

Measures to Secure Fibres (Wood) for Future and Improve the Industry Image

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Overview of Japan Paper Association (JPA)



• About JPA:

JPA is the association consisting of major paper manufacturing companies with the aim to promote development of the Japanese paper industry and are engaged in the following activities through the committee members:

- ✓ Exchange of views and information among members
- ✓ Research for production of paper, paperboard and pulp at home and abroad
- ✓ Collection, preparation and announcement of information, data and statistics of the industry
- ✓ Publicity activities
- ✓ Others that are necessary to achieve the aim

• Member companies:

31 Major pulp and paper companies in Japan: a sum of paper and paperboard **production of member companies in 2022 was 20.74 million tons** that was **87.7%** of total paper and paperboard production in Japan.

• Publications (<https://www.jpa.gr.jp/en/>):

- ✓ JPA's Environmental Action Plan (formulated in 2012, recently revised in 2022)
- ✓ Action Plan for Prevention of Industrial Accidents (2018)
- ✓ Countermeasures against Global Warming aiming at Net Zero GHG emission from Paper Industry - Long-Term Vision 2050 (2021)
- ✓ Japan Paper Association Sustainability Reports (2021 and 2022)
- ✓ Other documents can also be found at <https://www.jpa.gr.jp/en/>, but only available in Japanese.

1. Measures to Secure Fibres (Wood) for Future

- Current State of Raw Material Procurement
- Challenges and Measures to Secure Fibres for Sustainable and Resilient Industry

2. Measures to Improve the Industry Image: PR Activities of Japanese Paper Industry

- Misconceptions in the Paper Industry
- JPA's PR Activities

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1. Measures to Secure Fibres (Wood) for Future

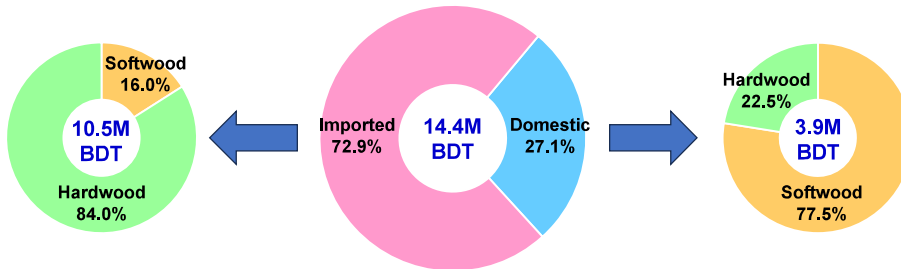
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Raw Material Procurement: Current State

Composition of fibrous raw materials for papermaking (2022, weight %)



