

SHINSEI PULP & PAPER COMPANY LIMITED

CSR Report 2018

Corporate Social Responsibility



This is a work from "Paralym Art" that SHINSEI PULP & PAPER COMPANY support.

Top message

■ Sustainable Materials

At Shinsei Pulp & Paper Company, we deal in various commodities, among which our three pillars of our business are paper, cardboard, and film.

Wood pulp has historically been the primary raw material used for producing paper and cardboard. Global economic growth goes hand-in-hand with environmental concerns such as global warming, and this has led to a fresh examination of paper and cardboard as eco-friendly products made from a recyclable raw material.

While the popularization of electronic media has resulted in decreasing demand for printing paper in Japan, the rise of e-commerce has caused the packaging field to expand. Additionally, new eco-friendly fields are anticipated to take off to prevent marine plastic waste pollution.

■ SDG initiatives

From April 2018, we launched our 5th three-year mid-term management plan. Keeping the issue of environmental management close to our hearts, our goal toward 2020 is to become a company that is supported, needed, and chosen by society.

In order to realize a sustainable society, we will continue to actively follow ISO14001 standards and earnestly tackle each of the UN's SDGs (Sustainable Development Goals), with all of our businesses collaborating to carry out business activities toward 2030.

■ Paper, cardboard and film solutions

The trend of digitalization, including IoT and AI, is expected to continue into the future. Our duty within this movement is to convey the superiority of paper, cardboard, and film to society.

With the reduction of waste plastics accelerating globally, paper and cardboard made from recyclable materials will continue to be a viable eco-friendly alternative. These materials have existed for as long as civilization itself, and although their roles may change in the future, we will continue to pursue their unlimited potential.

Along with the rising global population, it is expected that food culture will also undergo dramatic changes.

Among these changes, “storage” will be a keyword, and the excellent properties of film will allow for extended preservation of processed foods, resulting in less food wastage.

We will continue to pursue new solutions for paper, paperboard and film, striving to improve corporate value and create new added value.

President and CEO

加藤 康次郎

Yasujiro Kato



Philosophy

We respond to the changing times with a firm commitment to “innovation and challenges” and continue to grow with society.

Management Policies

1. We will continue to meet our responsibilities to create a rich society through eco-friendly corporate activities.
2. We will continue to grow as a company that is supported, needed, and chosen.
3. We will continue to pursue the infinite possibilities of wood-based natural materials starting with paper.
4. We will each maintain high aspirations and display our talents as professionals.

Code of Behavior

1. **Total compliance with laws and regulations**
Shinsei Pulp & Paper Company complies with not only laws and regulations but also with domestic and international rules and social codes, achieves trust from society and customers, and fulfills its responsibilities.
2. **Consideration for the environment**
Shinsei Pulp & Paper Company recognizes the conservation of the global environment as a priority and seeks to pass a rich future onto the next generation.
3. **Disclosure of corporate information**
Shinsei Pulp & Paper Company actively and fairly discloses corporate information to shareholders and other stakeholders.
4. **No relationship with antisocial forces**
Shinsei Pulp & Paper Company consistently refuses any requests from antisocial forces and organizations.
5. **Establishment of a safe and worker friendly environment**
Shinsei Pulp & Paper Company respects each employee's personality and uniqueness and realizes a safe and worker friendly environment.

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Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 goals to change the world by 2030, agreed upon by the 193 United Nations member states. Shinsei Pulp & Paper Company (SPP) seeks to proactively contribute toward the SDGs through business activities relating to the distribution of paper, cardboard, and film.



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 2017 (April 2017–March 2018) with actual business figures. Some of the latest initiatives that began after March 2018 are also referenced. The editorial policy of this report is communicating our CSR activities in an easy-to-understand manner. In addition, we designed the report to be warm and inviting, using Paralyam Art as a motif. We would like as many people as possible to learn about our CSR activities through this report.

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 2018.

About the cover

Paralyam Art is an activity carried out by SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION to support the social participation and economic independence of disabled people



through art. The picture on the cover was done by Kuga Yoshino and is titled Shinka (New Flower). Mr. Yoshino has stated that it represents the idea of many small contributions producing new hope.

SPP's Business Fields

Providing paper, cardboard, and film solutions

We are a specialized trading company that provides paper, cardboard, and film solutions. In addition to reliably delivering products to customers, we listen to their needs and serve as an intermediary with manufacturers. We help customers to come up with solutions for their problems and provide them with high added value. That is our company's mission.



Three main businesses and value production



Added value

As a specialized trading company, we provide added value for each product, including durability, lightness, texture, recyclability, safety, and antibacterial properties. Using our abundant creativity and design skills, we produce the paper, cardboard, and film required by our customers and the times.

Overseas businesses

We are expanding our overseas network in order to speedily respond to customer requests regardless of the location. We have bases in cities around the world, including Shanghai, Beijing, Hong Kong, Singapore, Kuala Lumpur, Bangkok, Melbourne, and Los Angeles. Our paper solutions are growing along with our global track record.



Corporate Overview

Company name SHINSEI PULP & PAPER COMPANY LIMITED
Head Office Central Branch 1-8, Kandanshikicho Chiyoda-Ku, Tokyo, 101-8451 Japan
Established November 3, 1889
Incorporation March 14, 1918
Capital 3,228,000,000 yen
Lines of business Paper, pulp, chemicals, processed paper, architectural materials, machinery, equipment, etc.
No. of employees 601 (As of April 1, 2018)

Description of business

1. Sales and processing of paper, pulp, chemicals, and chemical products as well as the sales of paper products.
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.
3. Sales and lease of packing materials, printing and bookbinding materials, architectural materials and papermaking materials.
4. Brokerage, wholesale, agency and import/export of any of the foregoing items.
5. Business system design, installation, supervision, and contracting of any of the foregoing items
6. Land development as well as sales/purchase, rental/lease and supervision of land and building
7. Room rental and parking lot service
8. Warehouse service and automotive transportation business.
9. Interior finishing work.
10. Investment in business associated with any of the foregoing items.
11. Non-life insurance agency and insurance agency based on the Automobile Accident Compensation.
12. Life insurance solicitation.
13. Sales of books, magazines, and stationery.
14. Power generation utilizing natural energy and supply, sales, management, operations and mediation of electricity
15. Any other business incidentals or relating to the businesses referred to in any of the foregoing items.

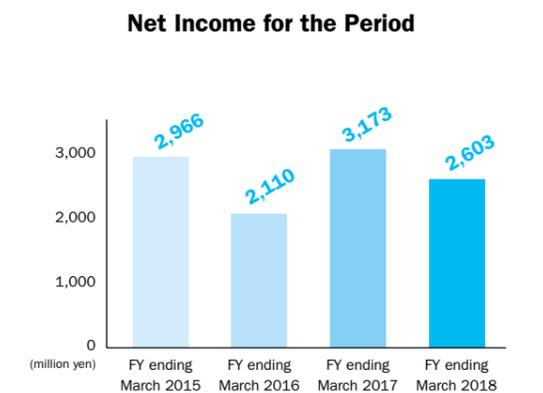
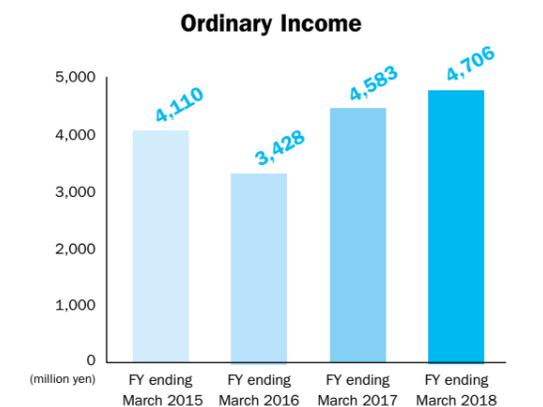
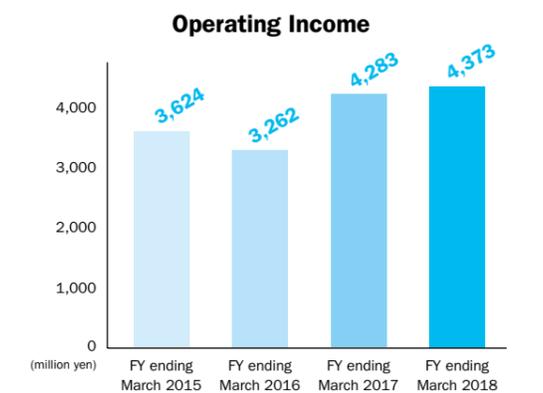
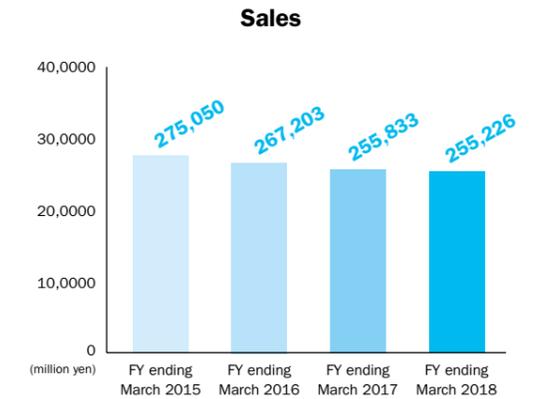
Main banks

