Main Business

1. Manufacturing and sales of corrugated board, cartonized boxes, folding cartons and other paper products.
2. Manufacturing and sales of paperboard (containerboard, boxboard, tube board, etc.)
3. Manufacturing and sales of flexible packaging and cellophane
4. Manufacturing and sales of heavy duty packaging (heavy duty polyethylene bags, kraft paper bags, flexible container bags, etc.) and highly functional resin products
5. Sales of packaging-related machinery
6. Manufacturing and sales of a variety of functional materials (porous beads made from cellulose, high-performance zeolite pulp, natural antibacterial agent made from wasabi and mustard, etc.)
7. Manufacturing and sales of nonwovens, paper converting machinery and transportation business, etc.

Operations Network

Domestic Network (as of March 31, 2019)

In addition to Rengo’s Head Office, Tokyo Head Office, laboratories, and Packaging Technical Departments, Rengo has a domestic network (4 paper mills, 25 corrugated plants, 1 sub-plant, 3 folding carton plants, and 1 cellophane plant) spanning the whole of Japan.

Rengo Group Companies in Japan

An extensive network of locally-oriented group enterprises in Japan, each having its own technology and expertise, supports the comprehensive capabilities of the Rengo Group.

Rengo Group Companies Overseas

The Rengo Group is also expanding a network for packaging solutions outside Japan.

Environmental and Social Report 2019

Message from Top Management

Corporate Philosophy & Main Businesses

Features

Corporate Governance

Compliance

Evaluation by Society (Fiscal 2018)/Compliance

For the Global Environment

Environmental Management

Global Warming Countermeasures

Effective Use of Resources

Reducing Waste

Management of Chemical Substances

Research, Development, and Supply of Environmentally-Friendly Products

Conserving Biodiversity

Together with Society

Relationship with Customers

Products to Solve Various Issues Faced by Society

Relationship with Suppliers

Creating Ideal Workplaces

Health and Safety

Activities Contributing to Society

Management

Rengo and SDGs

Achievements and Targets of Activities

Material Balance in Production Activities

Referenced Guidelines

“Environmental Reporting Guidelines 2018,” Japan Ministry of the Environment

Scope of Independent Practitioner’s Assurance

For information stated in this report, independent practitioner’s assurance has been engaged. Such information will display the symbol of assurance as a sign that the information has been assured.

Prepared By / For Inquiries

Environmental and Social Report Data Booklet (booklet and PDF)

https://www.rengo.co.jp/english/environment/report.html
Diligently Addressing Social Issues in All Business Activities

In April 2019, the Rengo Group marked 110 years since its foundation. Ever since founder Takeo Irie manufactured Japan’s first corrugated board in 1909, the Rengo Group has been developing and supplying packaging solutions tailored to the times. We are achieving the targets of Vision110, now in its final year as we celebrate the 110th anniversary of the Group’s foundation, but this does not mean the end of the challenge to become “the world’s number one General Packaging Industry.” We say “Less is more” as the key concept for the Rengo Group’s packaging manufacturing and environmental management with the aims of developing packaging that generates greater value with less resources, taking measures to create environments where each employee can fully demonstrate their capabilities, and have achieved solid outcomes in this regard. “Less is more,” symbolizes the Rengo Group’s environmental, social, and governance (ESG) initiatives, and we are confident that it will be effective in achieving the Sustainable Development Goals (SDGs), which are unidirectional objectives. One of the backbones supporting this is our participation in the United Nations Global Compact. Rengo fully supports this international initiative and has respected its spirit, and we will diligently address the issues newly identified by the SDGs in all of our business activities to contribute to the development of a sustainable society.

Vision110
Taking on the Challenge to Become the World’s No. 1 General Packaging Industry

1. Establish domestic and overseas systems that can provide advanced packaging solutions and supply chains responding to all packaging needs and integrate processes from procurement of packaging materials, to distribution and packing.
2. Aim to secure in quality improvement and cost reduction through innovation in manufacturing technologies, and build a system where people can focus on manufacturing safely at plants with good working environments.
3. Thoroughly investigate ways to utilize information communication technologies (such as IoT and MDM) to make efficient manufacturing processes, logistics, and the supply chain, and at the same time anticipate the needs of customers arising from IoT to create next-generation added value.
4. Aim to be a corporation where diverse individuals could maximize their unique potential.

As the world’s number one General Packaging Industry, we will design the future and continue our ceaseless efforts to develop a sustainable society.

Contributing to the Development of a Sustainable Society

Toward a Carbon-Free Society

Cognizant of climate change as a pressing issue, Rengo set a target of halving our CO₂ emissions by 2030 compared to fiscal 1990 in the Rengo Group Environmental Charter, our long-term vision looking ahead to 2050. Japan declared in the Paris Agreement that it will reduce CO₂ emissions by 26% (compared to fiscal 2013) by fiscal 2030, and we have incorporated this into our own medium-term targets.

To achieve these objectives, we are actively increasing the use of advanced renewable energy such as solar power for all electrical power needs at the Fukumimizu-Yabuki Plant during the daytime and installing at the Yashio Mill a woodchip biomass power plant that effectively utilises construction waste materials generated in the region. We also plan to install a biomass power plant at the Tynagoawa Division and further accelerate these initiatives to raise our renewable energy utilization rate to 25% by fiscal 2030.

Solutions to Labor Shortages and Other Social Issues

Labor shortages are becoming an increasingly serious social issue, and we are developing new demand with products that contribute to a higher work efficiency at distribution sites for both in-store sales and online commerce. These products include Rengo Smart Display Packaging (RSDP), which can be opened and unopened with a single action for immediate display of products, and the Gemini Packaging System, which can automatically assemble and pack corrugated boxes based on the size of the contents.

In addition, Rengo is a creative packaging provider that creates new demand by anticipating market needs such as the introduction of wide-format high-speed digital pre-pressing web press and development of PALMIRA, a packaging system that can adjust the width, length and height of packages. We provide comprehensive solutions that address both physical and non-physical needs, contributing to solutions to social issues in the future as well.

Helping Solve the Problem of Ocean Plastic Waste

The issue of ocean plastic waste, which raises concerns regarding pollution of the oceans and impacts on ecosystems, is an urgent, global-scale problem. This issue is also closely related to the SDGs, and initiatives by national governments and businesses are accelerating. Rengo has long been involved in the manufacturing and sales of cellulose related products such as cellulose and cellulose beads made from viscose that uses wood pulp as a raw material. These products are made from 100% wood material derived cellulose and are biodegradable, giving rise to expectations that they can be used as alternatives to plastics.

To address the issue of ocean plastic waste, Rengo is a managing member of the Clean Ocean Material Alliance established by the Ministry of Economy, Trade and Industry. Going forward, we will continue our efforts to contribute to solving the ocean plastic waste problem by conducting research and development on encouraging the widespread adoption of biodegradable materials that revert to nature including oceans and soil.

Creating an Environment that Fosters Lifetime Careers

Sources of creativity that generate innovations are a source of strength for each employee. In 2014, Rengo became among the first to embark on work style reforms with a focus on the work-life balance with the aim of improving total factor productivity (TFP). We are aware that measures to address the declining birth rate and providing support for the development of future generations are important issues for business enterprises, and accordingly, we provide support for childbirth both systematically and economically by encouraging male employees to take childcare leave, reducing overtime work, paying substantial monetary bonuses when employees have children, and other measures. As a result of these efforts, in 2018 we received Platinum Kuruma certification from the Minister of Health, Labour and Welfare as a company that supports employees with children by taking measures on a high level.

In April 2019, we made 65 years the mandatory retirement age so that all employees can continue working with enthusiasm and determination while maintaining good health and high motivation. We adopted “lifetime careers” as our slogan and will maintain salaries, bonuses, and other employee benefits even after the age of 60 years so that employees can continue to receive pay raise according to their abilities, and we are proud of this challenging initiative that does not set an age limit system for managerial personnel. Premised on this, we adopted the “Rengo Good Health Declaration” and are making company-wide efforts to promote good health. In addition, safe and secure workplaces with minimal physical burdens facilitate work not only by older workers, but also female employees and individuals with disabilities, and this is a foundation of our health and productivity management.

Productivity is a reflection of each employee’s state of mind. We believe that working actively and leading a vigorous lifestyle throughout one’s life leads to the development and growth of the company.

To be a Company That Grows with Society Over Time

Being the world’s number one General Packaging Industry does not simply mean being the largest in terms of size. It means being the best corporate group within the packaging industry from the perspective of our customers.

To achieve this, we need to anticipate changes and pursue a form as a packaging provider that designs the future and develops new markets. It is essential that we enhance our comprehensive capabilities through various collaboration in Japan and overseas, with group companies and with society with regard to physical aspects including manufacturing and non-physical aspects such as creativity. By doing this, we will be able to design the future.

Through creation of new packaging value, and becoming the world’s leading corporate group in our field, with the most passion, we will continue our ceaseless efforts to support logistics and prosperous lifestyles and create an ever-better and sustainable society.
Corporate Philosophy & Main Businesses

As a General Packaging Industry

Ever since founder Teijiro Inoue manufactured Japan’s first corrugated board in 1909, the Rengo Group has been serving society, continually adapting to the times to deliver the very best packaging solutions to customers and enhance the value of their products.

We plan to continue comprehensive development of optimal packaging solutions for distribution in all industries, and as a “General Packaging Industry” that creates new value in packaging through a tireless commitment to continual changes in thinking and technological innovation, we adhere to the following guiding principles.

1. Realize prosperity and ambitions for the future by earning the trust and satisfaction of customers through dynamic business activities.
2. Act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.
3. Engage in communication with a broad section of society through proactive and accurate information disclosure.
4. Respect the value of individual employees and strive to create safe and congenial work environments that provide comfort and fulfillment.
5. Take the initiative on environmental conservation efforts.
6. Contribute to society as a good corporate citizen.
7. Globalize by ensuring compliance with laws in each country or region and by contributing to economic and social development in those areas through business activities reflecting the different cultures and practices.

Review of Business

Net sales

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<thead>
<tr>
<th>Year</th>
<th>Consolidated</th>
<th>Non-consolidated</th>
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<td>520,471</td>
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</tr>
<tr>
<td>2015</td>
<td>526,834</td>
<td>27,027</td>
</tr>
<tr>
<td>2016</td>
<td>516,581</td>
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</tr>
<tr>
<td>2017</td>
<td>607,740</td>
<td>27,027</td>
</tr>
<tr>
<td>2018</td>
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Ordinary income

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<tbody>
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<td>14,060</td>
<td>3,179</td>
</tr>
<tr>
<td>2016</td>
<td>13,999</td>
<td>3,190</td>
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<tr>
<td>2017</td>
<td>16,038</td>
<td>3,170</td>
</tr>
<tr>
<td>2018</td>
<td>16,532</td>
<td>3,187</td>
</tr>
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</table>

Sales ratio (as of March 31, of each FY)

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<tr>
<th>Region</th>
<th>Consolidated</th>
<th>Non-consolidated</th>
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<tbody>
<tr>
<td>Asia, other</td>
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<td>3,187</td>
</tr>
<tr>
<td>Southeast Asia</td>
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</tr>
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<td>East Asia</td>
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<td>2,983</td>
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</table>

Number of employees

<table>
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<tr>
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<tbody>
<tr>
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<td>2015</td>
<td>16,968</td>
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<td>2016</td>
<td>16,038</td>
<td>3,917</td>
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<tr>
<td>2017</td>
<td>16,532</td>
<td>3,952</td>
</tr>
<tr>
<td>2018</td>
<td>16,532</td>
<td>3,952</td>
</tr>
</tbody>
</table>

Six Core Business Fields

1. Paperboard
   - The Rengo Group manufactures various types of paperboard—such as containerboard, board stock and tube board—using recovered paper as the main fiber. We work on reducing the impact on the environment by optimizing production, and also the development of resource-efficient products such as Less Caliper & Carbon (GCC) containerboard.

2. Corrugated Packaging
   - From general-purpose corrugated packaging to corrugated packaging with various functions, the Rengo Group offers a wide range of products for various uses. We are also actively promoting the development and spread of products with even lower environmental impact such as C-flute and Delta Flute.

