non-fossil fuel energy, while absorbing and sequestering CO₂ with owned and managed forests.

Business model targeting decarbonization

In manufacturing operations, we are reducing GHG emissions through the use of renewable energy such as black liquor and in-house hydroelectric power generation, as well as the effective use of energy, including using waste heat from in-house thermal power generation.

In our forest plantation business, we practice sustainable forest management through replanting following harvesting, and plant elite trees with high growth rates. In this way, we are maintaining and promoting CO₂ absorption and sequestration by forests.

In our energy business, we generate power from renewable energy with wood biomass, hydropower, and solar power. We also plan to introduce wind power generation on company-owned land, which will contribute to mitigating climate change.



Reduction plans

To reduce actual emissions, we will further promote existing efforts to shut down coal-fired boilers and make the switch to different fuels, as we look to reduce coal usage to zero by FY2040. In FY2027, we plan to shut down coal-fired boilers at Oji Materia's Sobue Mill and Saga Mill, and install gas cogeneration systems in their place.

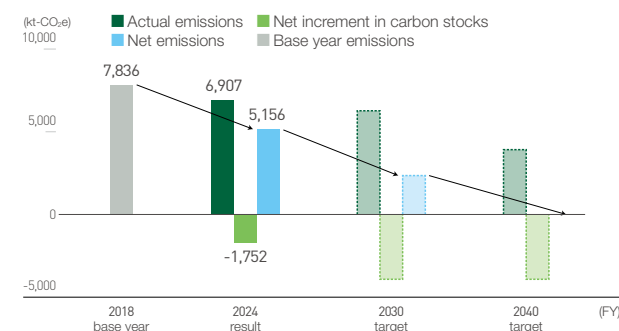
We use fossil gas fuel for the transition stage when converting fuels, but in the future, we plan to introduce fuels such as hydrogen, ammonia, and e-methane (synthetic methane). We will also increase the proportion of non-fossil electric power in purchased electric power, aiming to reach 100% by FY2040.

At the same time, through our forest investment fund, Future Forest Innovations (FFI), established in March 2025, we will acquire forest plantation land and promote the absorption and sequestration of CO₂.

GHG Emission Reduction Targets and Progress

We will reduce actual emissions (Scope 1 + 2) by 50% by FY2040 compared with FY2018, while also increasing and maintaining the net increment in carbon stocks in owned and managed forests equivalent to 50% of GHG emissions in FY2018.

In FY2024, net emissions were reduced by 34.2% compared with FY2018 levels, to 5,156 kt-CO₂e.



Roadmap

Initiatives		2024	2025	2026	2027	2028	2029	2030	2031–2040
Reducing actual emissions	Maintain energy conservation	Reduce energy consumption intensity by 1.0% or more per year, averaged over five years							
	Reduce fossil fuel consumption				Shut down 2 coal-fired boilers	Shut down 4 coal-fired boilers		Upgrade boilers and convert fuels	Introduce hydrogen, etc.
	Switch to non-fossil power for purchased electric power	Consider PPAs*, change contracts with electric power companies, and procure electric power certificates							
CO ₂ absorption and sequestration	Expand forest plantations	FFI establishment OUFC* (20,000 ha)	Acquisition of forest plantation land by FFI (70,000 ha)						Maintain forest plantation land, sustainable forest management
	Plant fast-growing trees	Forest tree breeding (breed improvement), elite trees' plantation							

*1 A PPA (Power Purchase Agreement) is a direct contract with an electricity generation utility, and in this context, it refers to the purchase of electric power generated from non-fossil fuel sources in particular.

*2 OUFC (Oji Uruguay Forest Company S.A.S.) is an operating company that was established to operate the forest plantation business in Uruguay.

Carbon Neutral (Climate Change Mitigation and Adaptation)

Reducing Actual Emissions

In FY2024, actual GHG emissions (Scope 1 + 2) were reduced by 11.9% compared with FY2018 levels, to 6,907 kt-CO₂e.

