We are...

01
YOUR TRUSTED PARTNER
Relationships are at the heart of our business.

02
BUILT ON STRENGTH
Our strength comes from softwood pinus radiata fibre.

03
FUTURE FOCUSED
Our business, environment, people and the communities in which we operate.

04
INNOVATIVE
Continually working to raise the standard of our service and products.

ABOUT THIS REPORT
This Environmental Sustainability Report is our first report as Oji Fibre Solutions and continues our previous environmental performance reporting (since 2007) under different ownership.

SCOPE
This report covers the calendar year 2015 and includes environmental performance data for the manufacturing operations of Oji Fibre Solutions. Manufacturing operations are defined as Kinleith Mill, Tasman Mill, Penrose Mill, Packaging AUS and Packaging NZ. Environmental performance data are not presented for the service-focused sectors: Corporate Offices, Fullcircle and Lodestar. People and safety data cover manufacturing operations and the service-focused sectors. People data includes permanent full-time and part-time employees only.

REPORTING STANDARDS
Greenhouse gas (GHG) emissions are reported according to the GHG Protocol, published by the World Resources Institute and the World Business Council for Sustainable Development. We have followed the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for guidance only in the production of this report. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

DATA
Data are collected and presented in accordance with the following GRI Core Environmental Performance Indicators:

- EN1 Materials used by weight or volume
- EN3 Direct energy consumption by primary energy source
- EN4 Indirect energy consumption by primary energy source
- EN8 Total water withdrawal by source
- EN16 Total direct and indirect greenhouse gas emissions by weight (Scope 1 and Scope 2)
- EN21 Total water discharge by quality and destination
- EN22 Total weight of waste by type and disposal method

Due to shared wastewater treatment infrastructure, certain effluent data presented for the Tasman Mill include those from the neighbouring newsprint operation owned and operated by Norske Skog Tasman. These are identified in the notes to the data tables.

DATA TRENDS AND RESTATMENTS
No adjustments to the bases were required in 2015. No restatements have been required or made for previously reported data.

(2) Global Reporting Initiative (GRI). Sustainability Reporting Guidelines www.globalreporting.org
This report presents sustainability information for Oji Fibre Solutions and complements the wider group sustainability report prepared by Oji Holdings. Reporting this information is in line with Oji’s goal to move ‘Beyond the Boundaries’ as well as their aspiration for ‘zero environmental burden’.

As part of the Oji Fibre Solutions team, it is my wish that we build on our existing success, our relationships with our customers and stakeholders, and develop into a leading performer. Leadership is not only about business performance. Needless to say, safety is the essential factor for the business. Quality, environmental performance and compliance are also very important.

The environmental challenge from our parent company, Oji Holdings, is to continue to reduce emissions, strive to eliminate waste from landfill and to achieve full compliance with all our regulatory obligations. At Oji Fibre Solutions we are proud to take up that challenge.

The Oji Group Report can be found at www.ojiholdings.co.jp/english.
WE ARE WORKING FOR A SUSTAINABLE FUTURE

2015 HIGHLIGHTS

300,817 TONNES
recovered fibre collected by Fullcircle in 2015, 209,844 used in our mills.

1,650 EMPLOYEES
Located in...
- New Zealand: 1,407
- Australia: 235
- China, Hong Kong, Malaysia: 8

Products are sold to over 25 COUNTRIES

MANUFACTURING OPERATIONS: 2015 ENERGY SOURCES

Energy from biomass 9.2%
Energy from geothermal steam 4.3%

80% Renewable energy

KINLEITH AND TASMAN MILLS
each generates a significant proportion of their electricity requirements internally.

PEFC™ AND FSC® CERTIFICATION
achieved for Kinleith and Tasman Mills.

17% FEMALE EMPLOYEES
and 9% of our senior managers are female.

300,817 TONNES

2015 INTERNAL ELECTRICITY GENERATION

2015 INTERNAL ELECTRICITY GENERATION

KINLEITH MILL

TASMAN MILL

46% 39%
2015 internal electricity generation
2015 internal electricity generation
WE ARE A NEW COMPANY WITH STRONG ROOTS

Oji Fibre Solutions is one of Australasia’s leading producers of market pulp, paper and fibre-based packaging. We are a company with fresh ideas, optimism and innovative thinking. One that is built on a solid heritage, with customers both old and new.

Our people are passionate, with a can-do approach and positive attitude. We are a company committed to delivering innovative, environmentally sustainable products that not only connect with the needs of our customers, but help make their lives better.

OUR BRAND VALUES

At Oji Fibre Solutions, we are:

YOUR TRUSTED PARTNER

We are trusted by our communities, customers and stakeholders. Relationships are at the heart of our business. Our customers can trust our products to be reliable, high quality and safe because our people are the best at what they do.

BUILT ON STRENGTH

Our products are made from one of the strongest fibres in the world, New Zealand-grown pinus radiata. Combine that with our heritage, our connection with an inspirational global company and our great people and you get a very strong combination.