3. Folding Cartons
   - The Rengo Group develops and offers a wide array of folding cartons which present products in attractive ways and heightens their appeal. We are also working on developing resource-efficient and other environmentally friendly products, providing total support from planning and graphic designing to manufacturing.

4. Heavy Duty Packaging
   - The Rengo Group offers heavy duty packaging supporting logistics, such as heavy duty polyethylene bags, flexible container bags, and Kraft paper bags. We are also focusing efforts on the development of environmentally friendly products.

5. Overseas Operations
   - The Rengo Group is also expanding our packaging solutions network overseas. With our expanding production network within and outside Japan, we meet the needs of our customers in the respective regions and provide comprehensive services related to packaging.

6. Flexible Packaging
   - The Rengo Group offers a lineup of flexible packaging which covers products such as film packaging, molded packaging and cellophane which uses wood pulp as raw material. We are also working on developing environmentally friendly products, such as by making film even thinner, water-based flexo printing labels.
Aiming to Become a Packaging Provider that Supports Lifestyles and Grows with the Times

On April 12, 2019, Rengo celebrated the 110th anniversary of its founding. It is also the 110th anniversary of the first time that corrugated board was manufactured in Japan. As a packaging provider that creates new value in packaging, GPI Rengo will strive to support logistics and lifestyles and realize an even better and sustainable society.

1909—Beginning of Rengo and Corrugated Board in Japan

Teijiro Inoue, the founder of Rengo, decided to start a business in namako gami (corrugated paper), which was used as a buffer to wrap glassware and other products in those days. He invented a machine for corrugating paper, and after much trial and error, he finally produced what he termed “danboru (corrugated board).” He thus succeeded in creating the first corrugated board in Japan.

The corrugated packaging business grew as industrialization progressed in Japan. In the course of recovery efforts from the Great Kanto Earthquake that occurred in 1923, the shift from wooden boxes to paper boxes as packaging cases got underway. In order to meet strong demand, the company, in 1936, completed construction of the Yodogawa Plant (Osaka Prefecture), which was an ideal, modern plant capable of producing all products from containerboard to corrugated board in an integrated manner.

The corrugated packaging industry developed rapidly after WWII era. Demand for corrugated boxes grew dramatically for the packaging of fruit and vegetables. In order to meet brisk demand, Rengo pursued labor-saving and the automation of plants/mills with the aim of further modernization of facilities.

1960—Establishment of the General Packaging Manufacturer Rengo

In the 1960s, just as Japan was undergoing a period of rapid economic growth, plastic products came into use for the packaging of individual items, changing the way that products were displayed. Under these circumstances, Rengo worked to create strong and attractive boxes.

Meanwhile, Rengo also worked to increase productivity by establishing a cooperative labor-management structure. In 1968, the company formulated a management vision called the “5-S Plan,” which was designed to achieve a goal of increasing sales and salaries by 10%. In 1970, Rengo adopted a new management policy of transforming itself to a general packaging manufacturer. The company further promoted technological innovation, and developed technology for continuous high-speed operation of corrugators, or equipment for producing corrugated board. In addition, Rengo developed products with added value, such as decorative printing, freshness retaining, and water-resistant material, ushering in a new age for packaging.

In the 1980s, the focus of consumers’ lives shifted from luxurious packaging materials to packaging that would have a reduced impact on the environment by conserving resources and energy. In the meantime, as people’s lifestyles became increasingly diversified and sophisticated, demand arose for packaging with new functions.

In 1999, Rengo formulated the Rengo Group Environmental Charter, and established a system for company-wide initiatives to address environmental issues by going beyond just manufacturing. With a motto of “Friendly to people and the environment,” Rengo has worked on manufacturing efficient packaging that does not waste resources from the perspective of both production and product, with an eye on the entire supply chain. Rengo has met the needs of society by providing a wide range of packaging solutions, exploiting synergy generated through such environmental initiatives and packaging technologies acquired over many years in the business.

Rengo has also worked proactively to create ideal workplaces, and implemented advanced measures, such as significantly increasing the congratulatory bonus given to employees on the birth of their third or subsequent child to one million yen and converting temporary employees to permanent employees, to address the labor force issues faced by the modern society.

2000—Packaging Solutions Company

In 2000, growing interest in global environmental protection resulted in calls for packaging that would have a reduced impact on the environment by conserving resources and energy. In the meantime, as people’s lifestyles became increasingly diversified and sophisticated, demand arose for packaging with new functions.

In 1999, Rengo formulated the Rengo Group Environmental Charter, and established a system for company-wide initiatives to address environmental issues by going beyond just manufacturing. With a motto of “Friendly to people and the environment,” Rengo has worked on manufacturing efficient packaging that does not waste resources from the perspective of both production and product, with an eye on the entire supply chain. Rengo has met the needs of society by providing a wide range of packaging solutions, exploiting synergy generated through such environmental initiatives and packaging technologies acquired over many years in the business.

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2010—GPI Rengo Moves into the Next 100 years

In 2011, Rengo announced the new corporate statement of “General Packaging Industry (GPI)-Rengo” with a view for the next 100 years. Rengo further evolved its key phrase “Less Weight, Less Carbon” to make “Less is more.” The central theme of our business activities, making clear our stance to work on innovative packaging in order to generate more value using less resources.

In 2018, Rengo introduced a 65-year mandatory retirement age so that employees, the source of creativity to produce innovative packaging, can demonstrate their individual capabilities to the maximum degree and to enable lifetime careers.

The society will progress toward a smart society through the evolution of IoT, AI, and robotic technology. This change will further increase the importance of packaging, including corrugated packaging. GPI Rengo will promote innovation and automation of manufacturing technologies to create workplaces where female and elderly employees can also work actively. In addition, GPI Rengo, as a packaging provider, will anticipate the needs of customers to create new ideas while also successively producing and improving technologies, and continuing to make rapid progress while taking on challenges in both Japan and throughout the world.

Rengo’s Business Milestones

- Established Inouzawa, setting up the corrugated board business
- Established Rengo Stk. K.K.
- Completed construction of the Yodogawa Plant
- Formulated the Rengo Environmental Charter
- Published the Environmental Report
- Revision of congratulatory bonus for childbirth
- Converted approx. 1,000 temporary employees to permanent employees
- Made Howa Sangyo Co., Ltd. a subsidiary to enter the flexible packaging business
- Made Nihon Mekko Co., Ltd. a subsidiary and entered the heavy duty packaging field
- Established Eco Challenge 020
- Established the Section for the Promotion of Women Employees
- Formulated the Work Style Reform Declaration
- Introduced mandatory retirement age of 65 years

Corrugated board manufacturing machine used by Teijiro Inoue
Corrugated boxes printed with various designs
National Safety Day, Competition in 1970
Biomass incineration power plant at Yashio Mill
Boiler fuel LNG at Tonegawa Division
Each employee is a source of capability
Rengo’s products fulfill all packaging requirements
Creating Products by Integrating the Ideas of Professionals and Consumers

"Korokoro" stocker was created based on the request from Sapporo Breweries Ltd. to develop packaging that is not eye-catching but fits in with lifestyle for rolling out products on e-commerce websites.

This product is structured so that the outer box serves as a beer can stocker, with beer cans taken out from the bottom and replenished from the top, making sure the beer can that is sent to the very front of the bottom is a chilled one. This product has received favorable feedback as packaging with a playful spirit. It has also been highly acclaimed by several awards in Japan and abroad.

In developing this product, our focus was on ensuring that the product “fits in with lifestyle” in the aspect of both design and real life of consumers from the perspective of design and marketing. Project members extracted issues, and worked out this design idea that can solve problems such as beer cans stocked deep in the back of the refrigerator being difficult to take out and refrigerators easily getting cluttered with beer cans and other foodstuffs.

As this design idea was an unprecedented, original idea from the perspective of packaging technology, we had to coordinate with manufacturing sectors to give form to the design idea. Naturally, we had to make sure that the product had adequate strength, the product’s functionality that beer cans are stocked from the top and sent rolling down to the bottom properly works, and that the product’s design idea would be feasible for manufacturing.

The comprehensive capabilities of Rengo in producing creative products through collaboration between specialists in designing and manufacturing made it possible to give form to such a unique idea. This product became a representative example of our comprehensive capabilities.

Rengo’s Comprehensive Capabilities Continue to Support the Company

Rengo is supported by the efforts of employees on the frontline. By synergizing its unique technologies and ideas cultivated over 110 years, Rengo will generate a variety of packaging innovations that are one step ahead in the aim of becoming the world’s number one General Packaging Industry Rengo.

Comprehensive Capabilities Supporting Rengo’s Business

The roles of packaging are not currently limited to the transportation and protection of products. In this context, companies must accurately capture the diversified market and needs of consumers, identify observable needs as well as latent needs, and create added value. Rengo incorporates ever-changing market trends to create solutions made possible with packaging.

In order to create value-added products that connect customers with consumers, four creative sections of “Design and Marketing,” “Packaging Technology,” “Packaging Systems,” and “Research & Development” collaborate with each other. With the sales section engaging in liaison, these sections will provide total services to meet all kinds of needs. Packaging designs created through collaboration are given form at our 34 production sites located in Japan. Our production sites manufacture packaging and work on operational improvement on a daily basis to further improve product quality, increase productivity and reduce our environmental impact.

By bringing together and synergizing technologies and expertise of each section, Rengo provides its unique added value to customers.

On-site Strength
Building on Improvement Cases to Enhance

In developing this product, our focus was on ensuring that the product’s functionality that beer cans are stocked from the top and sent rolling down to the bottom properly works, and that the product’s design idea would be feasible for manufacturing.

The comprehensive capabilities of Rengo in producing creative products through collaboration between specialists in designing and manufacturing made it possible to give form to such a unique idea. This product became a representative example of our comprehensive capabilities.
To identify critical issues (materiality) regarding which we need to intensify our actions in the future, we made reference to the SDG Compass (a guide for business action) and mapped SDGs that are strongly related to Rengo’s business activities. At present, we are working to carry out the Eco Challenge 020, which sets fiscal 2020 as the target year, and we are formulating new environmental targets to support the Eco Challenge 020. We will further organize the relationships between social issues and our business through repeated dialogue and deliberation with the aim of contributing to the creation of a sustainable society through our business activities.

Rengo and SDGs

Relation between Rengo’s Initiatives and SDGs

Rengo states our long-term vision working toward 2030 in our Rengo Group Environmental Charter, and works toward realizing this vision by undertaking substantial reductions through our Eco Challenge 020 (which sets fiscal 2020 as the fiscal year of achievement). With the implementation of the Paris Agreement, we have set our target for CO2 reduction by fiscal 2030 at 20% following the CO2 reduction target declared by Japan. As a specific initiative to achieve this, we have set a target of increasing renewable energy against total energy input to 25% by fiscal 2030. Rengo will continue to achieve further CO2 reductions through means such as energy-saving activities and introduction of energy-saving equipment.

For FY2011 and later, to remove the effects of the earthquake disaster on electricity, fixed coefficients (generation-end) from FY2010 are used.

*1 CO2 emissions: Applies to CO2 emissions derived from fossil energy. Coefficients used are taken from Keidanren’s Commitment to a Low Carbon Society.

*2 Per unit CO2 emissions: This is the value of CO2 emissions divided by sales.

*3 Final disposal: This is the amount of outsourced waste disposed with the amount recycled/removed.

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Advancing sustainability within the Rengo Group through improving the environmental performance of our activities, which is material to our business

Relation to SDGs

Achievements and Targets of Activities

Achievements for Fiscal 2018 and Short- and Long-Term Targets

To sustainably improve our corporate value, Rengo makes clear issues such as environmental and social problems.

Regarding environmental problems, we set targets for the respective issues and actively work on them, including formulating new targets to reduce CO2 emissions by fiscal 2030.