Maintain energy conservation

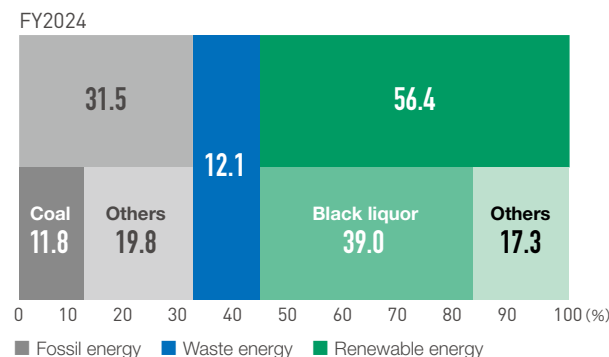
In FY2024, our major domestic companies made energy conservation investments of ¥1.36 billion, thereby reducing energy consumption by 39.6 thousand kiloliters (in crude oil equivalent). Across the entire Group, energy consumption intensity was reduced by 7.1% per year on average from FY2020 to FY2024.

Reduction in fossil fuel consumption

We shut down one coal-fired boiler in FY2021 and another one in FY2023. As a result, coal consumption decreased 18.9% in FY2024 compared with FY2018 levels, and the proportion of renewable usage was 56.4%.

Between FY2021 and FY2030, we plan to execute capital investment of roughly ¥100 billion to shut down all coal-only-fired boilers in Japan, which will reduce actual emissions by about 1,000 kt-CO₂e.

Energy composition ratio



CO₂ Absorption and sequestration

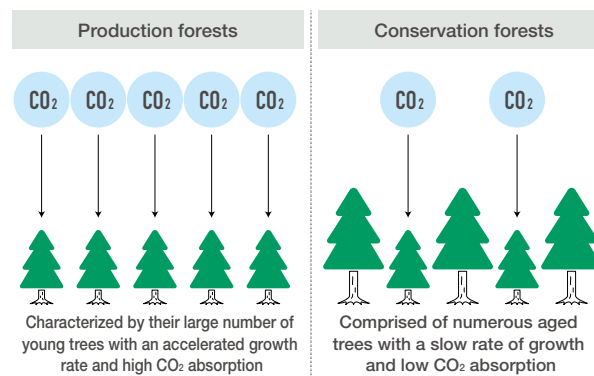
Actual carbon stocks*¹ at the end of FY2024 reached 142,020 kt-CO₂, and the annual average net increment in carbon stocks*² from FY2020 to FY2024 was 1,752 kt-CO₂, equivalent to 22.4% of GHG emissions in FY2018.

*1 The CO₂ stocks in Oji Forests

*2 The amount of CO₂ absorbed by the trees in Oji Forests minus the amount of CO₂ stored in the trees felled, which are subtracted as emissions

Expand forest plantations

Recognizing that the amount of CO₂ absorbed by trees is proportional to the amount of growth, production forests with abundant trees in a growth phase absorb more CO₂ compared to conservation forests where trees have matured. The Oji Group is expanding forest plantation land in a bid to increase the net increment in carbon stocks.



In July 2024, we acquired 20,000 ha of production forests in Uruguay, bringing overseas production forests owned and managed by the Oji Group to 295,000 ha as of the end of FY2024.

We plan to invest a cumulative total of about ¥100 billion from FY2021 to FY2030 to expand our overseas production forests to 400,000 ha.

Plant fast-growing trees

At the Asia Agriculture and Forestry Technology Center and Celulose Nipo-Brasileira S.A. (Brazil), we are improving forest plantation tree breeds in order to maintain and improve productivity. We promote CO₂ absorption by forests through the planting of specially selected elite breeds with exceptional growth rates and quality.

Scope 3 Reducing Emissions from Chip Transport Vessels

Much of the woodchips used as raw materials for domestic pulp and paper production are transported by special vessels from forest plantation sites overseas. International efforts to reduce GHG emissions from shipping transportation are under way, and we are reducing the speed of shipping for woodchip transportation ships used by the Oji Group in order to improve fuel efficiency and thus reduce emissions. Recent newly constructed ships are also designed to generate lower emissions than existing vessels.

The Oji Group has set forth a target of reducing emissions from chip transport vessels by 40% by FY2040 compared with FY2018. In FY2024, emissions stood at 285 kt-CO₂, down 33.6%.

Climate-related Information Disclosure in line with the TCFD Recommendations

The Oji Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) in December 2020 and is working on the climate-related information disclosure recommended by the TCFD. Please see our website for details of our disclosure.