FUTURE FOCUSED

We look towards the future and welcome change. We are proud to be a business built on renewable and low carbon resources. We aspire to zero environmental burden. We respect our communities. We aim to improve prosperity and wellbeing wherever we work. Our business is here for the long term.

INNOVATIVE

The success of our customers, the standard of our products, the shape of the future. All these things depend upon our ability to innovate. We are proud to have a strong commitment to research and development.
We are proud to take our parent company’s forward-thinking principles of quality, innovation and sustainability, and apply them to our operations in New Zealand and Australia.

We are a major manufacturer of kraft market pulp, containerboard and a wide range of packaging material. We supply to customers all over the world.

WE ARE A COMPANY OF REAL FIBRE

MARKET PULP
We produce kraft market pulps at our Kinleith and Tasman Mills for use in various boards, tissues and specialty products.

CONTAINERBOARD
We produce kraft and recycled containerboards to be converted into packaging products.

PACKAGING
Our eight converting sites provide smart packaging solutions – boxes, multiwall bags, specialty boards and paper cups.

PAPER RECYCLING
Fullcircle is our recycling service, supplying recovered fibre to our mills.

LOGISTICS
Lodestar is our logistics business, delivering shipping and domestic transport solutions to global markets.
WE ARE AN INTEGRATED BUSINESS

From virgin fibre to packaging product.

OUR CUSTOMERS: Products are sold to over 25 countries. Industries we service include: horticulture, dairy, meat, seafood, beverage, construction and personal care.

RECOVERED FIBRE: 209,864 tonnes utilised at our mills.

VIRGIN FIBRE: 3,521,473 tonnes.


8 PACKAGING OPERATIONS in New Zealand and Australia.

Our operations

OUR LOCATIONS

• NEW ZEALAND
  Auckland
  Hamilton
  Mount Maunganui
  Rotorua
  Tokoroa
  Kawerau
  Levin
  Christchurch

• AUSTRALIA
  Melbourne
  Sydney
  Brisbane

• CHINA
  Shanghai

• HONG KONG
  Hong Kong

• MALAYSIA
  Kuala Lumpur
INTRODUCTION

Beyond

The Oji Group is strongly committed to transcending traditional and conventional boundaries, moving proactively beyond them to advance into the future.

Boundaries

Signifies boundaries of all kinds: those between business domains, those between countries, those between individual employees and their respective capabilities.

OJI GROUP ENVIRONMENTAL ASPIRATIONS

• Limitless challenge to zero environmental burden
  • Zero emissions
  • Sustainable forest management/paper recycling
• Responsible raw materials procurement
• Sustainable forest management

Oji Fibre Solutions is our new owners. They bring history, expertise, innovation and investment to Oji Fibre Solutions.

OJI HOLDINGS

Our largest shareholder, Oji Holdings, was founded in 1873, in Tokyo, Japan, and has grown to become one of the largest pulp and paper companies in the world. The Oji Group includes 158 consolidated subsidiaries in 17 countries worldwide across Asia, Australasia, Europe and the Americas.

For more information go to www.ojiholdings.co.jp/english.

INNOVATION NETWORK CORPORATION OF JAPAN (INCJ)

INCJ is a corporation sponsored by the Japanese Government and private enterprises aimed at promoting innovation and enhancing the value of businesses in Japan.

INCJ provides financial, technological and management support to promote the creation of next-generation businesses through ‘open innovation’ achieved by increasing the flow of technology and expertise beyond the boundaries of existing organisational structures. INCJ has over 100 current investments.

For more information go to www.incj.co.jp/english.
Our customers can trust our products to be reliable, high quality and safe.
MARKET PULP

We produce a range of market kraft pulps, each of which has particular attributes for our customers’ specialist end uses.

HI WHITE™ is a bleached radiata pine kraft pulp valued by customers for its consistency, strength properties, bulk and brightness. Produced at both the Kinleith and Tasman Mills, HI WHITE™ has a strong reputation with Asia-Pacific paper-makers for suitability in applications such as coated and uncoated printing and writing papers, bleached paperboard, filter papers and tissue products. HI WHITE LCP™ brand of bleached radiata pine kraft pulp is produced from specially selected woodchips. It is produced at the Tasman Mill and is designed for tissue products where both softness and strength are important qualities for end consumers.

K25™ is a wood pulp used in the production of high-quality cement-based building boards. Developed and manufactured over many years at both the Kinleith and Tasman Mills, these days it is produced only at Tasman Mill on a dedicated pulp line and dryer. Customers value the special fibre properties together with the very tightly controlled quality parameters and product consistency.

CONTAINERBOARD

We produce a range of kraft and recycled fibre-based containerboards for conversion into packaging products.

HI GOLD™ is a premium light shade, high-strength liner for performance packaging with superior visual appeal.

