Environmental Protection in Distribution

The process which involves all the stages ranging from production to the delivery of a product is called "**distribution.**" The following two environmental impacts arise from this process:

- **Environmental impact relating to product packaging**
- **Environmental impact relating to product transportation**

Oki Logistics Co., Ltd., which is in charge of distribution for the Oki group companies, is striving to reduce these environmental impacts that are relevant to the distribution process.

Activities for Reducing Environmental Impact for Packaging

The impact on the environment represented by packaging arises from the emission of CO_2 and the discharge of waste materials during the manufacturing and disposal processes of packaging materials. In order to reduce this environmental impact, we are engaged in product design while taking into consideration re-use, the reduction and recycling of materials, and the replacement of materials with more eco-friendly materials. Examples of these efforts are described below.

■Resource-saving packaging

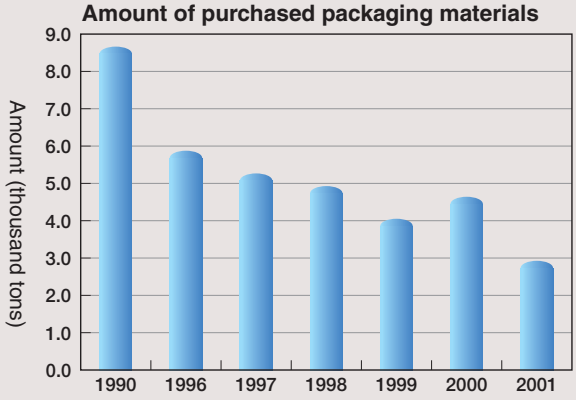
Resource-saving packaging is being carried out to reduce the amount of packaging materials used. An example of this is the simple packaging (bare packaging) used for equipment delivered to financial institutions. This is a simplified packaging method where a product is covered with only a polyethylene bag which protects the product from dust and scratches. During transportation, such products are secured on all sides with protective materials to prevent scratches.

■Replacement of wooden pallets with corrugated cardboard pallets

A pallet is a load-carrying platform used for carrying goods by forklift truck or the like. Wooden pallets are heavy, burdensome to handle, and are incinerated as waste materials as they are difficult to recycle. We started using pallets made of corrugated cardboard as replacements for wooden pallets. Corrugated cardboard pallets provide less strength compared to wooden pallets, but can be treated like any other ordinary corrugated cardboard in the disposal process.

Corrugated cardboard pallet

Amount of purchased packaging materials



Activities for Reducing Environmental Impact for Transportation

CO_2 and sulfur oxide (SO_x) gases, discharged as exhaust gases by trucks and other vehicles, comprise the majority of environmental impact caused by transportation. In order to reduce such impact on the environment, we studied alternatives such as a modal shift from truck transport to railroad transport, enhancing transport efficiency by bulk transportation, and the improvement of loading rate. Examples of these measures are described below.

■Modal shift from truck transport to railroad transport

Promoted a switch to transportation by railroad with higher fuel consumption efficiency.

■Utilizing consolidated cargo delivery services and parcel delivery services for small lots

Improved loading efficiency by using consolidated cargo (mixed loading) delivery services and parcel delivery services.

■Reduction of transportation distance by changing ports for product exports

Changed ports for exporting products to reduce the transportation distance and improve loading efficiency.

Effects of reductions in CO_2 emissions resulting from transportation