Sumitomo Mitsui Banking Corporation, MUFG Bank, Mizuho Bank, Norinchukin Bank, Shizuoka Bank, Joyo Bank

Welfare facilities

Kiyosato Mountain Villa:
Takanecho, Hokuto, Yamanashi Prefecture
 Tomiura Kodama Dorms:
Tomiuracho, Minamiboso, Chiba Prefecture
 Kisokoma Mountain Villa:
Kisocho, Kisogun, Nagano Prefecture
 Yufuin Mountain Villa:
Yufuincho, Yufu, Oita Prefecture

Business results (non-consolidated)



SPP Mid-term Management Plan

The mid-term management plan “Shinsei 5-3 Plan” began on April 1, 2018. This plan is based on our environmental management philosophy with the slogan of “One step—Changing daily life.”



We provide a rich lifestyle through proposals for materials suitable for growing markets in a contemporary society. It's because we can demonstrate the value of paper, cardboard and film in our daily lives that we can take on the next step.

<p>Action strategies</p>	<ol style="list-style-type: none"> 1. Paper and Chemical Products business will accelerate business innovation. 2. Paper, Chemical Products and Real Estate business will accelerate initiatives for “new business development.” 3. We will accelerate initiatives for “Businesses of future generations in new fields.” 4. We will foster a corporate culture to tackle the changes of the times with a spirit of “Innovation and challenge.”
<p>CSR/ Environmental activities</p>	<ol style="list-style-type: none"> 1. Development of support activities for disabled persons with Paralympic Art 2. Development of planting activities through “1% For Present Tree” 3. Sales promotional activities of forest certified paper 4. Development of environmental contribution activities through sales of eco-friendly products and logistical system reviews.

Environmental-based Procurement and Sales Guidelines

The Shinsei Pulp & Paper Company contribute to the sustainable growth of society with the establishment of our Environment-based Procurement and Sales Guidelines 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 of lumber from thinning
 - 6 Active and positive approach to non-wood paper
 - 7 Active and positive approach to chemical products based on impact categories
 - 8 Active and positive approach to partners who value preserving high conservation value forests and rural natural environments
 - 9 Active and positive approach to products with transparency based on legality

- 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)
 - 3 Act on Promotion of Distribution and Use of Legally Logged Wood Products (Clean Wood Act)
 - 4 Substances prohibited from use: Attached Table 9 of Order for Enforcement of Industrial Safety and Health Act (Management of chemical substances used in products)

Sustainability of SPP

We are developing corporate activities with the aim of realizing a sustainable society. The following figures show how our activities contribute to a sustainable society. We will continue to take on challenges to improve these figures.



283

t-CO₂/kWh



Reduction in CO₂ emissions since last year due to solar power generation

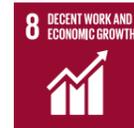
Based on amount of natural power generated from April 2017 to March 2018, CO₂ emissions were reduced by 283t-CO₂/kWh. (See page 26)



50%

Target ratio for female hires

We aim to achieve a 50% ratio of female hires. We will actively provide opportunities for female employees and create an environment where female employees can fully display their individuality and talents. (See page 16)



126

t-CO₂/year

Reduction in CO₂ emissions due to tree planting

Since 2009, we have been carrying out an activity called "1% for Present Tree," in which we charge our trading partners 1% extra and use this 1% to buy and plant new trees. For 9 years, the trees that we have planted have been absorbing CO₂ and yielding O₂. Based on the number of trees we have planted, CO₂ is reduced by 126t per year. (See Page 26)



Electricity provision using natural solar energy

We make efficient use of our property to generate renewable energy. Commencing operations on March 2016 as a driving force for renewable energy, SPP Toumi power plant is capable of producing 500kW of electricity. (See page 29)

500

kW



1% for Present Tree

1,260



Planting trees in Miyako, Iwate Prefecture

We contributed to forest restoration and regional development in Miyako City, Iwate Prefecture by planting 1260 trees as part of reconstruction assistance following the Great East Japan Earthquake. The planting area is located close to the Hei River, which flows into Miyako Bay. As the trees are growing, they help circulate water and organic substances between forests, rivers and the sea, enriching ecosystems and contributing to regional industries like fishing grounds. Planting activity indirectly contributes to the global environment and regional society. (See Page 25)



Let's demonstrate the unique strength of trading companies and increase the value of codified chemical products

As a trading company of paper, cardboard and film, we develop chemical products as a pillar of our business. It is also expected by food manufacturers that chemical products reduce logistics costs and improve food loss problems. In this special feature, we invited Mr. Fumio Yoshizawa from the editing desk of "Monthly Food Packaging" to exchange views on the current situation of chemical products in food packaging, as well as future issues and the like.



Fumio Yoshizawa
"Monthly Food Packaging" Editing Desk
Package Editing Department, Nippo Co., Ltd.

Naoyoshi Kosaku
Manager, 2nd Chemical Business Department
Chemical Business Division
Tokyo Main Branch

Naoki Mori
Manager, 1st Chemical Business Department
Chemical Business Division
Tokyo Main Branch

Yoshihisa Kawamura
Manager, 3rd Chemical Business Department
Chemical Business Division
Tokyo Main Branch

What is "monthly food packaging"?

It is a specialty information magazine on food packaging issued by Nippo Co., Ltd. It was first launched as the monthly magazine, "New Packaging," when the company was originally founded as "Nippon Packaging Times" in 1957. "New Packaging" refers to cardboard, while the aim of the magazine as stipulated by founder, Hiroshi Kawamura, was to enhance the value of new packaging materials and bring the industry close together. The 60th anniversary was celebrated in 2017.



Diversification of chemical products into everyday life

Kawamura As chemical products is one of our business areas and considering his position, I would like to ask Mr. Yoshizawa a few questions about the food packaging industry. Firstly, could you give us a quick overview of the current state of food packaging and chemical products.

Yoshizawa Well, the shipping proportions of packaging materials issued by the Japan Packaging Institute in 2017 was 43% for paper/cardboard and 20% for plastics. Though it was a slight increase when looking at quantities alone, the transaction amount is decreasing. There appears to be various causes and it could be said that the global trend

of plastic waste reduction is involved. However, personally, I believe that shifting from various bottle types to soft packaging using films is quite advanced and that chemical products are expanding overall.

Kosaku In the food industry, the market for prepared dishes and frozen foods is already established and the demand for individual packaging is increasing.

Kawamura There has also been a decrease in volume due to thinning.

Mori There is also a decrease in bottle products as containers and we are seeing more lightweight film products, such as standing pouches. Looking at distribution cost reductions and the like from our suppliers perspective, I believe there is no doubt that the shift to chemical products has become a major trend.

Yoshizawa In Japan, with the progression of our declining birthrate, aging population and overall population decline, "the number of stomachs to feed is decreasing" so to speak. However, with the rise of women in the workplace, single-person households are increasing, resulting in higher quantities of packaging containers of a more diverse range.

Kosaku Even in convenience stores and the like, accessibility (ease and convenience) and the variety of instant food are becoming more and more ubiquitous. Moreover, the desire for tasty food has increased more than ever before. Making "packaging that preserves taste" is particularly important. Needs for chemical products including vacuum packs, barrier material containers and microwave safe containers are becoming more diverse.

Yoshizawa Indeed. Although the merchandise of convenience stores is not cheap, the Japanese have a

Tackling environmental problems alongside manufacturers

Profile

Yoshihisa Kawamura
Joined in 1992 and has been engaged in the chemical products business since 1996 after being transferred to one of our subsidiaries. To meet the needs of business partners, he has also been focusing on developing environmentally friendly products.



tendency to buy it anyway for its convenience and high-quality. Therefore, the product price does not seem to have the power to suppress the diversity of chemical products.

Mori So it could be said that this is boosting the growth of chemical products.

