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Profile

After leaving the doctoral program at the Sophia University Graduate School of Economics, Professor Kozuma became a research assistant at the Nagoya Institute of Technology and worked at the Limperg Instituut, Inter-University Institute for Accounting and Auditing, in the Netherlands, as a guest researcher funded by the Dutch government. He became an associate professor at the University of Shizuoka School of Administration and Informatics, and then took up his current position as professor in the Faculty of Economics at Sophia University. He has held successive positions as the chair or member of various CSR- or environment-related advisory panels, study groups, and research conferences for the Ministry of the Environment; the Ministry of Economy, Trade and Industry; the Ministry of Land, Infrastructure, Transport and Tourism; the Cabinet Office; and the Japanese Institute of Certified Public Accountants.

Third-Party Comments

The first point for which this year’s report deserves praise is its simple statement, in the editorial policy, that it was prepared in accordance with the Core option of the Sustainability Reporting Guidelines (Version 4) – the G4 guidelines - issued by the Global Reporting Initiative (GRI). This statement is the self-declaration, based on G4 rules, that this report was prepared in accordance with one of the G4 guideline options. The significance of the Nippon Paper Group’s having included it in its report, however, is immeasurable.

In general, Japanese corporate groups are managed in a decentralized fashion, with the individual companies operating under their own management. Other than financial information necessary for preparing consolidated financial statements, internal information (including human resource information) of individual group members is usually not centrally managed. This means it is often difficult for Japanese corporate groups to prepare reports “in accordance” with the G4 guidelines, which presume an information boundary at the consolidated level. That the Nippon Paper Group’s sustainability report was prepared “in accordance” with the Core option of the G4 guidelines means that CSR initiatives undertaken for Nippon Paper Industries are basically being implemented for the Nippon Paper Group, and that systems for collecting and managing ESG information on a consolidated basis have been established and are being used. This fact by itself is deserving of nothing but praise.

Looking back on how the Group has evolved, it can be seen that it was an early adopter of supply-chain management for the forest resources that are its raw materials, and that the Group has led the other companies in disclosing its value chain map and business model. Furthermore, in its transition to its “comprehensive biomass enterprise” business model, the Group is demonstrating a direction that is extremely compatible with a sustainable society.

Another point for which the Nippon Paper Group deserves praise is its establishment of the basic policy for preserving biodiversity. Because of its reliance on forests as a basic management resource, the Nippon Paper Group has a significant biodiversity risk exposure. To date, it has collaborated with the Wild Bird Society of Japan on protection of the Blakiston’s fish owl, and undertaken initiatives on other fronts, as well. The new basic policy formally establishes the Nippon Paper Group’s position on preserving biodiversity – which has been the basis for the activities mentioned above –and is a reaffirmation of the Group’s organization for advancing these kinds of activities. It provides an important foundation for structuring actual initiatives, such as conducting biodiversity surveys and establishing environmental forest areas, sanctuaries, and protected areas; adjusting operations in response to ecosystem concerns; and acquiring forest certifications.

Of course, there are areas in which improvement is required. For example, several objectives of the Green Action Plan 2015, which was ambitious in terms of PDCA objectives and performance management, were not achieved. Furthermore, there has been a slight rise in the occupational accident frequency rate, and the employment rate for people with disabilities has remained below the statutory rate since the rate was raised in 2013. Greater efforts are required in all of these areas going forward.

Action in Response to Third-Party Comments

The Sustainability Report discusses initiatives the Nippon Paper Group is taking in response to important social issues. The Sustainability Report 2016 discloses the process for identifying material issues and includes discussions of materiality indicators, objectives, and performance. Furthermore, the report carries more corporate governance coverage, given the establishment of our Corporate Governance Policy, and conversations with a customer and supplier to provide other perspectives on our materiality initiatives. It also discusses our Green Action Plan 2015 results and reports on our next environmental action plan, Green Action Plan 2020. In putting the report together, we again emphasized clarity in using plain language, and uncomplicated diagrams and tables.

Professor Kozuma praised our decision to produce a report in accordance with the Core option of the GRI’s G4 guidelines, and our initiatives in preserving biodiversity. However, there are also issues, such as our employment rate for people with disabilities, which Professor Kozuma also raised as an area needing improvement last year, that require further attention. We recognize that we must earnestly listen to the opinions of stakeholders - the points raised by Professor Kozuma being one example – and fulfill the responsibilities of an enterprise coexisting with society. As a comprehensive biomass enterprise shaping the future with trees, we will persist in efforts to create new value and contribute to better living and cultural progress, while fulfilling our social responsibilities, so that we may continue to be an enterprise that is indispensable to society.

We welcome candid opinions and impressions regarding this report.



Shuhei Marukawa
Executive Vice President, Representative Director and General Manager of the CSR Division Nippon Paper Industries Co., Ltd.