GRAPHIX™️ is a high-strength white liner that delivers quality graphics.

CLIMATE™️ is a high-performance medium for use in high-humidity, cool-store environments.

ECOFLEX™️ is a fully recycled medium for use in standard packaging environments.

ECOKRAFT™️ is a kraft and recycled liner for performance in standard packaging conditions.

Containerboard products from Kinleith Mill meet the requirements of US 21CFR176.170c for contact with dry, moist and fatty foodstuffs in applications requiring filling or pasteurising at temperatures below 212°F (100°C). Testing for heavy metals and a range of other substances such as those covered by EU Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS), and the European Parliament and Council Directive 94/62/EC on packaging and packaging waste also reconfirms our product safety.

"Customers trust us to deliver quality product consistently. We do this because we have a great fibre to work with and because we have a great culture with committed people who've always put the customer first."

Phil Lawton

Vice President

Paper Sales & Marketing

"Relationships are at the heart of our business. Relationships are built on trust and we take that very seriously."

Mike Meiring

Vice President

Pulp Sales & Marketing

"Customers trust us to deliver quality product consistently. We do this because we have a great fibre to work with and because we have a great culture with committed people who've always put the customer first."

Phil Lawton

Vice President

Paper Sales & Marketing
PACKAGING

We pride ourselves on providing smart packaging solutions for our customers.

CARDBOARD PACKAGING
We produce a comprehensive selection of cardboard products for numerous industries including horticulture, dairy, meat, beverage, seafood, reseller and industrial manufacturing.

PAPER BAG
We specialise in complex multi-ply bags where product integrity and efficient distribution are critical, supported by high-quality graphics. Our product range includes bags for the dairy, cement, flour and sugar industries, from 5kg sizes through to 50kg industrial bags.

SPECIALTY BOARDS
Our specialty boards are used in the manufacture of heavy-duty packaging, packaging for frozen and chilled products, point-of-sale displays, solid fibre slipsheets and bulk bins.

PAPER CUPS
We manufacture paper cups for a range of food and beverage products and other products which benefit from being presented in well-designed packaging.

“We as a team take great pride in providing quality packaging products and service to all of our customers, to assist them to compete and win in the global business environment.”

Grant Fitzgibbon
General Manager
Packaging NZ

“Our customers can trust that, every day, our people strive to provide products and services which differentiate our customers from their competition.”

Nick Maiolo
General Manager
Packaging AUS

“This is an exciting time for Oji Fibre Solutions Paper Bag as we near the completion of our major capital upgrade. This will give us the ability to offer a first-class dairy packaging solution produced in a state-of-the-art facility with unparalleled levels of traceability.”

Tim Fahey
General Manager
Paper Bag

“Oji Fibre Solutions - SUSTAINABILITY REPORT 2015”
OUR CERTIFICATIONS & STANDARDS

• ISO 9001:2008-certified Quality Management Systems at all Oji Fibre Solutions manufacturing sites.
• ISO 14001:2004-certified Environmental Management System at Tasman Mill.
• Forest Stewardship Council® (FSC®) Chain of Custody certification for pulp at both the Kinleith and Tasman Mills, and for paper at Kinleith Mill.
• Programme for the Endorsement of Forest Certification (PEFC™) Chain of Custody certification for pulp at both the Kinleith and Tasman Mills, and for paper at Kinleith Mill.
• ISO 22000:2005-certified Food Safety Management System at Packaging NZ – Northern, Central and Southern.
• Hazard Analysis and Critical Control Point (HACCP) compliance at Paper Bag and Foodservice Packaging.
• We are an Accredited Employer at tertiary level of ACC’s Partnership Programme.

WE COLLABORATE WITH THE WIDER INDUSTRY

Oji Fibre Solutions actively participates in public discourse and engages with industry bodies. We also make submissions to the Australian and New Zealand Governments at both central and state or regional levels, where it is relevant to the business and in the interests of our customers.

WE ARE ACTIVE MEMBERS OF:

WOOD PROCESSORS & MANUFACTURERS ASSOCIATION (WPMA) OF NEW ZEALAND:
The WPMA brings together all parts of New Zealand’s wood supply chain in one industry organisation to give strength and unity to the challenges facing the industry.

AUSTRALASIAN PULP AND PAPER INDUSTRY TECHNICAL ASSOCIATION (APPITA):
Appita facilitates the network of stakeholders to advance the technical capability and expertise of the Australian and New Zealand pulp and paper industry.

NEW ZEALAND PAPER FORUM:
The New Zealand Paper Forum was established with a mandate to represent the interests of all parts of the paper supply chain from manufacturers and importers to printers, publishers and recyclers.

AUSTRALIAN PACKAGING COVENANT (APC):
The APC has been in effect from 1 July 2010. The covenant focuses on improved packaging design, ‘away from home’ recycling, litter reduction and increased engagement across the supply chain through product stewardship.

