

SHINSEI PULP & PAPER  
COMPANY LIMITED  
CSR Report 2014

Corporate Social Responsibility



# Introduction

Based on one of its management policies of “continuing to meet responsibilities to create a rich society through eco-friendly corporate activities, “ the SHINSEI PULP & PAPER COMPANY actively promotes environmental conservation activities, while conducting business. As a vehicle to report our business activities and other efforts for corporate social responsibility (CSR), we published the “CSR Report 2014.”

We paid attention to enable readers to understand our activities as plainly and in an easy-to-understand manner as possible. We are committed to continue to disclose and communicate our internal and external activities as widely as possible, while enhancing and improving the contents of the report.

## Management Philosophy

**We respond to the changes of times with firm commitment to “innovation and challenges” and continue to grow with society.**

## Management Policies

1. We continue to meet our responsibilities to create a rich society through eco-friendly corporate activities.
2. We continue to grow as a company that is “supported,” “needed” and “chosen.”
3. We continue to pursue infinite possibilities of wood-based natural materials starting with “paper.”
4. All of us individually have high targets and continue to exert our full power.

## Code of Behavior

1. **Total compliance with laws and regulations**  
The SHINSEI PULP & PAPER COMPANY complies with not only laws and regulations but also domestic and international rules and social codes, achieves trust from society and customers, and fulfills its responsibilities.
2. **Consideration for the environment**  
The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of its first priorities and to pass on a rich future to the next generation.
3. **Disclosure of corporate information**  
The SHINSEI PULP & PAPER COMPANY actively and fairly discloses corporate information to shareholders and other stakeholders.
4. **No relationship with antisocial forces**  
The SHINSEI PULP & PAPER COMPANY consistently refuses any requests from antisocial forces and organizations.
5. **Establishment of safe and easy-to-work working environment**  
The SHINSEI PULP & PAPER COMPANY respects each employee’s personality and uniqueness and realizes a safe and easy-to-work environment.

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## Editing policies

The “CSR Report” is an annual report explaining our environmental initiatives and other social corporate activities. This report covers the period of fiscal year 2013 (April 2013 - March 2014), mainly describing actual figures. In relation to the latest information, some initiatives after April 2014 are referred to. We compiled this report in consideration of communicating our CSR activities in an easy-to-understand manner.

### Business activities covered by this report

Compiled mainly from social and environmental activities at domestic sales bases

### Referenced guidelines

Environmental Reporting Guidelines “Towards a Sustainable Society, (Fiscal Year 2012 Version) published by the Japanese Ministry of the Environment”; ISO26000

Publication: October 2014

# Enhancing and spreading the power of paper, continuously contributing to society

I believe that the concept of CSR has become a well-established concept in the past few years. Our company has been engaged in activities to accomplish corporate social responsibility for some time now. As a part of this, we acquired ISO14001 certification in 2002. Going forward, the SHINSEI PULP & PAPER COMPANY will proceed with initiatives to further become a corporation that is both respected and trusted by society.

## Everlasting value that only paper can provide

Paper has a long illustrious history of 4,000 years. As a means of information communication to control a nation or a medium to bear cultural exchanges, paper has supported the development of humans and their respective cultures.

In recent years, the paper industry including our company is said to be in a period of transition. With the prevalence of computers, tablet terminals and other electronic media, we cannot realistically expect to witness an increase in the use of paper in the future. Paper, however, does continue to occupy an important position in the lives of people. The value of paper as packaging materials for advertisements and decorations has been increasing with the resultant applications ever expanding. As packing and packaging materials, paper will undoubtedly continue to support the logistics industry. It was in the period between the late 1950s till the early 1960s when cardboard started to become popular, replacing straw and wooden boxes as packaging material. This material characterized by economy, easy molding and environmentally-friendliness is expected to be the main pillar of packaging material. As a dedicated trading company of paper, we will continue to pursue the infinite possibilities for paper and provide society with the values of it.

若林紀生

NORIO WAKABAYASHI

President and CEO

## Working hard at our regular business, as the basis for social contribution

Many companies in the paper industry are currently focusing on new businesses. This applies to our company also. However, we firstly place emphasis on working hard at our regular businesses such as paper and film. This is because steadily earning sales and profit in our regular business will be the basis for becoming a company that contributes to society and that is in turn trusted by society. Based on this point and in consideration of social trends, we strive to strengthen overseas and new businesses.

## Improve easy-to-work environment and promote distinguished service by women

The greatest assets to maintain and develop our business are human resources. Recently, we have seen a wider variety of customers' businesses, and in conjunction with this, their needs are more diversified. To flexibly respond to this and provide satisfaction, it is important to promote distinguished service by not only men but also women. With the establishment of a working environment without any distinction between men and women, we will be able to make further improvements in our various operations. We have created a working environment that is friendly to women through, for example, a short-time employment system and also a child rearing and nursing leave system.

## To realize our corporate social responsibility

Quite a few people consider that "Paper causes a great environmental burden." In actual fact, paper is a material



that is kind to the earth. We have a system to reproduce and reuse paper from used paper, and the recycling rate of used paper is about 70%. The black liquor emitted in the production process of pulp is reused as energy. Paper of course is a material with a well-established recycling business. It is one of our obligations to make an appeal of these points and enable people to use paper with a sense of safety. In addition, as illustrated by decontamination sheets, which are effective for removing radioactive substances, we constantly consider various ways to make a social contribution taking advantage of the properties of paper and present them to society.

In 2020, the Olympic Games will take place in Tokyo. This will lead to an increase in overall demand for all types of items, and as the opening ceremony approaches, the volume of paper use will increase for applications such as tickets and leaflets. We will make good use of this to expand our business and fulfill our role to contribute to the success of the Olympic Games through paper.

## Round-table discussion

# “A company that is trusted” from the standpoint of young employees

To fulfill our responsibility to create a rich society, SHINSEI PULP & PAPER targets becoming “A company that is trusted” by all our stakeholders. So, what is the form of a “company that is trusted?” To continue to win trust, what can each employee do? A number of young employees took part in a round-table discussion to answer this question.



Administration Division  
Sectional Manager,  
Human Affairs Section,  
General & Human Affairs  
Department

**Masahiro Mitsuda**  
(Facilitator)

Tokyo Branch  
2nd Chemical Business  
Department

**Shiro Suzuki**

Joined the company in 2008.  
As a salesperson, he deals  
with food packaging films.  
He often negotiates with  
converters or processing  
companies.

Administration Division  
Human Affairs Section,  
General & Human Affairs  
Department

**Asana Maekawa**

Joined the company in 2013  
and has been involved with  
human affairs ever since.  
Her main stakeholders are  
not only the employees but  
also university students,  
production companies of  
recruitment tools and systems  
companies.

Tokyo Branch  
2nd Section, 1st Printing  
Paper Department

**Yuki Suzuyama**

Joined the company in 2010.  
After working in procurement,  
he is now involved in sales.  
He sells paper that is used in  
books, pamphlets, medical  
equipment packages, etc. to  
printing companies.

