

RENGO

Sustainability Report

Supporting Lifestyles and Creating the Future through Packaging

2022

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Editorial Policy

This report covers our environmental, social, and governance (ESG) activities with the aim of clearly communicating to a broad range of stakeholders our stance of contributing to society through our business activities. The environmental reporting section presents quantitative data as much as possible, and has received Independent Practitioner's Assurance. Efforts have also been made to further enhance the information by expanding the range of aggregated data to the entire Rengo Group. In the social and governance sections, as well, we have striven to disclose appropriate information in a timely fashion.

Scope of the Report

Organizational Scope	The report covers Rengo Co., Ltd. and its subsidiaries. Information from certain affiliated companies is also included. The environmental data excludes sub-subsidiaries.
Target Period	In principle, the report covers FY3/2022 (April 1, 2021 to March 31, 2022). Certain aspects of this report also include periods before and after FY3/2022.
Note	The accounting/fiscal year may be written as 2022/3 or 22/3 without any particular notes. Percentages in tables are rounded off, so totals may not add up to 100.

Period of Issue

Current: November 2022
Next: October 2023 (planned)

Referenced Guidelines

- "Environmental Reporting Guidelines 2018," Japan Ministry of the Environment
- ISO 26000
- "Sustainability Reporting Standards 2016/2018/2020," GRI

Independent Practitioner's Assurance

Symbol of 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.

WE SUPPORT



United Nations Global Compact











Since 2009, Rengo has participated in the United Nations Global Compact.

The Rengo Group has its origin in corrugated board, which is an environmentally friendly packaging material. With "Less is more." as our key concept, we have contributed to society by creating packaging that is friendly to people and the environment. "General Packaging Industry (GPI) Rengo" — which offers innovative and diverse solutions that meet the packaging needs of all industries — fully supports the Ten Principles advocated by the Global Compact and will continue to fulfill our responsibilities as a corporate citizen while respecting its spirit.

Kiyoshi Otsubo,
Representative Director, Chairman & CEO, Rengo Co., Ltd.

Evaluations of Sustainability

Rengo is enhancing its ESG activities across its entire value chain. In FY3/2022, as well, we were given high evaluations for our ESG efforts, with various external evaluation organizations giving us high ESG-related scores and selecting us for inclusion in related indices.









Evaluation/Certification	Evaluation/Certification Scope	Evaluation/Certification Status
CDP Climate Change		Received the B score 
S&P Dow Jones Indices LLC S&P/JPX Carbon Efficient Index	Initiatives for environmental management	Selected for index inclusion 
Corporate Knights Inc. / As You Sow Carbon Clean 200		Ranked 95th (out of 200)
The Financial Times Ltd. / Nikkei Inc. / Statista Inc. Asia-Pacific Climate Leaders		Selected for Top 200
FTSE Russell FTSE Blossom Japan Sector Relative Index	Overall ESG-related initiatives	Selected for index inclusion 
Sompo Asset Management Co., Ltd. Sompo Sustainability Index		Selected for index inclusion 
Ministry of the Environment ESG Finance Awards Japan		Selected as an Environmentally Sustainable Company 
MSCI Inc. MSCI Japan ESG Select Leaders Index		Selected for index inclusion 
MSCI Inc. MSCI Japan Empowering Women Index (WIN)	Initiatives related to the empowerment of women	Selected for index inclusion 
Ministry of Health, Labour and Welfare Eruboshi certification		Received the Level 3 Eruboshi certification 
Ministry of Health, Labour and Welfare Kurumin certification / Platinum Kurumin certification	Initiatives related to support for childcare	Received the Kurumin certification and Platinum Kurumin certification 
Ministry of Economy, Trade and Industry / Nippon Kenko Kaigi Certified Health & Productivity Management Outstanding Organizations Recognition Program	Initiatives related to health & productivity management	Recognized as the 2022 Certified Health & Productivity Management Outstanding Organization under the large enterprise category 

* FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) certifies that Rengo meets the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index after assessment by a third party. The FTSE Blossom Japan Sector Relative Index is widely used to construct and evaluate sustainable investment funds and other financial instruments.
* The selection of Rengo for inclusion in an MSCI index and the use of MSCI logos, trademarks, or index names do not constitute an offer of investment in Rengo, a guarantee, or sales promotion by MSCI or its affiliates. The MSCI indices are the exclusive property of MSCI. The names and logos of MSCI and the MSCI indices are the trademarks of MSCI or its affiliates.