OTHER MEMBERSHIPS INCLUDE:

• Wood Council of NZ Inc,
• New Zealand Forest Owners Association,
• Packaging Council of New Zealand,
• Major Electricity Users’ Group,
• The Chartered Institute of Logistics and Transport,
• Bioenergy Association,
• New Zealand Forest Certification Association.

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• Bioenergy Association,
• New Zealand Forest Certification Association.
Our strength comes from softwood pinus radiata fibre.
Oji Fibre Solutions - SUSTAINABILITY REPORT 2015

OUR FIBRE

Oji Fibre Solutions requires all suppliers to be in compliance with relevant legislation and with the company’s wood-sourcing policy.

Wood for our pulp and paper mills comes from exotic plantation-grown forests in the North Island region of New Zealand. These wood supplies consist of residues from other parts of the forest industry, including low-value logs and sawmill waste such as slabwood and toplogs.

RESPONSIBLE SOURCING OF VIRGIN FIBRE

To provide surety of the integrity of our products to our customers, our fibre is subject to a due diligence process to ensure it complies with international illegal logging laws.

We obtain as much wood as is practicable from FSC® and/or PEFC™-certified forests, with the balance meeting the eligibility input requirements for mixed sources.

WOOD SOURCING POLICY

Our Wood Sourcing Policy adheres to the FSC® and PEFC™ goal of avoiding the procurement of wood fibre from unacceptable wood sources, including:

- Illegally harvested wood,
- Wood harvested in violation of traditional and civil rights,
- Wood harvested in forests in which high conservation values are threatened by management activities,
- Wood harvested in forests being converted from natural and semi-natural forest plantations or non-forest use,
- Wood from forests in which genetically modified trees are planted.

FOR MORE INFORMATION ON FSC® AND PEFC™ PLEASE REFER TO: https://ic.fsc.org/en http://pefc.org/

OUR CERTIFICATIONS

Kinleith and Tasman Mills have both FSC® and PEFC™ Chain of Custody certification. This ensures the wood can be tracked from the point of harvest through to the finished product delivered to our customers.

FSC® and PEFC™ have set standards for forest management to protect environmental, social and economic values. Independent auditors certify that forests meet these standards. Kinleith and Tasman Mills source as much of their wood as is practicable from FSC®-certified sources, with the balance meeting the standards to prevent the use of unacceptable material.

OUR WOOD SOURCING POLICY

SAWLOG 2
Used for timber products, building furniture

SAWLOG 1
Used for timber products, building furniture

TOPLOG 2
Used for pulp

TOPLOG 1
Used for pulp, timber products

SLABWOOD
Used for pulp

SLABWOOD
Used for pulp

SAWLOG 2
Used for timber products, building furniture

SAWLOG 1
Used for timber products, building furniture
**COMMON QUESTIONS**

**Does the use of virgin fibre deplete native forests?**

Oji Fibre Solutions’ use of virgin fibre does not impact on native forest. Our pulp and paper mills source wood from plantation-grown, introduced species of trees, purpose-grown in a tree-farming environment. These designated tree farms displace the felling of natural forests both in New Zealand and overseas.

**Is 100% recycled fibre-based packaging suitable for direct food contact?**

Yes; 100% recycled fibre-based packaging can be suitable for direct food contact, subject to appropriate controls and testing. 100% recycled fibre-based packaging is currently used in a number of direct-contact applications by consumer product companies.

**Do tree plantations mean an end to biodiversity?**

No; Oji Fibre Solutions’ forestry suppliers have statutory obligations and industry agreements to protect wildlife populations within their forest estates. Independent research has identified a wide range of rare and threatened species living within plantation-grown forests.

**Can paper be made entirely from recycled fibre?**

Yes; some papers are manufactured using only recycled fibre. One example is the corrugating medium made at our Penrose Mill. Many papers contain both virgin and recycled fibres in varying proportions, managed according to end-use requirements. There are good reasons to use at least a proportion of virgin fibre in some papers. For example, selective use of stronger virgin fibres is managed to achieve desired strength-to-weight ratios of fibre-based packaging. Even if fibres were never to ‘wear out’, there will always be a need for virgin fibre for some end uses and to allow for supply-chain losses such as consumable paper products.

**What is the relationship between forest products and the carbon cycle?**

Trees absorb CO₂ as they grow. After harvest, they release emissions when wood products degrade or where wood is burned as a fuel. If forests are managed sustainably there is a balance between absorption and emissions and the net impact is neutral. If areas of sustainable forests increase, the net effect is to reduce greenhouse concentrations and mitigate climate change.
DID YOU KNOW?

- Paper and cardboard can be recycled many times, typically estimated at between five and eight cycles, after which the fibres making up paper ‘wear out’.
- New (virgin) fibres need to be introduced into the paper-making process to make up for permanent removals and maintain the supply and performance of the finished products.

The collection and recovery of reusable paper are valuable phases of our operations.