Osaka Branch  
Accounting Section,  
General Affairs Department

**Hitomi Inoue**

(Participated through videoconferencing system)

Joined the company in 2009. After working in Sales at  
the Tokyo Branch, she was transferred to current position  
at the Accounting Section, Osaka Branch. While working  
at Tokyo, mostly involved with processing companies and  
wholesalers.

## Accomplishing social responsibilities through regular business

**Mitsuda:** Today we welcome young employees who are in contact with various stakeholders at the forefront of our business. We started issuing the CSR report two years ago. Are you all aware of the term, CSR?

**Inoue:** To be honest, I don't really come across it during my daily operations. Of course, I understand the importance of fulfilling corporate social responsibility, but I don't have many chances to actually use it.

**Suzuki:** It is unusual for CSR to be mentioned in conversations with processing companies.

**Suzuyama:** In view of the real feeling of Sales, I agree with what Mr. Suzuki said. However, this does not mean that employee awareness of CSR is low. Considering our social responsibility, the first thing is naturally to provide a “stable supply of paper.” All employees understand this. We must accomplish social responsibility through regular business. Even if we don't really use the term, CSR, I think everyone is committed to business with such an attitude.

**Maekawa:** The students who come to our career open house have a high level of awareness about CSR, in particular environmental contributions, and we field many questions in relation to it. CSR is a factor for students in choosing what company to join. I regularly feel that carefully communicating our activities is important.

## Mission to stably supply paper

**Mitsuda:** Continuously executing CSR activities you practice from your position will result in trust from society. What is this “company that is trusted?”

**Suzuyama:** What we should keep in mind to obtain trust from customers is to “always do the best.” We have to respond to things as best we can without having to really concentrate. I feel that such an attitude can lead to prompt responses and action and enable our customers to feel “I feel comfortable



working with this company.” Our role is to make logistics between manufacturers and customers as smooth as possible, and the keywords are “as far as we can.”

**Maekawa:** The responsibility I must fulfill for students is to create an environment where they can properly develop themselves following their employment. Creating a workplace to develop people and communicating its attractive points to students is bound to lead to trust. Of course, creating an environment to develop people is also a responsibility of employees.

**Suzuki:** The films I deal with are used as packaging material for food displayed at supermarkets and convenience stores. When I wholesale films to processing companies, I make it a rule to consider the general consumers who will ultimately choose a product because from this, I can get good ideas such as “Can we make it easier for elderly people to open a package?” Having this viewpoint will lead to good products and eventually build trust. I also feel that what processing companies expect from our company is “stability as an organization,” to guarantee steady responses when any problems occur. It is important to take advantage of our networks as a trading company and respond to customers' daily requests. A sense of safety that we have both the know-how and organization to support these is the greatest source of trust.

**Inoue:** I agree. Our mission is to be able to continually supply paper without any interruption. Even in a situation where production at a manufacturer stops for a certain reason, we simply have to respond to this by taking every measure possible. The capabil-

ity to respond as a company responsible for paper distribution is really the key to trust.

## Approachable “family” with good teamwork

**Mitsuda:** What impression do you think stakeholders have of our company?

**Maekawa:** Students appear to sense our “stability as an organization,” as Mr. Suzuki mentioned. Thanks to the history we have cultivated, stability of our business and position in the industry, I believe they think we are a “company that can be trusted.” In addition, they often say, “I love the ‘homely’ atmosphere.” While trying to treat the students I meet in a sincere and serious manner, I talk to them while they are waiting for an interview in a friendly way so they can be relaxed as possible. Perhaps they feel such a response is heart-warming.

**Suzuyama:** A printing company representative once said to me, “You guys are like a family.” I think what he meant was our warm atmosphere, but also seeing more than one employee, including myself, a section manager and a female sales office worker visiting them as a group, the customer seemed to feel that we were literally like a “family.” In actual fact, customers also appreciate that like one family, we form teams of a small number of people, and that these members cooperate with each other to respond to customers. The term, “family,” also represents the two features of approachability and teamwork.

**Inoue:** Compared to Tokyo, the Osaka Branch is smaller in scale, and I think many customers feel that it is a “family like company.” Also, I believe we



give the impression that “They can seek any type of advice from us.” While I was working at Sales, a processing company requested a special item that we could not provide. I referred the customer to our competitor that carried the item in question. This led to even more trust in our company. Customers appreciate our attitude of acting on their behalf even if it doesn’t lead to our immediate profit.

**Suzuki:** As a member of Sales, I always respond to customers with top priority if a problem arises. I try to build a relationship of trust beyond a business partnership. Customers have said to me, “If anything happens, contact Mr. Suzuki first,” and I really feel that they consider us to be a “trustworthy company.”

## Trust is created through daily operations

**Mitsuda:** What is needed to obtain even further trust?

**Suzuki:** I believe the only way is to create trust through daily operations. This means to cause no problems or make no mistakes. This is of course essential, but I think it is also important to continuously improve not only individual work procedures but also operational mechanisms.

**Inoue:** What Mr. Suzuki said is correct. In particular, as I handle money at Accounting, mistakes are simply not allowed. Doing work that I can have confidence in even when being viewed by someone outside the company as well as customers, will in turn lead to receiving trust from society.

**Suzuyama:** I think it means to act starting with customers. Ideally, it is like working from the standpoint of a customer, not as a paper trading company. For



us to be chosen by a customer, we must consider things for the sake of the customer and become close to them. With all employees working while keeping the final consumer in mind, awareness of operations right in front of them will change, and will consequently lead to a higher degree of trust, right?

**Maekawa:** We consider that focusing on creating a better place to work such as encouraging “no overtime day,” promoting using 50% or more of paid vacation leave and the utilization of maternity leave leads to employee affection for the company, i.e. trust in the company. Needless to say, our assets are our employees. I think it is important to create a mechanism to make employees in the field want to do better, along with the creation of an environment where they can work with a sense of safety and security. Improving the company internal environment will deepen trust from students and lead to trust from society as a whole.

**Mitsuda:** Thank you very much for your opinions. By the way, in 2020, the Olympic Games will take place in Tokyo. This has caused a great deal of excitement. What impact will it have on our company, if any?

**Suzuki:** Hosting the Olympics will see the demand for paper use in pamphlets and tickets increase. Opportunities to introduce Japanese sweets to overseas visitors should increase, too, and I expect there will be more attention given to paper packaging.

**Suzuyama:** In that sense, we can exert our value. As the Olympics approach, realty and construction industries will see a boom. With increasing demand for pamphlets and catalogs, it has to be a great chance for us too.

**Mitsuda:** I hope we can definitely take advantage of this opportunity. Today, we had a very constructive discussion on the theme of “A company that can be trusted.” CSR has many factors. In addition to “social responsibility” mainly discussed today as was “environment,” “finance” is in fact an important factor. I would like to finally add that to aim at becoming a “company that is trusted,” a healthy and strong financial standing is also an important factor. Without economic value as a company, we cannot expect to receive trust from society. For healthy development of the company, let’s work together and do our best.