Rengo's Information Disclosure Media

Rengo provides appropriate and timely financial and nonfinancial information meeting the needs of stakeholders through our website and publication.

Website

<p>Home Page https://www.rengo.co.jp/english/index.html</p>  	<p>Investor Relations https://www.rengo.co.jp/english/financial/index.html</p>  	<p>Sustainability https://www.rengo.co.jp/english/sustainability/index.html</p>  	<p>Corporate Governance https://www.rengo.co.jp/english/sustainability/governance/index.html</p>  
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Financial and non-financial publication

<p>Integrated Report (main volume) https://www.rengo.co.jp/english/financial/annualreport.html</p>  	<p>Financial Data (separate volume) https://www.rengo.co.jp/english/financial/annualreport.html</p>  	<p>Sustainability Report https://www.rengo.co.jp/english/sustainability/info/report/index.html</p>  
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Philosophy of the Rengo Group

Corporate Philosophy

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 its 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 through dynamic business activities by earning the trust and satisfaction of customers.
- 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 providing 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.

Statement

"General Packaging Industry (GPI) Rengo"

Packaging Provider



Packaging to Support Lifestyles and Create the Future

No matter how great a product is, its value cannot reach people without the packaging it is packed or wrapped in. Because of this, the evolution of packaging has the potential to dramatically change the future.

The entire range of assorted packaging solutions offered by "General Packaging Industry (GPI) Rengo" supports logistics and richness in lifestyles, and their innovation contributes toward solving social issues. As a creative "packaging provider" that not only supplies products as a supplier but also designs the future on our own and creates new markets, Rengo provides comprehensive solutions that meet the packaging needs of all industries.

The Key Concept for the Rengo Group's Packaging Manufacturing and Environmental Management,

"Less is more."

"Less energy consumption"
"Less carbon emissions"
"High quality products with more value-added"

"Less is more." is the key concept for the Rengo Group's packaging manufacturing, and is also a key concept for environmental management. This is the ideal that the Rengo Group seeks through all of our business activities in fulfilling our social responsibility as a company toward contributing to the development of a better and sustainable society through the manufacturing of high quality and high value-added packaging while effectively using resources and reducing impact on the global environment.

Development of a Corporate Culture That Takes ESG and SDGs into Consideration

Companywide Activities

With the aim of becoming the world's best general packaging manufacturer group as a "packaging provider," Rengo implements environmental, social, and governance (ESG) management to contribute to the achievement of the Sustainable Development Goals (SDGs) in accordance with the principles of the United Nations Global Compact, which we participate in and support to improve the sustainability of the company itself.

In April 2020, taking our first steps under a new management structure, we created the Vision 115

medium-term vision, which concludes in FY3/2025 when the company marks the 115th anniversary of its founding, and our entire Group is currently working together to achieve it.

Even in the face of the ongoing global COVID-19 pandemic, "General Packaging Industry (GPI) Rengo," which offers diverse solutions that meet the packaging needs of all industries, is constantly aware of its role in society and will lead the way into the future by contributing to society as a whole through packaging.

ENVIRONMENT



- Pursue further reduction of environmental impact by expanding the use of renewable energy.
- Promote the development and provision of packaging and biodegradable materials that contribute toward solving the problem of ocean plastic waste.

SOCIAL



- As a business corporation, first create employment opportunities and maximize profits through economic activities in accordance with the spirit of legal and regulatory compliance, and contribute back to society.
- Refine the circular recycling system formed by a good balance of recovered paper, paperboard, and corrugated packaging.
- Provide products that contribute toward improving the work efficiency at distribution and retail industries.
- Promote "white logistics" emphasizing appropriate lead time in collaboration with the supply chain.

