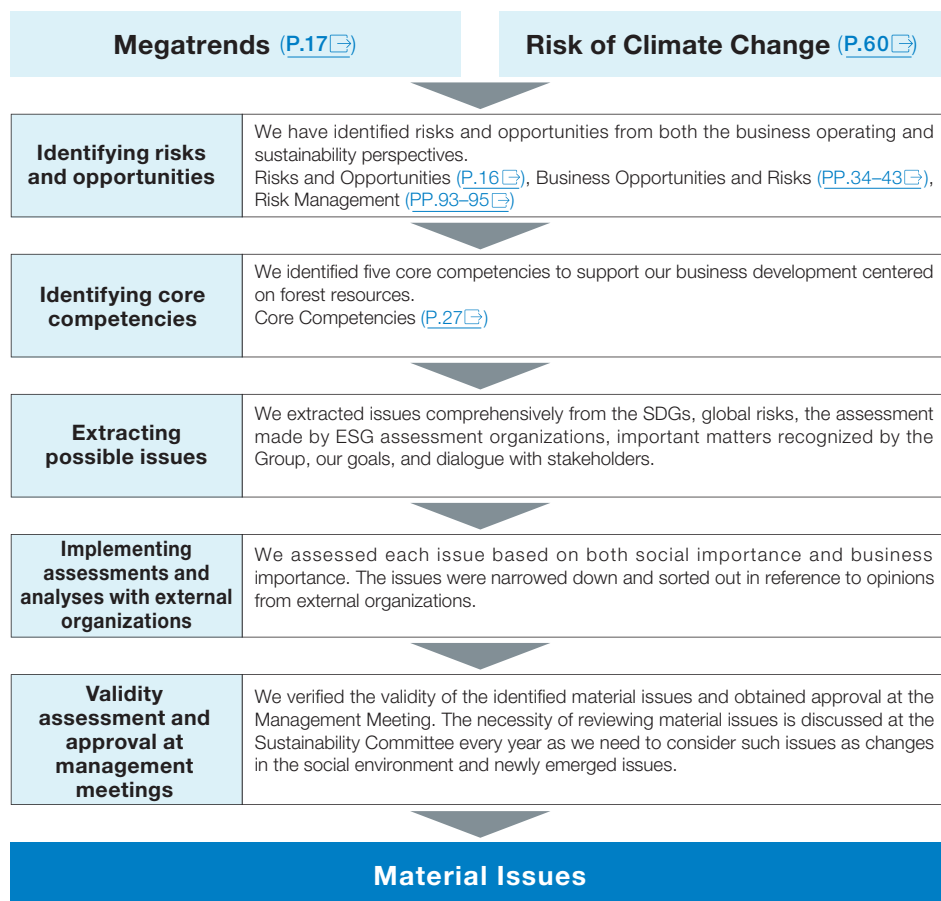


## Material Issues -Specific Processes and Definitions-

### Process for Identifying Material Issues

Taking into consideration ever-changing social trends, the Oji Group identified opportunities and risks associated with its business as well as material issues utilizing the following process in 2019.


























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

















### Material Issues and Definitions

Material issues	Definitions
<b>Mitigation and adaptation to climate change</b>	Contribute to mitigation of climate change by reducing GHG emissions throughout the supply chain and promoting CO <sub>2</sub> absorption and fixation by forests.
<b>Sustainable forest management and biodiversity conservation</b>	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 multi-functionality of forests, including biodiversity conservation.
<b>Circular use of resources</b>	To prevent resource depletion, promote the effective use of paper and water, which we view as valuable reusable resources.
<b>Responsible raw materials procurement</b>	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.
<b>Reduction of environmental burdens</b>	Promote waste reduction and purification of wastewater and exhaust gases in the manufacturing process to minimize environmental impact on surrounding areas.
<b>Respect for human rights</b>	Do not tolerate human rights violations in any of our business activities.
<b>Enhancing human capital</b>	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.
<b>Ensuring workplace safety and health</b>	Ensure the safety and health of all employees and relevant persons.
<b>Supply of safe and secure products</b>	Supply safe and secure products worldwide.

