

Top Management's Commitment and Highlights

Highlights



Paper is an environmental issue that touches everyone's daily lives. To find out how to ensure the continued use of paper, long into the future, we spoke with some of the stakeholders deeply involved in the paper industry on a continual basis: Eishi Maezawa of the World Wide Fund for Nature (WWF), which primarily monitors forest certification systems; Junji Ohsawa of Oji Paper, which represents the paper manufacturing industry; and Hiroyuki Sato of the Green Purchasing Network (GPN), which develops purchasing guidelines.

With ongoing depletion of natural forests and illegal felling, should price be the only criterion for choosing paper?

Moderator: Let me start with a simple question. Is it true that we are losing tropical forests to paper consumption?

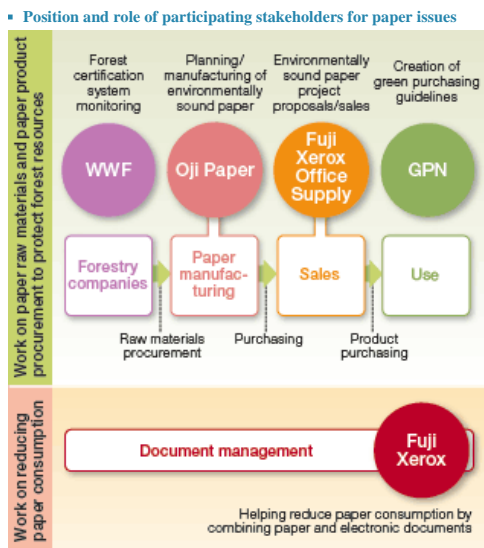
Maezawa: It's important to trace the sources of imported pulp. The issue doesn't hit home with Japanese because the places where the felling takes place are far from Japan. An independent survey by the WWF found that 18 percent of the paper and 4 percent of the pulp now imported by Japan are made from illegally felled raw materials.

Ohsawa: We also think a significant amount of imported office paper is made from trees illegally felled in places like Indonesia. Without a social framework to crack down on these products, it will be difficult to stop illegal felling.

Moderator: Why is that?

Ohori: Because products made from illegally felled raw materials are cheap. It costs money to procure raw materials from managed natural forests or plantation forests, and products are therefore unavoidably more expensive. These environmental-friendly products are now being pulled into a price war with the illegal products, so no matter how much effort is made to produce them, they do not easily increase their market share.

Sato: Another issue involves the inability to understand systems providing accurate information such as eco-labels. The situation needs to be changed quickly if there is not an awareness that buying these products destroys forests, or if there is this awareness but usage cannot be stopped.



Securing supply of raw materials amid an ever-expanding demand for paper

Moderator: Paper is made from virgin pulp and used paper pulp. Isn't recycling enough to stop forest destruction?

Ohsawa: The world demand for paper is expanding rapidly. We estimate that in the 12-year period between 2003 and 2015, demand will increase from 339 million tons to 460 million tons. Today, Japan's consumption is nearly 10 percent of the world total. The collection rate for used paper in Japan has nearly reached its limit, and it is actually impossible to meet the entire demand of the country with only used paper. In recent years, a large amount of used paper is being exported to China, and it has now become difficult to obtain used paper in Japan.

Ohori: Another major reason virgin pulp is needed in paper manufacturing is that paper fibers are broken into pieces and therefore become too thin for reuse after being recycled three to five times.

Moderator: So the paper supply can't be maintained with just used paper. What should we pay attention to regarding the procurement of virgin pulp?

Maewaza: FSC and similar forest certification systems are an effective way to prevent further destruction of the world's forests. These systems guarantee virgin pulp traceability (ability to trace the sources of raw materials), support forestry companies that have sustainable forest management methods, and promote purchasing of products made from properly managed raw materials.

Akiyama: Regulations and other measures need to be put in place to properly expand the use of these systems. Although they're currently under review, some aspects of the current GPN guidelines are a barrier to increasing the use of FSC-certified paper and other paper made from certified eco-pulp.

Sato: Yes, you mean the notion that environmental-friendly paper can only be paper made from a higher proportion of used paper. That was true ten years ago when paper contained little used paper and there was a surplus issue. The guidelines did in fact increase the use of used paper. But their approach then created a different issue—which could be called “myth of 100 percent recycled paper.” The thinking went no further than the notion that environmental-friendly paper is synonymous with paper that does not use trees. When the change in the situation and the fundamental solution to the issue were considered a realization came to light that the guidelines needed to be revised, and today this work is being carried out.

Moderator: I'd like to summarize the discussion so far. (1) It's important to have a good balance between the use of virgin pulp and used paper pulp as raw materials for paper manufacturing. (2) It's possible to prevent illegal felling by checking the sources of pulp raw materials when procuring or purchasing them. (3) Forest certification systems exist as a way of letting purchasers check the sources of virgin pulp raw materials. (4) New laws and revised guidelines are necessary for promoting the expansion of these systems.



