



OJI PAPÉIS ESPECIAIS



Annual
Sustainability
Report
2017

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Innovating and *extending*



2017 brought many achievements to OJI PAPÉIS ESPECIAIS. With six years of operation in Brazil, the company implemented a pioneering project, resulting from the synergy between several areas: the Multilayer Curtain Coater (MCC). It's a dual curtain coating system for thermal papers, whose technology is unprecedented in Latin America. The project aims to optimize production and reduce costs.

But that's not all. We recorded sales and production records and, to close the year, we were recognized by the Great Place to Work ranking as the second best company to work in our region and the first in the city of Piracicaba.

It shows that we are on the right track! The efforts of the entire team is noticeable and our markets corresponded very well. By 2018, new battles await us, always focusing on the pillars that guide us: safety, quality, sustainability, productivity and the well-being of our employees.

In this report, we have compiled the results that had made the difference and show that innovating and extending are basic premises.

Have a good reading!

Agostinho Monsserocco
President



Zero

Accidents

Safety and Health First

At OJI, Health and Safety are paramount values. The company invests energy and resources in one of its main goals: Zero Accidents. That's because people are the big reason for the existence of the organization. Ensuring their health, welfare and safety for the development of their functions is also part of the company's special role.



OJI's Occupational Safety, Health and Medicine Team

Towards the achievement of *our goal*



Accidents per year

2016
to
2017

Reduction of
30%

2013
to
2017

Reduction of
82%

Cultural and behavioral change, with increased participation of employees in prevention programs, awareness campaigns, monitoring and intensification in existing programs, thorough analysis of occurrences and elaboration of effective action plans.

Working together to ensure

Safety



POCKETS

8881 accomplishments in 2017, an average of approximately 13 pockets for each person.

Increase of **12%**



SAFE BEHAVIOR PROGRAM

485 Observation of Hazards in the Workplace (ORT).

Increase of **27%**



DDS

Increase of **42%** in the participation of professionals.



457 CIPA inspections

Increase of **6,8%**

Beginning of the inspections of **5S** and **PPE**, performed by CIPA.

324 Inspections



8044 KYT trainings.

Increase of **40%**



The participation of volunteers was highlighted in the last edition of Sipatm



Sipatma

All professionals **CAN participate**

Performance of **25+ actions**

Record of engagement of volunteers and other employees of the company.

Leadership and Training

Training on safety with leaders has begun.

Training for implementation of the KYT program in Maintenance.

More well-being for everyone

Nutricionist: availability of a nutritionist for all employees of the company, with the objective of promoting health and quality of life, food reeducation and weight loss. The program is a success and many employees have already achieved their goals. In 2017, 157 primary care appointments were carried out.

Gympass: in May 2017 the Gympass Program was implemented, which is a benefit offered by OJI that acts as a passport with which users can practice various sports in several gyms