GOVERNANCE



- Establish a corporate governance structure that responds to the corporate group's expansion with consideration for our stakeholders, namely employees, shareholders, and society.
- Improve sustainability as a company by emphasizing ESG and promoting SDG initiatives.
- Build safe and secure working environments where people can work with vigor by establishing mechanisms embracing "lifetime careers" and introducing labor-saving facilities.
- Aim to be a corporate entity where diverse human resources (in terms of gender, age, nationality) can maximize their unique potential.

Digital Transformation (DX) Strategy

The Rengo Group uses state-of-the-art digital technologies to increase work efficiency, create new added value, and respond to work style reforms in manufacturing, logistics, sales, and management. The DX Promotion Investigation

Committee, established in April 2020 with the president as its chairman, develops business processes through digitalization while working to enhance information security measures and develop DX human resources.

I Certified as DX-Certified Operator

Rengo was certified as a DX-certified operator based on the DX Certification Program established by the Ministry of Economy, Trade and Industry.

Our Vision 115 includes promoting DX using the state-of-the-art digital technologies, and we are currently working to create new business models and create new customer value.

Having acquired this certification, we will accelerate DX initiatives and contribute to the development of a better and sustainable society through the manufacturing of high quality and high value-added packaging.



The Rengo Group's DX Strategy—Bridging the Cyber and Physical Worlds

The increase in demand from people spending more time at home due to COVID-19 has driven further e-commerce growth, but we cannot live using internet cyberspace services alone. We must create Cyber-Physical Systems that link the cyber and physical worlds. Packaging is essential for protection and delivery of products ordered by e-commerce. Combined with digital technologies, it plays an

important role as part of the social infrastructure that enriches peoples' lifestyles. The Rengo Group is promoting DX in all of its operation processes, such as manufacturing, logistics, and sales, with the following key concepts. We are bridging digital technologies (Cyber) and the people who handle them (Physical) to create new customer value, increase innovative operation efficiency, and reform work styles.

Policy	Initiatives
Create new business models	<ul style="list-style-type: none"> ● Expand and enrich digitally printed packaging ● Engage in external sales of digital tools developed in-house ● Develop and sell automatic order reception and placement systems by linking data with customers
Create new customer value	<ul style="list-style-type: none"> ● Improve quality and services with IoT that utilizes sensors and AI technologies ● Optimize supply chains by visualization of procurement and manufacturing processes, and realize a low-carbon society ● Engage in proposal-based sales activities by leveraging virtual technologies
Reform existing processes	<ul style="list-style-type: none"> ● Improve logistics efficiency by introducing AI into vehicle dispatching systems ● Shorten proposal preparation times by using digital data in package designing and planning, and improve data storage security ● Develop new sales techniques and sales channels for the mobile network era
Improve internal operation efficiency	<ul style="list-style-type: none"> ● Eliminate paper use and promote remote work as part of work style reforms ● Use digital technologies in recruitment and internal training ● Improve the development structure by training our own IT engineers

Solving Social Issues through Our Value Chain

We assess the impact of the entire value chain involved in our business activities on the environment and society, and we identify the social issues that we must tackle. By collaborating with diverse stakeholders, instead of attempting to handle everything on our own, we work to solve the social issues involved in our value chain, achieve SDGs, and contribute to the realization of sustainable societies.