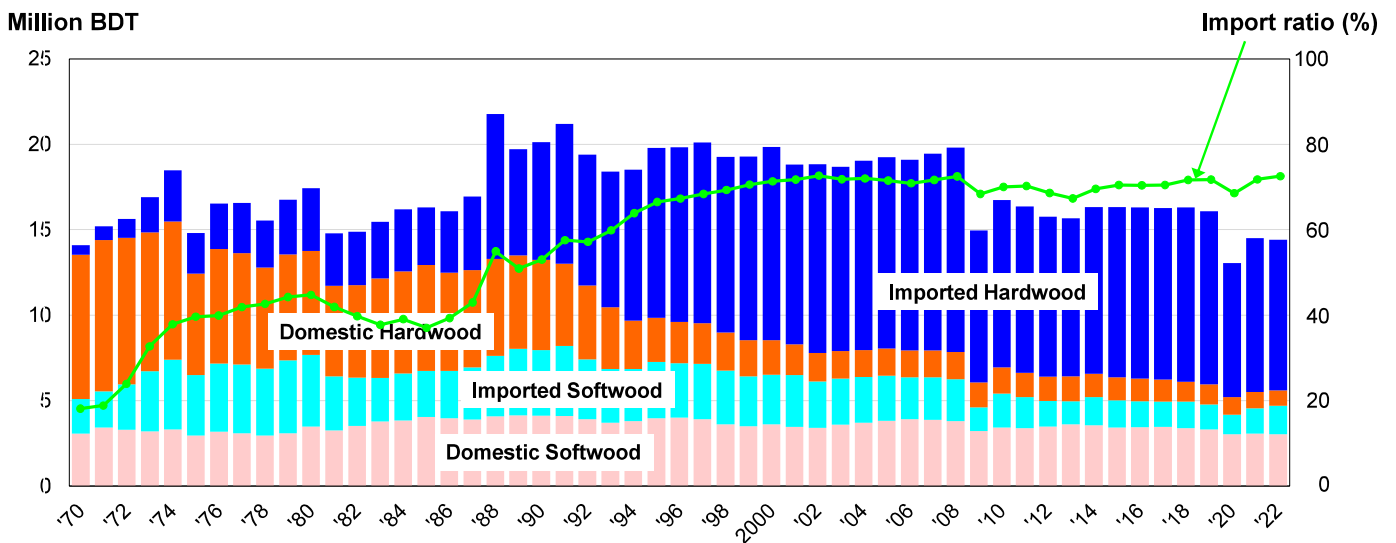
Wood chips(*) for domestic pulp production



(*) Sources for wood chips: Sawmill residues, low grade lumber from natural/artificial forests such as thinned wood and insect damaged wood, and reclaimed (reused) wood

Raw Material Procurement: Pulpwood Supply

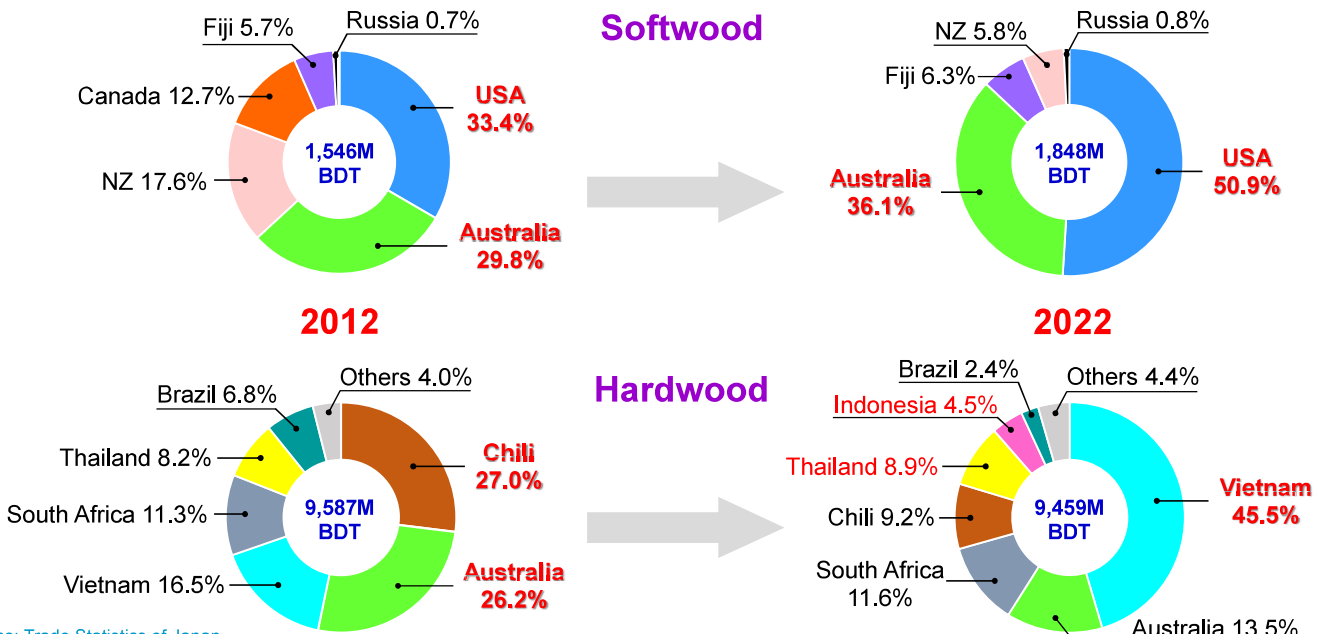
Pulpwood supply and import ratio from 1970 to 2022



Source: Japan Paper Association
 Note: The amount of pulpwood supply before 1991 was calculated by converting m3 to BDT.