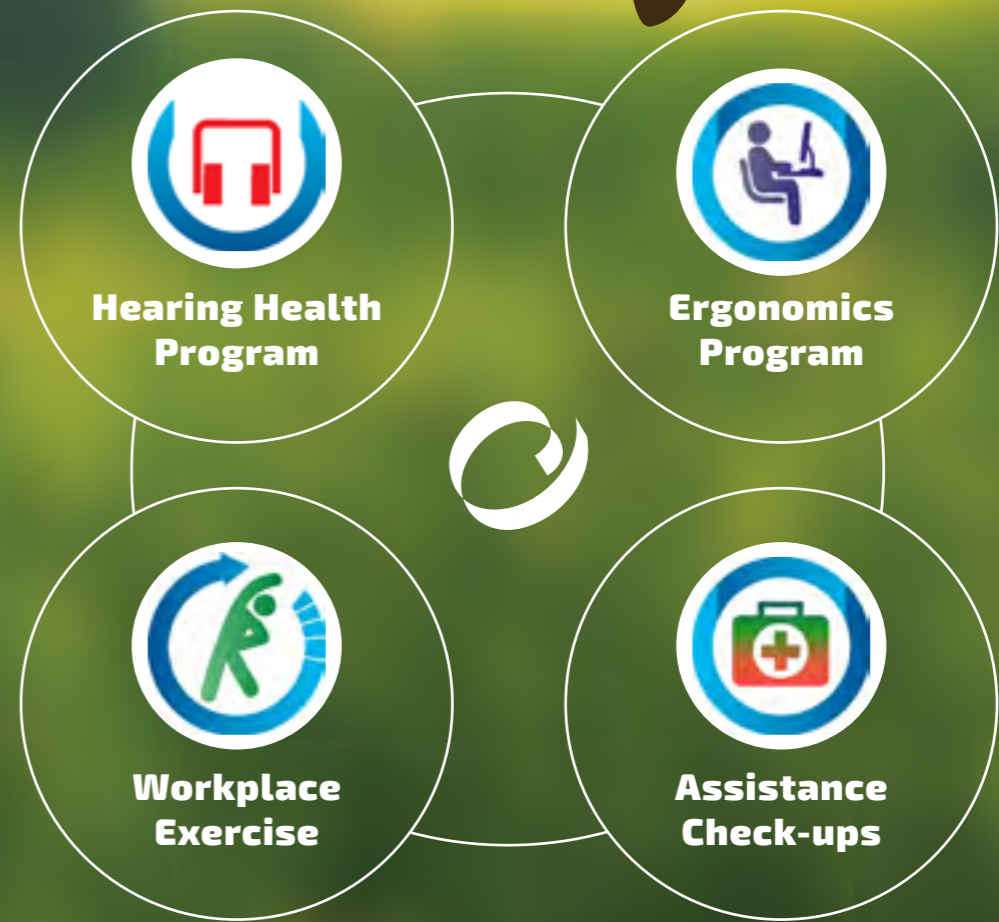
11 thousand
AFFILIATED GYMS
THROUGHOUT THE COUNTRY

NEAR
500
SPORT DISCIPLINES
AVAILABLE

121
REGISTERED
PROFESSIONALS

Running Group: in October 2017, the Running Group of Oji Papéis Especiais was created, in partnership with Bioeco Esportes. The training sessions are held twice a week at Rua do Porto, with the guidance of a physical educator. The program is free and employees can also take their dependants.

Oji also Offer



ABSENTEEISM REDUCTION: absenteeism rate of 0.98%, below benchmarking, which is 1.3% in the pulp and paper sector

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Human Resources

Be the best to
always go
beyond

A company can only be called special if it relies on special people. Elected as the best company to work in Piracicaba and the second best in the region, OJI PAPÉIS ESPECIAIS is proud to have in its day to day people engaged in building a special role inside and outside the organization.



Leadership *Development*

214

hours of training and leadership programs

135

training hours for the product workshop

300

hours of development during the SIMERGIA program

People caring for *People*

Almost 130 participants in programs Tornar-se Educador and Tornar-se Pessoa, which seek to work on the self-knowledge and development of the leaders and employees of the company.

Tornar-se Educador
12 meetings; 4 hours each. More than 3,000 hours dedicated to improving leadership concepts and applications.

Tornar-se Pessoa
12 meetings; 4 hours each. More than 3,000 hours dedicated to improving leadership concepts and applications.

Expansion: more than 141 professionals had participated in a compact form of the "Tornar-se Pessoa". Six meetings of 4 hours each occurred, summing up over 3,380 hours of self-knowledge and human relationship content.



Tornar-se Pessoa

Professional Growth

- More than **9,670 hours** dedicated to safety-focused training
- More than **560 hours** dedicated to the welcoming and integration of new professionals
- More than **3,209 hours** in trainings for professional improvement and qualification
- More than **408 hours** dedicated to Profit-sharing Plan knowledge



Investment in Development

28 professionals contemplated throughout the year with scholarships - Approximately **BRL 99,320.00** invested.

16 language course allowances granted - **BRL 27,794.00** invested.

OJI is among the best places *to work*



In 2017, the Great Place to Work survey was conducted for the second time and 89% of the company's active public participated, with the favorability percentage reaching 88%. These figures places OJI as the 2nd best company to work in Piracicaba and the surrounding area and the best in the city.