SUSTAINABLE DEVELOPMENT GOALS



Value chain		Raw material procurement	R&D/Production	Transportation	Sale and use	Sorting, recovery, recycling, and disposal
Social issues		<ul style="list-style-type: none"> Climate change countermeasures Promoting resource circulation Conserving biodiversity 	<ul style="list-style-type: none"> Climate change countermeasures Promoting resource circulation Conserving biodiversity Addressing social needs Ensuring quality Protecting employees' health and safety 	<ul style="list-style-type: none"> Climate change countermeasures Addressing logistics issues Addressing social needs Protecting employees' health and safety 	<ul style="list-style-type: none"> Climate change countermeasures Addressing social needs Improving customer satisfaction 	<ul style="list-style-type: none"> Climate change countermeasures Promoting resource circulation
SDGs contributions		7, 12, 13, 15, 16, 17	3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17	7, 8, 12, 13, 16, 17	7, 8, 9, 12, 13, 15, 16, 17	7, 12, 13, 15, 16, 17
ENVIRONMENT	Creation of a carbon-free society		<ul style="list-style-type: none"> Reduction of greenhouse gas emissions Promotion of fuel conversion Promoting introduction of renewable energy 			
	Value chain management (downstream)			<ul style="list-style-type: none"> Reducing CO₂ emissions from product transport 		
	Improvement of energy efficiency		<ul style="list-style-type: none"> Efficient energy usage 			
	Creation of a recycling-oriented society	<ul style="list-style-type: none"> Effective use of resources Reducing waste volume 	<ul style="list-style-type: none"> Effective use of recovered paper 			<ul style="list-style-type: none"> Promoting the recycling of recovered paper
	Chemical substances management		<ul style="list-style-type: none"> Reducing and appropriately managing waste 			
	Water risk management		<ul style="list-style-type: none"> Reducing and appropriately managing chemical substances 			
	Conserving biodiversity	<ul style="list-style-type: none"> Responsibly procuring wood resources (purchasing Forest Stewardship Council (FSC®) certified pulp) 	<ul style="list-style-type: none"> Effectively using water resources and assessing water risk 	<ul style="list-style-type: none"> Conserving ecosystems by leveraging biotopes 		
Creation of products that solve environmental and social issues		<ul style="list-style-type: none"> Research & development of environmentally friendly products 			<ul style="list-style-type: none"> Supplying environmentally friendly products 	
SOCIAL	Quality assurance		<ul style="list-style-type: none"> Quality control through a quality management system 		<ul style="list-style-type: none"> Quality control through a quality management system 	
	Supply chain management	<ul style="list-style-type: none"> Responsibly procuring wood resources 		<ul style="list-style-type: none"> White logistics measures 	<ul style="list-style-type: none"> Supplying Forest Stewardship Council (FSC®) certified products 	
	Respect for human rights Creating an environment where diverse human resources can apply their capabilities Protecting health and safety		<ul style="list-style-type: none"> Creating environments of respect for human rights Human resources development to improve competency Eliminating accidents through health and safety activities 			
	Products that solve issues faced by society		<ul style="list-style-type: none"> Research & development of products that address social issues 		<ul style="list-style-type: none"> Supplying products that address social issues 	
	Activities contributing to society	<ul style="list-style-type: none"> Development of future generations 	<ul style="list-style-type: none"> Public relations and awareness activities 		<ul style="list-style-type: none"> Disaster recovery support Harmony with local communities Cultural promotion Science and technology support 	
GOVERNANCE	Corporate governance Compliance Risk management	<ul style="list-style-type: none"> Reinforcing corporate governance system Promoting compliance 		<ul style="list-style-type: none"> Improving risk management structure 		