## Material Issues -KPIs-

Material issues	Components	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)	Current value*1	Major initiatives	Value provided to society	Corresponding SDGs
 Mitigation and adaptation to climate change (PP.60-63)	<ul style="list-style-type: none"> <li>Reduce GHG emissions (Scope 1, Scope 2)</li> <li>Absorb and fix CO<sub>2</sub> by forests</li> <li>Reduce GHG emissions through collaboration with suppliers (e.g., Scope 3)</li> <li>Increase the usage of renewable energy</li> <li>Improve energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions by at least 70% compared with FY2018 (Scope 1, Scope 2)                             <ul style="list-style-type: none"> <li>GHG emission reduction: 20%</li> <li>Net increment in carbon stocks by forests: 50%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>28.1% reduction                             <ul style="list-style-type: none"> <li>12.6%</li> <li>15.5%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel</li> <li>Absorb and fix CO<sub>2</sub> through sustainable forest management</li> <li>Expand the use of non-fossil fuels and biomass fuels as alternatives to fossil fuel</li> <li>Develop the biomass power generation business</li> <li>Develop environmentally friendly products</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation of climate change</li> <li>Increase in the usage of renewable energy</li> <li>Improvement in energy efficiency</li> <li>Enhancement of environmentally friendly technologies</li> </ul>	  7.2,7.3,7.a      12.2   9.4,9.5      13.1,13.2, 13.3
		<ul style="list-style-type: none"> <li>The actual carbon stocks in living biomass*2 expanded to at least 170,000 kt-CO<sub>2</sub> (calculated value)</li> </ul>	<ul style="list-style-type: none"> <li>124,560 kt-CO<sub>2</sub></li> </ul>			
		<ul style="list-style-type: none"> <li>Renewable energy usage rate of at least 60% through reduction of coal consumption</li> </ul>	<ul style="list-style-type: none"> <li>56.4%</li> </ul>			
		<ul style="list-style-type: none"> <li>Improve energy consumption intensity by at least 1% per year for the 5-year average</li> </ul>	<ul style="list-style-type: none"> <li>5.0% annual reduction (from FY2019 to FY2023)</li> </ul>			
 Sustainable forest management and biodiversity conservation (PP.64-70)	<ul style="list-style-type: none"> <li>Properly manage and conserve forests</li> <li>Utilize forest resources</li> <li>Promote conservation of biodiversity and ecosystems</li> <li>Build relationships with local communities</li> </ul>	<ul style="list-style-type: none"> <li>Increase the rate of overseas forest certification acquisition*3 (Maintain the domestic rate at 100%)</li> </ul>	<ul style="list-style-type: none"> <li>Japan 100%, Overseas 97%</li> </ul>	<ul style="list-style-type: none"> <li>Forest management based on the "Sustainable Forest Management Policy"</li> <li>Maintain and expand the multifunctionality of forests</li> <li>Promote forest plantation</li> <li>Regenerate and restore nature</li> </ul>	<ul style="list-style-type: none"> <li>Providing the multiple functions of forests and ecosystem services</li> <li>Conservation of biodiversity and ecosystems</li> <li>Job creation</li> <li>Employment, education, and medical support</li> </ul>	  6.6      14.2   8.7      15.1,15.2,15.3, 15.4,15.5,15.c
		<ul style="list-style-type: none"> <li>Expand overseas forest plantations to 400,000 ha</li> </ul>	<ul style="list-style-type: none"> <li>295,000 ha (Including Uruguay)</li> </ul>			
		<ul style="list-style-type: none"> <li>Area of natural forest restored by CENIBRA (Brazil) on its land*4 At least 3,000 ha from 2024 to 2033</li> </ul>	<ul style="list-style-type: none"> <li>Starting in 2024</li> </ul>			
		<ul style="list-style-type: none"> <li>Number of native tree species planted by CENIBRA on its land*5 At least 500,000 seedlings from 2024 to 2033</li> </ul>	<ul style="list-style-type: none"> <li>Starting in 2024</li> </ul>			
 Circular use of resources (PP.71-73)	<ul style="list-style-type: none"> <li>Promote utilization of recovered paper</li> <li>Reduce water risks</li> </ul>	<ul style="list-style-type: none"> <li>Recovered paper utilization ratio*7 (Japan): At least 70%</li> </ul>	<ul style="list-style-type: none"> <li>68.3%</li> </ul>	<ul style="list-style-type: none"> <li>Paper recycling (improve the recovered paper utilization ratio)</li> <li>Reduce water intake</li> <li>Expand the water treatment business inside and outside Japan</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation of climate change</li> <li>Prevention of resource depletion</li> <li>Reduction of waste</li> <li>Contribution to the solution of the water shortage issue</li> <li>Safe water supply</li> </ul>	  6.4,6.5      14.1   12.4,12.5, 12.6      15.1,15.2,15.3, 15.4,15.5,15.c
		<ul style="list-style-type: none"> <li>Reduce water intake intensity by at least 6% compared with FY2018</li> </ul>	<ul style="list-style-type: none"> <li>14.2% reduction</li> </ul>			
 Responsible raw materials procurement (PP.74-75)	<ul style="list-style-type: none"> <li>Environmental consideration in the supply chain</li> <li>Human rights consideration in the supply chain</li> <li>Compliance with laws and social standards and fair trade</li> </ul>	<ul style="list-style-type: none"> <li>Conduct sustainability surveys on all main suppliers*8</li> </ul>	<ul style="list-style-type: none"> <li>100% (FY2023, follow-up surveys)</li> </ul>	<ul style="list-style-type: none"> <li>Promote CSR procurement, taking into consideration the environment and society following the <a href="#">Oji Group Sustainability Action Guidelines for Supply Chains</a> and the <a href="#">Wood Raw Material Procurement Guidelines</a></li> </ul>	<ul style="list-style-type: none"> <li>Forms of responsible production and consumption</li> <li>Protection of the rights of workers and reduction of environmental burden through the entire supply chain</li> </ul>	  8.7      15.1,15.2  12.1,12.4,12.6
		<ul style="list-style-type: none"> <li>Achieve full traceability based on the Wood Raw Material Procurement Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>			
 Reduction of environmental burdens (Sustainability Report)	<ul style="list-style-type: none"> <li>Effective waste utilization</li> <li>Purify wastewater</li> <li>Purify exhaust gases</li> </ul>	<ul style="list-style-type: none"> <li>Improve effective waste utilization ratios*9 Japan at least 99%, Overseas at least 95%</li> </ul>	<ul style="list-style-type: none"> <li>Japan 99.0%, Overseas 86.4%</li> </ul>	<ul style="list-style-type: none"> <li>Reduce and effectively use waste</li> <li>Develop environmentally friendly products and biodegradable materials</li> <li>Set voluntary management values that are stricter than the environmental regulatory standards</li> <li>Purify wastewater and control emissions of chemical substances in exhaust gases</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of waste</li> <li>Safety and health</li> <li>Reduction of air and water pollution</li> </ul>	   3.9      11.6      17.7,17.8   6.1,6.3, 6.4      14.1,14.2, 14.3
		<ul style="list-style-type: none"> <li>Reduce emission intensity for substances of environmental concern in wastewater by 15% from FY2018</li> </ul>	<ul style="list-style-type: none"> <li>BOD: 40.7% reduction</li> <li>COD: 9.6% reduction</li> <li>SS: 29.4% reduction</li> </ul>			
		<ul style="list-style-type: none"> <li>Reduce SOx emission intensity in exhaust gases by 15% from FY2018</li> </ul>	<ul style="list-style-type: none"> <li>27.8% reduction</li> </ul>			