Yoshizawa Previously, when I went to see the office disaster prevention equipment exhibition, I was surprised to see a corner dedicated to pouch products. Whilst I do think preserved foods were mainstream before, the standing pouch takes up much less space and is easy to store. As it is thin and light, it is also easier to dispose of than cans. Even regarding goods other than food, refill pouch products may be more economical than the bottles originally used.

Kawamura Considering the current situation, it seems that chemical products have been fully integrated into our lives and become indispensable.

On the whole, the use of chemical products has substantial benefits

Kawamura I deal with many customers at convenience stores and a large number of them are highly interested in products that use environmentally friendly materials, such as botanicals (of plant origin). The chemical products have many merits, we cannot avoid the environmental problems. As a trading company, we believe it is imperative to work closely with manufacturers.

Kosaku I absolutely agree. We proudly believe that product quality in Japan is the best in the world, but we do need to ensure that we consider the environment. In addition to the global trend of plastic waste reduction, as mentioned by Mr. Yoshizawa earlier, how do you think Japanese chemical products will fair in future with other issues, such as garbage problems, CO₂ reduction, food

Economically efficient chemical products that can be stored and disposed of easily

Profile

Fumio Yoshizawa
Joined Nippo Business (currently Nippo Co., Ltd.) in 1989. He was an editor of the company's "Weekly Packaging Times" and since 2009 has been engaged in "Monthly Food Packaging." He is also a member of IPPO (International Packaging Press Organization).



loss and SDGs?

Yoshizawa I think discussions on the environment, including garbage problems, will continue in future. However, I also believe there is unquestionable merit in using chemical products in food packaging. One major food manufacturer announced that all dressing containers should be made of plastic rather than glass bottles. Considering all aspects, including the fuel and CO₂ problems involved in logistics, we thought this made sense and decided to go with it. Whilst some wavered upon seeing the disadvantages of some of the environmental aspects, there is no doubt of the merit of chemical products when viewed comprehensively. I believe it is important to stay calm and respond without rushing.

Mori I agree. In terms of marine pollution, accidental consumption of marine organisms has been identified as having effects on the human body. However, I believe the problem lies not only with the container itself, but also within human morals.

Yoshizawa I think so too. Of course, I also think it's necessary that technological advancements are made in future, such as thinning.

Selecting the best path after thorough analysis of information

Kawamura Biodegradable materials like paper are still under development in packaging films. We believe recyclable and biodegradable materials will be essential in future, so we need to ensure this is looked into seriously.

Mori It is our mission to make proposals that are appropriate for the situation.

Yoshizawa With such overwhelming environmental problems, it is natural that those supplying such products would be unsure how to deal with them. Based on the merits of plastic products, the importance of objective discussions regarding its disposal and recycling will continue to increase. I believe it is imperative that we select the most appropriate path only after thorough

It is essential to remember that we don't just sell products but also experience

Profile

Naoyoshi Kosaku

Joined in 1994. He has long been involved in the chemical products business and since 2010 has been engaged in development. He is also in charge of industrial products, paper products and chemical products.



examination of all information.

Kosaku As a trading company, we must carefully observe the world's progress, ascertain the direction of our country, listen to the opinions of customers, embrace change as opportunity, and exchange information with both food and packaging container manufacturers.

Yoshizawa To combat the vast scale of these problems, I believe it is necessary for the governments of every country to take the lead. For example, there was some debate when the law on containers and packaging recycling came into effect roughly 20 years ago, but there can be no denying that this law was made after much thought by the government and that it raised awareness to "stop unnecessary usage."

Mori Also, the awareness of environmental problems varies from country to country, so it is essential that we maintain a broad global perspective. Since last year, my department has been promoting business in ASEAN, centering on Malaysia. However, the culture and values of each country differ from Japan and there are many different views on how best to approach these environmental

issues. As packaging specifications are selected to suit that country's culture and lifestyle, we must make sure we look properly at the market conditions so that we can provide optimal proposals.

Kosaku In short, the premise of the Japanese market is not present in other areas. It could be said that the promising markets are those that adapt to change.

Raising new markets by reducing customer frustrations

Kosaku I am keen to hear what kind of needs you think will develop in terms of food packaging in future?

Yoshizawa Considering the low birthrate and aging population, customers require packaging and containers that are "easy to open" and "easy to use" so as not to cause frustration. The technology required to achieve this will be indispensable. In order to eliminate any frustration, usually the technology and value going unnoticed is not a good sign, but in this case, it is the mark of excellence if our packaging remains "discreet." I believe there is still room for improvement, so we must find this balance and when we do, the market will surely respond.

Mori On the other hand, some say that Japanese products have excessive specifications when it comes to appealing to the overseas market. In a sense, the Japanese market has undergone "galapagosization" and going forward it is important that we communicate the value of Japanese products while ensuring that we respond to the needs of the global market. As Mr. Kosaku mentioned, the role of a trading company is important and if the system is right the market should boom. With the abundant expertise and sophisticated technical skill of the packaging industry in Japan, we are certain that we can demonstrate our abilities as long as we grasp the needs of the overseas market.

Kawamura So the information gathering ability of

suppliers is questionable. In other words, it could be said that the approach taken to respond to the needs of society is being brought into question.

Yoshizawa The youth that reached adulthood in the 2000s, the "Millennial Generation," have a very high environmental awareness and are particularly sensitive to the ways companies approach environmental issues. For instance, when looking for employment, they will check what initiatives the company is engaged in and immediately share what they know via SNS, resulting in the rapid spread of this information. Therefore, I believe it is necessary for trading companies to be constantly aware of this rapid information-sharing as customers tend to scrutinize us quite closely.

Kawamura Managers and employees must also be aware of correct and honest corporate activities, starting with compliance.

Yoshizawa There also seems to be the opinion that the easiest way to solve the food loss problem is if customers consciously try "not to waste food" from the beginning. However, I think it is important to rethink the role of food packaging and chemical products while also working to improve awareness in society as a whole.

Incorporating innovative ideas into the food packaging industry

Kawamura Being able to talk with Mr. Yoshizawa today has highlighted a lot of points. I hope to incorporate Mr. Yoshizawa's viewpoints and develop a new chemical products business.

Mori Yes, our eyes were opened to several new points, making this a truly fruitful discussion. I don't know what future problems we and this industry will face in future, and I don't know which way is right and which is wrong, but by assessing the conditions surrounding the problem, I hope we can to work diligently to overcome them.

Yoshizawa I often interview people manufacturers, so it was a very valuable experience for me to talk with people such as yourselves who work in a trading company. I believe trading companies are positioned such that they can engage in unique efforts that manufacturers cannot. Therefore, I hope you will demonstrate the unique power you have as a trading company to bring more innovative ideas into the world of food packaging.

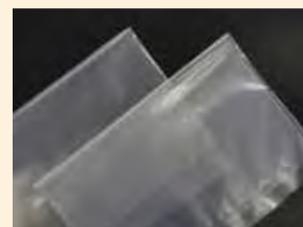
Kosaku In the business of trading companies, information is life. In that sense, I felt that we and Mr. Yoshizawa are closely positioned. There are still many issues and expectations regarding chemical products and food packaging, including environmental problems and food loss. We will continue to strive to be at the forefront of the industry without forgetting the importance of selling goods with a purpose, not selling for the sake money. Thank you very much for today.

We handle chemical synthetic resin film products

It is essential for the resin films of chemical products required for food packaging to have functions that match the application, such as the appeal, durability and barrier properties. We will maintain the freshness of food and solve the world's food loss problem.



Food packaging



Special film



Standing pouch

To make the most appropriate decision through market assessment

Profile

Naoki Mori

Joined in 1997 and has since been primarily engaged in the sales of chemical products. He is also working on business development in ASEAN including Malaysia, which began in 2017.



SPP Businesses Leading to a Sustainable Society

We are attempting to realize a sustainable society through our business activities.



Harmony between forest certified paper and recycling

We are proactively promoting products made with forest certified paper and recycled materials.

- How recycled forest certified paper is used
- How forest certified paper reaches the customer



In the above diagram, SPP holds the position of a sales and distribution company, but we encourage the adoption of forest certified paper and recycled materials among our manufacturers and customers.

Sales of forest certified paper

In 2003, Shinsei Paper & Pulp acquired FSC's® (Forest Stewardship Council®) CoC (Chain of Custody) certification, and the PEFC's (Programme for the Endorsement of Forest Certification) CoC certification in 2007. The logos indicate that we have acquired certification in all processes from the procurement of timber to the final product.