Raw Material Procurement: Pulpwood Source

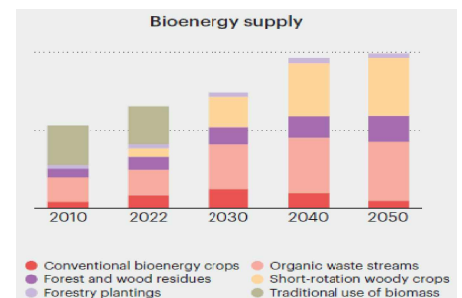
Pulpwood source (chips) in 2012 and 2022



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Challenges for Sustainable Fibres Procurement

- **Ensure traceability of wood chips**
 - Raw material procurement that does not cause deforestation or illegal logging
 - Compliance with new/reinforced regulations in Japan and other countries such as EU Deforestation Regulation (EUDR) and Amended “Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products” (Amended “Clean Wood Act”)
- **Risk of high material import dependency**
 - Procurement risks due to the fluctuating exchange rates and the sharp rise in transportation costs caused by geopolitical tensions
- **Competition for forest raw materials in the presence of increased bioenergy demand**
 - Japanese Government’ policy to achieve decarbonization by 2050: promote the dissemination of renewable energy including biomass energy
 - COP28: “take actions towards achieving, at a global scale, a tripling of renewable energy capacity and doubling energy efficiency improvements by 2030”



Source: IEA <https://www.iea.org/reports/bioenergy-2>

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Measures to Secure Fibres for Sustainable Industry

- The paper industry is **striving for establishing sustainable and resilient industry**, including development of reliable and stable supply chains **in accordance with JPA's Environmental Action Plan.**



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Forest in Japan: Current State

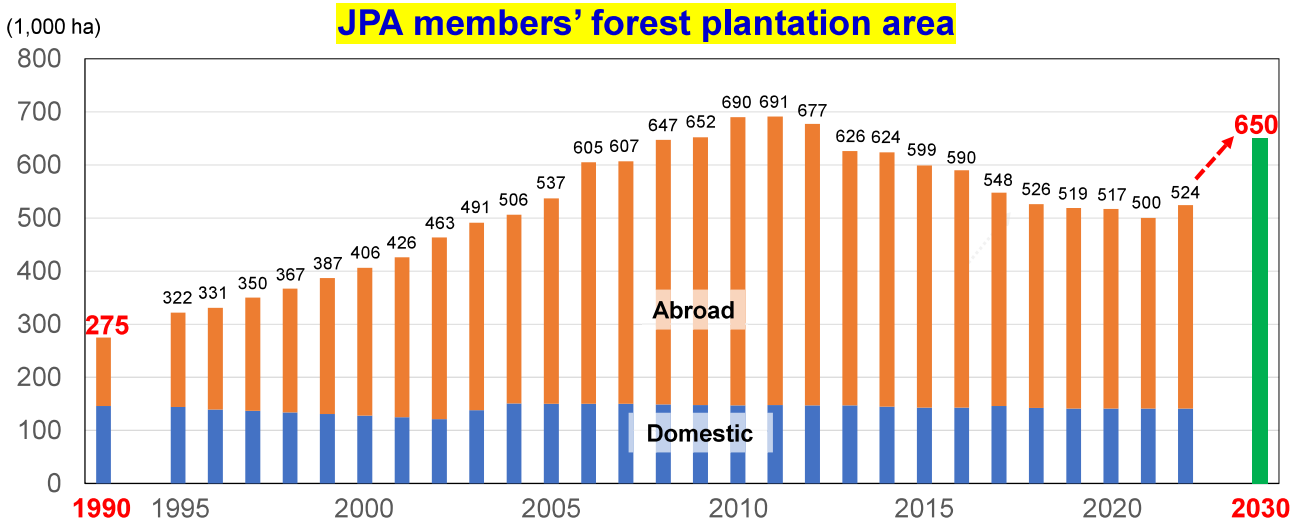
- Total land area: **37.8** million ha
- Forest area: **25.0** million ha
 - Natural forest area: **14.9** million ha
 - Artificial forest area: **10.1** million ha
- Forest coverage rate: **66%**
- Certified forest area: **2.63** million ha
 - FSC certified forest area: **0.42** million ha
 - SGEC certified forest area: **2.21** million ha
- Forest area managed by JPA members: **0.34** million ha
 - Natural forest area: **0.20** million ha
 - Artificial forest area: **0.14** million ha
 - Certified forest area: **0.27** million ha
(**80%** of JPA members' forests)