Material issues	Components	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)	Current value*1	Major initiatives	Value provided to society	Corresponding SDGs
 <p><b>Respect for Human Rights</b> (PP.76-77 <a href="#">↗</a>)</p>	<ul style="list-style-type: none"> <li>Consider human rights in all business activities</li> <li>Consider human rights in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of target people who get education and training in human rights: 100%</li> </ul>	<ul style="list-style-type: none"> <li>94.3% (2,547 participants from March to May 2024)</li> </ul>	<ul style="list-style-type: none"> <li>Implement the Oji Group Corporate Code of Conduct <a href="#">↗</a>, the Oji Group Behavior Standard <a href="#">↗</a>, and the Oji Group Human Rights Policy <a href="#">↗</a></li> <li>Perform internal audits and implement the whistleblowing system</li> <li>Raise awareness of compliance and human rights through in-house training</li> <li>Assess risks associated with suppliers' respect for human rights</li> <li>Implement human rights due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Respect for human rights</li> </ul>	  5.1,5.4, 5.5,5.c    10.2,10.3, 10.4  8.5,8.7,8.8
 <p><b>Enhancing Human Capital</b> (PP.46-49 <a href="#">↗</a>)</p>	<ul style="list-style-type: none"> <li>Improve work-life management</li> <li>Enhance employees' skills</li> <li>Inclusion &amp; diversity</li> <li>Foster greater compliance awareness</li> </ul>	<ul style="list-style-type: none"> <li>Total working hours: less than 1,850 hours (26 companies in the Main Office region in Japan)</li> <li>Percentage of male employees taking childcare leave, etc.: 100% (16 companies in Japan*10)</li> <li>Percentage of female managers: at least 5.5% (16 companies in Japan*10, at the end of March 2025)</li> <li>Percentage of female new graduates hired for generalist-track positions*11: at least 30%</li> <li>Employment rate of people with disabilities: at least 2.5% (83 companies in Japan*10, June 2024)</li> <li>Participation in compliance meetings: 100% (Oji Holdings and all subsidiaries in Japan)</li> </ul>	<ul style="list-style-type: none"> <li>1,835 hours</li> <li>92.5%</li> <li>3.9%</li> <li>40.6% (Joined the Company in 2024)</li> <li>Six applicable Group companies in Japan*10: 2.48%, 83 companies in Japan*10: 2.19% (June 2024)</li> <li>98.8% (Second half of FY2023)</li> </ul>	<ul style="list-style-type: none"> <li>Implement human resource strategies and develop human resources</li> <li>Promote work-style reforms</li> <li>Promote diversity</li> </ul>	<ul style="list-style-type: none"> <li>Active participation of diverse human resources</li> <li>Realization of innovation</li> <li>Improvement in productivity</li> </ul>	  5.1,5.4,5.5,5.c    8.2,8.5,8.8  10.2,10.3
 <p><b>Ensuring Workplace Safety and Health</b> (PP.78-79 <a href="#">↗</a>)</p>	<ul style="list-style-type: none"> <li>Promote well-being of employees</li> <li>Prevent occupational accidents</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero fatal and serious work-related accidents*12 (each fiscal year)</li> <li>Lost time injury frequency rate*10: 50% reduction compared with FY2018 (0.89)</li> </ul>	<ul style="list-style-type: none"> <li>Two accidents (from January 1 to December 31, 2023)</li> <li>1.20 (from January 1 to December 31, 2023)</li> </ul>	<ul style="list-style-type: none"> <li>Establish safety and health management structures and promote activities aimed for safety and health</li> <li>Thoroughly ensure safety in the handling of machines and equipment and in other operations</li> <li>Promote safety education (introduce VR risk experience education, etc.)</li> <li>Promote physical and mental well-being of employees</li> <li>Create comfortable work environments</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health</li> </ul>	 8.8
 <p><b>Supply of safe and secure products</b> (Sustainability Report <a href="#">↗</a>)</p>	<ul style="list-style-type: none"> <li>Stably supply products</li> <li>Ensure product quality</li> </ul>	<ul style="list-style-type: none"> <li>Zero product liability accidents (each fiscal year)</li> </ul>	<ul style="list-style-type: none"> <li>Zero accidents</li> </ul>	<ul style="list-style-type: none"> <li>Stably supply own products</li> <li>Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values</li> <li>Provide customers with information on safety of raw materials (chemicals, materials)</li> <li>Supply of FSC™ certified products (FSC™ C014119, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Supply of safe and secure products</li> <li>Reduction of environmental burdens</li> <li>Dissemination of environmentally friendly technologies to developing countries</li> </ul>	  9.4,9.b    17.7  12.4,12.6