責任ある森林管理のマーク
FSC®
Acquired in 2003



持続可能な森林管理の促進
www.pefcasia.org
PEFC
Acquired in 2007



Forest certified papers to be used at the Olympics and Paralympics

With the 2020 Tokyo Olympic and Paralympic Games approaching, usage of forest certified paper is on the rise. With paper manufacturers successively developing one forest certified product after another, we have made sales promotion activities of forest certified paper a priority in our mid-term management plan in order to meet environmental concerns and customer demands.

“Forest area under an independently verified forest management certification scheme” is a sub-indicator for one of the UN's Sustainable Development Goals, and we intend to take advantage of the 2020 Tokyo Olympic and Paralympic Games to further promote the utilization of forest certified papers.



Contributing to a sustainable society through cardboard sales activities

Cardboard is essential to our current lifestyles. Storage and transportation of fruits and vegetables, marine products, processed food, and industrial goods all require cardboard. We also use cardboard following disasters such as earthquakes or typhoons. In addition to packaging for emergency supplies, cardboard products are used as flooring, partitioning, and even as simple bedding in evacuation shelters to improve quality of life.

In recent years, cardboard products made with eco-friendly materials are increasing. Not only recycled paper but also forest certified paper is seeing a dramatic increase in usage. In view of this trend, we will focus on selling cardboard made with environmentally friendly forest certified paper.



A company that develops people, utilizes them, and contributes to society

We strive to create better working environments and bring out the full potential of the employees and teamwork supporting our business activities.



General business owner action plans

1. Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (April 1, 2018 – March 31, 2021)

In order to promote a work-life balance, we have formulated an action plan to create a working environment that allows all employees to fully display their talents while balancing work and childcare.

- Ensuring that the ratio of annual paid leave taken by employees (days taken divided by newly acquired vacation days) is 50% or over**
 - In order to encourage systematic usage of paid leave, we will have employees create paid leave taking schedules every 3 months and share them within the department. In addition, we will inform each branch manager (or general manager in Tokyo) of the achieved ratio and provide guidance to departments that do not achieve 50%.
 - We will introduce a new system to encourage taking of paid leave.
- Promoting productivity while sticking to regular working hours**
 - Senior personnel must always keep track of staff members' performance and provide them with appropriate management and guidance to improve productivity.
 - We will provide feedback to each branch manager (or general manager in Tokyo) with regard to overtime hours.

2. Action plan based on the Act to Advance Women's Success in Their Working Life (April 1, 2018 – March 31, 2021)

We have formulated an action plan to encourage the hiring of female employees and to create an environment where they fully display their individuality and talents.

- Ensuring that 50% or more of new hires are female**
 - Actively promoting our company toward female applicants.
 - Promoting the creation of a comfortable working environment for all employees including women.
 - Promoting the creation of a comfortable working environment for all employees including women.
 - Encouraging a balance between work and childcare or nursing. Additionally, we are considering various systems to support reemployment afterwards. (Expanding the job change system, creating a system to rehire employees who quit to raise a child or look after their parents, etc.)
 - Providing all employees with training to prevent harassment and creating a comfortable working environment that does not permit harassment.

Promoting the active utilization of female human resources

In the Packaging Paper Department, we sell paper used for things like envelopes, wrapping paper, carrier bags, and heavy-duty bags. Recently, paper is attracting attention as an eco-friendly material, and the demand for eco-friendly products like CoC certified paper is increasing. Additionally, the movement to reduce waste plastic is gaining momentum in the west, so we can expect increased demand for paper in the packaging field. When I see our paper being

sold in stores, I really feel like we are playing a part in protecting the environment. These days, an increasing number of the manufacturers and companies that we work with send female representatives, and I can feel a change in both society and the industry with regard to women's role in the workplace. I believe that in the future, employees will be able to display their own individuality and find increased satisfaction in their work.



Chie Kitagawa
1st Section
Packaging Paper Department
Packaging Division
Tokyo Branch

Human Resources System

Regarding people and management, we understand that a company's businesses are created by people, and so is the company's value. By clarifying employees' goals and achievements, we aim to create a challenging organizational culture through skill development and fair treatment of employees.

Human resources development

In order to continuing growing as a company that is supported, needed, and chosen by society, we focus on maximizing the potential of each employee as a professional. We conduct training sessions for new hires, new managers, and upper-level management so that employees can understand their roles at each stage of their careers and develop professionally.



Group presentation at new hire training session

Human resources development

You may have heard the expression, "a company is its people," but for companies, training up human resources is an essential task. As the Human Resources Department, we believe that our duty is to develop and utilize exceptional human resources that will be needed and supported from inside and outside the company. In order to improve the motivation and skills of our employees, we are enhancing our training system and implementing an effective personnel evaluation system based on goal management. Additionally,

we regularly interview employees in order to understand their individual circumstances, problems, goals, and future aspirations. This knowledge helps us to create a comfortable working environment for everyone. Working toward the realization of our management philosophy, "We respond to the changes of times and continue to grow with society," we will continue to promote a human resources system that allows our employees to fully display their individuality and talents.



Kojiro Hirose
Manager
Human Affairs Section
General & Human Affairs
Department
Administration Division

A comfortable working environment

Setting up a comfortable working environment leads to increased employee productivity, business development, and even contributes to society. We consider the physical and mental health of our employees to be of the utmost importance and strive to realize a comfortable working environment.

Creating a working environment at Sapporo Branch

The Sapporo Branch sets its air-conditioning according to the eco guidelines laid out in ISO14001. Although Sapporo is a cold area that requires heating for a relatively large portion of the year, we have maintained the ISO14001 standards for many years. Recently though, the average temperature during summer has been rising, and I think we're using more air-conditioning than before. According to data

released by the Meteorological Agency, the average temperature of Sapporo city has gone up by 2.3°C since 1918. With a rise in the minimum temperature during winter and the maximum temperature during summer, maintaining a comfortable working environment has become more difficult than before, but we will strive to keep our employees in comfort.



Hiroshi Niwasaki
Manager
General Affairs Department
Sapporo Branch

■ Promoting the employment of elderly people

Since the amendment of the Law for the Stabilization of Employment of the Aged, we have been rehiring employees who want to continue working following forced retirement and who satisfy health and other conditions up to the age of 65.

Amidst the declining birthrate and aging of society, we recognize that the necessity of employing senior persons is only going to increase in the future. We are implementing activities, such as increasing opportunities to talk with supervisors and proper relocations, so that we can understand the expertise of each and every employee to clarify their roles.



Logistics Section, Procurement Department, Kyushu Branch

■ Stress Check

The EAP (Employee Assist Program), which allows employees to receive external counseling after performing a stress check, was introduced to prevent mental issues. Since 2016, we have been providing surveys, many of which are legally prescribed stress checks, and conducting activities to make employees aware of their mental burdens.

■ Promoting the employment of disabled persons

We actively address the employment of disabled persons as part of promoting diversification. As of April 2018, we fully satisfy the legally required employment rate. Going forward, we will continue to expand this initiative and strive to establish a working environment where disabled persons can work safely and securely.

■ Occupational health and safety

We believe that securing the health and safety of employees should be of the utmost importance for any company. Under the basic philosophy of respect for humanity, we are actively working on “establishing a workplace environment where everyone can feel secure, happy and healthy.” We have a monthly health committee meeting, which includes an industrial doctor and a health manager, to discuss and evaluate methods of promoting health and preventing health disorders. 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 an industrial doctor.



Our health committee, which includes an industrial doctor and a health manager

■ Childcare and nursing leave system

In order to establish a working environment where employees can balance work and childcare, we allow for shorter working hours and limited overtime based on the individual circumstances and wishes of our employees, in addition to our childcare and nursing leave systems.

Returning to work and childcare

In April 2018, I made use of the childcare leave system and returned to work afterwards. In addition to once in 2016, this was my second time using this system. Although I became pregnant with my second child shortly after returning to work the first time, everyone was very understanding and cooperative, so I used the childcare leave system again without any concern.

Currently, the Osaka Branch has about 10 people who have returned to work after taking childcare leave. It was very encouraging for me to see all these mothers

returning to work and resuming their duties as usual.

Since getting back, my supervisor and colleagues have been very supportive, and while each day is incredibly busy, I've been able to balance my attention between work and childcare. I am truly grateful. Although I often inconvenience everyone by taking leave or going home early, I will continue to do my utmost for the company that created this environment and everyone who is supporting me.



Ayumi Takashima
2nd Section
Direct Sales Department
2nd Paper Division
Osaka Branch

■ Regular health checkups and maternity healthcare

We provide support for employees to maintain both physical and mental health. Employees between the ages of 30 and 35 undergo an annual lifestyle disease checkup, while employees of other ages undergo an annual health checkup. We also have maternity healthcare rules so as to create an environment where female employees can continue to work before and after childbirth in good health.