<table>
<thead>
<tr>
<th>Themes and related SDGs</th>
<th>Item</th>
<th>FY2018</th>
<th>Actual</th>
<th>Evaluation</th>
<th>Relevant page</th>
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<th>FY2020</th>
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<td>CO2 emissions* by production departments (compared to FY1990)</td>
<td>28% reduction</td>
<td>28.2% reduction</td>
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<td>p. 17</td>
<td>23% reduction</td>
<td>22% reduction</td>
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<td></td>
<td>Per unit CO2 emissions* by logistics departments (compared to FY2002)</td>
<td>12% reduction</td>
<td>13.4% reduction</td>
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<td>Effective use of resources</td>
<td>Recovered paper utilization ratio</td>
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<td>Reducing waste</td>
<td>Final disposal*</td>
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<td>4,000 tons or less</td>
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<td></td>
<td>Material recycling ratio</td>
<td>99.5% or more</td>
<td>99.3%</td>
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<td>99% or more</td>
<td>99% or more</td>
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<tr>
<td>Promote management of chemical substances</td>
<td>Emission and transfers of PTE chemical substances (compared to FY2002)</td>
<td>13% reduction</td>
<td>14.7% reduction</td>
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<td>p. 22</td>
<td>13% reduction</td>
<td>Management of chemical substances</td>
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<td>VOC emission (compared to FY2003)</td>
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<td>58.5% reduction</td>
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<td>45% reduction</td>
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<table>
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<th>Themes and related SDGs</th>
<th>Item</th>
<th>FY2018</th>
<th>Actual</th>
<th>Evaluation</th>
<th>Relevant page</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality control</td>
<td>Prevention of human errors</td>
<td>Conducted tests to check level of poisoning (once per month)</td>
<td></td>
<td></td>
<td></td>
<td>Continue with initiatives</td>
</tr>
<tr>
<td>Empowerment of female workers</td>
<td>Achieve an employment rate of 30% and higher on women in managerial employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieve at least 40% of women in managerial positions (from 19% in FY2014 to 24% or more in FY2020)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieve a ratio of 15% or higher for male employees taking childcare leave</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Continue with initiatives (plan period: until FY2020)</td>
</tr>
</tbody>
</table>

| Encourage taking of paid annual leave | | | | | | |
| | At least 10 days on average | | | | | Maintain on average of at least 10 days |
Resource Inputs and Outputs of Business Activities (Fiscal 2018 Results)

**Inputs**
- Raw materials (1,000 tons)
  - Recovered paper: 2,426
  - Paperboard: 232
- Fossil energy*: (TJ)
  - Paperboard: 85
  - Corrugated packaging: 2.5
- Water usage (1,000 m³)
  - Paperboard: 9,177
  - Corrugated packaging: 1,592
- PRTR handled*: (tons)
  - Paperboard: 1,214
  - Corrugated packaging: 61

**Products**
- Paperboard
- Corrugated packaging
- Containerboard
- Cellophane
- Other

**Outputs**
- Final disposal (tons)
  - Paperboard: 7,467
  - Corrugated packaging: 1,214
- CO₂ emissions*: (1,000 tons of CO₂)
  - Paperboard: 228
  - Corrugated packaging: 30
- Wastewater (1,000 m³)
  - Paperboard: 7,253
  - Corrugated packaging: 9,177
- PRTR emitted/transfered (tons)
  - Paperboard: 2,960
  - Corrugated packaging: 915
- VOC emissions (tons)
  - Paperboard: 2,270
  - Corrugated packaging: 228

**Use**
- MARKET
- SUPER
- MARKET

**Recovery**
- Recovered paper

---

*1 Including purchased electricity.
*2 Amount of PRTR handled is calculated for Rengo only.
*3 Derived from fossil energy (including purchased electricity).
*4 Scope of consolidation includes Rengo Co., Ltd. and 31 consolidated subsidiaries in Japan with production facilities.
Rengo Group Environmental Charter

The Rengo Group considers the carrying out of business with consideration to conserving the global environment as indispensable to the group’s sustainable development, and thus endeavors to continually undertake environmental conservation activities.

Environmental Management System

To effectively promote environmental management, Rengo has introduced ISO 14001, the international standard for environmental management systems, since 2001. All production sites have obtained certification in 2006. In addition, internal audits and external inspections by certification agencies are regularly carried out to verify that environmental management systems are appropriately operated at our divisions, plants and mills.

Conduct of Environmental Education

Rengo continuously carries out environmental education and awareness-raising activities, such as seminars and Group newsletters, so that all employees can take a closer interest in environmental problems in all aspects at work and at home. In fiscal 2018, environmental education was conducted for new employees, and a course to develop ISO 14001 internal auditors targeting all employees was also conducted. In addition, stratified training also incorporates environmental education.

State of Compliance with Environmental Regulations, etc.

Rengo manages the discharge of substances with environmental impact into the atmosphere and water by setting our own management values which are more stringent compared to legal regulations. In our self-check for environment-related laws conducted twice each year, we expose hidden environmental risks, and work to prevent legal non-compliance from occurring. For fiscal 2019, there were no administrative dispositions nor any other legal non-compliances.

Complaints Related to the Environment

Rengo received 11 complaints in fiscal 2018 related to issues such as noise and vibrations. We identified the causes of these complaints, and took steps such as equipment-related measures and reviews of operations. We work to obtain the understanding of the claimants by explaining the causes and method of response to them. Moving forward, we will work to prevent issues so that there are no complaints, and at the same time keep in close communication with residents in our neighborhoods.

Countermeasures against Environmental Accidents

Besides preventing risk by putting in place various measures such as daily inspections, training simulating the occurrence of environmental accidents—such as oil or chemical leaks—is also conducted at least once a year at Rengo’s divisions, plants and mills so that appropriate response can be taken should those occur. After the conduct of training, procedures and other aspects are evaluated for problems, and revised if any problems are found.

Environmental Management

Consideration for the Earth and local environment is a major prerequisite for carrying out business activities. Rengo has in place a management system to promptly respond to issues which need to be improved.

Rengo positions the reduction of environmental impact arising from business activities as one of the company’s top-priority management issues which need to be worked on. In 1999, the Rengo Environmental Charter was formulated as Rengo’s management policy regarding the environment. When Rengo welcomed the 100th anniversary of our founding in 2009, the charter was revised into the Rengo Group Environmental Charter to serve as the environmental long-term vision to bring the Rengo Group into the next 100 years. In addition, the Eco Challenge 2030 (see page 12) was developed as a concrete initiative.

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Environmental Management

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Global Warming Countermeasures

Reducing the emission of CO2—a greenhouse gas—is a critical issue for suppressing global warming. In addition to production departments, logistics departments and non-production departments are also working on energy-saving activities.

Reduction of CO2 Emissions

In fiscal 2018, we set a target of reducing CO2 emissions derived from fossil energy during production by 28% compared to fiscal 1990. Despite improvements in energy efficiency, increased use of biomass fuel, reviews of production systems, and other initiatives, we were unable to reach this target. As a result of switching to internal production of products, changing production items, and other factors, CO2 emissions were 826 thousand tons, a reduction of 23.2% compared to fiscal 1990. To achieve the targets set in the Rengo Group Environmental Charter, we are raising productivity, increasing energy efficiency, and making continuous improvements from a long-term perspective.

Promoting the Use of Renewable Energy

From the perspective of energy diversification, effective resource usage, and global warming prevention, Rengo proactively adopts equipment such as solar power generation and biomass boilers to expand the use of renewable energy. As of March 31, 2019, solar power generation facilities have been installed in nine plants and mills providing 5,400 MWh of electricity annually, which is 13 times that of which such systems were first introduced in fiscal 2007. In addition, renewable energy from biomass fuels made up 14% of energy inputs in fiscal 2018, with materials such as wood chips made from construction waste materials and paper sludge as product of the papermaking process generated by mills.

[Table: Trend of CO2 emissions* in production departments]

<table>
<thead>
<tr>
<th>Years</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,000 tons)</td>
<td>1,200</td>
<td>1,050</td>
<td>1,160</td>
<td>826</td>
</tr>
<tr>
<td>* Derived from fossil energy (including purchased electricity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Table: Trend of per-unit CO2 emission* (Index)]

<table>
<thead>
<tr>
<th>Locations using renewable energy</th>
<th>Corrugated and folding carton plants</th>
<th>Paper mills and cellulose plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar power</td>
<td>1,500</td>
<td>1,250</td>
</tr>
<tr>
<td>Biomass</td>
<td>900</td>
<td>600</td>
</tr>
</tbody>
</table>

[Table: Trend of fossil energy input by fuel type]

<table>
<thead>
<tr>
<th>Years</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,000 tons)</td>
<td>1,200</td>
<td>1,050</td>
<td>1,160</td>
<td>826</td>
</tr>
<tr>
<td>* Calculated by dividing CO2 emissions derived from fossil energy by production volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Table: Trend of solar power generation (total electric power generated)]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(MWh)</td>
<td>2000</td>
<td>2005</td>
<td>2010</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>5,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Table: Trend of total energy inputs]

<table>
<thead>
<tr>
<th>Years</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,000 tons)</td>
<td>1,200</td>
<td>1,050</td>
<td>1,160</td>
<td>826</td>
</tr>
<tr>
<td>Fossil energy</td>
<td>18,169</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy from waste</td>
<td>4,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable energy*</td>
<td>4,800</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Percentage of total energy inputs taken up by biomass fuels

Initiatives at Logistics Departments

Rengo’s logistics departments are working on saving energy and reducing CO2 emissions during the transportation of products. As a result of working towards the target set in Rengo’s Eco Challenge 020 of cutting per-unit CO2 emissions by 12% compared to fiscal 2007, emissions were down by 13.4% in fiscal 2018 compared to the reference year. Thus, the target was achieved.

Going forward, Rengo will continue to examine ways to optimize transportation including revising delivery routes, reducing the number of delivery vehicles by increasing loading efficiency, and implementing modal shifts to further improve transport efficiency.

Calculation of Scope 3

To work toward the reduction of greenhouse gas emissions across the entire supply chain, Rengo calculates Scope 1, 2, and 3 emissions. In fiscal 2018, total emissions were 1,861 thousand tons. Of this amount, 46% was direct emissions from the internal use of fuels (Scope 1) and indirect emissions from the use of purchased electricity and heat (Scope 2), and 54% was from indirect emissions from the upstream to downstream segments of the supply chain in conjunction with business activities (Scope-3). We will continue to determine and manage greenhouse gas emissions throughout the supply chain and use analysis results to undertake CO2 reduction measures.

[Table: Trend of logistics departments’ per-unit CO2 emission index*]

<table>
<thead>
<tr>
<th>Years</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(FY)</td>
<td>120</td>
<td>110</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

* CO2 emissions divided by sales

TOPICS

Rengo Wins 2017 Ecoship Modal Shift Prize for Business Excellence of the MLIT Maritime Bureau Director’s Awards

By switching 90% of transport routes from the Rengo-Tongawa Folding Carton Plant to Kyushu to highly-efficient and environmentally-friendly marine transportation, we reduced CO2 emissions by approximately 60%. This initiative was recognized, and Rengo, Rengo Riverwood Packaging Ltd., and Rengo Logistics Inc. as well as Kankōkusai Co., Ltd. won the 2017 Ecoship Modal Shift Prize for Business Excellence of the MLIT Maritime Bureau Director’s Awards. We will continue our efforts to reduce CO2 emissions by actively implementing modal shifts from overland transport-centered logistics systems to marine transportation.

[Note: A modal shift refers to a change in cargo transportation previously performed using trucks and other motor vehicles to railway or ships, which have low environment impact]

Relation to SDGs 

Rengo’s environmental activities are contributing to the achievement of many of the Sustainable Development Goals (SDGs). For details, please see the data booklet (in Japanese).
Effective Use of Resources

Rengo works to expand the utilization of recovered paper to take good care of limited resources. In addition, as a duty of the papermaking industry which uses a lot of water, we put effort in the effective use of water resources.

Analysis of Water Risks at Production Sites

As water shortages become more severe around the world, Rengo uses Aqueduct, a water risk assessment tool released by the World Resources Institute (WRI) to conduct a survey of water risks so that we can determine performance and take appropriate measures.