Climate change

Circular Economy

Basic Approach

Contributing to Society's Transition to a Circular Economy

The Oji Group is actively engaged in the cultivation, cascading use, and circular use of renewable forest resources. We also use renewable energy to manufacture products, and recycle water used in manufacturing and recovered paper when operating our businesses. We have sustained operating "circular economy-type businesses" through the circular use of renewable resources.

While sustaining to operate circular economy-type businesses, the Oji Group also implements initiatives related to water, plastics, and recovered paper, as part of our contribution to society's transition to a circular economy.

Water

The Oji Group's forest resources in Japan and overseas have a water resource cultivation function for purifying and accumulating fresh water. The total amount of water resource cultivation across 188,000 ha of Oji Forests in Japan is estimated to be equivalent to approximately 2.6x the water withdrawal of the entire Oji Group. We will maintain the water resource cultivation function of forests to support local water resources.

When using water resources in our businesses, we cooperate with stakeholders and use them in ways suited to local circumstances. We uphold our commitment reducing water withdrawal and water pollutants, as we work to protect local ecosystems and return water resources to local areas. At some business sites, we also operate our businesses in areas with high water risk, according to the World Resources Institute's Aqueduct water risk assessment tool. Although the financial impact on net sales and assets is low, we recognize the impact of our water use in areas with high water risk and will mitigate our impact on surrounding areas.

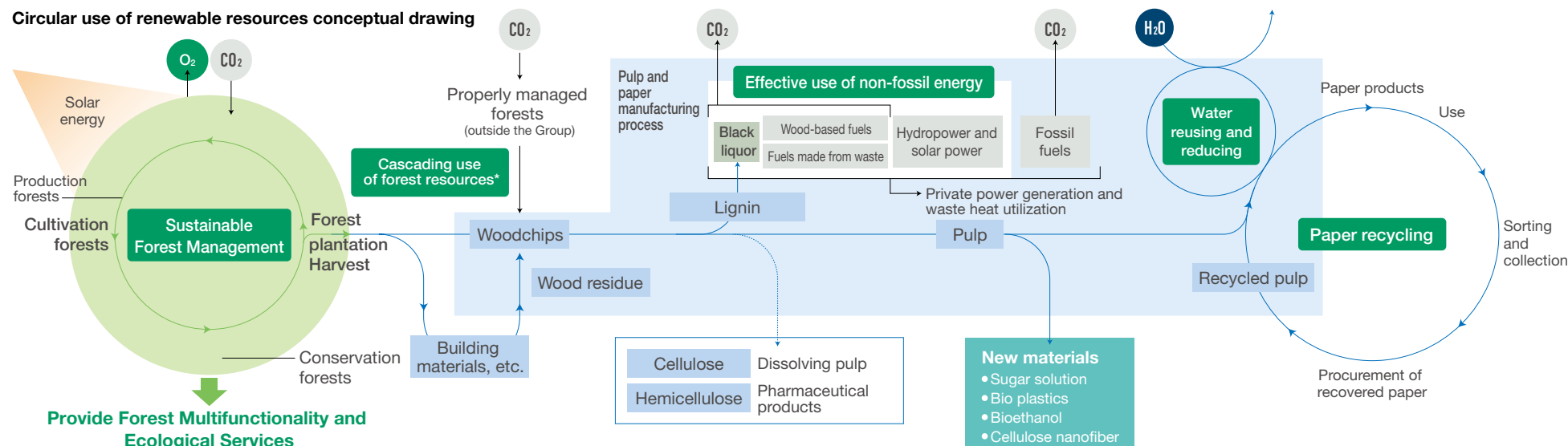
Plastic

We are expanding sales of sustainable packaging as an alternative to plastic, which has a major environmental impact, in order to reduce its use in society as a whole. Furthermore, although we do not use large amounts of plastic in manufacturing processes, some waste plastic is generated by contaminants in recovered paper that we use as a raw material. We are working to recycle this waste plastic (including thermal recycling) and intend to achieve "negative plastic emissions" through sales of sustainable packaging that meet or exceed the volume of any waste plastics that are not recycled.

Recovered paper

By using various types of recovered paper as raw materials after their use in products, we will reduce product waste and use resources in a circular manner, while maintaining a recycling system for recovered paper across society as a whole.