■ Harassment countermeasures

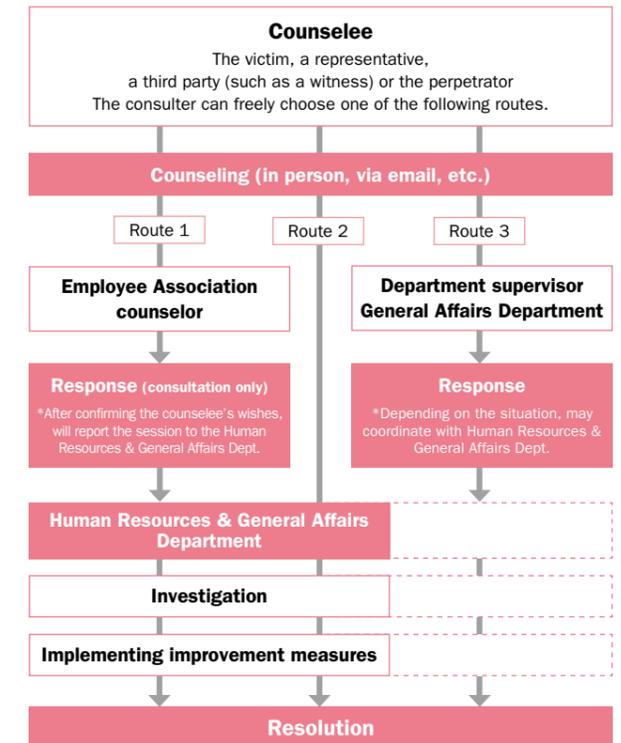
We have stipulated rules on harassment in our employment regulations based on our stance of zero tolerance for all forms of harassment. We listen to the opinions of our employees and are working on employee compliance to prevent any inappropriate behavior that disturbs working conditions or inhibits work performance.

Persons subject to these rules

All employees, including full-time, contract, and dispatch staff.

- 1. Maternity/Pregnancy harassment:**
Colleagues or supervisors who harass female employees or employees of either sex using childcare leave.
- 2. Sexual harassment:**
Colleagues, supervisors, customers or business partners who sexually harass members of the same or opposite sex. Any sexual conduct falls under sexual harassment, regardless of the actions of the victim.
- 3. Power harassment:**
A supervisor against a subordinate, a subordinate against a supervisor, or between colleagues.

Flow of harassment counseling



■ Cooperative relationship with Employee Association

At our company, we have organized an Employees Association to build and maintain smooth relations between the company and its employees. We believe that good employer-employee relations are indispensable for the development and wellbeing of the entire company and hold monthly meetings to exchange opinions on various projects.



Employee Association Meeting

Role of the Employee Association

The Shinsei Pulp & Paper Company Employee's Association is composed of all employee with the exception of executive officers and contract employees. Although the Japanese economy is said to be improving, the paper industry is still in a tight spot.

The popularization of Smartphones has led to lifestyle changes that have dramatically influenced the paper industry,

and many uses of paper have been made redundant by digitalization. In order to pull through this situation, management and employees must stand together as a united front.

If we, the employees, give our maximum performance, we can contribute accordingly to the company. We aim to create an environment that will result in a positive cycle.



Morimichi Sawado
Employee Association
Chairman
Tokyo Branch

■ Club Activities

We support club activities as places for internal communication and exchanges with people outside the company. The clubs cover a wide variety of activities and help to invigorate employees as part of the overall welfare system. Whether a sports activity or a cultural lesson, we believe that these clubs are excellent for improving the health and education of employees.

Osaka Branch Flower Arrangement Club

The Osaka Branch Flower Arrangement Club takes place in the B1 cafeteria from 18:00 on Tuesday three times a month. It's taught by Toshihiro Miyake, who follows the same Sogetsu School of Flower Arrangement as the famous TV personality Shogo Kariyazaki. There are 10 club members, including 2 men. Stepping away from the hustle and bustle of daily life and focusing your thoughts on flowers allows one to cultivate an inner calm. Through flower arrangement, you can cultivate a rich sensitivity, which will lead to more care in your work as well.



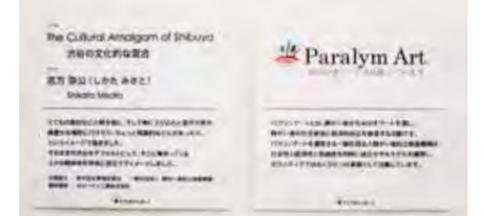
Paralym Art Support activities for the handicapped



Paralym Art is an initiative conducted by the Shougaisha Jiritsu Suishin Kikou Association to promote the social participation and financial independence of handicapped people through art. The ultimate goal of the initiative is to eliminate barriers between handicapped and non-handicapped people by providing the handicapped with as many opportunities for social participation and businesses involvement as possible.

Through CSR-related PR activities using Paralym Art, we seek to maximize the value added to paper and bridge the gap between companies as a comprehensive agent. As a specialty trading company, we consider Paralym Art to be a CSR activity and plan to expand it nationwide.

Paralym Art has been certified as a Beyond2020 Program. Beyond2020 Programs are government certified cultural projects that take advantage of diverse regional culture to create legacies appropriate for a mature society to pass onto the next generation beyond 2020. We will continue to promote the social participation and financial independence of handicapped people.



Paralym Art on the street: Shibuya Station

Rental art

Paralym Art brings cheerfulness to reception desks, waiting rooms, conference rooms and offices. We offer a rental service for reproductions of Paralym Art and will present a certificate of appreciation to anyone who rents Paralym Art for showing their support.

Sales

In addition to our rental service, we also sell reproductions of Paralym art for customers who want to keep the pictures with them on a more permanent basis. Upon purchase, we also present them a certificate of appreciation for supporting Paralym Art.

Licensing

We license out works of Paralym Art for various applications, including corporate brochures, CSR reports, product catalogs, posters, and cooperate calendars to enhance corporate value.

Goods & novelty items

We are currently providing a Paralym Art Calendar for 2019 as a novelty item to increase corporate value.



Sponsorship of art events

We support the SOMPO Paralym Art Cup 2018 hosted by the Paralym Art Secretariat. Likewise, we support the Paralympic Art World Tournament, where artists from around the world exhibit their works.

Meeting expectations and trust with solid management and moving forward together with society

We will continue to solidify our business structure with corporate governance based on our Management Philosophy and fulfill our social responsibilities.

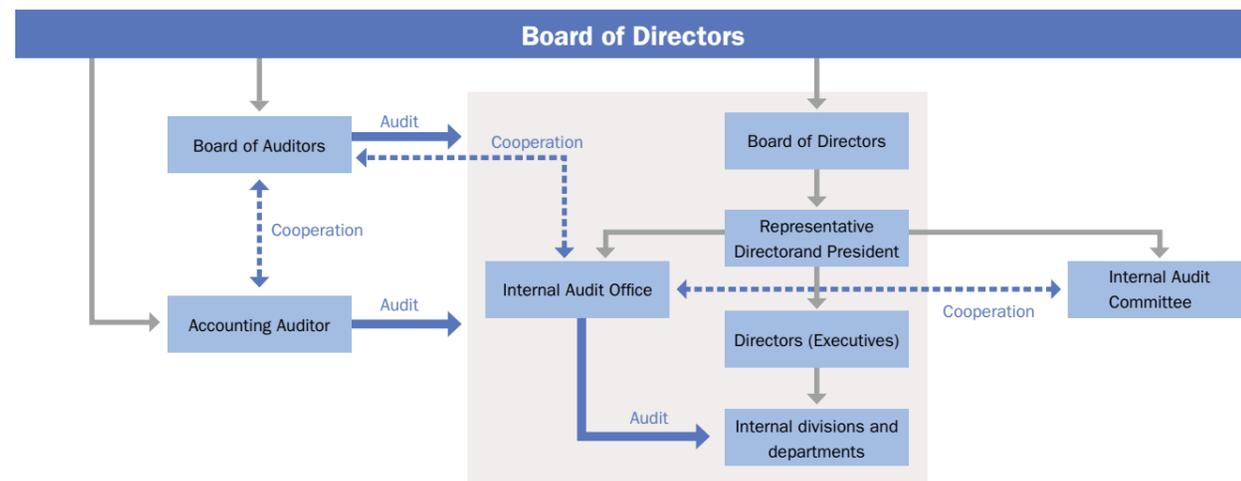
Corporate governance

It is possible to realize to continue to grow as a company that is “Supported,” “Needed” and “Chosen,” as defined in our Management Policies, by establishing proper relationships with all stakeholders and strengthening the value of our presence. For this reason, we continually strive to improve on auditing functions and increase transparency in relation to management, focusing on the General Meeting of Shareholders, (Board of) Directors, (Board of) Auditors and Accounting Auditor.