Fullcircle provides a range of recycling services for businesses and households throughout New Zealand. In 2015, 300,817 tonnes of recovered paper was collected, 209,844 tonnes of which was used in the Kinleith and Penrose Mills for conversion into containerboard products. The balance was either sold domestically for reuse by other businesses or exported.

Recycled fibre is used, for example, in our ECOFLEX™ medium and ECOKRAFT™ containerboard product, which we and other manufacturers convert further into a range of packaging products.

Waste from our packaging sites is also collected by Fullcircle and returned to our paper mills for manufacture into containerboard, thereby continuing the fibre cycle.
We take a long-term view of our business, our environment, our people and the communities in which we operate.

### TOTAL PRIMARY ENERGY SUPPLY

It shouldn’t cost the earth.

<table>
<thead>
<tr>
<th></th>
<th>New Zealand 2015</th>
<th>Australia 2015</th>
<th>The World 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>80.0%</td>
<td>39.5%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Non-Renewable Energy</td>
<td>20.0%</td>
<td>60.5%</td>
<td>86.2%</td>
</tr>
</tbody>
</table>

**Source:**
- Energy in New Zealand 2015 (MBIE: www.mbie.govt.nz)
POWERING OUR OPERATIONS FROM SUSTAINABLE ENERGY SOURCES

Our energy consumption 2015.

80% RENEWABLE ENERGY
Biomass, geothermal steam*

356,691,333 kWh total internal electricity generation.

KINLEITH AND TASMAN MILLS each generates a significant proportion of their electricity requirements internally.

PURCHASED ELECTRICITY GENERATION BY ENERGY SOURCE

We source 96.0% of our total purchased electricity from New Zealand, with the remaining 4.0% from Australia.

Sources:
- Contribution from purchased electricity is not included.
- Data for 12 months ending 30/09/2015
- New Zealand Energy Quarterly, December Quarter 2015 (MBIE www.mbie.govt.nz)
Oji Fibre Solutions has always strived to use and manage water in a responsible manner. In New Zealand, our mills have a responsibility to use, treat and monitor water in accordance with their environmental consents under the Resource Management Act (RMA).

**WATER OUT:**
Kinleith and Tasman Mills discharge treated process water into local rivers. The discharges are subject to strict resource consent requirements. They are regularly monitored and reported for a range of parameters including total suspended solids, biochemical oxygen demand and colour. Our other operations manage waste water to meet the standards required for discharge into the council-provided trade waste systems.

**TASMAN MILL EFFLUENT COLOUR REDUCTION PROGRAMME**
Oji Fibre Solutions recognises that effluent colour discharges at Tasman Mill are an amenity concern for the local community, so colour reduction is a continuing priority.

**Kinleith and Tasman Mills produce two wood-based byproducts from the kraft pulping operations, which are sold for other industrial uses:**
- Crude tall oil, a precursor for a range of industrial chemicals and resins.
- Crude sulphate turpentine, for refining and use in the production of a wide range of chemicals from perfume bases to disinfectants.

**RESPONSIBLE MANAGEMENT OF WATER RESOURCES**

Our operations are large users of water. However, net consumption is only a small amount of the water we take in; the majority is treated and returned to the source catchment.

**WATER IN:**
**MANUFACTURING OPERATIONS: 2015 SOURCES OF WATER**

<table>
<thead>
<tr>
<th>Source</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water (i.e. streams and rivers)</td>
<td>80%</td>
</tr>
<tr>
<td>Ground water (i.e. aquifers)</td>
<td>18%</td>
</tr>
<tr>
<td>Municipal supply</td>
<td>1%</td>
</tr>
</tbody>
</table>

**WATER USE:**
Water is used and reused in all our major process stages, from log debarking to chip washing, pulp washing and screening, and in the paper machines. Water is also used for process cooling, equipment cleaning and general facilities operations, and to generate steam for use in processes and on-site power generation.

**BIOMASS – WOODWASTE**

Total woodwaste used for energy is 465,227 tonnes, of which approximately a third is site-generated from our chipping and debarking operations.
We are committed to the safety, health and wellbeing of every person who works with us. Our worksites are high-hazard work environments where the highest level of industry safety performance is critical.

We welcome the new health and safety legislation and the raised level of awareness this places on all employers, including our partners, to make sure that everyone who works and contributes to the success of Oji Fibre Solutions goes home safely every day. We believe that people perform at their best when their individual health and wellbeing is supported. We are proud to offer award-winning Wellness Programmes and a selection of employee services in our workplaces.

**WELLNESS PROGRAMMES:**
- **Wellness Challenge:** Over 100 employees sign up annually to this initiative with an employee-led committee at Kinleith Mill. The Wellness Challenge is not just designed to inspire individuals to lose weight, but to become healthier overall by making better lifestyle choices. The Challenge begins and ends with a Vital Body Scan with full Body Composition Analysis, and includes a personalised gym programme and personal trainer once a month, fortnightly on-site yoga sessions, and on-site and online seminars on nutrition, sleep and stress management.
- **Fit4Work:** Getting a healthier lifestyle is tackled through a Fit4Work programme which includes health monitoring, drugs and alcohol and rehabilitation programmes; assisting in reducing absenteeism and the health risk.