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Initiatives to Expand Forest Plantation Area

Medium-term target for 2030:

Increase the area of plantation forests in Japan and abroad by 375,000 ha to 650,000 ha by FY2030 compared to FY1990.

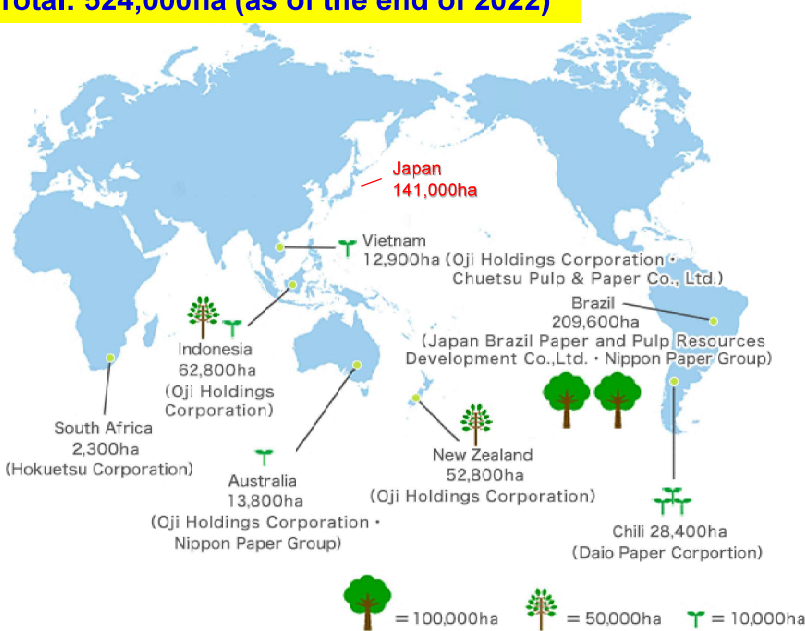


Source: Japan Paper Association

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Afforestation of the Japanese Paper Industry

Total: 524,000ha (as of the end of 2022)



Source: Japan Paper Association

Forest Certification

Overseas Forest Plantation Area
382,700 ha



Forest Certification Area (%)
89%
(FSC, PEFC)