Competency Assessment - Administrative

111 professionals evaluated;

310 days dedicated to the calibration of evaluations through the **Comitê 9 Box**;

Less subjective **feedback**, focused on opportunities for improvement.

Social Adequacy



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Technology and
Overcoming

Technology and Overcoming

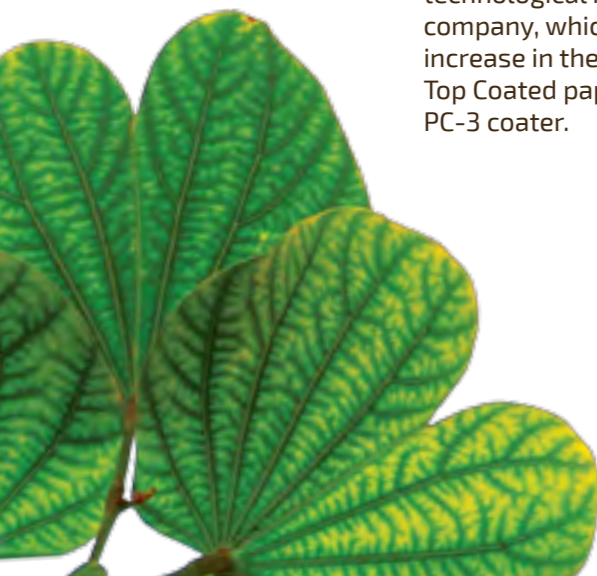
These two words can perfectly explain the essence of the manufacturing area of OJI PAPÉIS ESPECIAIS. This year, which was marked by several challenges overcome, boosted the company's results and opened up a new range of opportunities. The industry became engaged and exceeded expectations, expanding the company's productive potential through innovation, cost reduction and implementation of new application technology (MCC - Multilayer Curtain Coating).



Innovation and cutting-edge technology

MCC - Beginning of operations of Multilayer Curtain Coating, a technological revolution in the company, which provided a 25% increase in the production of Top Coated papers produced in PC-3 coater.

- Reduction of approximately 1% in additions to Top Coated PC-3 paper;
- Reduction in variable cost (formulation) using the new applicator;
- Increased productivity;
- **The first paper company in Latin America to rely on technology.**



Technological update in the

Utilities area

Investment of approximately BRL 2 million, promoting technological updating in the area control system (New SDCD - Digital Distributed Control System).



Production at full capacity

Largest production of Thermal Paper/Vivax Plus in history (paper delivered in the expedition)



70,991 tons produced

Growth of

2,18%

compared to 2016



- Record-breaking monthly production of thermal paper for two consecutive months:

- Larger daily production of the Finishing area with thermal paper: **420 tons on 07/31/2017**

- Record of production of base papers of low grammage in MP2 (42g/m²), reaching the volume of **184.1 net tons in 12/21/2017**

Full compliance with the Market Demands

- Production of KPH YELLOW BPA free
- Production of KPR 48g
- Development of base paper 150g in MP-2



Better use of Resources

- Reduction of **3.6%** in finishing losses compared to 2016
- Reduction in variable cost by **7.1%** compared to 2017



A Special look for people

SERH – maintenance of the Operator Development Program in the area of finishing and expansion for the areas of paper machines and logistics.

Opening up of the hiring of women to work in the manufacturing area (nine positions in the areas of Finishing and Utilities).

Participation of 35 employees in the Chemistry Technician course offered by the company (duration of 18 months).



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Research and
Development

Research and Development

Innovation is an important premise to ensure the competitiveness and sustainability of the business. The R&D and Process Lab teams are working hard to develop new technologies to reduce costs, increase productivity and highlight the organization's strategic positioning. Anticipating market conditions and working with diverse perspectives also appear as a competitive edge of the department.



With more than 40 projects under development by the area, six projects were highlighted, completed by the team in 2017, with a reduction of BRL 3.2 million in variable costs.



Highlight

Start of **MCC (Multilayer Curtain Coater)** operations, with simultaneous application of two different formulations, unprecedented in **Latin America**. Development of new ink applicator compatible with **MCC's pioneering technology**, with financial return and productivity increase of 25%.