**OUR EMPLOYEE SERVICES:**
- We offer an Employee Assistance Programme through Stratos NZ.
- **Speak Out Programme** empowers our people to report safety issues.

We are committed to the safety, health and wellbeing of every person who works with us. Our worksites are high-hazard work environments where the highest level of industry safety performance is critical.

**FUTURE FOCUSED**

- **TOTAL INJURY RATE DOWN 27%**
- **2.14**
- From 2014
- **1.03**
- **LOST TIME INJURY RATE (LTI) frequency rate of accidents resulting in lost work time.**
- **0**
- **FATALITIES FY 2015**

**Where our people are located**

- **NEW ZEALAND:** 1,407
- **AUSTRALIA:** 235
- **CHINA, HONG KONG & MALAYSIA:** 8

**1,650 EMPLOYEES**

**OUR CERTIFICATIONS:**
- We are an Accredited Employer at tertiary level of ACC’s Partnership Programme.
- Hazard Analysis and Critical Control Point (HACCP) compliance at Packaging NZ – Northern, Central, Southern and Specialty Board sites, Paper Bag and Foodservice Packaging.

**OUR PEOPLE SAFELY HOME EVERY DAY**

- **FATALITIES**
- **FY 2015**
- **1.03**
- **LOST TIME INJURY RATE (LTI) frequency rate of accidents resulting in lost work time.**
- **0**
- **FATALITIES**
To meet the future needs of the business, we have promoted learning as integral to our organisation. Oji Fibre Solutions has partnered with our industry training organisation, Competenz. We are working together to build skills, and recognise skill levels in the workplace through nationally recognised qualifications, the National Qualification Framework. Current on-job skills, standard operating procedures (SOPs), and health and safety inductions were mapped to the Level 2 Core Manufacturing qualification. By completing the designated training, approximately 50% of our packaging production team in New Zealand will be awarded nationally recognised qualifications. These qualifications are currently voluntary. We are promoting this throughout the company to encourage uptake. We recognise we are contributing to a broader success for New Zealand as people will be able to take those qualifications to grow their careers with us, but also with other organisations. We are proud to be an employer that supports our people to gain additional qualifications and we know that our organisation is only successful when our people are successful.

Our people are what differentiates us from our competitors – they bring their great thinking, judgement and commitment to work every day. When our people grow, our business grows. Together, we work to find the right development support for the individual and the sustained success of our business.

**OUR PEOPLE IN PARTNERSHIP**

“High-performing businesses come from high-performing people. We value and recognise the momentum and impact that our people bring to the success of Oji Fibre Solutions.”

Sara Broadhurst
HR Director

- 17% female employees
- and 9% of our senior managers are female.
- 37% salaried
- 63% waged

**IN 2015:**
- 14 new graduates and apprentices.
- 136 permanent new starters.
- 6.38% voluntary turnover.

**Competenz:**

293 EMPLOYEES VOLUNTARILY SIGNED UP SO FAR
Oji Fibre Solutions proudly supports the development of the next generation of Waikato children by sponsoring the Graeme Dingle Foundation.

The Foundation is committed to ‘Positively Impact Young Lives’ and holds the vision that ‘every young person is connected and contributing to their community’.

Over 1,000 Tokoroa children and young people, their families and community are supported by the Graeme Dingle Foundation Waikato programmes.

For more information, please refer to: www.dinglefoundation.org.nz

Oji Fibre Solutions shares the Duffy Books in Homes vision to inspire a love of books in children so they become adults with a love of reading.

Prominent New Zealanders are engaged to talk to children about their achievements and goals. They tell them “it’s cool to read, and cool to achieve” and make a connection between success and reading.

Twice a year, special Role Model assemblies are held where the children are presented with their books.

For more information, please refer to: www.booksinhomes.org.nz

Oji Fibre Solutions sponsors Duffy Books in Homes in three schools in the Waikato region: David Henry School and Strathmore School in Tokoroa, and Kawerau South School.

In 2015, our sponsorship provided the children at these schools five new books of their choice, which equates to over 3,200 books and around 550 happy children.

Kiwi Can teaches life skills and explores important values. It is delivered weekly by pairs of trained Kiwi Can leaders. The lessons contribute to greater communication skills, develop resilience, integrity, respect and social connectivity.

Oji Fibre Solutions sponsors Duffy Books in Homes in three schools in the Waikato region: David Henry School and Strathmore School in Tokoroa, and Kawerau South School.

In 2015, our sponsorship provided the children at these schools five new books of their choice, which equates to over 3,200 books and around 550 happy children.