## After the round-table discussion

### Many things to be tackled



I learned a lot about things I had no previous experience of from people from different departments. Following the discussion, I really appreciate that there are so many things to tackle in order to obtain trust. Personally, I could see where I am lacking and reflected on it. As a company, we should certainly do more. (Suzuyama)

### Reconfirming what CSR should be



I had my own ideas in relation to CSR beforehand. However, by discussing it today, I could reorganize my ideas, and it was a chance to reconfirm what I think about CSR. It was very stimulating as my contemporaries from other departments with whom I rarely have a chance to meet had different opinions to me. (Suzuki)

### Taking the cue to look back on previous experience



Before participating in the discussion, I reflected on my previous experience. What action led to customer trust? What action should I take to gain more trust? It was a great chance to look back on my previous work and really think about things. I will bring back the results of the discussion to my workplace and take advantage of them. (Inoue)

### Building up small things, leading to trust



Actually, I haven’t had many chances to meet with other employees, and I was delighted to talk to senior employees. When I thought about what would lead to trust from students, I realized that it was important to casually build up small things such as a small concern, small talk and carefully returned e-mail. (Maekawa)

### Anticipating their future growth



The members of the discussion were young people who contact stakeholders in daily operations and try to obtain trust in their field. I felt that even without using the phrase, a “company that is trusted,” they seriously devote themselves to work and tried to complete our mission. It was a wonderful opportunity to really appreciate those employees whom we can entrust our future to are developing. (Mitsuda)

## Providing environmentally-friendly products

# Environmental-based Procurement and Sales Guidelines

To contribute to the sustainable growth of society, we established the Environment-based Procurement and Sales Guidelines, which is in turn based on the Basic Philosophy of the Environmental Policy.

### Purpose

Based on the Basic Philosophy of the Environmental Policy, the SHINSEI PULP & PAPER COMPANY fulfills its social responsibility and contributes to environmental protection through positive procurement and the sale of environment-friendly products.

**Scope of application** This guideline applies to domestic and overseas sites.

### Procurement policy

- 1 Active and positive approach to forest-certified paper
- 2 Active and positive approach to products complying with the Green Purchasing Law
- 3 Active and positive approach to recycled pulp products
- 4 Active and positive approach to pulp products without the use of chlorine bleaching
- 5 Active and positive approach to paper made from lumber of thinning
- 6 Active and positive approach to non-wood paper
- 7 Active and positive approach to chemical products based on impact categories

### Sales policy

- 1 Products where the legality of manufacturers can be verified
- 2 Products manufactured by sustainable resources

### Relevant laws, regulations, ordinances and standards

- 1 Guidelines for Private Sector Engagement in Biodiversity (Ministry of the Environment)
- 2 Act on the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchase Act)



### Towards environmental protection with our stakeholders

Manager, Sales Promotion Department,  
Sales Division  
**Kazuhiro Suzuki**

All employees of our company actively and positively take action, recognizing global environment protection as one of our primary challenges based on our Environmental Policy. We target an "Environment where people and nature can coexist" through every corporate activity and pass it on to future gen-

erations. Our suppliers and other stakeholders conduct a wide variety of initiatives toward the protection of the global environment, and "the environmental activity we are engaged in and the manner in which we communicate information" is seriously questioned.

For this reason, as we deal in "paper" a raw material that comes from forests, a precious asset of the world, we established the "Environment-based Procurement and Sales Guidelines," striving to promote an understanding of our initiatives by suppliers. As we disclose the contents of our CSR Environmental Activities on our website, please make use of the information for business discussions and the exchange of information with suppliers.



Nagoya Branch  
Manager, Information  
Special Paper Department  
**Bungo Takanashi**

### Contributing to the restoration of disaster-stricken areas

Three years have passed since the launch of the simple paper-made stretcher, the "Rescue Board Magnum," which has been used in many different scenarios. Collaboration with a project to support disaster-stricken areas, "Revive Japan" was realized, due in part to a proposal by a customer. It is very popular as 1% of the purchase amount is automatically donated, and we really feel that it plays a meaningful role as a scheme to connect the phrase of "supporting restoration from the Great East Japan Earthquake" and companies.

Until the time true restoration is achieved, we believe it is our mission to continue to show the ideal form of a company and sell the product, and will seriously tackle our sales activities.



A paper-made light-weight stretcher that is easy to store. A simple stretcher for emergency use with about 500kg of loading capacity.



Kyusyu Branch  
Manager, Special  
Development Section,  
Wholesale Department  
**Noriyuki Takagi**

### "Kinarukami" alleviating environmental burdens

"Kinarukami" (or "paper that becomes wood") is a product series of paper made from lumber as a result of thinning, named by the promotion council of "Kokumin ga Sasaeru Shinrinzukuri Undo" (Forest Building Movement Supported by People). The key features include (1) lumber from thinning that was conventionally disposed of is used as part of the raw material for paper and then commercialized, (2) a portion of the sales is returned to forest owners and other people involved in the management of forests, and (3) carbon offset is applied.

As per the explanation, "Kinarukami" is a product that alleviates environmental burdens,

and by purchasing the product, it contributes to the vitalization of forest and mountain area villages, in addition to the prevention of sedimentary disasters and also that of global warming. Currently, this initiative is becoming more widespread in the Kansai and Shikoku regions.



"Kinarukami"  
Total evaluation score of Green  
Purchasing Law 86 points  
70% mixture ratio of used  
paper in pulp 50 points  
30% mixture ratio of lumber  
from thinning in pulp 30 points  
69% whiteness 6 points



Tokyo Branch  
Manager, 1st Section,  
Procurement Department  
**Takahiro Hara**

### Expanding the active adaptation of forest-certified paper all over Japan

Many companies promote the active adaptation of forest-certified paper. The number of companies that have established material procurement guidelines and declared purchase is also on the increase.

An FSC®-certified paper, "VIGA High Quality F" is a product that responds to such customer requirements. We launched the product in Tokyo and promote its sales in view of development across the country. As there are a wide variety of square meter basis weights from thin to thick products available, the product has a wide range

of applications from leaflets to pamphlets, and we recommend the product in Japan as an environmental-friendly product.



"VIGA High Quality F" is FSC®-certified paper. We recommend this paper as an environmental-friendly product.

# For future generations through paper Aiming towards contributing to the global environment

We are striving to be a company that passes on the blessings of nature represented by forest resources and thus contribute to the global environment.

## Environmental Policy

### Basic Philosophy

The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of our main priorities, targets realizing an "environment where people and nature live in harmony" through activities leading to the future, and take action to pass on a rich future to future generations.

We also recognize that action associated with environmental conservation is an important responsibility assigned to each of us, and all employees do their best to maintain and enhance conservation.

### Course of Action

As a paper distribution company, we continually grasp how goods and services we deal with in our business activities, impact the environment, minimize environmental burdens by setting environmental targets and promote the prevention of environmental pollution and global warming.

We review environmental targets in response to changes in conditions when appropriate.