An analysis of paper mills, which account for approximately 90% of Rengo’s water usage, revealed that there are no mills at “extremely high” risk, but in the future, we will take measures in each division, plant and mill according to the specific water risks and production volumes, implement comprehensive water resource management, and work to curtail risks.

Effective Use of Water Resources

Rengo uses potable water, industrial water, groundwater, water taken from nearby rivers, and water from other sources in its business. In fiscal 2018, total water inputs were 29,614 thousand cubic meters. In order to use limited water resources with care, water is used for at least 10 cycles at paper mills. Circulation water discharged from processes is treated using water treatment facilities for further reuse, and we undertake the effective use of water resources.

### Water Input

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial water</td>
<td>2,401</td>
</tr>
<tr>
<td>Water treatment facility</td>
<td>1,850</td>
</tr>
<tr>
<td>Groundwater</td>
<td>4,694</td>
</tr>
<tr>
<td>River water</td>
<td>8,014</td>
</tr>
<tr>
<td>Potable water</td>
<td>25,614</td>
</tr>
</tbody>
</table>

**Fiscal Year:**
- 2016: 28,611 m³
- 2017: 29,032 m³
- 2018: 29,614 m³

### Internal Circulation Flowchart

1. Water input
2. Paper roll
3. Production facilities
4. Water treatment facility
5. Discharge outside biz mill

### Increasing Utilization of Confidential Paper Waste

Rengo has introduced dedicated equipment for processing confidential paper waste at our Yashio Mill, Amagasaki Mill, and Tonegawa Division. Confidential documents generated by offices are usually incinerated to prevent information leaks. With the introduction of such equipment, we are now able to utilize confidential paper waste as resources. The equipment, housed within a fully-secured facility, accepts boxes containing confidential documents and processes those boxes without opening them.

In addition, certification under ISO 27001, the international standard for information security management, has been acquired for management of confidential documents. This Yashio Mill and Amagasaki Mill acquired certification in fiscal 2015, and the Tonegawa Division in fiscal 2016. As even greater emphasis is placed on reinforcing the reliability of information management and proper management, since we use confidential documents as recovered paper, raw materials for paperboard, we conduct appropriate management, since we use confidential documents as recovered paper, raw materials for paperboard, we conduct appropriate management, while exercising extreme care regarding the risk, divulgance, and loss of the information that we handle and conduct operations in accordance with the PDCA cycle.

### Maintaining and Increasing the Recovered Paper Utilization Ratio

In fiscal 2018’s Eco Challenge (20), the recovered paper utilization ratio target for paperboard was set as 97% or more. As a result of continuing with the initiative to expand utilization of unused resources such as confidential paper waste—which has not been used before—while maintaining product quality, Rengo achieved the target with a recovered paper utilization ratio of 98.3% in fiscal 2018.

We will continue to promote the development of relevant technologies at our laboratories and paper mills in order to conserve forest resources through the effective use of recovered paper.

**Recovered paper utilization ratio for paperboard (%)**

- Rengo: 98.3%
- Paperboard industry: 91.5%

Source: Paper Recycling Promotion Center

*1 Rengo aggregates data on a fiscal year basis

**Reused quantities by mill**

- Rengo: 77,500 t
- Paperboard industry: 127,000 t

### Recovered Paper Utilization Ratio

**Fiscal Year:**
- 2016: 79.2 t
- 2017: 80.3 t
- 2018: 81.3 t

### Recovered Paper Utilization Ratio

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>79.2</td>
<td>80.3</td>
<td>81.3</td>
</tr>
<tr>
<td>Processed</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Excerpt from Paper Recycling Promotion Center’s Recovered Paper Quality Standards

### Prohibitive Items

Foreign matters which cannot be used as raw materials for making paper or items which may cause problems if mixed into products are known as prohibitive items. There is a need to remove such items before recovery. Examples of such items are delivery invoices and thermal paper. In addition, recovered paper with odors such as those of soap or incense will leave such smells on paperboard after recycling.

Foreign matters which could not be identified and removed during the recycling process will significantly reduce the quality of paperboard. Rengo therefore widely calls for the promotion of appropriate recycling which does not mix in prohibitive items.

**Common examples of prohibitive items**

- Perfumed paper and paper with odors
- Wax-dipped corrugated box
- Dye-sublimation paper
- Fiber (especially paper for valve seats)
- Items other than paper

**Note:** For details, please see Paper Recycling Promotion Center’s Recovered Paper Quality Standards

http://www.prpc.or.jp/
Reducing Waste

Rengo puts effort in reducing and properly treating waste generated by our divisions, plants and mills to work toward realizing a recycling-based society.

### Reducing Waste

The waste reduction targets for fiscal 2018 under Eco Challenge 2000 were set as achieving a final disposal of less than 4,000 tons by Rengo Co., Ltd., and a material recycling rate of at least 98%. In the day-to-day outsourcing of waste disposal at our divisions, plants and mills, whenever possible, we select contractors that are capable of recycling the waste to increase the recycling rate. As a result of our efforts, we achieved our targets, with final disposal of 3,349 tons and a material recycling rate of 98.3%.

We will continue our efforts to cut the volume of waste generated and increase material recycling rates.

#### State of waste disposal

<table>
<thead>
<tr>
<th>Year</th>
<th>Total waste disposal (Tons)</th>
<th>Amount recycled within Rengo (Tons)</th>
<th>Outsourced waste disposal (Tons)</th>
<th>Final disposal (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>193,069</td>
<td>89,104</td>
<td>103,952</td>
<td>3,349</td>
</tr>
<tr>
<td>2017</td>
<td>192,878</td>
<td>89,104</td>
<td>103,952</td>
<td>3,349</td>
</tr>
<tr>
<td>2018</td>
<td>193,069</td>
<td>89,104</td>
<td>103,952</td>
<td>3,349</td>
</tr>
</tbody>
</table>

#### Final disposal and material recycling rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Final disposal (Tons)</th>
<th>Material recycling rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,349</td>
<td>98.3%</td>
</tr>
<tr>
<td>2017</td>
<td>3,349</td>
<td>98.3%</td>
</tr>
<tr>
<td>2018</td>
<td>3,349</td>
<td>98.3%</td>
</tr>
</tbody>
</table>

#### Proper Management of Fluorocarbons

To protect ozone layer and prevent global warming, Rengo adheres to Japan’s Act on Rational Use and Proper Management of Fluorocarbons and takes appropriate actions to handle fluorocarbons. Rengo seeks to prevent the release of fluorocarbons into the atmosphere through recovery during disposal of products using fluorocarbons, and thoroughly checking for leaks using both simplified and regular inspections.

#### Management of PCB Waste

Among equipment that contains high concentrations of PCB, disposal of transformers and capacitors has been completed. We are re-sorting and disposing of ballasts and other contaminants as necessary. Rengo will continue to carry out proper management and disposal in accordance with laws and regulations.

In addition, for equipment which may contain low concentrations of PCB, we conduct studies to understand the situation, and for those that clearly contain PCB, we ensure they can be clearly identified, properly managed, and disposed of when appropriate.

#### Reducing Atmospheric Pollutants

The main atmospheric pollutants emitted by our facilities are nitrogen oxides (NOx), sulfur oxides (SOx), dust, and soot contained in the exhaust gases of boilers and incinerators. These are regulated by emission standards established by laws and regulations. Rengo removes these atmospheric pollutants to levels that are below the regulatory standard limits through proper management of combustion temperature and flue gas desulfurization systems.

#### Promotion of Waste Management

Japan’s Waste Management and Public Cleansing Act requires waste generation to take further action for thorough waste management. To ensure compliance-related to industrial waste and optimize management operations, Rengo implements waste management systems capable of handling electronics at our divisions, plants and mills, and works on thorough industrial waste management. In addition, to check on the proper disposal of industrial waste, divisions, plants and mills visit contractors at least once a year—in principle—to conduct on-scene checks using checklists.

#### Appropriate Management of Chemical Substances

Emissions/transfers of relevant substances based on the Pollutant Release and Transfer Register (PRTR) system measured 752 tons in fiscal 2018. This is a 14.7% reduction compared to fiscal 2002, and achieves our target of a 13% reduction compared to fiscal 2002. By taking measures such as replacing the chemicals we use, we will continue to strive to reduce the amount of PRTR chemical substances handled, emitted and transferred.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount handled (Tons)</th>
<th>Amount emitted/ transferred (Tons)</th>
<th>Amount generated/ transferred (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,500</td>
<td>132</td>
<td>1,218</td>
</tr>
<tr>
<td>2003</td>
<td>1,218</td>
<td>132</td>
<td>1,218</td>
</tr>
<tr>
<td>2004</td>
<td>1,218</td>
<td>132</td>
<td>1,218</td>
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<td>2005</td>
<td>1,218</td>
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<td>2008</td>
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<tr>
<td>2017</td>
<td>1,218</td>
<td>132</td>
<td>1,218</td>
</tr>
<tr>
<td>2018</td>
<td>1,218</td>
<td>132</td>
<td>1,218</td>
</tr>
</tbody>
</table>

#### Management of Water Pollutants

The volume of water discharged was 25,408 million m³ in fiscal 2018. Water waste is sanitized—using methods such as pressure filtration treatment, activated sludge, sedimentation, and activated charcoal absorption—to maintain water quality at values below regulation standards before being discharged into rivers and sewers. To ensure compliance with regulation standards, parameters under regulation—such as COD, BOD, and SS—are measured on a regular basis.
Lightweight Packaging

In Eco Challenge 200, we set a target for reducing the average basis weight of corrugated board by 10.5% compared to fiscal 2004. The result for fiscal 2018 was a reduction of 11.1%, achieving the target.

For CO2 emissions throughout the life cycle of corrugated boxes, 77% comes from the production of containerboard—and main raw materials—and 16% from the production of corrugated board and boxes. Therefore, making containerboard lightweight and corrugated board thinner not only saves resources, but also significantly contributes to the reduction of CO2 emissions in the life cycle.

[Composition of CO2 emissions in life cycle of corrugated boxes*]

<table>
<thead>
<tr>
<th>Component</th>
<th>CO2 Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containerboard production</td>
<td>77%</td>
</tr>
<tr>
<td>Containerboard transportation</td>
<td>3%</td>
</tr>
<tr>
<td>Corrugated cardboard production</td>
<td>16%</td>
</tr>
</tbody>
</table>

* Values calculated using calculation method established by Rengo

Initiatives in Containerboard

Corrugated board is usually made from three pieces of containerboard—the upper linerboard, the bottom linerboard, and the corrugating medium. Rengo works on making containerboard lightweight, focusing on how to make it lightweight and thinner while maintaining its functions.

Since 2002, Rengo has embarked on making containerboard lightweight, and has developed lightweight containerboard and our Less Caliper & Carbon (LCC) containerboard which is light and strong. LCC120 and LCC90 have the same strength as conventional corrugating medium with basis weights of 160 g/m2 and 120 g/m2 respectively, yet have 25% less weight.

[Structure of corrugated board]

<table>
<thead>
<tr>
<th>Flute</th>
<th>Linerboard</th>
<th>Corrugating Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Flute</td>
<td>5 mm</td>
<td></td>
</tr>
<tr>
<td>B-Flute</td>
<td>3 mm</td>
<td></td>
</tr>
<tr>
<td>C-Flute</td>
<td>4 mm</td>
<td></td>
</tr>
</tbody>
</table>

Initiatives in Corrugated Packaging

Rengo is promoting the adoption of thinner corrugated board in order to reduce the weight of packaging. Delta Flute, a completely new and original specification for corrugated board developed by Rengo, is just 2 mm thick. Delta Flute can be used for both outer and inner boxes, making possible lighter corrugated boxes with even better functionality. In addition, the C-Flute has a thickness of 4 mm and the same strength as the A-Flute, which has a thickness of 5 mm, yet it is smaller in volume by approximately 20%. It is being widely used as a replacement for A-Flutes.