\*1 Aggregation period: Unless otherwise specified, from April 2023 to March 2024 or as of March 31, 2024. Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies  
 \*2 The actual carbon stocks in living biomass (CO<sub>2</sub> tons)  
 Production forest: Actual merchantable volume at the end of each fiscal year x Biomass expansion coefficient x (1 + underground / above-ground ratio) x Wood density x Carbon ratio x CO<sub>2</sub> conversion coefficient  
 Conservation forest: Remaining area at the end of each fiscal year x above-ground biomass of natural forest x (1 + underground / above-ground ratio) x carbon ratio x CO<sub>2</sub> conversion coefficient  
 \*3 Forest certification acquisition rate: [Overseas] Area ratio in company-owned production forests, [Japan] Area ratio in company-owned forests excluding shared forests  
 \*4 The area where planting and other activities were carried out to restore natural forests lost due to windthrow, fire, etc.  
 \*5 The number of trees planted within the natural forests owned.

\*6 The area enclosed by fences to promote the revegetation of degraded lands between fragmented natural forests and to allow wildlife to move freely, in collaboration with landowners.  
 \*7 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)  
 \*8 Suppliers in top 75% of transaction amount  
 \*9 Effective waste utilization ratio = (Amount of waste generated - Amount of landfill waste) ÷ Amount of waste generated x 100  
 \*10 For the calculation method, see P.98.  
 \*11 Percentage of female new graduates hired for generalist-track positions: Hired by Oji Management Office Inc. (excluding sports recruits)  
 \*12 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.