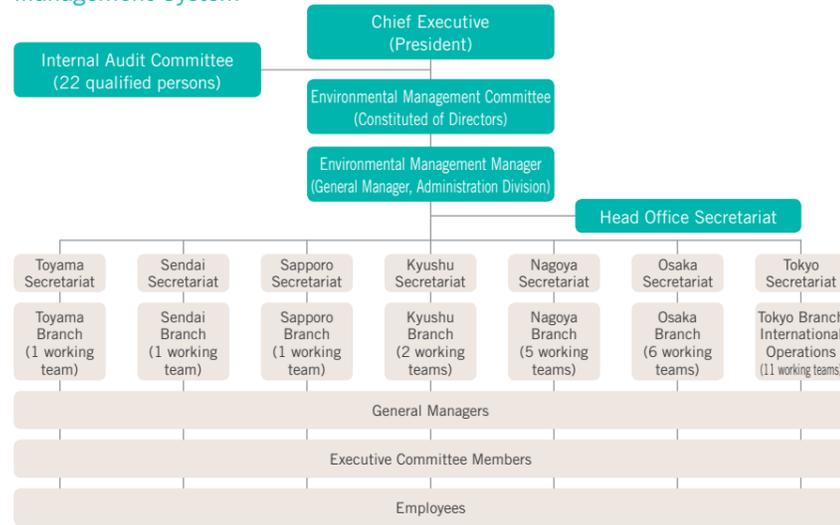
### Environmental targets

1. We address positive sales activities of eco-friendly products and the development of goods with little environmental burden.
2. In delivering goods, we strive to promote the efficiency of logistics to prevent air pollution.
3. We promote recycling by sorting waste at our offices.
4. We positively purchase green products.
5. We actively address energy saving by reducing the use of electric power and other energy.
6. We comply with environmental laws and regulations in addition to other requirements we agree with.

## ISO Environment Committee

We have an ISO Environmental Committee that reports directly to the President. We also have working teams in individual divisions and departments to promote employee awareness of ISO.

### ISO14001 Environmental Management System



## Our six initiatives

### ISO14001 (Environmental Management System)

We received our certification in 2002. Efforts are made at all offices and branches, and the certification is useful to raise awareness about the environment and increasing the number of eco-friendly products dealt with.

### Forest certification (CoC)

Efforts at all offices and branches  
FSC® Acquired in 2003  
PEFC Acquired in 2007

### ISO9001 (Quality Management System)

In 2005, the Electric Materials Industry Section, Head Office was certified. We tackle the enhancement of customer satisfaction and win trust from suppliers.

### Specified consignors

Subject: Business owners with freight transportation (in ton-kilometers) of 30 million ton-kilometers or more

Enforced in 2007. We are subject to this category and satisfy the figure required by the government.

### 1% for Present Tree\*

Since 2009, we have conducted this tree planting activity in which we make a contribution of 1% of actual sales. We have planted more than 10,000 trees through this initiative.

### 1% for Revive Japan\*

This is an activity to make a contribution of 1% of actual sales to support restoration from the Great East Japan Earthquake since 2011.

\*Conducted in partnership with certified NPO Corporation, NPO Environmental Relations.

## Sales of forest certified paper

Since 2003, we have continuously acquired the CoC (Chain of Custody) certification from the FSC® (Forest Stewardship Council). We have also acquired CoC certification from the PEFC (Programme for the Endorsement of Forest Certification) since 2007. These logo marks mean we have acquired certification covering all processes for wood procured from certified forests, made into final products.



## Environmental protection in chemicals field

We set item reference points based on environmental effects (waste reduction, air/water/soil pollution prevention, global warming prevention, etc.) and based on the scores, we position eco-friendly products and sell goods contributing to environmental protection.

We market our key products in the chemical field as eco-friendly products. Food packaging films are used for protecting contents from physical, chemical, biological, human, and other factors.

## 1% for Present Tree Participation in eco-friendly projects

In "1% for Present Tree" initiative, we add 1% to the purchase amount of paper and film from our company, and this amount of 1% is used to support a tree-planting project operated by NPO Environmental Relations. Participating media are authorized to display the registered trademark of this certification NPO.



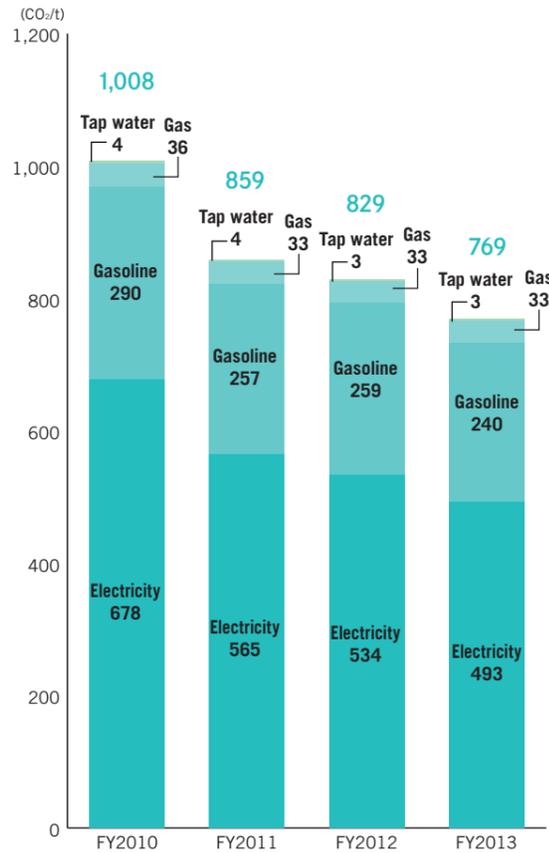
\*If trees are planted to a place designated at 5,000 yen/tree



# To accomplish our environmental conservation responsibilities by accumulating daily activities

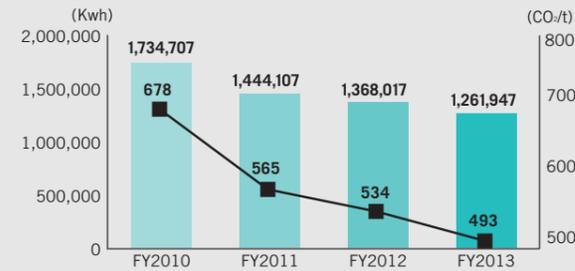
In accordance with the Basic Philosophy of the Environmental Policy, we established the Course of Action and proceed with our actual initiatives.