Change in the formula technology of the **KPR** paper (**Printer paper for tax coupon**), with a focus on cost reduction. **Return of BRL 1.8 million.**

Development of new base paper suppliers with the aim of optimizing productivity.

Exchange of *ideas*

In **2017**, numerous **technical visits** were made to suppliers and clients, aiming at new projects and partnerships to strengthen relationships.

Exchange of experiences with **Kanzan - Oji Alemanha** - during **MCC** startup.

Active participation in the ABTCP Congress in São Paulo.

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 OJI PAPEIS ESPECIAIS

COQUETEL DE
 FIM DE ANO

bem-vindos!



Commercial



Excellence Relationship

The integration and efforts of the professionals enabled our significant commercial results, always focusing on flexibility and customer service. In 2017, the growth of the Brazilian market and the consolidation of export business were strategic issues. The relationship of trust with the clients has provided mutual growth and credibility in the search for new opportunities in the market.



New products

- Launch of KPR 48 Termoscript paper, a product that aims to generate competitiveness over imported products.



Actions

- Participation in major trade fairs/congresses throughout the year:

AUTOCOM, main **Business Automation Fair of Latin America** with active customer visitation

LABEL SUMMIT, held in Chile, strengthening the regional presence in South America

- New Year's Eve Cocktail for Internal Market Customers, an event of get-together and celebration of results, anticipating trends and sharing strategies;
- Sponsorship of the book celebrating the 50th anniversary of ABTCP (Brazilian Pulp and Paper Technical Association);
- Implementation of a Newsletter for clients, with market information that impacts their business;
- Sponsorship of ABIEA (Brazilian Association of Adhesive Label Industries) Excellence Award for label converters;
- Participation in the 1st AFRAC (Brazilian Association of Commercial Automation) Award;
- Partnership with clients in fairs, events and trainings, providing support and generating value to the chain.

Figures

Total sales in 2017: 108 thousand tons, with 73 thousand tons of thermal paper, a number that has never been achieved that was made feasible by MCC investment

Absolute record of thermal paper sales in the month of December: 7.4 thousand tons

The volume of paper exported exceeded 3,000 tons in May 2017, the largest volume in the history of OJI.

New Markets

New clients in new regions: United States and England.

Others

Great Performance in the Customer Satisfaction Survey, with favorability reaching 81%.

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The future
is now

The future is now

Technology of the future to support and enhance results. This is how OJI's IT sector works to help the company and all its subsystems in building a strong business.



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PROJECTS THROUGHOUT THE YEAR

Reduction of costs

Decrease in the incidence of fines through **automation projects**

Digital transformation of processes

Working with strategic partnerships

More security for information

Preparation and inclusion of the company in the reality of the **Industry 4.0**, hyperconvergent environment **working 100% in memory.**

Ready for cloud technology



Support for business

Provision of systems and programs that analyze information and supply departments of the organization, generating more assertiveness and high capacity in strategic decision-making processes.

Robotization of processes

Day-to-day optimization of areas with the creation of robotic processes

Reducing costs and improving efficiency of actions

Using of **IoT (Internet of Things)**



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OJI PAPÉIS ESPECIAIS

Miles of good
Results

Miles of good Results

The logistics sector carries with it the special work of all the professionals of OJI PAPÉIS ESPECIAIS. More than paper, each truck also carries the organization's responsibility to quality, customer satisfaction and care for the environment.