Our Environmental Efforts Aimed at the Year 2050

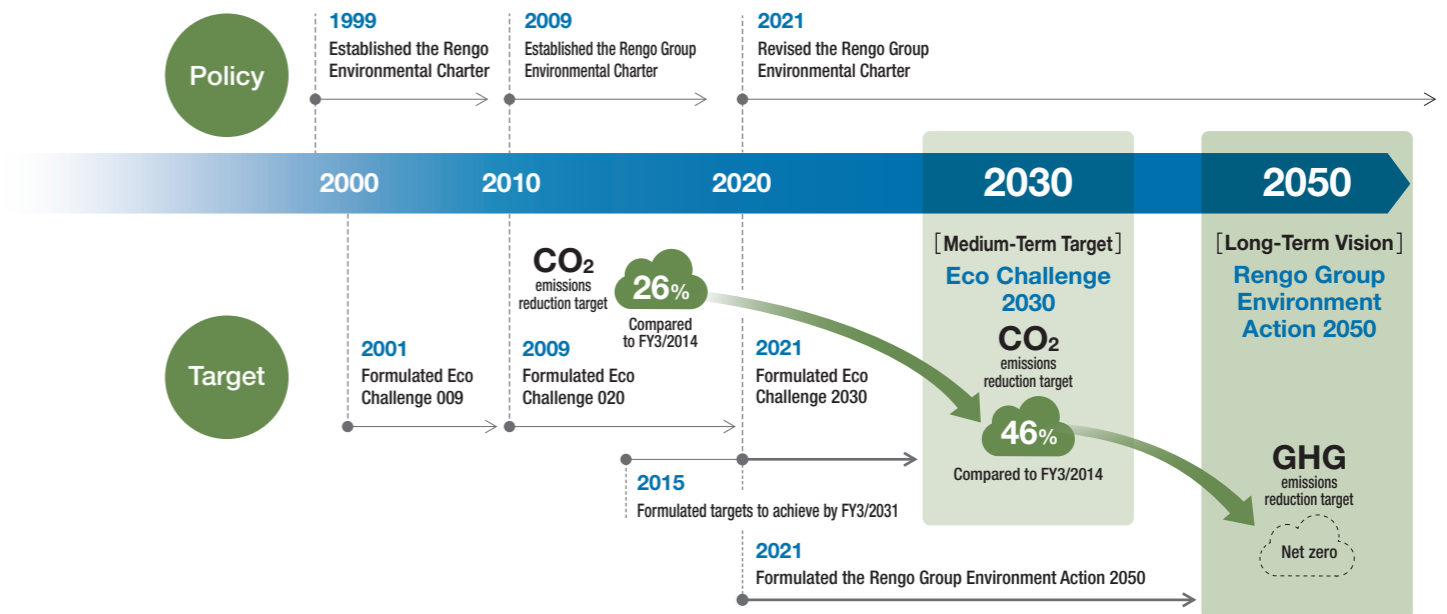
Corporate activities aimed at addressing diverse environmental problems are becoming increasingly important. This is why, in April 2021, we revised our Rengo Group Environmental Charter and formulated the Rengo Group Environment Action 2050 and Eco Challenge 2030, which are new medium and long term environmental targets for 2050 and FY3/2031, respectively. Our entire Group is working as one to achieve these targets and contribute to creation of a sustainable society.

Results of Eco Challenge 2030

The Rengo Group has formulated the Eco Challenge targets for realizing the Rengo Group Environmental Charter. Eco Challenge 2030, which has a target year of FY3/2031, defines six core issues for the entire Group and sets forth specific targets for each of these issues.



Timeline of the Rengo Group's Environmental Policies and Eco Challenge Environmental Targets



Eco Challenge 2030

Related SDGs	Core issue	Item	Indicator	FY3/2022			FY3/2023 target	FY3/2031 target	Scope	Related page(s)
				Target	Result	Evaluation				
7 12 13 17	Creation of a carbon-free society	Greenhouse gas emissions reductions	CO ₂ emissions derived from fossil energy (compared to FY3/2014)	1% reduction	1.5% reduction	○	2% reduction	46% reduction	Consolidated companies in Japan subject of the Act on the Rational Use of Energy	p. 15
7 12 13 17	Improvement of energy efficiency	Efficient energy usage	Energy intensity (5 year average)	1% reduction per year	1.1% reduction	○	1% reduction per year	1% reduction per year		p. 17
12 15	Creation of a recycling-oriented society	Effective use of resources	Recovered paper utilization rate for paperboard	98% or more	98.6%	○	98% or more	98% or more	Paperboard manufacturing sites of consolidated companies in Japan	p. 18
11 12		Reduction of waste volume	Effective utilization rate of waste	Increase in effective utilization rate	98.2%	—	Increase in effective utilization rate	99% or more	Manufacturing sites of consolidated companies in Japan	p. 20
9 12 14 15 17	Creation of products that solve environmental and social issues	Development and promotion of products made with biodegradable cellulose	Viscopear® (cellulose bead) production volume	40 t/year or more	52.8 t	○	65 t/year or more	200 t/year or more	Rengo Co., Ltd.	p. 24
			Adoption of REBIOS® (high biomass, biodegradable packaging material) (by FY3/2023)	5 projects	2 projects	—	5 projects	—		p. 24
12		Development and promotion of sustainable packaging through collaboration with suppliers	Formulation of GPI Rengo sustainable packaging certification standards (by FY3/2023)	Formulation of certification standards	Formulation of certification standards in progress	—	Formulation of certification standards	—	Consolidated companies in Japan	p. 23
9 12 13 15		Packaging weight reduction	Average basis weight of corrugated board (grammage per square meter)	0.5% reduction per year	0.1% reduction	×	0.5% reduction per year	0.5% reduction per year	Corrugated board manufacturing sites of consolidated companies in Japan	p. 23
6 11 12 14	Water risk management	Water risk evaluation and risk reduction	Implementation of water risk assessments and evaluations at manufacturing sites (by FY3/2023)	Implementation of assessments	Implementation of assessments at all manufacturing sites of consolidated companies in Japan and overseas	—	Implementation of assessments	—	Manufacturing sites of consolidated companies in Japan and overseas	p. 21
7 8 12 15 17	Value chain management (downstream)	Logistics efficiency improvement in transportation of products	Per-unit CO ₂ emissions from the transportation of corrugated board/boxes (compared to FY3/2014)	1% reduction	2.8% reduction	○	3.8% reduction	13% reduction	Rengo Co., Ltd.	p. 25