Circular use of renewable resources conceptual drawing



* Cascading use: Refers to the exhaustive use of resources and energy in a staggered manner over multiple uses.

Circular Economy

Water Targets and Initiatives

Targets and results

	Water intake intensity (m³/¥ million)	Emission intensity (kg/¥ million)		
		BOD	COD	SS
FY2024 Results	371.3	3.31	19.03	7.14
FY2030 Targets	448.4	4.66	21.12	9.02

In our Environmental Action Program 2040 announced in May 2025, we set targets for reducing water withdrawal and BOD, COD, and SS emissions.

▶ ESG Data Environment No. 13 ▶ ESG Data Environment No. 8

Engagement with regional water users (stakeholder engagement)

Water resources are closely linked with the regions where we operate our businesses, and initiatives related to water affect local communities and ecosystems. The Oji Group is implementing initiatives based on consultation with regional water users. In particular, we will accelerate stakeholder engagement efforts at business sites in areas with high water risk.

Efforts to reduce water withdrawal

At Oji Paper, Oji Materia, Oji F-Tex, and Oji Nepia, whose water withdrawal accounts for approximately 80% of that of the entire Group, we have set specific reduction targets for 2030 and are working on related initiatives. The Sustainability Committee confirms the progress of these initiatives.

Wastewater purification initiatives

Each Oji Group mill manages wastewater quality using voluntary standards that are stricter than laws and ordinances. In this way, we adhere to regulatory standards for wastewater while endeavoring to purify it.

Plastic Targets and Initiatives

Targets and results

	Sustainable packaging sales volume*1	Amount of unrecycled waste plastic*2	Negative plastic emissions
FY2024 Results	3,141 tons	1,009 tons	Achievement
FY2030 Targets	At least 5,000 tons	0 ton	

*1 Includes some non-wrapping plastic alternative paper products

*2 Total for 9 Oji Group companies in Japan (Oji Paper Co., Ltd., Oji Materia Co., Ltd., Oji F-Tex Co., Ltd., Oji Nepia Co., Ltd., Oji Imaging Media Co., Ltd., Oji Container Co., Ltd., Morishigyo Co., Ltd., Oji Tac Co., Ltd., and New Tac Kasei Co., Ltd.)

Expansion of sustainable packaging sales

By replacing plastic products with sustainable packaging, the Oji Group reduces the amount of plastic used by our customers and throughout society as a whole. The replacement of plastic products derived from fossil resources with sustainable packaging from renewable forest resources will also contribute to the transition to a circular economy.

▶ Sustainable packaging P.29

Waste plastic recycling initiatives

More than 90% of the waste plastic generated by the Oji Group is derived from plastic mixed with recovered paper, the raw material for paper and paperboard. The Oji Group therefore implements the recycling of waste plastic at each of our manufacturing sites, through efforts including disposal contracts with parties that will effectively use these resources.

In-house plastic use reduction initiatives

In some Oji Group businesses, we use a certain amount of plastic, such as packaging, and we will therefore continuously focus on reducing the use of plastic, in cooperation with packaging companies and materials manufacturers.

▶ Initiatives at Oji Nepia (Japanese Only)

▶ Initiatives at GRAND HOTEL NEW OJI (Japanese Only)

Recovered Paper Targets and Initiatives

Targets

Under the Environmental Action Program 2030, we aim to achieve a recovered paper utilization ratio of 70% or higher in Japan.

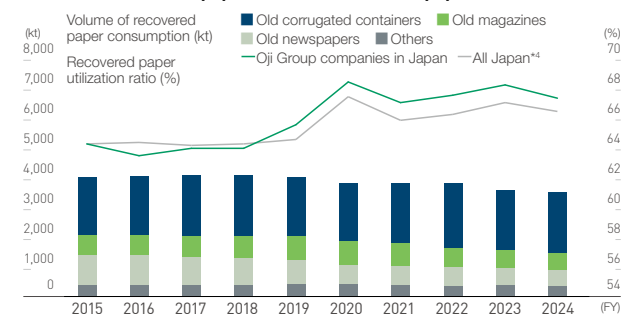
Initiatives for the expanded use of recovered paper

To date, the Oji Group has actively worked to expand the use of recovered paper, through the efforts including increasing recycling for confidential documents. We have also newly established a system to recycle used paper cups and liquid containers such as milk cartons that have conventionally been difficult to process, and are promoting their reuse at our mills.