## CO<sub>2</sub> emissions by our business activities



## FY2013

### Power consumption and CO<sub>2</sub> emissions



Calculation method of CO<sub>2</sub> emissions  
Amount of power used x 0.00039 (1t-CO<sub>2</sub>/kWh)  
Source: Calculation Manual, Japan's Voluntary Emissions Trading  
Calculation method of CO<sub>2</sub> emissions

### City gas consumption and CO<sub>2</sub> emissions



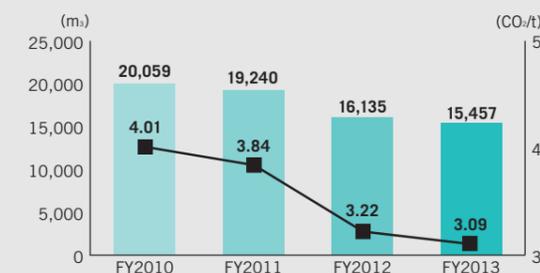
Calculation method of CO<sub>2</sub> emissions  
Amount of city gas used x 41.1 (GJ/1,000m<sup>3</sup>) x 0.0506 (15-CO<sub>2</sub>/GJ)  
Source: Calculation Manual, Japan's Voluntary Emissions Trading  
Calculation method of CO<sub>2</sub> emissions

### Gasoline consumption and CO<sub>2</sub> emissions



Calculation method of CO<sub>2</sub> emissions  
Amount of gasoline used x 34.6 (GJ/l) x 0.0671 (1t-CO<sub>2</sub>/GJ)  
Source: Calculation Manual, Japan's Voluntary Emissions Trading  
Calculation method of CO<sub>2</sub> emissions

### Consumption of tap water and CO<sub>2</sub> emissions

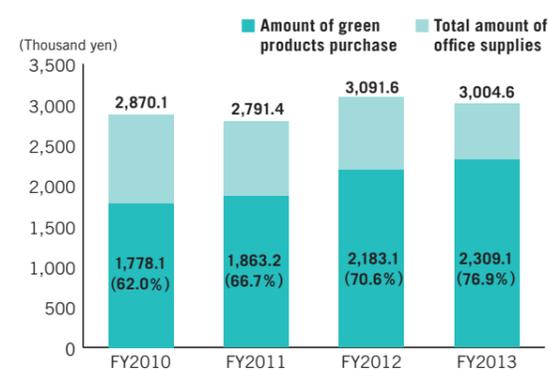


Calculation method of CO<sub>2</sub> emissions  
Amount of tap water used x 0.2 (factor)  
Source: CO<sub>2</sub> Emissions Calculation Sheet, Tokyo Hojinkai Rengokai, Inc.\*  
[http://www.tohoren.or.jp/calc\\_co2/calc\\_co2.html](http://www.tohoren.or.jp/calc_co2/calc_co2.html)

## Amount of purchased copy paper and amount of waste paper used as recycled paper materials



## Green products purchase ratio



## Transportation results as a Specified Consignor\*



\* Business owners that have a volume of freight transportation (in ton-kilometers) of 30 million ton-kilometers (volume of delivery x delivery distance) or more. The revised Energy Saving Act calls for efforts to reduce this figure by 1% or more per annum in the medium and long-term.

## Concrete actions for reduction

Each and every employee voluntarily tackles what he or she can do.

- Conditional stop of air conditioners
- Turning off fluorescent lamps during lunch breaks
- Implementation of CoolBiz and WarmBiz
- Prohibition of working on holidays
- Stopping the operation of one tea server per floor
- Introduction of LED lighting
- Reduced number of fluorescent lamps in use
- Promotion of stairway use
- Implementation of no overtime day
- Setting summer vacation days



Office during lunch break



Implementation of in-house 3UP 3Down movement during lunch break  
\*Going up or down three floors by the stairway

## ISO14001 in FY2014

Target setting	Tokyo/Overseas	Osaka	Nagoya	Kyushu	Sapporo	Sendai	Toyama	Branches
Reduction of power consumption	2	2	1	1	1	1	1	9
Reduction of gasoline consumption	8	3	2	3	1	1	1	19
Reduction of general waste emissions	2	1	1	1	1	1		7
Reduction of the amount of copy paper	3	1	1					5
Promotion of green purchases	1	1	1	1	1		1	6
Sales of eco-friendly products	13	6	6	2	2	2	1	32
Promotion of operational efficiency	5							5
Others	2							2
<b>Total</b>	<b>36</b>	<b>14</b>	<b>12</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>85</b>

In ISO14001 for FY2014, a total of 85 targets have been fulfilled at all branches. We address the challenge so we achieve all targets by the end of the year.

## Initiatives for reduction of transportation energy



Tokyo Branch Manager, Logistics Department  
Naoki Arisaka

The revised Energy Saving Act requires "consignors" that place orders to cargo transportation providers to make efforts to rationalize energy use associated with transportation and annually reduce the basic unit of energy consumption by 1% or more in the medium and long-term. Consignors that have a volume of freight transportation (in ton-kilometers) of 30 million ton-kilometers (volume of delivery x delivery distance) or more are designated as "special consignors" required to submit a plan and regular report annually, and we fall on this category.

As measures to accomplish the plan, we consciously implement the following efforts to reduce energy consumption:

- (1) Improvement of rate of direct shipments: Reduction of shipments with our company as consignor
- (2) Centralization of warehouses: Enhanced loading capacity by increasing LTL shipping
- (3) Optimization of stock storage locations: Shortening transportation distances by keeping stock in warehouse near ship-to addresses.



# Advance along with society to meet trust and expectations through healthy management

Based on our Management Philosophy, we establish an organization to support business and fulfill our social responsibilities.