[Features of Delta Flute and C-Flute]

<table>
<thead>
<tr>
<th>Flute Type</th>
<th>Basis Weight</th>
<th>Crush Resistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Flute</td>
<td>120 g/m2</td>
<td>74.4</td>
</tr>
<tr>
<td>C-Flute</td>
<td>120 g/m2</td>
<td>74.4</td>
</tr>
<tr>
<td>A-Flute</td>
<td>160 g/m2</td>
<td>74.4</td>
</tr>
</tbody>
</table>

Initiatives so far

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Embarked on development of lightweight corrugated board</td>
</tr>
<tr>
<td>2009</td>
<td>Development of LCC containerboard</td>
</tr>
<tr>
<td>2012</td>
<td>Production of Delta Flute</td>
</tr>
<tr>
<td>2013</td>
<td>Full-scale rollout of lightweight corrugated board</td>
</tr>
</tbody>
</table>

Promoting Biodiversity Conservation Activities

All divisions, plants and mills in Japan conduct business activities within their links to their local communities and environments. This is especially so for our Fukushima-Yabuki Plant and Takefu Plant, which are surrounded by natural environments rich in spring water, primary forests, and locally-found flora and fauna. These plants construct biotopes within their premises, and promote activities to conserve biodiversity. In addition to use as places for the environmental education of employees, regular monitoring of the animals and plants is carried out to study the trend of ecosystems in the biotopes and the surrounding environment. Through communication with people from local communities, and as an initiative to protect the rich natural environment, Rengo undertakes together with the local community the “Fly Fireflies Project” to establish fireflies, said to be “barometers” of the natural environment.

[Things living in the biotopes]

- Butterfly dragonfly (Rhyothemis fuliginosa)
- Scarce tortoiseshell (Nymphalis xanthomelas)
- Great nest builder (Acrocephalus arundinaceus)

Rengo’s Fukushima-Yabuki Plant is not just a plant which brings together all the knowledge of our environmental technologies developed so far, such as solar power generation supplying the plant’s electrical power needs during the day. It is also a plant which takes into consideration the region’s ecosystem and is friendly to people and the environment. Since 2012, the plant has been working on an initiative together with members of Yabuki ‘Yo-Yu Life Club’—a volunteer group in Yabuki-machi—to establish fireflies at the plant’s biotope. Studies were conducted on the firefly population in the surrounding regions, and the studies confirmed that many fireflies can be found living within Yabuki-machi. Subsequently, adult fireflies were captured and artificially made to lay eggs. The larvae were then released into waterways. As a result of these activities, fireflies were first confirmed to be found flying within the biotope in 2015. This initiative to establish fireflies was continued, and fireflies were again confirmed to be living within the biotope in fiscal 2018.
Basic Stance
Rengo makes concerted efforts under our policy for customer satisfaction activities to provide products of value to society and improve the level of customer satisfaction.

Policy for Fiscal 2018’s Customer Satisfaction Activities
Raising Customer Confidence and Trust as Each Individual Progresses in Self Development
Fundamental philosophy:
Improve customer satisfaction to the maximum limit amid economic activities in pursuit of profits
Priority items:
Create environments which do not produce defects

Promotion of Quality Assurance
Rengo established the Head Office CS Subcommitte to provide companywide oversight so that we can provide products that meet customer needs. The subcommittee monitors and manages activities companywide. The Head Office CS Subcommittee meets twice each year to identify risks that could have a material impact on quality and to deliberate on and determine key matters such as companywide action policies and measures. In addition, Plant/ Mill CS subcommittees have been established to formulate specific measures for putting into practice the action policies established by the Head Office CS Subcommittee and perform monthly valuations of those measures.

Attainment of ISO 9001 Certification
Rengo has acquired certification under ISO 9001, an international standard for quality management, and stress to continuously improve its quality management. In conjunction with revision of the standard, all certified plants and mills completed the transition to the new standard in fiscal 2015.

<table>
<thead>
<tr>
<th>Plant</th>
<th>Certification body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gyoda</td>
<td>Japan Quality Assurance Organization JQA</td>
</tr>
<tr>
<td>Okayama</td>
<td>Ingot Plant Division, JSIA</td>
</tr>
<tr>
<td>Shiga</td>
<td>JIC Quality Assurance Ltd.</td>
</tr>
<tr>
<td>Shin-Hagoya</td>
<td>Japanese Standards Association (JSA)</td>
</tr>
<tr>
<td>Nagoya</td>
<td>JQA Japan Co., Ltd.</td>
</tr>
</tbody>
</table>

Responses When Product Defects Occur
In cases where defects in shipped products are discovered, the responsible sales personnel act as the contact point and take responsive measures in collaboration with the Quality Assurance Department and other relevant departaments based on information received from customers. In addition, in the case of matters that entail significant risks, measures are expanded to all plants and mills in collaboration with relevant head office departments to mitigate those risks.

[Defect Response Process]

Initiatives to Prevent Reoccurrences
Rengo sees the prevention of human error as a significant issue for preventing the occurrence of product defects. In fiscal 2018, the company addressed the occurrence of defects by implementing measures that focus on handling errors and co-mingling of products of different types, which pose a high risk of occurrence. All handling errors that occurred in the first half of the fiscal year were analyzed, information on the causes was provided to personnel, and comprehensive countermeasures were implemented. With regard to the co-mingling of products of different types, the details of incidents occurring in the past 10 years were analyzed, information on key points that require particular attention was provided, and measures were taken to mitigate the risk of reoccurrence.

Products to Solve Various Issues Faced by Society
Rengo works to develop products which solve various issues faced by society centered on packaging.

Cellulose Related Products that Biodegrade in the Natural Environment
Pollution caused by plastic waste in the oceans has become a global problem, and the shift away from plastics and towards alternative materials is accelerating.

Rengo’s cellulose related products made from wood pulp (films, beads, and other products) are biodegradable, breaking down into water and carbon dioxide through the action of microorganisms in the natural environment including soil and sea water.

Cellulose related products are used for packaging such as bags for foods and medicines, insect-resistant packaging for clothing, scent samples, and various other applications, and it is expected that cellulose related products will be used in various other types of packaging as an alternative to plastic in the future.

[Biodegradability of Cellophane]

(Cycle of Cellulose Related Products)

[Cellulose Related Products]

Characteristics of Cellophane
Cellophane is a transparent film made from wood pulp. It can easily be torn and has low susceptibility to static electricity, making it ideal for packaging pharmaceuticals and other products.

Characteristics of SAFLON
SAFLON is a processed paper or non-woven fabric coated with the raw material of cellophane. The air permeability can be adjusted, and therefore, it is used for packaging medicines, fragrances, and other products.

Characteristics of Viscopearl
Viscopearl are porous, spherical cellulose beads made from wood pulp. The 0.3 mm to 0.4 mm diameter beads are used for fragrance samples and other applications. An even smaller product (0.055 mm in diameter) is currently under development.
FSC® Certified Products Contribute to Sustainable Raw Material Procurement

All of Rengo’s paperboard mills, corrugated plants and folding carton plants obtained Forest Stewardship Council® (FSC) certification in 2016, and we established a nationwide supply system for certified products. FSC certification is an international system for authenticating and certifying both appropriately managed forests and the appropriate processing and distribution of lumber harvested from those forests. In the case of corrugated packaging, FSC certification must be obtained, not only by the corrugated plant that produces corrugated boxes, but also by the paperboard mill that produces containerboard. As an integrated manufacturer of both containerboard and corrugated board and boxes, Rengo is able to apply FSC certification to almost all corrugated packaging that uses containerboard produced at its mills. Apart from corrugated packaging, we have also obtained FSC certification for our clay coated board, chipboard, folding cartons, and multi-packs which are used in packaging for food items and daily necessities.

RECYCOOL Controls Food Spoilage with Cold Retention Effects

This recyclable cold-retaining corrugated box uses a special cold retention coating on the inside of the box. The air layers in the corrugated portion of the box and the coating surface reduce thermal conduction from outside the box, limiting the temperature increase of the contents. Reducing the temperature increase curtails deterioration of fresh produce, seafood, heat-sensitive chocolate, and other food products, which is expected to reduce food losses.

Rengo’s Gemini Packaging System Raises Efficiency in Online Commerce

Rengo’s Gemini Packaging System is an automated packaging machinery newly developed in response to the rapid expansion of online commerce in recent years. Using only two types of corrugated board and shrink-wrapping film, the system measures the dimensions of the contents and automatically produces a box of the optimal height. This not only reduces the amount of material used compared to conventional boxes but also significantly improves the efficiency of the packaging process relying on human labor. In addition, cushioning material is not needed, and consequently, there is no unnecessary space within the box. This improves the efficiency of transportation and significantly contributes to the reduction of environmental burden.

FSC® Certification of Wood Products

Certification of forest management, the third-party verification system that验证森林认证管理的第三方验证体系。Rengo Co., Ltd. Environment and Social Report 2019

STEP 1
Pull the tab on the top side of the box.

STEP 2
Open both sides.

STEP 3
Pull the tab on the top side of the box.

STEP 4
Done!

Easy Unpacking Which Reduces Work Time

Done!

Reduced amount of materials used, improves logistics efficiency by reducing CO₂ emissions

Temperature Change with Cold Insulator (external temperature: 23°C)

Compare to conventional corrugated packaging, RENGO® is labor-saving as it can significantly reduce the time needed for opening and displaying products, and since it also makes decorative printing easier, it improves product display functionality and is effective for sales promotion. In addition, depending on the product, significant reduction in the amount of packaging materials used is possible.

Rengo Solves Problems in Distribution and Retail Stores

Currently, with a shrinking workforce due to lower birthrates and an aging population, how to efficiently sell products with fewer people is becoming a major issue for retail stores. Rengo has developed RECON Smart Display Packaging (RSDP) to solve such problems. RSDP is an innovative packaging besides transporting and protecting products, it adds features of display and selling, such as improving unpacking and display work, and enhancing sales promotion capabilities.

RECON Solves Problems in Distribution and Retail Stores

Requirements only for two types of corrugated sheets

Products of various dimensions can be handled with two types of corrugated sheets, leading to consolidation of materials.

Products to Solve Various Issues Faced by Society

STEP 2
Tear along the perforated line

STEP 3
Allows the box to be opened from either side

STEP 4
Finalized

Reduced amount of materials used, improves logistics efficiency (reduces CO₂ emissions)

Products to Solve Various Issues Faced by Society

RECON Solves Problems in Distribution and Retail Stores

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wasabi and mustards, is a natural hot ingredient that has high antimicrobial and anti-mold effects. It is vaporized into a gaseous form to fill the space, suppressing the growth of microorganisms. Simply by using Wasaveil made with allyl mustard oil to cover food products, maintenance of food freshness and shelf life is improved, and consequently, Wasaveil is used with a wide variety of products including boxed meals, sushi, and bread.

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Relationship with Suppliers

To practice environmentally and socially clean procurement, Rengo cooperates with suppliers on a continuing basis and strives to build strong, trusting relationships.

Formulation of Fundamental Policy on Procurement

For the Rengo Group to reduce impact on the global environment while sustainably and stably providing high-quality products with high added-value to earn the satisfaction of our customers, it is essential to improve the quality of purchasing and procurement for materials such as raw materials. To build healthy trading relationships with suppliers, we first formulated Rengo’s fundamental policy for procurement in April 2017, followed by formulating the Rengo Group’s Fundamental Policy on Procurement in April 2018 which comprehensively encompasses all our affiliates.

Requests to Our Suppliers

To supply safe and secure products to our customers, and to carry out business activities trusted by society, Rengo has formulated our Requests to Our Suppliers, and asks that our suppliers comply with these requests. Rengo’s Requests to Our Suppliers comprises nine items, and we have disclosed the details of these items on our website in an effort to obtain the understanding of our suppliers.

For details, please see: Requests to Our Suppliers
https://www.rengo.co.jp/english/environmental-support/procurement.html

Procurement of Properly Managed Wood Pulp

Rengo’s Procurement Policy for Wood Pulp states that when procuring pulp, in addition to giving consideration to the global environment and biodiversity, pulp must be procured from suppliers that do not use illegally logged wood from the viewpoint of the effective use of sustainable wood resources. By an audit of the Japan Paper Association’s Illegal Logging Monitoring Project, we confirmed that all pulp procured by our company in fiscal 2017 was procured in accordance with our procurement policy. Pulp procured in fiscal 2018 was audited by the Monitoring Project in September 2019.