Current recovered paper utilization ratio

The Oji Group's consumption of recovered paper is the largest in Japan, amounting to 3.5 million tons annually. This accounts for 24% of the 14.6 million tons of total recovered paper consumed in Japan. The Group uses various types of recovered paper in a wide range of products. The recovered paper utilization ratio has continued to increase year by year, achieving a high level of 67.4% in FY2024. The ratio for containerboard, in particular, is much higher, at 98.3%.

Volume of recovered paper used and recovered paper utilization ratio^{*3}



*3 Recovered paper utilization ratio = Volume of recovered paper consumed ÷ Total volume of fiber raw materials consumed (total consumption of recovered paper, wood pulp, and other fiber raw materials)

*4 Source for all Japan: Paper Recycling Promotion Center

Responsible Raw Materials Procurement

Basic Approach

The Oji Group engages in responsible raw material procurement through ongoing dialogue with its suppliers, thus contributing to a sustainable society. As the sense of crisis grows with regard to deforestation risk in society, we are committed to engaging in procurement that does not destroy or convert forests throughout our supply chain.

Supplier Guidelines and Commitment

The Oji Group has set forth the following two guidelines to implement responsible raw materials procurement, and we require that new suppliers are conversant with both policies before entering into transactions. Moreover, we ensure that all suppliers are fully informed when guidelines are revised.

▶ [Oji Group Sustainability Action Guidelines for Supply Chains](#)

▶ [Wood Raw Material Procurement Guidelines](#)

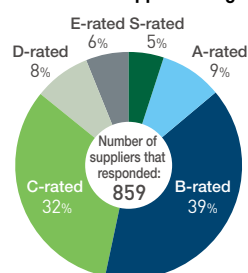
In FY2024, we announced the following commitment, and revised our “Wood Raw Material Procurement Guidelines” to clearly state our commitment of No deforestation and No conversion.

▶ [No Deforestation and No Conversion Commitment](#)

Supplier Sustainability Surveys

Cooperation with suppliers is essential for compliance with laws and regulations as well as the fulfillment of social responsibility across the entire supply chain. Since FY2020, the Oji Group has been conducting a sustainability survey of major suppliers selected on the basis of transaction value and product categories, with the aim of gaining a better understanding of the actual situation in the supply chain and strengthening risk management. To date, we have collected responses from 859 out of 1,185 companies (response rate of approximately 73%), and we continuously assess suppliers with low scores. While maintaining dialogue with key suppliers, the Oji Group will also identify “Priority suppliers” in terms of environmental and social impact, and conduct related human rights and environmental due diligence.

Breakdown of supplier ratings



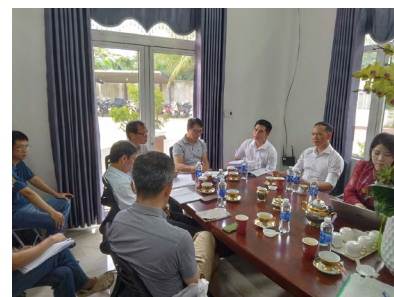
Score rating	Criteria	Number of suppliers
■ S	750 or more	46
■ A	650 or more Less than 750	77
■ B	500 or more Less than 650	338
■ C	250 or more Less than 500	278
■ D	100 or more Less than 250	71
■ E	Less than 100	49
Total score		Perfect score: 800 859

Verification of Traceability of Wood Raw Materials

The Oji Group has established verification items such as the origin of wood, forest management practices, the absence of illegally harvested wood or wood from high conservation value forests, and potential human rights violations, in accordance with the “Wood Raw Material Procurement Guidelines,” and procures only raw materials sourced from properly managed forests. The guidelines are revised as needed to continuously improve procurement standards.

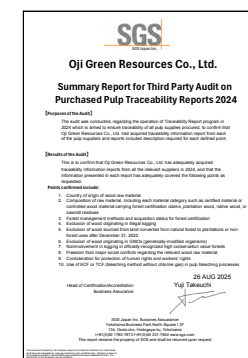
The origin of wood raw materials is traceable throughout the entire supply chain—from forests to chip, pulp, and paper mills. In FY2024, the Group procured 4,337 kBDT of woodchips in Japan and overseas and 160 kADT of market pulp and obtained traceability reports from all suppliers. These reports were audited by third-party organizations to verify compliance with the Wood Raw Material Procurement Guidelines and proper procurement procedures.