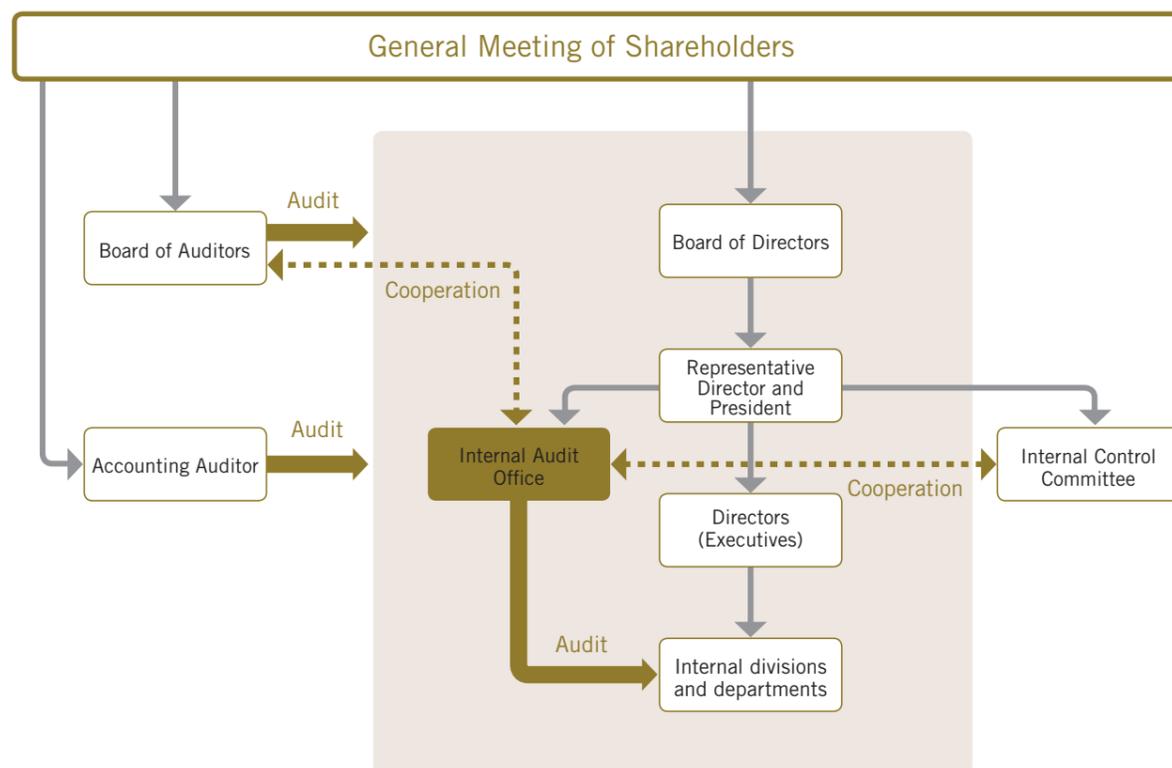
## Corporate Governance

As defined in our Management Policies, to continue to grow as a company that is “supported,” “needed” and “chosen,” we must establish proper relationships with various stakeholders and heighten our value of presence. As part of this, we strive to strengthen auditing functions and increase transparency in relation to management, around the General Meeting of Shareholders, (Board of) Directors, (Board of) Auditors, and Accounting Auditor.

As the place for approval of important management subjects, we hold meetings of the Board of Directors for proper

and prompt execution of necessary measures. As an auditing body, we have the Board of Auditors that is responsible for the establishment of an excellent corporate governance system to support healthy and sustainable growth and respond to trust from society. For auditing plans and results, proper communication between the (Board of) Auditors and Accounting Auditor is sufficiently conducted, building an auditing system with fairness and effectiveness.

### Corporate governance organization



## Compliance

Compliance includes not only compliance with laws and regulations but also the observance of internal rules, manuals and ethics to enable the company to conduct fair and proper business activities and also the establishment of a compliance environment concerning the type of rules the company establishes and operates. We conduct business activities complying with social norms and corporate ethics, and to enable employees to raise the awareness, we regularly host training covering actual examples.



Internal control training session

## Risk Management

The Business Continuity Plan (BCP) set up in 2012 was established in accordance with the “Business Continuity Guideline” published by the Disaster Management, Cabinet Office, Government of Japan, by comparing important items with our operations. BCP is reviewed once every six months. In accordance with the emergency action manual based on it, we plan training based on assumption.



Business Continuity Plan



BCP planning meeting

### Disaster-resistant system countermeasures

A word, risk, has many different meanings. Here, we discuss the system countermeasures based on BCP.

First, our BCP is based on two assumptions: an earthquake whose epicenter is directly below Tokyo and a massive earthquake that occurs in the location of a branch. As a countermeasure against these assumptions, we relocated main servers (19 sets) installed at Tokyo Building to the facility where our system is stored, integrating main equipment in an antiseismic facility with engine gener-

ators. By doing so, whichever branch might be damaged, not only the system but also data warehouse, groupware, electronic slips, and other services can continue to be used at branches apart from the disaster-stricken one. The affected branch can use various services when power supply, circuits and terminals are restored. However, even if the system is restored, it is meaningless if personnel are not safe. Systems are meaningful only if there are users. In the case of an emergency, we need to respond in a cool and calm fashion.



Tokyo Branch Manager, System Planning Department  
Koichi Higashida

## Internal control

1. Securing the effectiveness and efficiency of corporate and business management
2. Securing the correctness of financial statements
3. Thorough compliance with laws, regulations, and internal rules
4. Safeguarding of assets



# As a company that utilizes people, develops them and contributes to society

In order to bring out the strengths of employees who support our business activities and their teamwork, we strive to create an improved working environment.

## General business owner action plans

We have an action plan in place for employees regarding countermeasures to support the development of an easy-to-work environment where they can make work and child-rearing compatible and take full advantage of their abilities, up to March 31, 2015.

Target	Countermeasures
1. The rate of annual paid holidays taken by employees (Days taken/newly given number of holidays) to be 50% or more.	<ul style="list-style-type: none"> <li>Job assignments at each department are made clear for the purpose of job sharing.</li> <li>To take paid holidays in an organized manner, a "Paid Holidays Schedule" is prepared every three months and shared within departments.</li> </ul>
2. To reduce additional working hours, Wednesdays and Fridays are designated and implemented as corporate-wide "no overtime days."	<ul style="list-style-type: none"> <li>Managers always grasp subordinates' tasks and duties, and make appropriate management and instructions to promote operational rationalization and efficiency.</li> <li>To make it known by everyone and for the health of employees, the no overtime days are promoted through posters, notices on the days they occur and e-mail messages so it is continuously implemented at all sites.</li> </ul>
3. Towards an environment where both men and women can positively participate in child rearing is established, with a 90% usage rate of child-rearing holidays by pregnant female employees to be achieved.	<ul style="list-style-type: none"> <li>To promote wider recognition and enlightenment, we give instructions to take such holidays in an organized manner.</li> </ul>

\* Based on Article 12 of the General Business Owner Action Plans, "Act on Advancement of Measures to Support Raising Next-Generation Children," Ministry of Health, Labour and Welfare Occupational Health and Safety

## Human Resources System

The most important assets for a trading company are "human resources" In order to enhance motivation and create a rewarding business environment, we have a human resources system based on the target management system. We also change the system continuously in response to changing business environments and build a fair human resources system which satisfies employees.

With the human resources system, we encourage career promotion based on "the right person in the right place" and job rotations, towards realizing our Management Philosophy and Management Policies.

## Human resource development

We target having high aims and exerting our strength as a group of professionals. We believe that the source of power of a company lies in the development of human resources who can "properly understand objectives," "take correct action to achieve objectives" and "rationally evaluate the results of achieving objectives." Through not only new employee education but also on-the-job and class training, we focus on human resource development.



Manager training

## Promotion of the employment of elderly people

We have a "Re-employment Standard" in place to hire employees who want to work following forced retirement and that satisfy health and other certain conditions up to the age of 65 years old. We support them so they can take advantage of the experience they cultivated at our company and in order that their vast knowledge is passed on to future generations.

## Promotion of employment of disabled persons

Based on the Handicapped Person's Employment Promotion Law, we positively address the employment of disabled persons every year. As of April 2014, we satisfy the conditions of a legally required employer. Going forward, we will continue to promote an expansion of this and strive to establish a working environment where disabled people can work safely and securely.

## Promotion of aggressive utilization of female human resources

Currently, women are conspicuously playing active roles at companies and are expect to make further advances. We tackle the aggressive employment of female managerial employees and the creation of a workplace where females are properly evaluated and can have a reason of being.

### Working environment and rewarding jobs

I have been working for the company for three years. After joining I was designated to the General Affairs Section, and have been engaged in attendance management and compliance business trip records.