Clean Wood Act Initiatives

Japan’s Act on Promoting the Distribution and Use of Legally Harvested Wood (Clean Wood Act) went into force in May 2017, and the Rengo Group became a registered wood-related business operator in March 2018. In accordance with the Clean Wood Act, we will continue to promote initiatives that do not use wood or wood products which have been illegally harvested.

Communication with Our Suppliers

The stable procurement of recovered paper—the main raw material for paperboard—is essential for the sustainable growth of the Rengo Group. At each of our paperboard mills, we regularly gather major suppliers of recovered paper to provide them with reports on matters such as Rengo’s management policies and the production status of our paperboard mills. We also prepare reports on trends, such as our overall trend of demand in the industry, which are distributed as traceability reports that indicate where the timber was felled, the species of tree, quantities, and so on. Similarly, in the case of overseas suppliers, we will procure from suppliers that regularly release written pledges that they do not handle illegally felled timber, as well as traceability reports that indicate where the timber was felled, the species of tree and quantities.

Initiatives Against Illegal Logging

1. We will keep the relevant documents for a minimum of five years and make them available to the request of auditor or other such persons.
2. We will undertake an annual audit by the Japan Paper Association’s Illegal Logging Monitoring Project.
3. We will regularly publicize summaries of the above on our website and other media.

![Image](https://www.rengo.co.jp/english/environmental-support/procurement.html)

**VOICE**

**Becoming Partners Who are More than Just Suppliers and Buyers**

We develop and manufacture the steam energy-related equipment that is essential for manufacturing industries. Around 2006, Rengo inquired about saving energy in the manufacture of containerboard, and together, we spent about 18 months developing a steam circulation system.

The system collects and reuses steam. Previously, the only thing that could be done with steam after use was to release it into the atmosphere as water vapor. By reusing steam, the system can reduce plant/mill energy consumption by nearly 20%.

It was a very challenging proposal and from development to introduction, we undertook a process of repeated trial and error and met several times each week to exchange ideas. By using our shared desire to create a quality system as well as TLV’s know-how and Rengo’s on-site capabilities, we were able to successfully complete the system.

If the two companies had simply created a supplier and buyer relationship, we don’t think that we would have been able to develop the system. We hope that Rengo and TLV can remain partners with a trusting relationship that supports the growth of both.

![Image](https://www.rengo.co.jp/english/environmental-support/procurement.html)
Creating Ideal Workplaces

People are the greatest assets to a company. To create environments where each and every person is treated well and can work with motivation, Rengo puts in place and enhances human resource and training programs as well as initiatives for health and human rights.

Promoting the Creation of Environments Respecting Human Rights

Recognizing the differing values of individuals and respecting individually is the basis of corporate activities. To protect human rights, Rengo states clearly in our rules of employment that we do not practice discrimination based on nationality, religious belief, gender, social standing or any other reasons. In addition, Rengo works on preventing infringements on human rights by having in place programs within and outside the company for whistle-blowing systems and various kinds of consultation.

Conduct of Human Rights Education

In April of each year, outside instructors give lectures on human rights as a part of our internal training programs. For fiscal 2018, lectures were conducted along four themes: 1) relation between work and human rights; 2) respecting diversity and basic understanding of human rights issues; 3) understanding the various human rights issues related to corporate activities; and 4) the issue of harassment. We continue to raise productivity and create workplaces that facilitate work so that all employees can work with enthusiasm and determination and uphold “lifetime careers” until age 65 while maintaining good health and high motivation.

Encouraging Employment of Persons with Disabilities

Employing persons with disabilities is an important measure for creating work environments where everyone can work comfortably. Rengo is working to expand the areas of opportunity available for such persons and conducted universal manner certification training to increase employees who are able to act with a sense of ownership and proper understanding. As of June 2018, the employment rate of persons with disabilities was 2.4%, satisfying the statutory requirement. Going forward, Rengo will continue its efforts to create workplace environments where persons with disabilities can work actively for many years.

Diversity Initiatives

Encouraging Employment of Older Workers

Following the introduction of a re-employment program by Rengo in 2001, a number of revisions were made in response to subsequent statutory amendments. The program was changed in April 2013 so that, in principle, all employees who want to continue working can do so until age 65 (the reemployment rate in fiscal 2018 was 75.4%). As the life expectancy continues to decline and the population ages, Rengo increased retirement age from 60 years to 65 years in April 2019 to diversify human resources and further encourage the employment of older workers. We will continue to raise productivity and create workplaces that facilitate work so that all employees can work with enthusiasm and determination and uphold “lifetime careers” until age 65 while maintaining good health and high motivation.

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Employment rate of persons with disabilities (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>2.3</td>
<td>2.2</td>
<td>2.2</td>
<td>2.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Goals Stated in the Action Plan (Period of plan: Five years starting from April 2016)

1. Achieve an employment rate of at least 13% for male employees taking childcare leave.
2. Double the number of women in managerial positions from 19.0% to 38.0% by fiscal 2018.
3. Achieve twice or more women (full-time employees) working in sales sections and in manufacturing sections.
4. Achieve an employment rate of at least 30% for women in career-path positions.

Status of Empowerment of Female Employees (Fiscal year: Ending March 31st)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Employees</th>
<th>Employment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,719</td>
<td>3.87%</td>
</tr>
<tr>
<td>2015</td>
<td>3,680</td>
<td>3.81%</td>
</tr>
<tr>
<td>2016</td>
<td>3,700</td>
<td>3.83%</td>
</tr>
<tr>
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<td>3.87%</td>
</tr>
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<td>3,817</td>
<td>4.01%</td>
</tr>
</tbody>
</table>

Employment rate of female employees (%)

<table>
<thead>
<tr>
<th>Year</th>
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<th>2016</th>
<th>2017</th>
<th>2018</th>
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<td>2.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Empowerment of female workers

In April 2014, Rengo established the new Section for the Promotion of Women Employees and set about creating a corporate climate and developing an environment where diverse personal are able to maximize their unique potential. In March 2016, we formulated the Action Plan for Empowering Female Workers and disclosed information on the empowerment of women. Rengo was recognized for the status of implementation of measures and received Ethisoc (Level 2) from the Ministry of Health, Labour and Welfare in May 2018 for complying with standards as a general business enterprise in accordance with the Act on Motion of Women’s Participation and Advancement in the Workplace.

We remain committed to encouraging the appointment of women and expanding their areas of responsibility. In addition to raising the ratio of female employees throughout the company, we are striving to further improve their motivation and skills through training and individual support according to their career and stage of life. Furthermore, in order to create workplaces where people can thrive regardless of gender, we have also worked to foster and entrench a culture where male employees can access childcare leave.

Developing Work Environments that Support a Good Work-Life Balance

Rengo puts in place a working environment which promotes measures for work-life balance, such as programs to support balancing work with child and family care so that every employee can feel adequate and satisfied and adopt working styles suiting the life stages they are in.

In its fourth year, our action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children aims to make it easy for both men and women to take childcare leave and to establish environments where they can readily return to work. We have raised awareness of the plan by explaining its programs and preparing pamphlets that describe personal experiences with particular emphasis on encouraging men to take childcare leave. In fiscal 2016, the rate of eligible employees taking leave was 67.2%. In addition, Rengo received Kunami certification from the Osaka Labour Bureau of the Ministry of Health, Labour and Welfare that meets certain standards as a general business enterprise under the Act on Advancement of Measures to Support Raising Next-Generation Children for the fourth time and received Platinum Kunami certification, a special certification, as an outstanding childcare support company that implements high-level measures.

To address the declining birth rate and support the development of future generations, Rengo gives congratulations bonuses of one million yen on the birth of an employee’s third or subsequent child. Since this program was introduced in April 2006, a total of 346 employees have received the payments (as of March 2019), Rengo is providing not only systematic support, but also economic support.

Number of users of the childcare leave program

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Male</th>
<th>Female</th>
<th>Percentage male</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>100</td>
<td>100</td>
<td>100.0</td>
</tr>
<tr>
<td>2015</td>
<td>19.6</td>
<td>19.6</td>
<td>100.0</td>
</tr>
<tr>
<td>2016</td>
<td>41.8</td>
<td>41.8</td>
<td>100.0</td>
</tr>
<tr>
<td>2017</td>
<td>57.1</td>
<td>57.1</td>
<td>100.0</td>
</tr>
<tr>
<td>2018</td>
<td>67.2</td>
<td>67.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Relation to SDGs

TOPICS

Preparing for the Introduction of Mandatory Retirement at Age 65

In October 2018, Rengo conducted labor-management joint training on the “pursuit of lifetime careers” for 80 employees aged 57 to 59 years who will be the first cohort with a mandatory retirement age of 65 years. In preparation for the introduction of the new system, the training provided an opportunity to raise employee awareness regarding continuing to work with enthusiasm while maintaining high motivation and for both the company and the labor union to convey their expectations. Participants engaged in small group activities, conducted a program to relaim radio-guided calisthenics, from the fundamentals, and attended a lecture on lifestyle improvement with a focus on eating habits.

The participants had favorable impressions of the training indicating that it was a good opportunity to review their own work styles and lifestyle habits and expressing their commitment to showing their positive attitude and enthusiasm for work to remain trusted veteran employees. The program was effective in raising awareness concerning lifetime careers.
Creating Ideal Workplaces

Initiatives for Improvement of Total Factor Productivity (TFP)
As the “work style reform” movement to address long working hours is taken up by the national government, Rengo is achieving steady results through its initiative launched in 2014 to reduce total hours actually worked by improving Total Factor Productivity (TFP). Having analyzed the many different factors that make up productivity, we are working to raise productivity while also being conscious of technological innovations and people’s work styles and state of mind. At Rengo, labor and management are united in reducing overtime hours worked and encouraging employees to take paid annual leave. As a result of promoting activities to raise awareness and making improvements to the workplace environment, the average length of leave taken in fiscal 2018 was 11.8 days, achieving our target of at least 10 days on average for the fourth consecutive year.

In addition, we formulated the Work Style Reform Action Plan in fiscal 2018 to further accelerate reforms at Rengo. Moving forward, we will continue our initiatives for improving TFP while further working toward creating ideal workplaces.

Work Style Reform Action Plan (fiscal 2018)
1. Address long working hours
   • Reduce employees with a monthly average of 60 hours or more of statutory overtime work.
2. Encourage taking of paid annual leave
   • Maintain a paid leave of at least 10 days per person
3. Promote flexible working styles
   • Achieve a rate of 50% or higher for male employees taking childcare leave.

(Number of employees whose monthly average statutory overtime work exceeded 60 hours)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
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<tbody>
<tr>
<td>(%)</td>
<td>125</td>
<td>121</td>
<td>112</td>
<td>108</td>
<td>108</td>
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</tbody>
</table>

(Average number of days of paid annual leave taken)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<td>(Yr)</td>
<td>15.4</td>
<td>15.8</td>
<td>15.4</td>
<td>15.8</td>
<td></td>
</tr>
</tbody>
</table>

Health Management Initiatives
Rengo has previously undertaken various initiatives relating to employee health, but in light of the adoption of a 65-year-old mandatory retirement age effective as of April 2019, we organized the measures and plans implemented by the company, labor union, and health insurance association and formulated the Rengo Good Health Declaration in January 2019 to maintain and improve the health of employees and their families.

We have set short-term targets for the priority policies of the declaration including promoting smoking cessation, conducting radio-guided calisthenics and holding lectures to promote good health, reinforcing mental health education, and developing and improving workplace environments.

Rengo is undertaking company-wide measures to support good physical and mental health and create safe and secure workplaces.

Rengo is contributing to the creation of a society that promotes lifetime careers by promoting good health so that employees can engage in active work and lifestyles throughout their lives. Through our dynamic business activities, we are also contributing to the development of a sustainable society.