We also conduct annual visits to wood raw material suppliers’ mills and forest sites. In FY2024, we visited the mills and logging sites of all 36 overseas woodchip suppliers with a record of procurement transactions.



Visit to a supplier

In addition to checking logging permits and other documents that form the basis of traceability reports, we monitor compliance with our procurement guidelines through on-site inspections, interviews, and other means—covering human rights (including labor rights), health and safety, and environmental considerations. When violations or risks are identified, we request corrective actions and collaborate with suppliers to drive improvements.



Summary Report for Third Party Audit on Traceability Reports

Utilization of Forest Certification Systems

The Oji Group utilizes the FSC™ forest certification system to verify wood raw materials in accordance with its “Wood Raw Material Procurement Guidelines.” All procured wood raw materials comply with the requirements for FSC-certified wood and FSC-controlled wood. By leveraging forest certification systems, we ensure traceability and appropriate management of wood raw materials across all stages of the supply chain.

Respect for Human Rights

The Oji Group's Approach to Human Rights

"Respect for human rights" is an essential prerequisite for successful solutions to material issues. The Oji Group shares a common approach to consideration for human rights, not just for our employees but also across the entire supply chain, including clearly stating its importance in the "Oji Group Corporate Code of Conduct" and "Oji Group Human Resource Philosophy."

Oji Group Human Rights Policy

In the belief that the responsibility to respect human rights is an important element of the global code of conduct, the Oji Group formulated the "Oji Group Human Rights Policy" in order to further promote and implement initiatives that help ensure respect for human rights in 2020. This policy applies to all officers and employees of the Oji Group and is reflected in all our business activities. We also expect all stakeholders to understand and adhere to this policy.

In January 2025, we introduced a grievance mechanism, and partially revised the "Oji Group Human Rights Policy."

[▶ Oji Group Human Rights Policy](#)

Promotion structure

Matters that are material to fulfilling our commitment to respect human rights are deliberated by the Sustainability Committee and monitored and supervised by Directors.

[▶ Sustainability Management Structure](#)

Human Rights Due Diligence

In accordance with the "United Nations Guiding Principles on Business and Human Rights (UNGPs)," we have been conducting human rights due diligence since FY2022, as part of our corporate responsibility to respect human rights. In FY2024,

our efforts included human rights assessments of overseas suppliers, migrant worker surveys at overseas business sites, and human rights education.

Human rights assessments

We assessed overseas suppliers, mainly with regard to core labor standards such as labor, health, and safety. We shared the results of analysis as feedback with each company, and explained high-risk items and confirmed Oji Holdings' policy in briefings.

- Survey period: November 2024 to February 2025
- Survey target: 58 companies (responses from 38 companies)

[▶ Human rights due diligence results \(FY2024\)](#)

Migrant worker surveys by a third-party organization

We did not find that any human rights risks had materialized in the aforementioned human rights risk assessments, but at an operating company in Malaysia (one company), a third-party organization (International Organization for Migration (IOM)) surveyed the recruitment, employment, working conditions, and living environments of migrant workers, who are designated as "vulnerable stakeholders" in the UNGPs.

- Survey period: October 2024 to February 2025
- Survey method: Questionnaires and interviews (two on-site surveys) using the IOM guidelines and tools
- Survey target: Persons from Bangladesh, Myanmar, and Nepal

Based on the results of the survey, we received advice concerning potential human rights risks and recommendations for migrant worker management. Accordingly, as specific measures for improvement, we plan to spend several years implementing measures to mitigate human rights risks related to migrant workers at our manufacturing sites in Malaysia, starting in FY2025.

[▶ Human rights due diligence results \(FY2024\)](#)

Introduction of Grievance Mechanism

In February 2025, the Oji Group became an official member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), established to support and promote redress of grievances by companies. Thanks to the introduction of a non-judicial grievance platform that conforms to the UNGPs, we are able to accept reports concerning human rights and all other aspects of responsible corporate conduct (including conduct and ethics related to the environment and nature) from all stakeholders in Japan and overseas, including employees, suppliers, local communities, indigenous peoples, and migrant workers.