We hold meetings of the Board of Directors for the approval of important management issues, and the proper and prompt execution of all necessary measures. A Board of Auditors plays a role of auditing body, that is responsible for the establishment of an excellent corporate governance system to support healthy and sustainable growth and to respond to trust from society. For auditing plans and results, close communication between the (Board of) Auditors and the Accounting Auditor is sufficiently conducted, ensuring an auditing system with fairness and effectiveness.



Corporate governance organization



Internal controls

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

Compliance

Compliance involves not only complying with all relevant laws and regulations but also obeying internal rules, manuals and ethical practices to enable our company to conduct fair and proper business activities, and to facilitate the improvement of a compliance environment by establishing and operating rules in relation to corporate management. We conduct business activities that comply with social norms and corporate ethics. Also, to enable employees raise their levels of awareness, we regularly conduct training based on actual case examples.

Risk management

Business continuity planning (BCP=Business continuity planning)

We stipulated a Business Continuity Plan (BCP) for the purpose of securing continuity of important business (including protecting life and property). Regular review of the plan is conducted for business continuity and to recover important business (product service, bases and business partners) based on simulation of every possible risk affecting our businesses.

Disaster Prevention Plan

We stipulated a disaster countermeasure manual prioritizing secure of employees' life. Confirming employees' safety and location by using a Safety confirmation system when disaster occurs. Assuming the situation that employees disable to return to home, we prepare countermeasures to minimize damage such as drinking water and food, etc. for three days and annual disaster training.



Standard to control chemical substances in products

We stipulated our control standard and established a system to meet needs of our customers.

Internal Audit Office

Internal Audit Office under the direct control of President was established as an independent office from business lines. Internal Audit Office conducts regular internal auditing on all departments to understand risks, check systems to execute duty properly and efficiently, secure accuracy of financial report, comply with laws and regulations and maintain properties work effectively and efficiently, prevent and improve.

Handling of personal information

We stipulated consideration and safety control measures in order to ensure the proper handling of personal information, among other things. Below is the scope of our paperwork handling personal numbers.

1. Paperwork relating to personal numbers of managers (including their dependent family members)
2. Paperwork relating to personal numbers of non-managers

Additionally, we will properly handle personal information by establishing the following measures to secure control:

- Organizational safety control measures
- Human factor safety control measures
- Physical safety control measures
- Technical safety control measures

ISO Internal Audit Committee initiatives

We have acquired the ISO14001 (Environmental management system) certification and are proactively working on the sales of eco-friendly products and environmental management based on our Environmental Policy. In order to achieve our goals, all 25 company divisions are working under the PDCA cycle.

The ISO Internal Audit Committee consists of 24 members from each of our branches. Twice a year, the committee conducts an internal audit to confirm if ISO activities are being implemented and maintained properly.

The main purposes of the internal

audit are to confirm the conformance (if the rules are being complied with) and effectiveness (if the rules are effectively implemented and maintained). During the audit, they confirm document management, educational rule implementation, and goal validity. If they find a deficiency, the system is updated with corrective measures. The committee makes these confirmations and proposals to improve employee skills in each division and to continuously improve ISO activities.

We will continue to conduct internal audits to achieve an improvement in business results through thorough environmental management.



Naoki Arisaka
ISO14001 Internal Audit Committee Chairman
Manager
Logistics Department
General Affairs Division
Tokyo Main Branch

Preserving the global environment and the blessings of nature for the future

We contribute to the global environment through continuous implementation of preservation activities to pass down the blessings of nature, including forest resources.



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

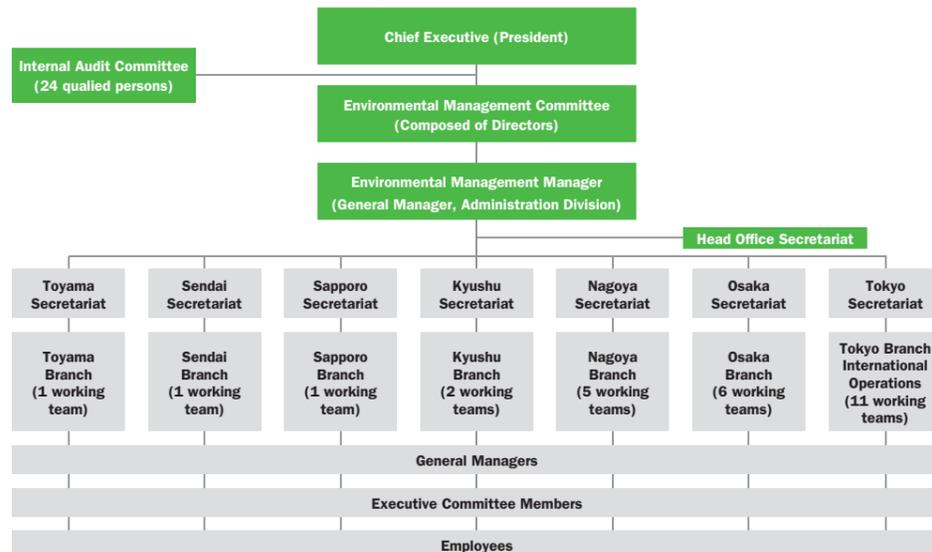
1. We address positive sales activities of ecofriendly products and the development of goods with little environmental burden.
2. In delivering goods, we strive to promote the efficiency of logistics to prevent air pollution.
3. We promote recycling by sorting waste at our ofces.
4. We positively purchase 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.

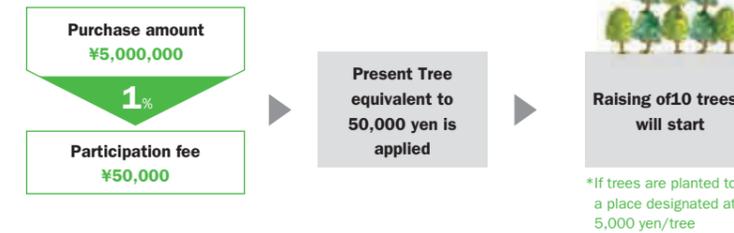
ISO14001 Environmental Management System



Our initiatives

1% for Present Tree*

Since 2009, we have conducted this tree planting activity in which 1% is added to the purchased amount of paper from the company, and this amount of 1% is then used to support tree-planting. We have planted more than 10,000 trees through this initiative.



Transition in numbers of planted trees	
2009	66
2010	8,168
2011	535
2012	524
2013	609
2014	520
2015	404
2016	381
2017	347
Total	11,554

1% for Revive Japan*

Since 2011, 1% is added to purchased amounts from our partners, and this amount of 1% is then used to support restoration activities from the Great East Japan Earthquake of 2011.



We adopt the scheme of “Revive Japan” with our monopoly product, Rescue Board Magnum, and donate an equivalent amount to each sales unit.



ISO14001

(Environmental management system)

Since 2002 efforts have been underway at all offices to raise environmental awareness and increasing the number of eco-friendly products. We have completed the transition to the 2015 version and are now working on strategic environmental management.



ISO9001

(Quality management system)

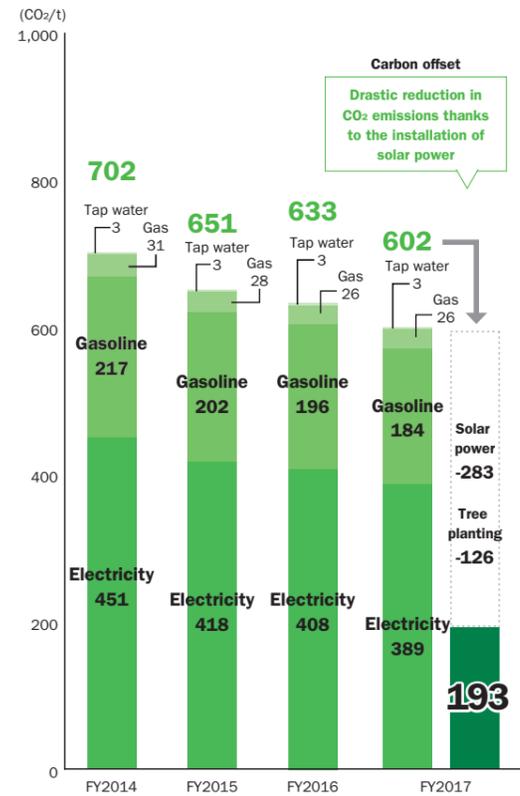
We received certification at the Electric Materials Industry Section, Industrial Function Paper Department, Information Function Paper Division, Tokyo Main Branch in 2005. We have tackled the enhancement of customer satisfaction and acquired trust from suppliers. In addition, we have completed the transfer to the 2015 version.