Eishi Maezawa
Assistant Director, Conservation,
World Wildlife Fund (WWF) Japan

has been participating in WWF activities since 1990, and working on issues related to forests for many years. He is an expert in forest certification systems in Japan.



Junji Ohsawa
General Manager, Environmental
Management Department,
Oji Paper Co., Ltd.

joined Oji Paper in 1971. He has worked on pulp research for many years, and is an expert in ligneous biomass chemistry.

Responsibilities of producers, sellers, purchasers and consumers

Moderator: I'd like you to discuss the activities you'll be working on in the years ahead in light of the work you've done to date. As a leading copy paper vendor in Japan, what does Fuji Xerox Office Supply plan to do in the future?

Ohori: We have been working on a wide range of initiatives for many years, ranging from planning and developing environmental-friendly paper (including acid-free paper and recycled paper) to funding forestry businesses. In June of this year we began sales of a copy paper called FR, which contains 50 percent plantation pulp and 50 percent used newspaper pulp. The paper uses pulp from eucalyptus trees harvested from the company's own forests in New Zealand, where together with Oji Paper and Itochu Corporation we have continued to plant trees for the past 12 years. We procure materials for copy paper based on a policy of only using virgin pulp from verified sources and used paper pulp as raw materials. The project is not made possible only through our own efforts but also through the cooperation of various people and the understanding of customers.

Ohsawa: We, at Oji Paper, want to meet the increase in demand for paper in the upcoming years while still ensuring the traceability of raw materials. The New Zealand project is one example of this effort. We are engaged in eucalyptus and other overseas plantation projects, increasing the proportion of raw materials procured from our own plantations. Naturally, these plantations are managed by environmental-friendly methods, and have been certified by FSC or similar forest certification systems. To meet our responsibility as a paper supplier, we created a set of wood material procurement policies in April of this year.

Maewaza: The WWF approached Indonesian paper manufacturing companies who have used illegally felled raw materials, and made them agree to switch their raw materials and preserve forests that are highly worth protecting. We are now monitoring the area to ensure compliance with the agreement. We are working with local governments and NGOs and at the same time providing information to Japanese trading companies, sellers, and retailers and give them advice on business risks and purchasing policies. We want these activities to increase trust in forest certification systems.

Sato: GPN's first initiative was the creation of printing and copying paper guidelines nine years ago. We are now thoroughly reexamining what environmental-friendly paper is, and working on revising the guidelines. I hope the revisions made will create a general consensus in the world at large.

Akiyama: Fuji Xerox put into effect a set of worldwide procurement rules in December 2004, written from our standpoint as an office paper purchaser. The rules are quite thorough. Naturally, they call for compliance with laws and rules. They also call for sustainable forest management, and for clarification of suppliers of used paper used as recycled pulp raw materials. We have proposed them to the world as one possible model. We want to receive as much feedback as possible so that we can further improve the procurement rules and make the aims of these rules known to society.

Moderator: How would Fuji Xerox stakeholders view these procurement rules? And what do you want from Fuji Xerox?

Maewaza: As an NGO charged with promoting forest certification systems, it's very encouraging to see such a policy in a company that procures raw materials and sells and purchases products. The key to making procurement guidelines effective is reliable local checking of raw materials sources, so we want Fuji Xerox to have an active partnership with NPOs and NGOs for this process.

Sato: It's also our job to increase the awareness of purchasers, who are the paper users. Now that Fuji Xerox has released a product like FR, we want them to increase their PR, and clearly explain to the public the type of paper to use in order to help protect the forests.

Ohsawa: We have helped in several different initiatives with Fuji Xerox. Their proposals have been extremely stimulating to Oji Paper, and



Hiroyuki Sato
Secretary General, Green
Purchasing Network (GPN)

has taken part in GPN activities since its establishment in 1996, and is currently working on revising its paper procurement guidelines.



Mitsuyoshi Ohori
Councilor, Fuji Xerox Office
Supply after

joining the company in 1980, he became a director in 1996, then retired in 2004 to take up his present post. Currently he is working on creating Fuji Xerox's paper procurement rules.

I think we've been able to create an extremely good relationship. We want to continue our efforts in the years ahead, working together to raise the level of the industry.

Moderator: Listening to the comments of Fuji Xerox and others who have been closely connected to the paper industry for many years has given me various insights. Just as consumers check where the food they buy is produced, paper buyers can routinely help protect forests by checking that forests are being properly managed at the locations of raw materials procurement. I hope that the key figures here today continue their work in each of their separate capacities, so that this system functions effectively to ensure, that paper can be continually used long into the future.



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