Environmental Management

Related SDGs



Basic Stance

Rengo has positioned addressing environmental problems as a core management issue and promotes Group-wide environmental management. The environment surrounding the company undergoes tremendous changes, so in April 2021 we revised the Rengo Group Environmental Charter to clarify our environmental management stance. Led by this Environmental Charter, we are contributing to the creation of a sustainable society through our integrated business management and environmental improvement activities.

Rengo Group Environmental Charter

Fundamental Philosophy

The Rengo Group contributes to a sustainable society through further reducing of the environmental impacts of its business, and by supplying environmentally friendly products.

Fundamental Policy

- 1 Observation of Environmental Related Laws and Establishment of Own Standard**
The Rengo Group observes all laws, regulations and protocols relating to the environment, and establishes our own management standard to further reduce our environmental impact.
- 2 Promotion of Global Warming Countermeasures**
The Rengo Group actively engages in energy saving and conversion to renewable energy, and reduces greenhouse gases emissions.
- 3 Promotion of Effective Use of Resources**
The Rengo Group actively uses environmentally friendly materials such as recycled materials, as well as minimizes use of resources.
- 4 Reduction and Promotion of Effective Use of Waste**
The Rengo Group curbs waste generation and reduces the volume of final disposed waste through reuse and recycle.
- 5 Supply of Environmentally Friendly Products**
The Rengo Group conducts research and development based on social challenges, and supplies more environmentally friendly products.
- 6 Reduction of Environmental Impact in Supply Chain**
The Rengo Group reduces its environmental impact throughout the supply chain by procuring environmentally friendly materials and optimizing manufacturing and logistics.
- 7 Establishment of Collaborative Relationships with Stakeholders**
The Rengo Group communicates with various stakeholders by raising environmental awareness, and at the same time, through proactive information disclosure related to the environment and activities in harmony with nature and communities.

Established on April 12, 2009
Revised on April 12, 2021

Environmental Management Structure

For the promotion of environmental management, Rengo has established the Environment Subcommittee overseeing the entire company, and Division Environment Subcommittees at divisions, plants, and mills. The Environment Subcommittee's purpose is to strengthen environmental management throughout the entire company. It is chaired by the executive officer in charge of promoting environmental management, and its members are executive officers and general managers in charge of production departments and related organizations. At meetings, the current state of achievement for environmental targets and state of legal compliance are checked for the entire Group, and discussions and decisions are made on items such as companywide directions, targets, and plans related to the environment. These are then reported to the CSR Committee. Decisions made by the Environment Subcommittee are then further deliberated in detail at the Division Environment Subcommittees to develop environmental improvement activities rooted in their respective local communities. To effectively promote environmental management, Rengo has introduced ISO 14001, the international standard for environmental management systems, since 2001. All divisions, plants, and mills have obtained certification as of 2006.