Transportation with Sustainability

Reverse logistics of **pallets going to the converter**

Recovery of **1,600 pallets per month**

Container stowage at Oji - **Avoided cost of approx. BRL 11,000.00 per month** in relation to stowage in the Port of Santos

Use of octagonal pallets instead of square pallets, which provides safety in stacking

Recoiling without pallets, which avoids cost with the purchase of pallets

Pit Stop

Ergonomics for changing Pit Stop gas cylinder

A long-standing Culture

Elimination of **100%** of disposable cups for water or coffee in the **Logistics** administrative area

Use of **Road Train in Pulp and Container transport** (reduction of approximately **80 vehicles/month** in the roads, decrease of CO2 gas in the atmosphere)

Reduction of 40% of copy printings in the logistics area (automation of processes, standardization of more than one code by electronic invoices)

Delivery Quality

Evaluation of all vehicles before loading

Dunning block, generating less product damage

DECREASE IN THE NUMBER OF FAILURES

2015
7 COMPLAINTS

2016
5 COMPLAINTS

2017
3 COMPLAINTS



Caring for People

- Implantation of improvements with ergonomics for the whole team;
- **Participation in logistics fairs and trainings** as an opportunity for professional development;
- **Commemoration of the results** of the area every three months;
- **Job Rotation** incentive;
- Presentation of the career plan of the logistics area.



Encouraging Development

Implementation of SERH in logistics, being the second area of the company to receive the program.

Safety improvements	Greater participation in pocket issuance	Human development
714 days without accidents	Participation with prominence in all social actions of the company	

REDUCTION OF COSTS WITH INCREASED USE OF RESOURCES

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PROJECTS



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Sustainability

A Sustainable Strategy

Build a strong and sustainable business: this is the main premise of OJI PAPÉIS ESPECIAIS when it comes to respecting the environment and people. In all senses, it is necessary to play a special role for everyone.



zero environmental accidents

Sustainable Chair

Purchasing of materials exclusively from suppliers with FSC®Certificate (Forest Stewardship Council), which guarantees that the wood is originated from a productive process handled in accordance with a management that is ecologically adjusted, socially fair, economically viable and that complies with the current legislation.

Respect for the Planet



Less Consumption



Special for employees from the Community

2,1 thousand
INDIVIDUALS REACHED



Você na Oji
Five community meetings with educational lectures and factory visits.



Woman's Day
A special day for the company's women with lots of fun and information.



End of Year Celebration
End-of-year event for all the company's professionals.



Sipatma
Participation in the Organization Committee and inclusion of volunteers in more than five actions.



Dinner for Volunteers
Recognition and fellowship with volunteers and family members.



Oji é Natal
An exciting evening of celebration with employees and their families.



Launching of Social Projects
Implementation of the launch event of the company's social projects with the presence of authorities and community references.



Children's Day at Oji
3 special days, receiving the children of employees and their relatives to visit the factory. 300 individuals reached.

Support for local initiatives



Festa das Nações

Participation as an official sponsor of the largest charity event in the city of Piracicaba, in addition to holding at least **60 sponsorship actions** to entities' stands at the event.



Piraparade

Sponsorship of the action of greater prominence in the celebrations for the anniversary of 250 years of Piracicaba - **50 thousand individuals reached**



Festa da Polenta de Piracicaba

Support to one of the most traditional events in the city, with participation of **15 thousand people**.

Entities

Sponsoring or supporting five charity houses to provide lunch and supper throughout the city.

- Donation of fire extinguishers to the Monte Alegre
- Ecological community effort
- Donation of paper to print tickets for the event "Festa das Nações"
- Donation of paper for the printing of a book on Tax Coupons
- Sponsorship of the Concerto Formar
- Sponsorship of the AUMA Charitable Dinner
- Support for the Monte Alegre's June Festival
- Assistance in the maintenance of the Monte Alegre Community Center
- Support to the Piracicaba Rehabilitation Center
- Sponsorship of Flipira
- Support for Lar dos Velhinhos de Piracicaba
- "Espaço Pipa" Calendar
- Unimep photo exhibition
- Sponsorship of PiraParade
- Structuring of the Novo Ser Community in Piracicaba

About **BRL 100,000** Invested **200 thousand** individuals reached

Development for all



Jovens Músicos

The project promotes educational democratization, social inclusion and artistic development through music for more than 300 young people.



Arte do Bem

Aims to promote the popularization of classical music by mixing it with popular musical genres in big concerts, reverting all the revenue to the Boldrini Hospital in Campinas.



Hospitalhaços

Smiles and joy in the hospital environment. This is the biggest goal of this project, which receives more than 30 thousand calls per month.