Rengo Good Health Declaration
We declare that we will undertake the creation of safe and secure work environments where employees can maintain good health every day, everyone can demonstrate their full capabilities, and energetic work is possible to support healthy, enriching, and active lifestyles with an awareness of lifetime careers.

Priority Measures
- Promote smoking cessation
- Implement measures to curtail lifestyle-related diseases and prevent serious conditions
- Hold seminars to encourage good health practices

Measures supporting mental health
- Conduct stress checks and use the results of analysis
- Conduct mental health education
- Establish internal consultation hotlines

Measures for the creation of workplaces that facilitate work by all persons
- Reduce overtime work
- Encourage employees to take paid annual leave
- Increase the safety of machinery, save labor, develop and improve work environments

Human Resource Development to Improve Competency
Our employees are human assets as Rengo views employees as the assets of a company. We conduct fulfilling education and training according to the careers of our employees so as to actively support their growth. By prioritizing the growth of our employees and conducting systematic education and training, Rengo seeks to develop employees with high levels of knowledge, competency, a sense of responsibility and spirit who possess flexibility and creativity to accurately adapt to changes in the time.

Implementation of Small-Group Improvement Activities
With the aim of supporting further growth by employees, invigorating workplaces, and creating the world’s best workplaces, employees participate in small-group improvement activities to foster friendly competition.

In fiscal 2018, in addition to safety, quality, the environment, improving productivity, cost reduction, ESG, and customer satisfaction, we also had themes related to initiatives for improving TFP, such as reducing overtime work, promoting the taking of paid annual leave, and the empowerment of women in the workplace. In total, more than 4,000 employees in 348 teams from within Rengo and Rengo group companies took part in the activities. These activities provided opportunities for employees to sharpen their understanding of operations at their respective workplaces and contribute to enhancement of the on-site capabilities of the Rengo Group.

Building Healthy Relations Between Labor and Management
Once each month at our divisions, plants and mills, executive branches of labor unions and those in managerial positions hold labor-management councils. Labor-management councils between the labor union headquarters and our head office are also held four times each year. The councils are opportunities to share information on a variety of topics relating to division, plant, and mill operations, develop a common understanding of issues, and engage in frank exchanges of opinions. Across the entire company, these councils are held at least 400 times each year, and the accumulation of such efforts help to deepen mutual understanding and build good relations between labor and management.

Fair Evaluation
Rengo showed clear evaluation criteria to employees to have a fair and transparent system for performance assessment. Superiors conduct interviews with their subordinates to provide them feedback regarding the evaluation results. Such feedback interviews help to increase subordinates’ acceptance of evaluation results, and advance their understanding of the kind of employee sought by the company and superiors. At the same time, superiors are able to assist subordinates in the direction of the goal-setting and competency development.

Developing Global Talents
Amidst further globalization, Rengo has embarked on a Global Talent Development Program to develop human resources for the future. This training program takes place over a period of one and a half years, with training in Japan followed by language and practical training overseas. Each year, about three employees are selected and assigned to this program. From the first class in 2010 to the current tenth class, a total of 389 employees have been selected for this program. In addition, Rengo also has other initiatives to promote the development of human resources who are able to adapt to globalization, such as awarding monetary incentives of between ¥100,000 to ¥300,000 to those who achieve a certain level of proficiency in English or Chinese on their own initiative.

Establish Internal Consultation Hotlines
Many different kinds of issues can occur at the workplace. Rengo has put in place and made known avenues for consultation depending on the type of issue—such as sexual harassment or power harassment—so that in the event a problem should occur, employees do not have to worry alone and have someone to consult with to solve the issue. The company can also deal with issues early to prevent them from aggravating into something larger.
Creating Healthy and Safe Workplaces

To create workplaces where all employees can work healthily and safely, labor and management work as one at Rengo under our Health and Safety Policy. This is especially so for severe accidents such as deaths, which are irreversible events for the person involved, the person’s family, and the company. Based on the thinking that severe accidents must never be allowed to occur, we have therefore set the elimination of severe accidents as a priority action item. As one of its initiatives, we operate a health and safety management system which we have built on our own to continuously improve the level of our health and safety. We also carry out health and safety education as well as mutual reminders for all our employees, including those from partner companies, to make them recognize the importance of adhering to rules to work toward creating working environments which are safe and easy to work in. Moving forward, Rengo will continue to focus our efforts for preventing the occurrence of severe accidents.

Health and Safety Promotion Framework

To comprehensively promote the management of health and safety, Rengo has established a Health and Safety Subcommittee overseeing the entire company, under which the health and safety subcommittees of divisions, plants, and mills. The Head Office’s Health and Safety Subcommittee meets twice each year to formulate the company-wide health and safety policies and initiatives. The respective health and safety subcommittees at each division, plant, and mill then plan specific health and safety activities following the company-wide policies and initiatives, inform employees about them, and work on promoting them. (Health and safety organization)

Health and Safety Policy for Fiscal 2018

1. Basic Policy for Health and Safety
Based on the philosophy that ensuring the health and safety of workers is the basis of a company’s operation, Rengo nurtures a corporate culture promoting health and safety as the foundation of productive cooperation between labor and management. Our activities include: reviewing potential hazards and risk factors from the workplace, and eliminate industrial accidents to create healthier workplaces.

2. Goal

2-1. The elimination of severe accidents
2-2. A level of accidents that is continuously improved

3. Safety spirit

3-1. Overconfidence is the enemy
3-2. Strong warnings are considered of others; work together to create safe workplaces

4. Slogan

4-1. Health and safety as the topmost priority through cooperation
4-2. Health and safety as the topmost priority through cooperation

5. Focus of activity

5-1. Operate industrial health and safety management systems and share information on major risks that can lead to severe accidents in order to completely eliminate severe accidents while systematically removing and mitigating risks.

Status of Industrial Accident Occurrence and Measures for their Elimination

As a result of production activities that prioritize safety at divisions, plants, and mills, accidents that result in lost working days are declining, and severity rates are lower than the average in the pulp, paper, and paper converting industry and manufacturing industry. However, neither of these results is satisfactory, and labor and management will continue cooperating on various health and safety measures such as training on anticipating risks and safety patrols to completely eliminate industrial accidents.

Health and Safety Promotion Initiatives

Initiatives to Prevent Industrial Accidents

Hands-on Training Using Accident Simulators

Accidents with the highest rate of occurrence at Rengo involve workers being crushed by or pulled into machines. In addition, a major cause of these accidents was due to the lack of experience in younger workers. By using machines to experience being crushed and pulled, we heighten their sensitivity to danger, and develop their minds to prevent accidents. Some comments from employees who participated in this form of education through experience include: “I could picture myself being pulled into a roller” and “I now fear ahead whenever I am near a roller in operation.” Rengo will continue to carry out education to heighten each and every employee’s sensitivity to danger so as to contribute toward eliminating accidents.

Conduct of Health and Safety Patrols

Safety personnel serve as patrol team members and conduct health and safety patrols at divisions, plants, mills, and Group companies. Patrols are conducted at all divisions, plants, and mills once each year to perform checks from an objective perspective and identify latent risks to improve workplaces. In addition, members of the patrol teams implement initiatives from other plants at their own workplaces, resulting in mutual improvements in health and safety levels.

Maintaining and Improving Mental and Physical Health

Rengo puts effort into prevention and early detection of illness in our employees. We conduct regular health checks as well as health consultation sessions with industrial physicians. To promote self-care as well as care by superiors relating to mental health, we conduct internal training and, since February 2016, have been implementing stress checks. We recommend employees to undergo Typo II Mental Health Management Certification (targeting those in managerial positions), and 238 employees have obtained the certification so far. In December 2014, we formulated rules on working during rehabilitation so that those taking a break from work due to mental health issues can smoothly return to the workplace.

Health and Safety Promotion Initiatives

Passing on accepted core values to future generations

In recognition of 17 consecutive years without an industrial accident at the workplace that I am in charge of, I received the fiscal 2018 Minister of Health, Labour and Welfare Special Award for outstanding foremost in occupational safety.

The thing that I am most aware of for maintaining our accident-free record is safety confirmation using the point and call procedure. Calling out in a loud voice to confirm work is commonplace, but I believe that the repetition of this practice led to zero accidents for many years. When teaching entry-level and young employees how to do the work, I make a particular effort to teach them dangerous points and explain why they are dangerous.

People retain memories longer if they experience something first-hand. For this reason, we built a machine that can simulate dangerous conditions and conducted safety training for all employees involved in work in the mill based on the belief that it would raise safety awareness. The participants learned through experience, and the program has had a significant impact. In the future, I will continue to lead by example by proactively addressing safety and working to continuously maintain the safety and security of myself, my colleagues, and all persons who enter the mill including suppliers while handing down techniques that conserve as models for younger generations.

Health and Safety

Based on the principle that ensuring the health and safety of all employees is the basis for the sustainable development of our business, Rengo undertakes various companywide health and safety measures and strives to create workplaces where employees can work with peace of mind.
Activities Contributing to Society

To contribute to local communities as a corporate citizen, Rengo’s divisions, plants and mills throughout Japan carry out various activities, such as support for developing future generations and contribution to the supply of electric power and countermeasures against disasters.

Dispatch Lessons
Rengo dispatches employees as lecturers to give classes on the importance of the environment to children who form the next generation. In fiscal 2010, we started giving a lesson to communicate the importance of the environment to children who form the next generation. In fiscal 2010, we started giving a lesson to communicate the importance of the environment to children who form the next generation. In fiscal 2010, we started giving a lesson to communicate the importance of the environment to children who form the next generation. In fiscal 2010, we started giving a lesson to communicate the importance of the environment to children who form the next generation.

Accepting Plant/Mill Tours
To let people learn about the importance of a recycling-based society through corrugated packaging and further understand Rengo’s business activities, we accept plant/mill tours for a wide range of ages, from elementary school children to working adults. As well as receiving visits from regional elementary and junior high schools, the tours are also actively involved in accepting tours from regional governing bodies, NGOs and outside companies. In fiscal 2018, we had more than 1,000 visitors to our plants/mills throughout Japan.

Supporting the Japanese Antarctic Research Expedition
Since receiving the request from Japan’s National Institute of Polar Research to supply the first Japanese Antarctic Research Expedition in 1956 with corrugated boxes, Rengo has continued to support the expedition’s survey and research. Rengo’s corrugated boxes are used as packaging materials for transporting important materials and daily necessities essential to activities in the Antarctic, and to protect rare items collected.

ROIC Dispatch Lessons

[Image: Dispatch Lessons]

Accepting Plant/Mill Tours

[Image: Accepting Plant/Mill Tours]

Supporting the Japanese Antarctic Research Expedition

[Image: Supporting the Japanese Antarctic Research Expedition]

VOICE

Valuing Classes that Link Knowledge and Action

Sanda City operates a Citizen Future School and holds Citizen Programs in various areas for the purpose of nurturing children who are familiar with science and technology, are eager to participate in global activities, and are willing to tackle new challenges. These programs teach children about everyday things from a scientific perspective.

At a Rengo employee-taught course on interesting points about corrugated packaging held in July 2018, children learned about the history, features, and manufacturing process of corrugated packaging through fun activities such as a quiz and corrugated board strength test. In a session held in July 2018, children learned about the history, features, and manufacturing process of corrugated packaging through fun activities such as a quiz and corrugated board strength test.

Rengo supplied corrugated boxes to Japanese Antarctic Research Expedition

[Image: Rengo supplied corrugated boxes to Japanese Antarctic Research Expedition]

Exhibit at EcoPro 2018

In December 2018, Rengo exhibited at EcoPro 2018, held at Tokyo Big Sight. This is the 12th time that Rengo has exhibited as EcoPro. The theme of this year’s exhibit was “corrugated packaging museum.” The Rengo booth featured easy-to-understand displays about corrugated packaging systems and the outstanding characteristics of corrugated packaging, FSC-certified products, PSDP, and biodegradable materials as well as Rengo’s products and environmental initiatives. More than 10,000 visitors from children to adults visited us during the event. Visitors commented that the displays provided an opportunity to learn more about the corrugated packaging used on a daily basis and that they learned just how exceptional corrugated packaging is. Through this event, Rengo was able to convey the importance of using corrugated packaging as a resource and the possibilities and new values of corrugated packaging.