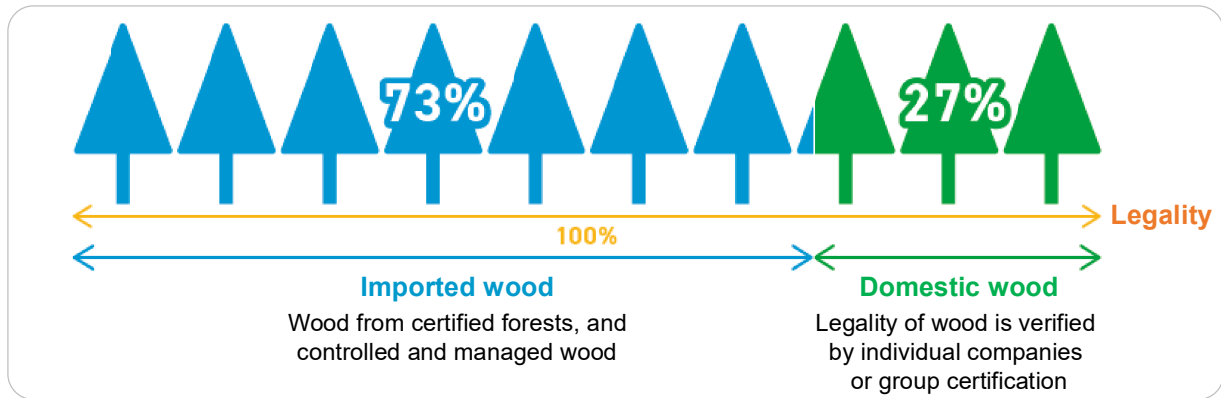
Export to Japan
10~20% of imported pulpwood(*)

Local consumption or export to other area, etc.

(*): Rough estimation by JPA (not including pulp).

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- In 2006, JPA formulated the **Code of Conduct of the Japan Paper Association for Issues on Illegal Logging**.
- **JPA confirms the certification method used by its member companies to verify the legality of wood**, in accordance with the Forestry Agency's guidelines.



No illegally logged wood is used for papermaking.

2. Measures to Improve the Industry Image: PR Activities of Japanese Paper Industry

■ Cultural shift towards paperless living

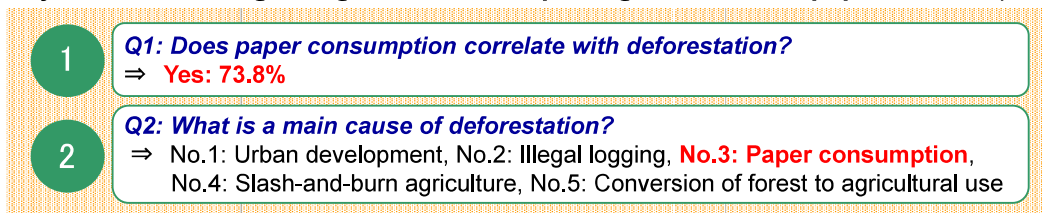
- ✓ The presence of “paper” in consumers’ life and communication has been rapidly becoming weaker due to the digitization of communication tools caused by the accelerating adoption of ITC and the spread of smartphones.

■ Misconceptions in the paper industry

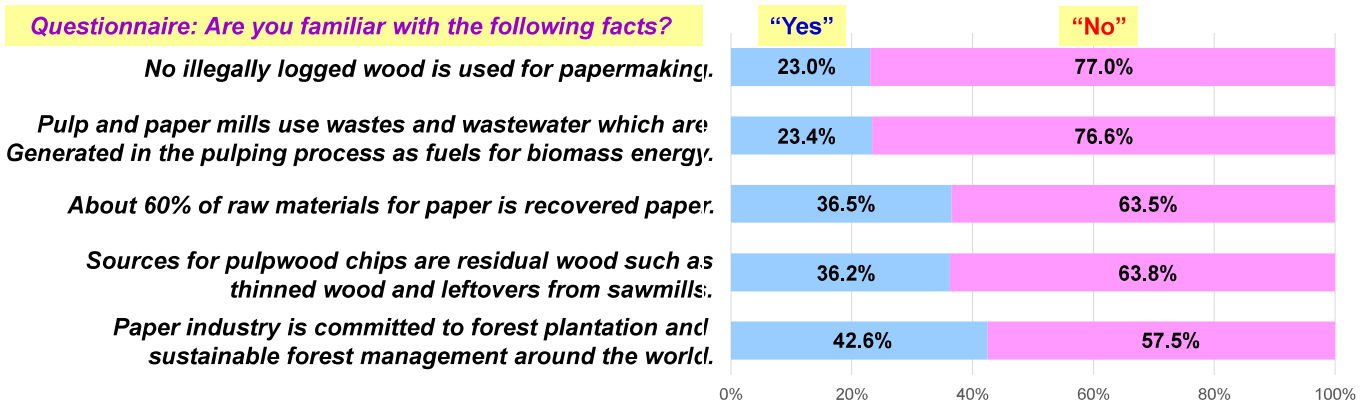
- ✓ There are gaps between facts and myths about the paper industry. Various incorrect and non-scientific messages in the media have misled the general public into the misapprehension of the paper industry.