Kiwi Can

Kiwi Can is a peer mentoring programme matching Year 12 and 13 students with Year 9 students to support the transition of the younger group into their first year of secondary school. It aims to improve academic achievement for the younger students, and to offer leadership and development opportunities for the senior students.

Stars is a peer mentoring programme based on STARS and adding outdoor education.

STARS SCHOOL

We Support:

• Tokороa High

A Pilot Collaboration with the Perry Outdoor Education Trust Based on STARS and Adding Outdoor Education:

• Forest View High
A little imagination goes a long way.
OJI FIBRE SOLUTIONS ARE CONTINUALLY WORKING TO RAISE THE STANDARD OF OUR SERVICE AND PRODUCTS.

Providing smart solutions to meet our customers’ requirements is a key focus. Considerable work is done to substitute traditional forms of packaging with fibre-based solutions.
Our packaging products had an average of 52% recycled fibre content in 2015.

Most fibre-based packaging contains both virgin and recycled fibres in different proportions. Producing an effective product is not about choosing one or the other; instead, it is about deciding how much of each to use for the job required.

Virgin fibres are important where high humidity is present, where high strength is needed or where appearance and print quality are important. Recovered fibres may be a better choice in conditions with lower performance requirements. Our ECOKRAFT™ range of kraft-top liners made at Kinleith Mill are an example of a hybrid combination of virgin fibre on the surface for colour and consistency, and recovered fibre as the balance material.

The environmental benefits of using recycled fibre are realised only over the full lifecycle of the products. A product made with recovered fibre may not necessarily be environmentally superior than one made with responsible virgin fibre. There are good reasons to use at least a proportion of virgin fibre in many papers; for example if packaging fails, then any environmental gains achieved through using recycled fibre can be lost through spoilage of the packaged product.
INNOVATION

KINLEITH MILL
We produce dairy bags utilising containerboard from Kinleith Mill - a high-strength paper ideal for this purpose.

INVESTMENT IN BUSINESS – PAPER BAG EXPANSION & UPGRADE

A $30 million investment in our Paper Bag facility will extend the existing hygiene hall, upgrade all aspects of critical hygiene and install the latest generation of bag-making machinery, quality detection systems and leading-edge traceability technology.

When the project is finished late 2016, the plant will be the leading dairy bag manufacturing facility in the Southern Hemisphere, setting the standard in global dairy bag supply with the capacity to produce over 100 million dairy bags and 60 million industrial bags per annum.

Our dairy bags provide superior rigidity, with increased filling efficiency and reduced losses in the supply chain.

Oji Fibre Solutions Paper Bag manufactures bags for the DAIRY, CEMENT, FLOUR, SUGAR AND MANY OTHER INDUSTRIES.
## OJI Fibre Solutions Data 2015

### Outputs

<table>
<thead>
<tr>
<th>UNIT</th>
<th>ANNUAL TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market pulp and containerboard products</strong></td>
<td>tonne</td>
</tr>
<tr>
<td><strong>Fibre-based packaging products</strong></td>
<td>tonne</td>
</tr>
<tr>
<td><strong>Chemicals and byproducts(2)</strong></td>
<td>tonne</td>
</tr>
<tr>
<td><strong>Total outputs(1)</strong></td>
<td>tonne</td>
</tr>
</tbody>
</table>

### Raw Materials

**Fibre inputs**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin wood (logs and chips)</td>
<td>tonne</td>
<td>3,521,473</td>
<td>2,243,871</td>
<td>1,277,602</td>
<td>0</td>
</tr>
<tr>
<td>Market pulp</td>
<td>tonne</td>
<td>9,538</td>
<td>9,538</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Recovered fibre</td>
<td>tonne</td>
<td>209,844</td>
<td>108,546</td>
<td>0</td>
<td>101,298</td>
</tr>
<tr>
<td>Paper, containerboard, wrapping, cores</td>
<td>tonne</td>
<td>195,660</td>
<td>2,153</td>
<td>0</td>
<td>219</td>
</tr>
<tr>
<td><strong>Total fibre</strong></td>
<td>tonne</td>
<td>3,936,515</td>
<td>2,364,108</td>
<td>1,277,602</td>
<td>101,517</td>
</tr>
</tbody>
</table>

**Other significant inputs (approximate)(3):**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alum</td>
<td>2,011,646</td>
<td>1,345,313</td>
<td>666,333</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

### Energy Consumption (Gross/HHV)

**Direct sources**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomass: kraft black liquor, wood residues</td>
<td>GJ</td>
<td>21,431,008</td>
<td>14,415,882</td>
<td>7,015,126</td>
<td>0</td>
</tr>
</tbody>
</table>