Support for Local Government Disaster Countermeasures

Rengo provides a number of corrugated board products that can be used during earthquakes, typhoons and at other times of disaster, such as beds, mats, space dividers for maintaining privacy, as well as corrugated boxes used in transporting relief supplies. Corrugated board beds in particular have gained attention as being useful for alleviating lower-back pain and preventing deep-vein thrombosis for people living at evacuation sites for prolonged periods of time.

In addition, at divisions and plants nationwide, we have concluded agreements with local municipalities and other self-governing bodies to supply relief goods at times of disaster, thereby supporting disaster prevention measures in the unlikely event of an emergency.

Participating in the Environmental Contribution Project “Osaka Hikarinomori Project”

The Osaka Hikarinomori Project is a mega-solar power generation project located at the Hikarinomori Site in Yusa-cho, Tsuruta City, Osaka Prefecture. The project, which started construction in 2016, is expected to be completed in 2020.

The project is expected to generate 200,000 kWh of electricity per year, enough to meet the electricity needs of approximately 500 households. The project is expected to generate 200,000 kWh of electricity per year, enough to meet the electricity needs of approximately 500 households.

Supporting the Japanese Antarctic Research Expedition

[Image: Participating in the Environmental Contribution Project “Osaka Hikarinomori Project”]

From the project, Rengo contributes to the conservation of the global environment and, at the same time, encourages the generation of renewable energy in urban areas.

Support for Local Government Disaster Countermeasures

[Image: Support for Local Government Disaster Countermeasures]

Participating in the Environmental Contribution Project “Osaka Hikarinomori Project”

[Image: Participating in the Environmental Contribution Project “Osaka Hikarinomori Project”]

Support for Local Government Disaster Countermeasures

[Image: Support for Local Government Disaster Countermeasures]
Corporate Governance

Rengo has put in place a corporate governance system and internal controls to accelerate decision-making and strengthen supervision of business execution in order to be an enterprise that earns society’s trust and confidence.

Basic Stance

As an enterprise that has secured society’s firm trust and confidence, our goal is timely and accurate information disclosure combined with sound management that has high transparency. In keeping with our corporate philosophy whose essence is “The truth is in the workplace,” Rengo is enhancing corporate governance by strengthening the current system of Directors and Audit & Supervisory Board members while delegating authority and accelerating decision-making. In response to the Corporate Governance Code, which came into effect in June 2015, Rengo has disclosed its approaches to the Corporate Governance Code to the Tokyo Stock Exchange in the form of a Corporate Governance Report. The more recent report was submitted on June 21, 2019. Considering the purpose of the Corporate Governance Code, we will continue to work toward sustained growth for our company and improving our corporate value in the medium-to-long-term.

Effectiveness and State of the Board of Directors

As of June 20, 2019, Rengo’s Board of Directors consisted of 17 directors (the maximum number of directors stipulated in the Articles of Incorporation is 18). Regarding the effectiveness of the Board of Directors, Rengo is working to enhance the functions of the Board through self-evaluation by directors and other means. In February 2019, the company conducted a questionnaire survey (self-evaluation) of members of the Board of Directors and the Audit & Supervisory Board. The responses were analyzed, and following discussion of these results at a meeting of the Board of Directors, the overall effectiveness of the Board of Directors was confirmed.

Corporate Governance Systems

Rengo, a company with audit & supervisory board members, is making efforts to enhance management transparency and strengthen supervision of management. Audit & Supervisory Board members monitor the directors’ performance of duties and the operations, as well as the financial conditions of Rengo and its subsidiaries.

[Corporate Governance structure]

Organizational form

<table>
<thead>
<tr>
<th>Organizational form</th>
<th>Company with audit &amp; supervisory board members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of Audit &amp; Supervisory Board</td>
<td>Established</td>
</tr>
<tr>
<td>Number of directors (of which, outside directors)</td>
<td>17 (9)</td>
</tr>
<tr>
<td>Number of audit &amp; supervisory board members (of which, outside audit &amp; supervisory board members)</td>
<td>5 (3)</td>
</tr>
<tr>
<td>Number of independent directors/audit &amp; supervisory board members</td>
<td>6</td>
</tr>
<tr>
<td>Terms of office of director</td>
<td>1 year</td>
</tr>
<tr>
<td>Compensation of board members</td>
<td>Total amount</td>
</tr>
<tr>
<td>Policy on determining compensation amounts and evaluation methods</td>
<td>Established</td>
</tr>
</tbody>
</table>

*Information on individual directors’ compensation totaling ¥100 million or more is disclosed separately.*

Compensation for Directors

Rengo disclosed in its business report for the fiscal year ended March 2019 that the amount of director compensation was ¥719 million (of which ¥135 million was for outside directors) and the amount of Audit & Supervisory Board member compensation was ¥110 million (of which ¥41 million was for outside Audit & Supervisory Board members).

For information on policies concerning the determination of amounts for Director compensation, refer to Corporate Governance Status in the securities report.

Making Use of Independent Outside Directors and Outside Audit & Supervisory Board Members

Rengo has appointed two independent outside directors, thus allowing for opinions stated from an independent stance during discussions at Board meetings. In addition to meeting the criteria for outside directors in accordance with the Companies Act and satisfying the qualifications for independent directors stipulated by the Tokyo Stock Exchange, persons with no potential conflicts of interest with ordinary shareholders and who can contribute to sustainable growth and increasing corporate value over the medium to long-term are selected as outside directors.

In addition, three outside audit and supervisory board members have been appointed. The outside audit and supervisory board members will fulfill their roles and duties independently, making full use of their high-level of specialist knowledge and broad experience, as well as offering an appropriate level of input at Board meetings.

Internal Control

Rengo formulated the basic policy for design of internal controls pursuant to the Companies Act of Japan and the Board of Directors approved it in May 2006. In April 2008, to respond to the internal control system required by the Financial Instruments and Exchange Act, Rengo established the new Audit Department, which is independent of routine operations. The Internal Control Audit Section of the Audit Department monitors and evaluates statuses of design and operation of companywide internal controls and internal controls of significant business processes and pursues improvement. In fiscal 2018, Rengo and its 115 consolidated subsidiaries were within the scope of evaluation of companywide internal controls and seven significant business entities, including Rengo, were subject to evaluation of internal controls of business processes. As a result of the evaluation, management judged that Rengo’s internal controls covering financial reporting were effective as of March 31, 2019.

Initiatives for Constructive Dialogue with Shareholders

Rengo holds semi-annual financial briefings attended by the President & CEO to create opportunities to engage in constructive dialogue with shareholders and investors and to reflect their opinions and requests in management. The proceedings are promptly posted on Rengo’s website. From time to time, we also conduct facility tours and small-group meetings.

Formulating Rengo’s Fundamental Policy on Information Disclosure

Rengo understands the importance of disclosing information in a timely and appropriate manner to the public and increasing management transparency so that society, customers, shareholders, and investors can accurately understand and assess our company. As such, we formulated our Fundamental Policy on Information Disclosure in June 2017.

Risk Management Structures

Rengo established the CSR Committee chaired by the President & CEO to address risk management. Under the committee are five subcommittees for ethics, environment, health and safety, customer satisfaction, and public relations. The committee and its subcommittees cooperate with relevant business units/groups and departments to carry out companywide monitoring.

In addition, the Board of Directors receives reports on the status of these initiatives from the directors who manage or oversee each business unit/group and department, and from the chairs of each committee and subcommittees. The Board deliberates and makes decisions on improvement initiatives and other matters as necessary.

Responding to the Risk of a Major Disaster

In consideration of the frequent occurrence of natural disasters such as earthquakes and typhoons, Rengo has established fundamental policies to ensure the safety of employees, restore company facilities and continue business operations, and fulfill our corporate social responsibilities to maintain and continue corporate activities in the event a disaster occurs.

Following the Great East Japan Earthquake, all business sites have maintained stocks of emergency supplies since June 2011. In addition, satellite telephones were installed at all business sites in March 2012.

In April 2012, we created a system to confirm the safety of employees and others and the status of damage; when a large-scale earthquake occurs, confirmation emails are automatically sent. Since then, test emails have been sent every half-year to ensure effective operation is maintained. In 2018, test emails to confirm employee safety were sent to all employees in March and November.
Compliance

To be an enterprise which fulfills the spirit of the law beyond simply complying with laws and regulations, and meets the expectations and demands of society, the Rengo Group is fully committed toward spreading awareness about compliance and being thorough in its implementation.

Basic Stance

Rengo states in our Corporate Philosophy that we will “Act always with integrity, maintaining high ethical standards and ensuring strict legal compliance.” Compliance does not stop at simply complying with the latter of the law; Rengo also strives to fulfill the spirit of laws and regulations in the background to their text and meet the expectations and demands of society in order to practice fair and good-faith management.

Systems for Promoting Compliance

Rengo undertakes measures to comply with laws and regulations centered on the Ethics Subcommittee, established in 2005. The Compliance Promotion Office was established in 2012 as a permanent, independent organization. Compliance promotion managers responsible for carrying out compliance measures are appointed at all divisions, plants, and mills to promote compliance. Furthermore, Group companies have established compliance promotion officers and appointed compliance promotion managers. In June 2014, Rengo and some Group companies received cease-and-desist orders and surcharge payment notices from the Japan Fair Trade Commission in regard to violations of the Antimonopoly Act. Adjudicative proceedings started in December 2014 and are still ongoing.

Whistleblower System

(Corporate Ethics Helpline)

In order to prevent violations of laws and regulations, Rengo, separate from the ordinary business reporting route via immediate superiors, established consultation helplines inside and outside the company (within a law firm) so that employees can report and consult on compliance matters, by telephone, email, in writing, or other means. The external helpline can also be used by employees of Group companies.

In cases of whistleblowing, we strictly protect the privacy of whistleblowers, and at the same time handle issues appropriately so that whistleblowers are not treated unfairly.

<table>
<thead>
<tr>
<th>(Number of times whistleblowing helplines used)</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal helpline</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>External helpline</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>4</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

Compliance Education

Rengo conducts training and education to raise awareness concerning compliance.

Annually training focusing on the Antimonopoly Act for all employees includes those of Group companies started in fiscal 2012 and was held in fiscal 2019 as well.

In addition, annual training by legal advisors are conducted at the opening meeting attended by directors and general managers and the Group companies’ meeting attended by their top management.

Risk-specific training includes instruction on Rengo’s fundamental stance concerning compliance for entry-level employees when they start working for the company. Employees who are promoted to plant manager, or managerial positions, use the occasion to conduct lectures on compliance.

<table>
<thead>
<tr>
<th>[Training workshops conducted]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times</td>
</tr>
<tr>
<td>Participants (Global)</td>
</tr>
</tbody>
</table>

Initiatives to Establish Compliance Awareness

To spread awareness of compliance, a page called the Compliance Office dedicated to compliance issues was created on the Rengo Group Intranet in 2010. Quizzes, a glossary of topical terms, explanations in the form of conversations, and other information are categorized by fields such as relevant laws and regulations, responses to inappropriate conduct at work, and preventing corruption to provide a system where employees can learn at any time.

In addition, legal affairs personnel have been visiting business sites in Japan in stages since fiscal 2017 to check on the level of understanding and degree of establishment of compliance initiatives. Five business sites were visited in fiscal 2017 and four were visited in fiscal 2018, where understanding and establishment of awareness regarding compliance were addressed while sharing opinions. Plans for fiscal 2019 provide for visits to eight business sites.

Independent Practitioner’s Assurance

Rengo Co., Ltd. has received independent practitioner’s assurance of the Tohoku Sustainability Co., Ltd., for environmental performance data (fossil energy inputs, CO₂ emissions originating from fossil energy use, and Scope 1, 2 and Scope 3 (category 3) greenhouse gas emissions) given in the Japanese version of the Environmental and Social Report 2019.