Tokyo Branch  
General Affairs Section,  
General Affairs Department  
Masakazu Karube

Due to an accident I had when a student, I have a physical disability of paralysis in my upper right limb. For this reason, I was constantly worried about working. Immediately after designation, I would often become tired mentally, but I have been able to overcome the difficulty, thanks to the working environment where I proceed with my tasks working together with the people around me.

Going forward, I always remember three "Don'ts," i.e. "Don't panic," "Don't hurry" and "Don't give up."

## Child rearing and nursing leave system

To establish a working environment where employees can make "work" and "family" compatible, we enable part-time work and limited overtime, depending on the conditions of and requests from employees, in addition to child rearing and nursing leave systems.

## Regular health checkups and maternity healthcare

It is our firm belief that employees can only utilize their abilities if they are healthy both physically and mentally. Based on this idea, 30 and 35-year old employees have annual life style disease checkups, while employees of other ages undergo a health checkup once a year. We also have maternity healthcare rules, giving consideration to creating an environment where female employees can "work" before and after childbirth in good health.

### Return to work and child rearing

After taking advantage of the child rearing leave system, I returned to work in April 2013. As it was my first time to give birth, every day was full of joy and anxiety in equal measures. However, it was very encouraging that the company had a well-established maternity leave system and that I would be able to restart work again, and I really felt that I was protected by the company. The Osaka Branch has several female employees who returned to work after taking child rearing leave, and the active roles they play was a great source of encouragement.

I am very grateful that after restarting work, thanks to the understanding and support I received from my managers and colleagues, I have been able to make work and child rearing compatible. Going forward, I truly feel that I want to contribute to the company as much as possible.



Osaka Branch  
2nd Section, Procurement  
Department  
Yuko Yamamoto



# Local Contribution Activities

Deeply rooted in the community, each site is engaged in activities for environmental protection and the society

## Head Office

### Regular cleaning activity



Chiyoda-ku, Tokyo, has a "Chiyoda-ku Cleanup Day" in the spring and fall, and elementary and junior high schools in addition to residents of the community jointly carry out cleaning activities. We voluntarily participate in the program, supporting these community activities. We also conducted cleaning activities in June, in conjunction with "Environmental Month" and a total of about 50 employees voluntarily participated in the activity.

## Kyushu

### Hakatagion Yamakasa



Hakatagion Yamakasa is a festival with more than 770 years of history, held between July 1 and 15 every year in Hakata Ward, Fukuoka City and is designated as an important intangible folk cultural asset. The Kyushu Branch sponsors the festival, contributing to exchanges with the local community by making tap water available to provide Power Water.

## Head Office

### Overseas relief activity



While renewing female employees' uniforms, we studied social contribution with clothes, and collecting cardigans and blouses from all branches, donated them via the certified NPO corporation, Japan Relief Clothing Center (JRCC). The clothes were donated to more than ten countries, including Ghana, Congo and Zambia, where they are effectively utilized.

## Sapporo

### Community health and safety activity



The Sapporo Branch is a member of "Gobangai Shinkokai" and "Daigo Chonakai" and participates in activities associated with lighting, decorations, advertisements and other facilities, in addition to traffic safety and environmental health. We also contribute to the development of the area as a tourism city.

## Osaka

### Blood donations



Requested by the Japan Red Cross, the Osaka Branch hosts blood donation activities. As part of our social contribution activities, about 20 to 30 employees donate blood at each event.

## Sendai

### Weeding activity



Thanks to the kind support of Taiyo Transportation Co., Ltd. to which we outsource transportation, we conducted weeding of the Sendai Logistics Center in the suburb of Sendai City. Removing weeds taller than an adult, growing from cracks in concrete, took half a day even by using three grass cutters.

## Nagoya

### Clean Campaign



The Nagoya Branch participated in the clean campaign held as part of the "2014 Nagoya Environment Day" and several volunteers joined "Clean Walking" with the Shopping District Promotion Association, local companies, etc. Taking about an hour, many garbage bags were collected at the garbage accumulation site.

## Toyama

### Snow removal



In winter when snowfall is rather heavy, the Toyama Branch removes snow from roads and parking lots, working together with neighboring companies, contributing to safety in the community.

## Occupational health and safety

Compliant with occupational health and safety laws and regulations, we have a monthly health committee meeting, including an industrial doctor and a health manager. At Head Office, the industrial doctor conducts two tours a month to check the health conditions of employees. We strive to maintain health and safety in working environments, as exemplified by the fact that if an employee desires it, he or she can consult the industrial doctor. To maintain employee mental health and prevent mental diseases, we also opened a counseling room with an external counselor and always pay attention to employee health conditions and make efforts to minimize the occurrence of any problems.



## Countermeasures against sexual harassment

We stipulate provisions concerning sexual harassment in work rules and prohibit employees to make any speech or action that causes anything against other people's interests in working conditions or interferes with the carrying out of work. We also make efforts to listen to the opinions of employees as a company, if necessary.

## Cooperative relationship with the Employee Association

To build and maintain smooth relationship between the company and its employees, we have organized the Employees Association. We consider that good employer-employee relationships are indispensable for the company development and wellbeing, have regular meetings and exchange opinions on many different projects.

## Club activities

As a place for internal communication and exchanges with people outside the company, we support club activities. Each club is engaged in a wide variety of activities, and we consider the vitalization of employees through health enhancement with employees' sport club activities and culture developed in cultural club activities as part of the social service system.

### Invigorating the company through basketball

Our basketball team belongs to the premier league of non-professional league in the Kanto region.

Members belong to departments in Sales and Administration, and after work, we devote ourselves to training two or three times a week. Past results include champions of the Kanto Industrial & Commercial Basketball League, champion of the Kanto Industrial & Commercial Basketball Championship, finalists in the All Japan Industrial & Commercial Championships and 2nd place in the All Japan Industrial & Commercial Basketball Championships. With the main target of winning the "All Japan championships" that we have never achieved, we train with all our might. All club members are thankful for an environment where they can play basketball, striving to make work and practice compatible and continue to provide the company and customers with vitality. We use Facebook to transmit various information, including player profiles, recent activities, match schedules and results.



Tokyo Branch  
1st Section, Packaging Paper  
Department  
Yohei Yamamoto



# Become a leader of environmental protection as a company coexisting with nature

Regardless of whether it is books or magazines, the achievements of my work result in the material, "paper." I've just received a new printed book. This is a wonderful moment when the "real feeling" of the beauty of the design, weighed in my hand, the sense in my fingertips when I leaf through the pages, and the smell of the ink reminds me of many months of data collection and writing. Decades later when I am no longer a part of this world and even if my book has lost color and become old, it will tell something to my children or grandchildren. "Paper" has the power to carry more than "information."

I read the manuscript of the CSR Report 2014 of the SHINSEI PULP & PAPER COMPANY, as a company dealing with "paper" I owe much to prior to it being published. I really understood the company's true commitment to "eco-friendliness." This, however, is something quite natural.