**Indirect sources (purchased)**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>GJ</td>
<td>1,861,902</td>
<td>1,166,113</td>
<td>463,315</td>
<td>158,901</td>
</tr>
<tr>
<td>Steam</td>
<td>GJ</td>
<td>280,020</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Geothermal steam</td>
<td>GJ</td>
<td>1,408,426</td>
<td>0</td>
<td>1,408,426</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total energy consumption</strong></td>
<td>GJ</td>
<td>28,549,907</td>
<td>18,059,809</td>
<td>9,656,230</td>
<td>578,978</td>
</tr>
</tbody>
</table>

### Water Take

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal supply</td>
<td>Ml</td>
<td>370</td>
<td>0</td>
<td>43</td>
<td>249</td>
</tr>
<tr>
<td>Surface water</td>
<td>Ml</td>
<td>43,727</td>
<td>20,118</td>
<td>23,609</td>
<td>0</td>
</tr>
<tr>
<td>Ground water</td>
<td>Ml</td>
<td>10,772</td>
<td>10,362</td>
<td>0</td>
<td>410</td>
</tr>
<tr>
<td><strong>Total water take</strong></td>
<td>Ml</td>
<td>54,869</td>
<td>30,480</td>
<td>23,652</td>
<td>659</td>
</tr>
</tbody>
</table>

### Emissions to Air

**Scope 1 (direct) emissions (C02-e)(5) tonne**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>220,067</td>
<td>150,140</td>
<td>51,356</td>
<td>7,601</td>
<td>7,145</td>
<td>3,825</td>
</tr>
<tr>
<td>91,172</td>
<td>37,881</td>
<td>25,219</td>
<td>19,854</td>
<td>1,558</td>
<td>6,660</td>
</tr>
<tr>
<td><strong>Total Scope 1 and 2 emissions (C02-e)(5)</strong></td>
<td>tonne</td>
<td>311,239</td>
<td>188,021</td>
<td>76,575</td>
<td>27,455</td>
</tr>
</tbody>
</table>

**Biomass C02 emissions (6) tonne**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,011,646</td>
<td>1,345,313</td>
<td>666,333</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Waste(7)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>To landfill (approximate) dry tonne</td>
<td>22,661</td>
<td>6,524</td>
<td>8,589</td>
<td>928</td>
<td>232</td>
</tr>
<tr>
<td>To recycle dry tonne</td>
<td>27,098</td>
<td>1,545</td>
<td>48</td>
<td>0</td>
<td>18,406</td>
</tr>
<tr>
<td>To compost/vermicompost dry tonne</td>
<td>9,952</td>
<td>6,110</td>
<td>2,919</td>
<td>923</td>
<td>0</td>
</tr>
<tr>
<td>Hazardous waste (incl. EPA, Victoria) tonne</td>
<td>37.9</td>
<td>5.1</td>
<td>18.8</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Water Discharges(8,9)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>KINLEITH MILL</th>
<th>TASMAN MILL</th>
<th>PENROSE MILL</th>
<th>PACKAGING NZ</th>
<th>PACKAGING AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>55,722</td>
<td>3,073</td>
<td>24,086</td>
<td>583</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>1st &amp; 2nd Municipal treatment</td>
<td>Municipal sewer</td>
<td>Municipal sewer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st &amp; 2nd Municipal treatment</td>
<td>Municipal sewer</td>
<td>Municipal sewer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Suspended Solids (TSS) tonne</td>
<td>808</td>
<td>874</td>
<td>587</td>
<td>587</td>
<td>587</td>
</tr>
<tr>
<td>Biochemical Oxygen Demand (BOD) tonne</td>
<td>33</td>
<td>51</td>
<td>48</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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(1) Outputs are gross; i.e. do not exclude internal transfers between sites.

(2) Chemicals: liquid chlorine, sodium hypochlorite and hydrochloric acid, Byproducts: crude tall oil and crude sulphate turpentine.

(3) Other significant inputs include:

- Kinleith Mill: Alum, bale wire, burnt lime, caustic soda, calcium carbonate, clay, hydrogen peroxide oxygen paper skin, salt, starch, treated waste.
- Tasman Mill: Bales wire, burnt lime, caustic soda, hydrogen peroxide, oxygen skin, treated wastewater, straw, treated wash.
- Penrose Mill: Starch.
- Packaging NZ: Starch, adhesives, plastic film, inks.
- Packaging AUS: Starch, adhesives, coatings, inks.

(4) Direct emissions from on-site stationary and mobile (vehicular) combustion of fossil fuels.

(5) Includes CH4 and N20 emissions from combustion of biomass.

(6) Biomass-derived C02 is reported separately for information in accordance with the GHG Protocol.

(7) Solid wastes are reported on 'dry solids' basis; waste to landfill is deposited in facilities owned by Oji Fibre Solutions or licensed third parties.

(8) Discharges listed for Tasman Mill include those from neighbouring newsprint mill owned and operated by Norske Skog Tasman due to shared effluent treatment infrastructure.

(9) Volume estimated for Tasman Mill and excludes contributions from Norske Skog Tasman newsprint mill and stormwater.

(10) Measurements made at point of discharge to trade waste systems.