Misconceptions in the Paper Industry

◆ JPA’s survey on the issue regarding the falsified reporting of recovered paper content (2008)



◆ JPA’s survey of familiarity with environmental friendliness of paper making and products (2019)



Examples of Misleading Messages

Year	Company/ Association	Contents
2021	Broadcaster	In the program guide magazine distributed to viewing subscribers, it stated, “In order to promote the protection of the natural environment by reducing the use of paper, we are accepting orders for customers who do not need the program guide to stop shipping it.”
	Film production company	In an advertisement that the video business company was planning to run in the Nikkei, it stated, “We will use videos instead of paper to reduce deforestation and contribute to the prevention of global warming, and air and water pollution.”
	Road service association	In the announcement that the magazine for members would be converted to a quarterly magazine from 2022, it stated that paper consumption in making paper booklets is the main cause of CO₂ emissions.
2022	Food processing company	In animations for learning about the SDGs, which were broadcast on satellite TV stations and published on the company's YouTube account, the message “Let's stop deforestation and wasteful use of paper to protect our precious natural environment” was displayed.
	Credit card company	In the guidance on charging and discontinuing paper usage statements, and transitioning to a web statement service, it stated “we aim to promote nature conservation by reducing paper usage.”



These messages may lead the general public to believe the myths such as “Consuming paper causes deforestation and destructs the environment.”

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Fighting Against the Headwinds

■ **Dispel the myths and enhance the correct understanding of the paper industry**

✓ **Disseminate our advantages in the environmental preservation**

- Paper consumption ~~≠~~ Deforestation and adverse environmental effects
- Paper industry = Resource-recycling industry contributing to circular economy