The trend of the times is "As paper has a heavy burden on the environment, paperless is the key of the age." As per the message from Mr. Norio Wakabayashi, President, paper is in fact an eco-friendly material. "Paper" is a blessing from nature, and if you want to continue business using "paper" as business material, you must protect nature. Instead of thoughtlessly cutting down trees, you should build a mechanism to plant, grow and cut trees in an organized manner so that raw materials can be steadily procured. The industry in essence has a structure in which if you only pursue profit, you will bring ruin on yourself. You cannot survive unless you can make "individual optimization" and "total optimization" compatible.

I learned that the history of the company dates back to 1692. The corporate culture to develop while coexisting with the environment, cultivated through more than 300 years of history, is naturally different from industries that suddenly started to say, "environment, environment" in the 21st century. Also, compared with environmental protection activities that ignore present human economic activities, your activities draw a line. We can find persuasiveness unique to a company that has survived on the basis of strong community awareness that man is also part of the earth. I really feel that such a company should be the leader of environmental protection activities in society to come.

Japan is said to be a country with scarce resources, but about 70% of the land is forest. If utilized carefully, forests permanently give benefits or, provide reusable resources. If we think in this way, it can be understood that Japan is not

a country with scarce resources at all. Your company is persuasive enough to convey such a thing. Continuing with these activities will be the greatest gift you can give to children of the future. As a person deeply engaged in "paper," involved in the education of future generations and as a father, my expectations of your company is becoming even stronger.



**Child rearing and education journalist  
Psychology counselor  
Toshimasa Ohta**

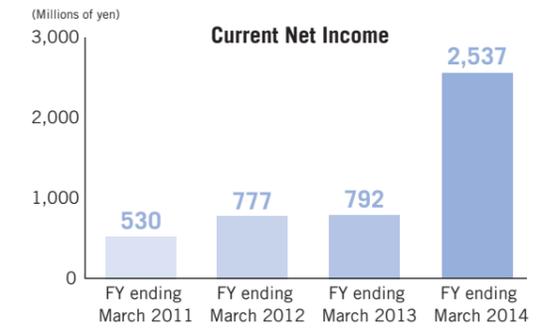
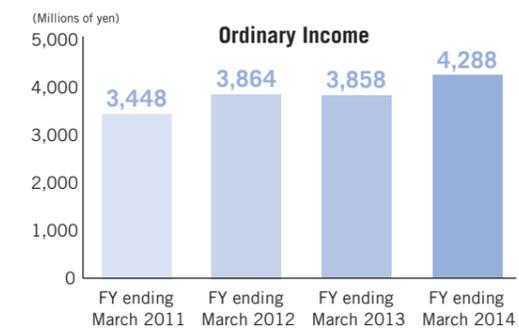
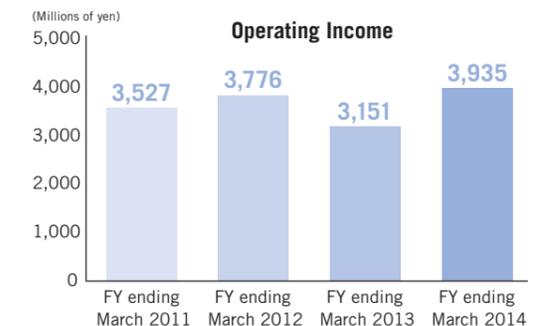
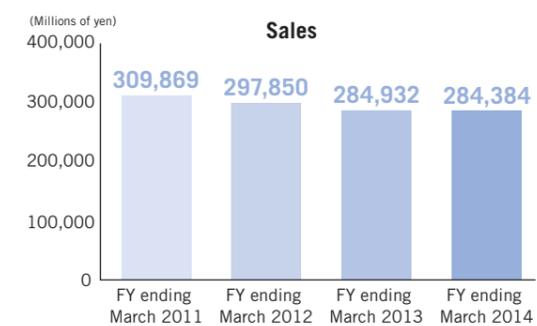
#### Profile

He was born in Tokyo in 1973. After graduating from the English Language Department, Sophia University, he was engaged in editing an overseas travel magazine at Recruit. Taking a cue from the birth of his first son, he left the company and went freelance, thinking, "The period my kid holds me anytime, calling me, 'Papa,' will only last a few years. I would regret it throughout my life if I couldn't be with my son now." Afterwards, he successively served as editor-in-chief and supervisor for many child rearing and education magazines, and is now engaged in writing and lecture activities on the theme of child rearing and education. He has contributed numerous articles to newspapers and magazines on men's child rearing and education, partnership of child rearing couples, disciplining of children without doing it uselessly, how to make junior high entrance examinations a good experience and the roles of schools and cram schools. He also regularly appears as a commentator on radio programs. He is qualified as a psychology counselor and responds to inquiries from fathers across Japan on his website "Papa no Nayami Sodan Yokochō" (Counseling Counter for Fathers) via e-mail. He has a junior high and senior high teacher's license, and has experience as an elementary school teacher. His many books include "Chugakujuken toiu Sentaku" (Junior High Entrance Examination as a Choice) and "Papa no Torisetsu" (Instruction Manual for Fathers). Quite a lot of his work has been translated into foreign languages.

## Corporate Overview

<b>Company name</b>	SHINSEI PULP & PAPER COMPANY LIMITED
<b>Head Office/Central Branch</b>	1-8, Kandanshikicho Chiyoda-Ku, Tokyo, 101-0054 Japan
<b>Established</b>	November 3, 1889
<b>Incorporation</b>	March 14, 1918
<b>Capital</b>	3,228,000,000 yen
<b>Line of business</b>	Paper, pulp, chemicals, processed paper, architectural materials, machinery, equipment, etc.
<b>Number of employees</b>	638 (As of March 31, 2014)
<b>Domestic business sites</b>	7
<b>Description of business</b>	<ol style="list-style-type: none"> <li>1. Sales and processing of paper, pulp, chemicals, and chemical products as well as the sales of paper products</li> <li>2. Sales and lease of paper processing machines, printing machines, packing equipment, synthetic resin processing equipment, industrial electric equipment, transportation machines, communication equipment, office equipment and accessories</li> <li>3. Sales and lease of packing materials, printing and bookbinding materials, architectural materials and papermaking materials</li> <li>4. Brokerage, wholesale, agency and import/export of any of the foregoing items</li> <li>5. Business system design, installation, supervision, and contracting of any of the foregoing items</li> <li>6. Trusted development of land as well as sales/purchase, rental/lease and supervision of land and building</li> <li>7. Room rental and parking lot service</li> <li>8. Warehouse service and automotive transportation business</li> <li>9. Interior finishing work</li> <li>10. Investment in business associated with any of the foregoing items</li> <li>11. Non-life insurance agency and insurance agency based on the Automobile Accident Compensation</li> <li>12. Life insurance solicitation</li> <li>13. Sales of books, magazines, and stationery</li> <li>14. Any other business incidentals or relating to the businesses referred to in any of the foregoing items</li> </ol>
<b>Welfare facilities</b>	Six locations across Japan

#### Business result report (independent)



 **SHINSEI PULP & PAPER COMPANY LIMITED**

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