Creating sustainable forest resources

Transforming from a trader to a supplier to tackle upstream issues

The rate of paper usage is aligned to the wealth of a country. The per-capita paper and paperboard usage does not exceed 50kg/year per person in developing nations, however in developed nations usage is between 150 and 250kg/year per person. The global consumption of paper is expected to keep increasing as developing nations increase their standard of living, however non-wood pulp and wood from natural forests continue to be used as raw materials for paper, especially in emerging economies.

To secure sustainable forest resources that lead to a stable supply of raw materials while also preserving the environment, Mitsui considers it essential to switch from natural forests to forest plantations. Therefore, we are actively expanding plantation eucalyptus afforestation and woodchip production operations in Australia.

Human Rights Initiatives

Harmoniously coexisting with the Indigenous people

Mitsui makes the utmost effort to understand the unique situation of each country and region in which we operate our business. For example, in Australia, we are exercising due diligence by assessing what impact Mitsui’s projects may have on the Aboriginals and Torres Strait Islanders who are the indigenous people of the Australian continent and the surrounding islands. While researching what solutions may be available if problems are discovered, we are striving to respect the Indigenous people’s human rights and comply with all applicable laws and regulations as we conduct our operations. Before commencing tree-planting operations, we conduct advance surveys to ensure that such operations will not destroy culturally significant Aboriginal historical sites or cause environmental pollution.

Environmental Initiatives

Planting trees in 10-year cycles and obtaining FSC™ certification

Eucalyptus are fast-growing trees that can grow to harvestable size only 10 years after planting. To convert 10 km² (1,000 hectares) of grassland into a eucalyptus grove, our approach is to first divide the area equally into sections a through j. Then, only section a is planted the first year, only section b the second year, and so on until section j is planted in the tenth year. By then, the trees planted in section a will be 10 years old. They are then harvested and allowed to sprout back or new trees are planted. Repeating this harvesting and replanting cycle in the remaining sections, it theoretically becomes possible to utilize and preserve the forest resources semi-permanently. This is a model for creating sustainable forest resources.

Out of the more than 500 species of eucalyptus, Mitsui is planting a variety called “globulus.” After harvested trees are shredded into small woodchips, fibers are extracted in a process called “pulping.” The higher the fiber content of the liquid obtained by digesting the woodchips, the higher the paper production efficiency. Out of all the different species of eucalyptus, globulus has the highest residual fiber content, producing more paper per tree and resulting in more efficient use of forest resources.

The forest industry has developed systems of “forest certification,”
In the east receives heavy rain, the west is under drought, and vice versa. Therefore, to protect our business against such risk, it had been our long-term wish to have operations in both regions. In January 2011, we established another operation in Bunbury, Western Australia, further strengthening our stable supply of raw materials for paper.

More recently, consumers have begun to choose products that are beneficial to the environment, and the desire to implement measures to reduce global warming and protect forest resources is leading to increases in the demand for plantation-grown materials. Mitsui is striving to provide products that satisfy consumer needs and at the same time minimize impact on society and the environment.

### Business operations established in two locations to ensure stable supply

Paper is used in many of the products that are essential to our daily lives, including newspapers, magazines, tissue paper, notebooks, and business cards. Because providing a stable supply of plantation-grown, FSC™-certified raw materials harvested from sustainably managed forests to paper companies is one of Mitsui’s missions, we are working hard every day to strengthen our supply line.

Australia offers a geographical advantage in that shipment to Japan is at least 2 weeks shorter than from Chile, a major supplier of woodchips. Mitsui initially had an operation for tree plantations and woodchip production in Portland, Victoria in the southeastern part of Australia. However, the climates in the eastern and western regions of the country are often opposite from each other, i.e., when the east receives heavy rain, the west is undergoing drought, and vice versa. Therefore, to protect our business against such risk, it had been our long-term wish to have operations in both regions. In January 2011, we established another operation in Bunbury, in the southwestern part of Western Australia, further strengthening our stable supply of raw materials for paper.

Local residents often plant trees on their own land. In such cases, Mitsui provides both technical advice and seedlings, promoting a business operation together with the local community.

### Deepening communication with local residents and acting as a member of the local community

Maintaining close contacts with the surrounding communities is also an important part of our sustainable forestry business. This is because some of the local residents are eucalyptus growers who are our business partners and supply wood to our plants.

In September 2009, Southwest Fibre Pty Ltd, a major woodchip company in Portland that was jointly founded by Mitsui and Midway Pty Ltd, held a ceremony to commemorate the opening of its woodchip plant, inviting local residents and opening the plant site for tours. In April 2010, a plant tour was also given to local university students. Since then, the plant has maintained excellent communication with the local community to deepen mutual understanding, for example by giving tours whenever possible, and participating in fundraising activities for the local community, and is working hard to help the community advance.