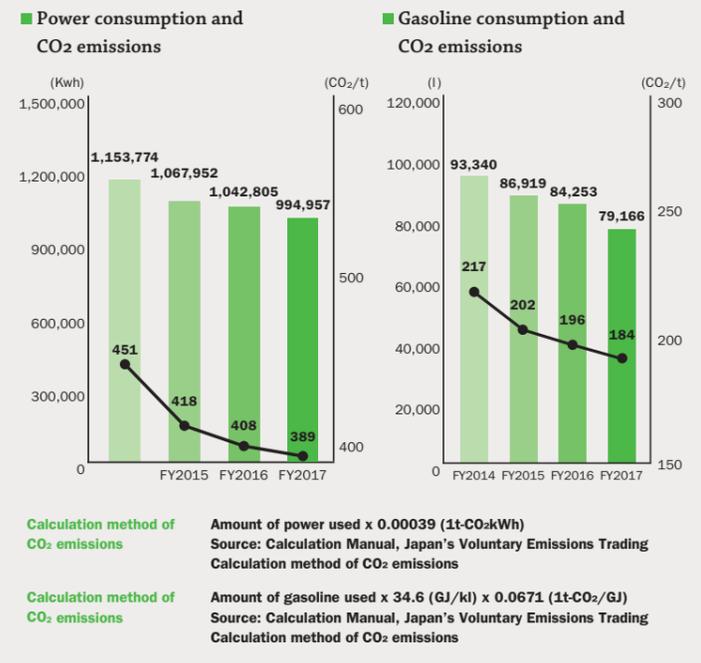
Continuous activities to preserve the environment and fulfill our responsibility as a corporation

In accordance with the Basic Philosophy of the Environmental Policy, we established a Course of Action and are proceeding with our initiatives.

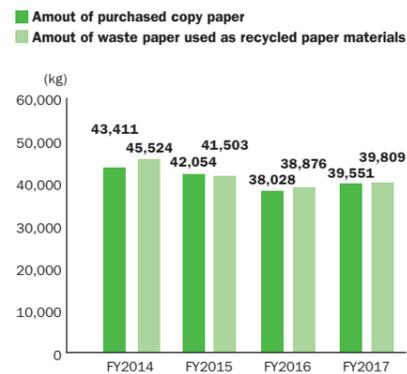
CO₂ emissions by our business activities



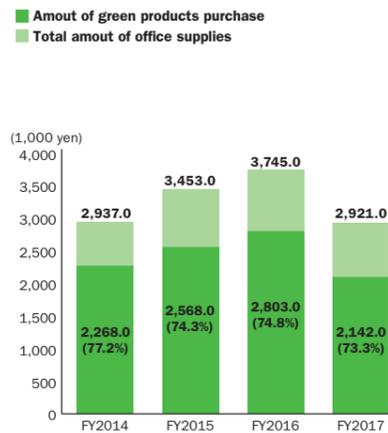
FY2017



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

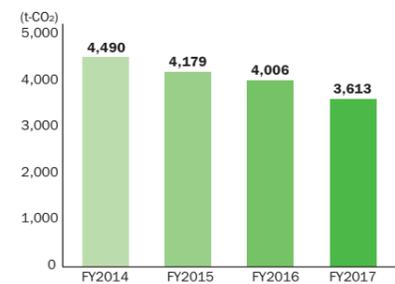


Green products purchase ratio



Transportation results as a Specied Consignor*

* Business owners that have a volume of freight transportation (in tonkilometers) 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.



Initiatives for ISO14001: 2015

We implemented activities based on the 2015 version of ISO14001 for one year starting from April 2017. Our goal was to conduct activities that are closely linked to our business by understanding the circumstances of our organization (internal and external issues), the risks and opportunities surrounding those circumstances, and the demands and expectations of stakeholders.

Circumstances of our organization (internal and external issues)



"Risks and opportunities" as identified by "Context of the organ"

Context of the organization	External issues	Internal issues	Stakeholders	Compliance obligations	Risks and opportunities	Planning of initiatives → Underline: Evaluations of effectiveness of initiatives
Environmental-friendliness in the paper industry. Developments in addition to sales developments of forest certified paper and paper made from lumber of thinning	○		○		Stable supply, social recognition and avoidance of environmental destruction	Developments and sales of products matching requirements of the times. Opportunities to raise awareness of eco-friendly products → Sales increases and social responsibility
Measures against global warming/CO ₂ emissions reductions	○	○	○	○	Shortage of raw materials, unfair evaluations of paper use and loss of opportunities to improve company reputation. Recycled resources, evaluations of lifecycles as materials and recycled paper	Active promotion, improvement of procedures and personnel education → High evaluations of paper industry and contributions to the future
Environmental destruction by natural and man-made disasters	○	○	○		Uncertainty about business continuity and loss of opportunities to increase sales	Improvements in reinforcement procedures of monitoring and inspection systems based on risk assessments and personnel education → Establishment of BCP and higher levels of trust from stakeholders
Entry to solar power generation. Tree planting activities		○			Environmental contributions and parts of CSR activities	Human resource development. Creation of the value of papers, information security → Sustainability of paper, new developments
Arrival of paperless age, based on IT utilization	○	○	○		Loss of opportunities to continue business and business shrinkage Rediscovery of paper's advantage	Human resource development. Creation of the value of papers, information security → Sustainability of paper, new developments

Specific actions for CO₂ reductions

For environmental protection, each and every employee voluntarily tackles what he or she can do at hand.

- Conditional stopping of air conditioners
- Turning off fluorescent lamps during lunch breaks
- Implementation of CoolBiz and WarmBiz
- Stopping one elevator
- Introduction of LED lighting
- Prohibition of working on holidays
- Promotion of using the stairway (in-house 3Up 3Down movement)
- Establishing summer vacation days

ISO14001 in FY2018

Target setting	Tokyo/Overseas	Osaka	Nagoya	Kyushu	Sapporo	Sendai	Toyama	Branches
Sales of eco-friendly products	14	6	6	2	2	2	1	33
Reduction of power consumption	4	1		1		1	1	8
Reduction of gasoline consumption through transportation efficiency	9	2	2	1	1	1	1	17
Reduction of general waste emissions	1	1	4					6
Reduction in amounts of copy paper	1	1	1					3
Promotion of green product purchases		1	1		1			3
Promotion of stationary recycling	1							1
Promotion of operational efficiency	10	6	1	1	1	1	1	21
total	40	18	15	5	5	5	4	92

For the FY2018 version of ISO14001, we created 92 goals for the 25 branch divisions. We are striving to achieve all of these goals. In FY2017, we achieved 80% of the goals.

What we can do for the global environment

Many companies are now carrying out environmental preservation activities on a global scale, and Shinsei Pulp & Paper Company is no exception. We will continue to focus on activities such as planting trees for reforestation and supplying electricity using solar power.

Working on environmental preservation through reforestation

We consider preservation of the global environment to be one of our most important management goals. We will proactively take on activities in order to create an “environment where human and nature can coexist” and pass down that environment to the next generation. We are aware that environment preservation activities are an important duty and will make efforts as a company to maintain and improve these activities.

Every year, we implement activities where our employees can experience forest preservation, reforestation, and the paper and tree planting cycle. Our younger employees, who are the next generation, will proactively engage in forest preservation.

Supply of electricity using solar power

We are making efficient use of company-owned land to create renewable energy. The SPP Tomi Power Plant, launched in March 2016 for the promotion of renewable energy, has a power output of 500KW and has concluded a sales contract with the Chubu Electric Power Company. The reduced amount of CO₂ emissions in FY2017 was 283t-CO₂/KWh.

From spring to autumn, we use sheep to rid the areas of weeds. This initiative is based on our environmental policy and basic philosophy, and is considered an effective method as it does not generate any CO₂ emissions or plant residues.



Employees' comments on the tree planting

Here, we will introduce some comments from employees who participated in the Present Tree in Fuefuki Misaka activity, which was held on May 12 and 13 in Yamanashi Prefecture.

