# Japan, a country of forest

About three-quarters of Japan's land area are mountainous or hilly landscape and about two-thirds are covered with forest. The forest coverage rate is about 70%, which is one of the highest in the world.

The forests have various irreplaceable multifunctional roles as follows.

- Conservation of water and soil – source of agricultural, industrial and daily life water
- Prevention of disasters and conservation of landscapes
- Prevention of global warming with CO2 absorption / Supply recyclable materials
- Conservation of biodiversity





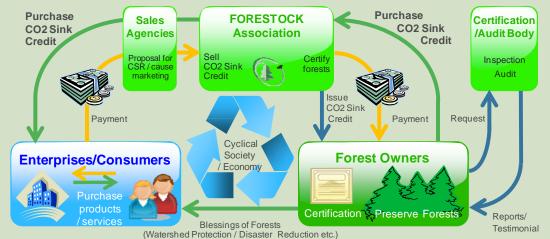
## Forests are in grave danger

Since old times, Japanese people have long lived with forests, approximately 40% of which are artificially planted forests which require proper forest management. In order to maintain the said multifunctional roles, forests need to be properly and continuously maintained, otherwise forest degradation continues. Nevertheless, degraded forests are increasing in reality as it has become much difficult to manage and conserve forests only with traditional timber productions any longer, due to decreased (or negative) profitability of forestry business attributable to continuous diminished general demand of wood. Thus, with absence of a clear long-term vision, the number of people engaged in the forestry in Japan has been diminishing and aging. In addition, although the area of matured forests planted by earlier generations is expanding, forest owners tend to be reluctant in logging due to its low profitability. Accordingly, these planted forests have not been fully utilized as resources.

# **Toward sustainable management... FORESTOCK**

Multifunctional roles of the forests with appropriate management should properly be evaluated, monetized, utilized and flowed back to the forests by which sustainable management and conservation of the forests would become possible. The FORESTOCK Certification System takes the lead.

- The FORESTOCK Certification System is a system to certify and monetize forest sink resulted from proper forest management as CO2 Sink Credit, in order to promote voluntary and sustainable forest preservation maintenance of forests.
- FORESTOCK Association certifies forests (the "Certified Forest") which meet a certain sets of criteria such as "conservation of biodiversity" and "appropriate and sustainable maintenance", which directly contributes to national environmental conservation.
- "CO2 Sink Credits" are evaluated and granted to each Certified Forest as a byproduct of their continuous forest management and contribution to the environment. CO2 Sink Credits are tradable.
- Sales revenue out of CO2 Sink Credits will be flowed back to the Certified Forests for further maintenance activities. It will become a brand-new profit-earning opportunity and will improve the value of the Certified Forests. Furthermore, it is expected to contribute to local revitalization with expansion of job opportunities.
- Forestry Agency, Ministry of Economy, Trade and Industry and Ministry of the Environment participate "Forests Sinks and Biodiversity Conservation Research Committee" (Advisory Body).



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# **Cause-related marketing**

FORESTOCK provides a variety of programs in the area of Marketing and CSR utilizing the CO2 Sink Credits. We have established well managed sales agency network with viable proposals to the wide range of industries. One of the proposals is "Cause-related Marketing".

Cause marketing or cause-related marketing broadly refers to a type of marketing involving social and other charitable causes. Cause marketing differs from corporate giving (philanthropy) as it generally involves a specific donation, while cause marketing is a marketing initiatives not necessarily based on a donation.

Although almost major companies somehow introduced CSR (Corporate Social Responsibility) program, the scale and the term of the activity is rather limited and the effectiveness or continuousness may be uncertain.

Cause related-marketing is the way to directly appeal to consumers and let them take part in a program. It will lead to behaviors to select products or services of the company which implement the program by pressing against their shoulders either at stores or online shops. It will also enhance the brand awareness and image of the company.

The message is clear, "preserve the rich forests in Japan".

## **Why FORESTOCK?**

Among various initiatives trying to contribute to environmental issues, there are clear reasons why FORESTOCK to be chosen as the "cause". Factors below are quite distinct with FORESTOCK and have much advantage over other environmental activities.

- Comprehensiveness the CSR activity with FORESTOCK covers the most concerned social problems in Japan
- ✓ Supporting forests in a manner that forests wish to be supported – forestry owners wish to continue its voluntary and further sustainable maintenance of the forests, backed by evaluation and reward of their tremendous effort of proper management activities for the environment
- Connection with a specific area connection with a specific area(s) or all forests in Japan can be easily established with a "single platform" provided by FORESTOCK
- Clear message with various expressions such as contribution to forest maintenance, conservation of biodiversity, preservation of global warming, revitalization of local community, conservation of water and soil, etc.

#### Japanese consumers are...

In the intervening quarter century, cause-related marketing has been established with a number of great achievements in the US and European countries. In Japan, full-scale roll-outs have started more recently by number of companies utilizing FORESTOCK's CO2 Sink Credits.

The result of various domestic and international surveys shows that Japanese consumers who are concerned about environmental problems are the most in number among major countries.

A concept "Ethical Consumption" which is attracting attentions globally, has now become a trend in Japan after the Great East Japan Earthquake. It means "Do good things for human, society and the earth", considering sustainable social world in the future in proactive manner.

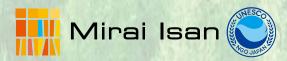
Thus, Japan must represent the breeding ground for effective cause-related marketing. While traditional advertisement measures through mass media have become less effective in these days, ad agencies and their clients are making shift to cause-related marketing.



### **Alignment with UNESCO Japan**

Since February 2012, the alignment with National Federation of UNESCO Associations in Japan (NFUAJ) has been established through a movement called "Heritage for the Future" (*Mirai-Isan Undo*), which was launched by NFUAJ in 2009 to preserve local cultural and natural heritages in Japan and to pass them on to the future generations.

Sharing the same fundamental philosophy, FORESTOCK Association and NFUAJ will collaborate closely with each other through respective projects to preserve natural heritages and provide support to the community activities.



#### Synergy across various country-wide FORESTOCK programs

FORESTOCK is about to become main stream of environmentally friendly programs in Japan. Publicity of FORESTOCK itself and various programs with it will collaborate closely and effectively with each other.