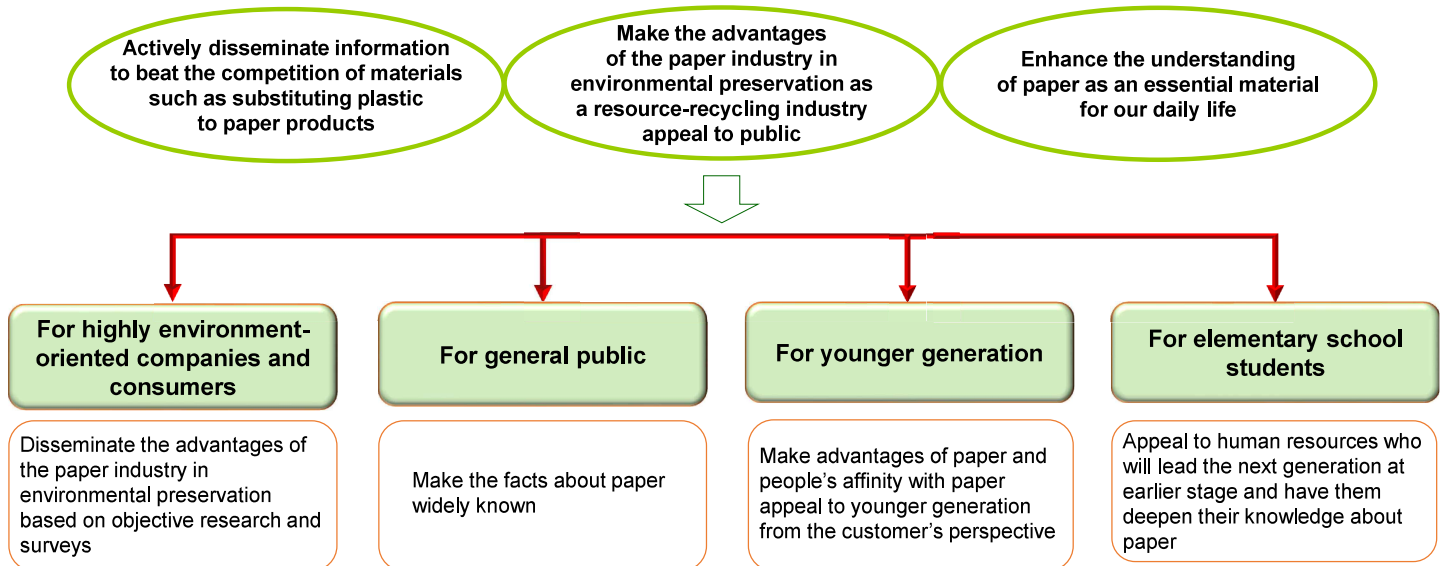


■ **Find a way to appeal from the new point of view**

- Foster a mindset in consumers, “I'm glad I have paper”

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Overview of JPA's PR Activities



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Activities to Appeal to Elementary School Students

Appeal to human resources who will lead the next generation at earlier stage and have them deepen their knowledge about paper

- Enhance the correct understanding of the paper industry as a resource-recycling industry -
"Paper recycle" is "forest recycle"

Examples of programs



Hand-made postcard contest (since 2004)

- Target: Elementary school students (5 to 12-year-olds)
- Program overview: A contest for original postcards made from recycled milk cartons. It will foster a love for paper and provide an opportunity to think about recycling from everyday items.



Visiting school (since 2018)

- Target: Elementary school students (5 to 12-year-olds)
- Program overview: In response to requests from elementary schools all over the country, we teach a class about paper recycling, environmental initiatives of the paper industry, paper composition, etc., by dispatching JPA's staffs.



Paper mill tour for elementary school teachers (since 1995)

- No. of tours and participants: 58 Visits and 1,786 participants in total
- Target: Elementary school teachers
- Program overview: Paper mill tours have been conducted as part of a summer training session for elementary school teachers to deepen their understanding of efforts in the paper industry to address environmental issues and the current state of recovered paper recycling, and have them utilize these learnings in researching teaching materials.

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Activities to Appeal to Younger Generation

Have participants rediscover the benefits and good effects of putting down your feelings on paper, which you may not do with digital media

- Foster a mindset in consumers, "I'm glad I have paper" -



Love letter contest: An event, "Let's write a letter to your loved one on the Valentine's Day"

- Target: Mainly, but not limited to, younger generation (20s and 30s)
- Program overview: JPA has been holding "Love Letter Contests" and love letter writing experience events during the Valentine's Day season since 2011, which encourage participants to write letters to someone who they love on the Valentine's Day.



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Activities to Appeal to General Public

Make the facts about paper widely known

- Enhance the correct understanding of the paper industry as a resource-recycling industry -
- Foster a mindset in consumers, "I'm glad I have paper" -

Advertising in weekly magazines (since 1999)

- Shukan Bunshun (weekly magazine): 0.5 Million circulation
- Program overview: Celebrities write essays on their thoughts about paper, and advertisements are placed in the magazine from the PR perspective.



Pamphlet/booklet publication and distribution

- Target: General public
- Program overview: Publish and distribute pamphlets/booklets that highlight the paper industry's environmental efforts, especially sustainable forest management, and the appeals and characteristics of paper. Expand their use as explanatory materials for users through paper distributors and so on.



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Thank you for your kind attention !