- Approximately 70% of Japan's land area is covered by forest, but maintenance is necessary in order to keep it in good condition. Through the tree planting, I realized that it is an extremely daunting task to keep an eye on and maintain every single tree for many years. Our paper is made of woodchips, which are the parts of trees that aren't used for construction materials. This tree planting was a valuable experience to actually be involved in growing our raw material. Going forward, I would like to pay more attention to environmental preservation.
- Imagining that my sapling will take more than 10 years to grow up made me realize how much effort is required for reforestation. These two days were a very good experience.
- We can't just plant the trees and leave it at that. Our goal here isn't the tree planting itself, but rather how we can contribute to the natural environment afterwards. Maintaining the natural environment is something that we can do as individuals. Tree planting may be difficult, but I would like to find a way to contribute to the natural environment in my daily life.
- I learned just how much effort is put into preserving saplings and creating a forest and understood the significance of forest preservation. It made me realize that we're selling paper made from trees that are raised with so much care. From now on, I'll be sure to conduct sales activities with a sense of gratitude for everyone involved with making paper.
- Previously, I didn't give much thought to trees during my daily work, but this experience made me realize that we are only able to sell our products thanks to the efforts of the forest union members.
- I got a sense of the vitality and power of nature when I imagined the future growth of my sapling. I hope it will someday grow into a tree and become part of a forest, despite the current environmental situation.

Local Contribution Activities

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

■ Tokyo Regular Cleaning Activity

Chiyoda-ku, Tokyo, the location of our Tokyo Main Branch, holds "Chiyoda-ku Cleanup Day" in the spring and fall each year. Elementary and junior high schools, as well as residents of the local community, join together for the clean-up activities. We regularly participate in these activities to show our support for the community. We also conducted clean-up activities in June for "Environment Month," where about 60 employees volunteered to participate.



■ Osaka Emergency Drills

At the Osaka Okamoto Building, an emergency drill is held once a year. In addition to SPP employees, the rest of the building's tenants also participate, conducting evacuation and fire fighting drills. It's best if we can prevent fires from happening at all, but in the event that one does break out, we are determined to protect our employees and minimize the damage, so we take this training very seriously.



■ Nagoya Emergency Drills

The Nagoya Branch conducts emergency drills in the OP Nagoya Building every year. Our employees and other tenants of the building participate in regular disaster prevention training. To set up a cooperative system and get involved in firefighting activities in case a fire occurs in the area, we also conduct firefighting training.



■ Toyama Snow removal and resource collection

At Toyama Branch, we conduct snow removal activities after heavy snowfalls. As our building faces a main street, we remove snow not only from the area in front of it but also from the sidewalk nearby to keep it passable for residents. Also, at Kosugi Office, we conduct resource collection activities three times a year with Kosugi-cho's kids club and local residents. We separate the resources into newspapers, flyers, and cardboard boxes, and load them onto our collection truck. The revenue earned through this activity goes toward funding the kids club's activities.



■ Kyushu Hakata Gion Yamakasa

Hakata Gion Yamakasa is a traditional festival with more than 770 years of history held from July 1 to 15 every year in Hakata Ward, Fukuoka City. It has also been designated as an "Important Intangible Folk Cultural Property." Our Kyushu Branch sponsors the festival, contributing to exchanges in the local community by providing free tap water for use as kioimizu, water sprayed on carriers during the festival.



■ Sapporo Community Health and Safety Activity

The Sapporo Branch is a member of "Gobangai Shinkokai" and "Daigo Chonakai," and participates in activities related to lighting, decorations and advertisements, as well as traffic safety and environmental health issues. We also contribute to the development of the area as a tourism destination.



■ Sendai Environmental Maintenance

Employees in the Sendai Branch conduct a clean-up activity every year to remove weeds from around the office building and the surrounding roadsides. As almost all of our employees join in the activity during their lunch break, it really helps raise environmental awareness across the entire branch.



Together with the future of the Earth



Yuko Sakita

Journalist and Environmental Counselor
Chief Director, NPO GENKI Net for Creating a Sustainable Society
Representative Director, NPO Shinjuku Environmental Information Network

Profile

Graduated from Rikkyo University in 1974. Joined SHUEISHA Inc. Since 1985, she has been working as a freelance journalist, looking at environmental and energy issues, particularly the creation of sustainable recycle-based communities, from the viewpoint of everyday people. She belongs to many government committees including, the Central Environment Council of the Ministry of the Environment, and the Advisory Committee for Natural Resources and Energy of the Ministry of the Economy, Trade and Industry. She is also an adjunct researcher at Waseda University, a local revitalization specialist appointed by the Cabinet Office, Government of Japan, and chairman of the "National Food Consumption Network Committee." She is also currently a member of the "Community Development and Sustainability Committee," "Sustainability Discussion Group," and the "Resource Management Working Group" in preparation for the Tokyo 2020 Olympic and Paralympic Games.

Main works

Book: "Dare Demo Dekiru Gomi Diet" (1999, Godo Shuppan)
Thesis: "Civic Role and Civic International Cooperation, which realize Recycle Type Community Improvement of Collaboration" (2005, Environmental Research Quarterly)
Co-authored: "Denknogomi Chisoushobunsaizensen wo manabu tabi" (2010, Recycle Bunkasha)
Co-authored: "Minna de tSukuru Olympic/Paralympic" (2015, The Environmental News)

We have come to a turning point where we acknowledge the significance of sustainable and renewable resources. In July 2018, the topic of ocean plastic pollution was raised at a G7 summit held in Canada.

Although the amount of secondary microplastics originating in Japan's land area is relatively small, the UNEP report states that Japan produces the second largest amount of disposable plastic packaging per capita in the world. As a society, we need to take a hard look at our lifestyle and business style, which depend on disposable products made from oil, an exhaustible resource.

Amid these global trends, I want the Shinsei Pulp & Paper Company to expand the potential of paper and cardboard using wood pulp as a paper trading company.

In addition, it's estimated that one third of the food produced around the world is wasted, so reducing food waste is also a pressing issue. As such, the significance of resin film as a packaging material cannot be overstated, since it contributes to reduction of food waste by extending the shelf life of foodstuffs. For this reason, I have great expectations for Shinsei Pulp & Paper Company's future as a company with both a chemical product business and paper & cardboard business.

I was particularly interested to read the roundtable discussion in this report. They discussed the increasing expectations for film to extend the shelf life of foodstuffs and reduce transport costs in the midst of social changes such as an increasing need for emergency provisions, a rise in refill packing for resource efficiency, and food being packaged in smaller portions due to the declining birthrate, aging of society, and women's participation in the workplace. They also expressed their desire to make the food packaging industry more interesting as a trading company by continuing to collect information on various aspects of the business.

While they didn't specifically mention an easily recyclable design in this report, I expect they will work on it, including eco-friendly design for the sustainable usage of exhaustible resources.

Another impressive point in the report was the mid-term management plan starting in April 2018. This plan expresses a will to contribute to the realization of the 2030 Agenda for Sustainable Development Goals (SDGs) adopted at the UN in 2015 and demonstrates sustainable management in a quantitative form.

Last year, I wrote that I hoped everyone would adopt high

indicator targets to reach CO₂ emissions and absorption of ± 0. It's still very difficult to set those high targets, but I commend them for having an accurate understanding of the SDGs, following a global standard, and providing quantitative information for a sustainable future.

In addition, sales of forest certified paper is also important as interest in sustainability of forest resources is growing around the world. It is stipulated in the procurement standards for Tokyo Olympic 2020, which aims for sustainable operations, and I expect that this trend will spread.

As for the work style reforms, they provided clear quantitative goals for social aspects, such as getting the ratios for annual leave taken and female hires to 50% or more. It's encouraging to learn that they are aiming to create a comfortable work environment.

Regarding the cover picture, they've once again used Paralymp Art, which is certificated by Japanese government as a "Beyond 2020" program appropriate for a mature society. I commend them for striving toward a sustainable society in various areas.

If I could be so bold as to make a suggestion, the organizing committee for the Tokyo 2020 Olympic and Paralympic Games intends to recruit 80,000 volunteers. I'd like them to consider possibilities such as allowing volunteers to take paid leave during the games or favoring students that participated in volunteering activities during the hiring process. I feel that this would help to develop human resources with highly developed empathy and sociability. I have high hopes for them as a company that develops people, utilizes them, and contributes to society!

This report also covers corporate governance, environmental policy, and the status of ISO14001, and in particular, I really appreciate that they reduced CO₂ emissions during business activities through solar energy generation and tree planting activities.

In the future, they should consider also including information about the chemical substances contained in products, as this is an area in which public interest is increasing.

Lastly, it is said that 30% of global investment is based on ESG, and even in Japan, interest is high. I hope that they will consider providing information on ESG investment, qualitatively indicating non-financial information on such as environment, society and corporate governance.

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