Going forward, we will ensure the fairness and transparency of grievance redress on this platform, by drawing on professional expertise from JaCER, and we will strengthen our response to human rights issues in the supply chain and elsewhere, by means of remedy measures if any negative impact on human rights is identified. We will also endeavor to regularly spread awareness of this platform and enhance systems for its operation to ensure that it is available to both internal and external stakeholders.



[▶ Hotline for Consultation and Reporting about Human Rights Issues](#)

Identification of Key Issues on Human Rights and Important Suppliers

In accordance with the UNGPs and other initiatives, the Oji Group used a risk-based approach to assess and identify "important human rights issues" that could occur in our business activities from the perspective of their impact. Similarly, we also identified "important suppliers" in the supply chain. As part of these assessments, we were reviewed by the International Development Center of Japan, a third-party organization with specialist expertise.



[▶ Identification of Key Issues and Initiatives on Human Rights](#)

Ensuring Workplace Safety and Health

Basic Approach

Alongside compliance and the environment, safety forms the foundation of the Oji Group's corporate value and must be given absolute top priority. The Oji Group aims to be a company where employees can work in a safe environment, with peace of mind, in accordance with the "basic principle of safety as the absolute top priority."

[▶ Occupational Safety and Health](#)

Management Structure

We have set the "Oji Group Safety and Health Management Rules," which clarify our system of responsibilities related to safety and health in the Oji Group. Every year, we also formulate a Group Safety and Health Promotion Plan, under which we promote activities aimed at eliminating industrial accidents.

[▶ Policy](#) [▶ Structure](#)

Sustainability Material Issues and KPIs

The number of occupational accidents in the Oji Group in 2024 was 29 in Japan and 43 overseas (including one fatal accident overseas). The lost time injury frequency rate was 0.79 in Japan (0.80 in the previous year), 0.82 overseas (1.49 in the previous year), and 0.81 across the Group as a whole (1.20 in the previous year).

[▶ Data](#)

Occupational Accident Prevention Initiatives

Safety patrols by management

Following frequent occupational accidents in cargo handling operations, we have been continuously holding safety patrols, with the Group Technology Division and Safety Administration Department of Oji Holdings accompanying Chairman Kaku on patrols. In addition to corrugated container plants, paper mills, and other mills in Japan, we are also continuing patrols of mills overseas, such as Malaysia and Vietnam, that focus on the "implementation status of measures to prevent contact between heavy machinery and people," "ensuring visibility in facility corridors, and around intersections in particular (eliminating blind spots caused by products and materials)," and other factors.



Safety patrol by Chairman Kaku

Mill Manager and Site Manager Meetings

In response to safety patrols by Chairman Kaku, the Safety Administration Department and Industrial Materials COMPANY have been holding Mill Manager and Site Manager Meetings at this company, with the objective of "enhancing safety by having senior management at business sites set an example and foster a sensitivity toward danger (ability to see danger)."

Activities at these meetings include discussions about the results of mill safety patrols, as well as information sharing about our response when occupational accidents occur, examples of past occupational accidents and related countermeasures, legal risk related to occupational accidents, and other matters.

Initiatives to prevent contact between heavy machinery and people

In response to frequent occupational accidents related to forklifts and other cargo handling machinery, including a fatal accident, the Oji Group decided to implement a Group-wide initiative to clearly separate work areas for cargo handling machinery from pathways and work areas for people in mills, starting in 2024. Data about the progress of measures is regularly aggregated and reported to management, and we share information throughout the Group.



Installation of safety fences around pathways in plants (Above: before installation; Below: after installation)

Mandatory training upon selection for safety managers

When working to ensure safety in the workplace, it is important that management supervisors, who supervise and take responsibility in the workplace, have a high level of safety awareness and endeavor to guide and supervise their subordinates. To augment the safety awareness of management supervisors, since 2025, the Oji Group has made it mandatory for managers at all domestic Group companies, regardless of job type, upon selection as safety manager to attend training certified by the Ministry of Health, Labour and Welfare. In this training, participants acquire knowledge about the obligation to consider safety and related laws and regulations, measures to prevent the recurrence of occupational accidents, and other matters, and learn about the role expected of them as managers in a structured manner.