Teatro Viajante

The project consists of the revitalization of alternative spaces, integrating themes of daily life into the lives of children through the theater, educating and sensitizing them.



Arautos da Arte

The project consists in circulating the spectacle "O Último Sarau" (a Brazilian dramatic comedy play) around NGOs that take care of elderly people, as well as promoting workshops and an evening party with them.



Passe de Mágica

Developing educational sports activities, offering recreational basketball practice to socially vulnerable children, is the main objective of the project made by the entity that is sponsored by former player Magic Paula.



Adoletá Espaço PIPA

Support for children with Down Syndrome and their family members, creating favorable environments for their development and the best interaction of all those involved in the process.



Em Busca de Campeões Espaço PIPA

The project consists of the development of children and young people with Down Syndrome through sports, more precisely Taekwondo.



Novos Olhares Avistar

Insertion of children and adolescents with visual impairment in school life, enabling the acquisition and retention of content compatible with their level.



Plantando e Aprendendo Casa do Bom Menino

Promotion of the contact with the earth to stimulate the appreciation and respect to the place where one lives.



NEA Núcleo de Educação Ambiental

Meetings to talk about the environment and sustainability at OJI PAPÉIS ESPECIAIS. About 3,000 individuals are reached each year.



Concurso Cultural de Desenho, Redação e Poesia

An invitation to students of the public schools of Piracicaba to draw and write about themes related to sustainability. More than five thousand works received. were already received.



Quick Massagem

Generation of jobs, income and well-being through a partnership with those served by the NGO Avistar, in Piracicaba.

13 PROJECTS

50 thousand individuals reached

Over **BRL 500,000** invested

Special People

Allocation of Income Tax

28 participating employees

BRL 22,000

allocated to the Fundo da Criança e do Adolescente de Piracicaba



Warm Clothing Campaign

More than **1000** articles of clothing collected



Easter Campaign

Assistance to almost **100** needy children in Piracicaba



Lar dos Velhinhos

Collection of **1 ton of food** during **Sipatma** and subsequent donation to the entity



Troupe do Papel
(Troupe of the Paper, in English)

Theater group formed by OJI staff

4 plays per year



Voluntários do Saber

Lectures and workshops given by our professionals

2000 individuals reached in 20 plays per year



Ação Mágica

80 participating volunteers **700** children directly benefited

More than **30,000** people achieved on media

Canto Coral

Formation of a choir group with about **30** professionals

3 public presentations in the year **500** Pessoas atingidas



Facility

Deployment of the program of facilities in the company, which seeks to offer services that facilitate the day to day of employees.

10 initiatives throughout the year

8 thousand individuals reached

Generals

Figures of Corporate Social Responsibility

Individuals reached: **270.000,00**

Developed actions: **123**

Campaigns with zero or almost zero cost: **67**

New initiatives: **21**

Saved or avoided amount: **BRL 700,000.00**

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humanized
Communications

humanized

Communications

A close and transparent relationship with employees is an important premise for OJI, which invests in actions and tools to engage its internal public through empathetic and objective communication, always focusing on valuing its greatest asset: its people.

Releases

- **New Intranet:** more efficient and intuitive communication with employees, with a dynamic, modern and didactic look. On the platform, professionals can find reports, newsletters, institutional videos, photo galleries and company newspapers, as well as institutional content.
- **Business Reports:** in partnership with the Marketing area, this section includes market data, curiosities and everything about our papers.
- **Collective Agreement Release:** for better monitoring of negotiations, with the contextualization of the country political-economic panorama.
- **Mural Newspaper - Special Edition:** with exclusive reporting on the areas with the objective of valuing professionals and disclosing the activities and importance of each department.

Participation

OJI ENCOURAGES JOY

MEETING WITH THE BOARD OF DIRECTORS

+170
BIRTHDAYS

commemorated in the monthly celebrations

+85%

Participation of the professionals

Press Office

Digital

160
APPEARANCES
in the media

+ of
26000
FOLLOWERS
on Facebook

+ of
5000
FOLLOWERS
on LinkedIn



OJI Encourages Joy