Environmental Management Structure



Conducting Environmental Audits

The Rengo Group utilizes environmental management systems at divisions, plants, and mills based on ISO 14001. In addition, internal audits by internal auditors and external inspections by external certification agencies are regularly carried out to verify that environmental management systems are appropriately operated. The internal audits

check the status of environmental improvement activities, compliance with environmental laws, and appropriate response to state of emergency declarations with the aim of making continual improvements to management systems. In FY3/2022, as well, the external inspections found no deficiencies.

Handling of Environmental Laws and Regulations and Environmental Accidents

State of Compliance with Environmental Laws and Regulations

Rengo complies with environmental laws and regulations such as those aimed at preventing air and water pollution. To minimize environmental risks, we conduct environmental law and regulation self-checks twice each year. Through these self-checks, we work to prevent legal non-compliance from occurring by exposing hidden environmental risks and identifying anomalies at the earliest possible time. As a result of these risk management activities, for FY3/2022, as well, there were no environmental legal compliance violations.

Complaints Related to the Environment

In FY3/2022, Rengo received a total of eight complaints regarding issues such as noise and vibration. We identified the causes of these complaints, and took steps such as equipment-related measures and reviews of operations. We strive to understand the complaints by explaining the causes and response to them.

Going forward, we will work to prevent noise, vibration, and other disturbances so that they do not cause issues and keep in close communication with community residents.

Number of Complaints Related to the Environment in FY3/2022 (non-consolidated)

(Number of complaints)

Atmosphere	Water quality	Waste	Noise / vibrations	Odor	Others	Total
0	0	0	3	1	4	8

Countermeasures against Environmental Accidents

Besides preventing risk by putting in place various measures such as daily inspections, we also conduct emergency response training simulating the occurrence of environmental accidents—such as oil or chemical leaks—at least once a year at Rengo's divisions, plants and mills. After the training, we evaluate procedures and other aspects of training for problems and use our findings to make improvements.

Providing Environmental Education

Rengo continuously provides 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 FY3/2022, environmental education was provided for new employees, as well as a course to develop ISO

14001 internal auditors targeting employees. Environmental education was also integrated into rank-specific education, such as the training provided to newly appointed General Managers of the plants and we are raising the skill levels that are needed for different positions.



Environmental education for new employees

Education Provided by Rengo in FY3/2022 (non-consolidated)

(Number)

Course	Participants
Environmental education for new employees	55
ISO 14001 internal auditor development course	18
Training for newly appointed General Managers of the plants	6

Climate Change Countermeasures



The Rengo Group announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021. Rengo considers climate change countermeasures as important management issues. We will promote reductions in greenhouse gas emissions and provide information based on the TCFD recommendations to help create a decarbonized society.

Corporate Governance and Risk Management

Rengo has established a CSR Committee chaired by the Chairman & CEO with the aims of improving management quality and reducing and avoiding future risks.

Under this CSR Committee, an Environment Subcommittee chaired by the senior managing executive officer in charge of environmental management promotion has been established to promote environmental management. The Environmental Management Promotion Department serves as the secretariat for the Subcommittee. In Environment Subcommittee meetings, the current state of achievement for environmental targets and state of legal compliance are checked Group-wide, and discussions and decisions are made on items such as company-wide directions, targets, and plans related to the environment, including climate change countermeasures. The results are reported to the CSR Committee.

The following have been established as subordinate organizations of the Environment Subcommittee.

Decarbonization Working Group

The Decarbonization Working Group works on reducing greenhouse gas emissions by collecting information and deliberating on action plans and the progress of individual departments of the company.

Group Environmental Activities Council

The Group Environmental Activities Council manages the progress of activities for the Group-wide reduction of greenhouse gas emissions.

The Board of Directors receives general reports about governance and risk management from the CSR Committee. It also receives explanations on the progress of efforts from the chairman of the Environment Subcommittee and executive officers in charge of individual departments and deliberates and makes decisions on improvement initiatives and other matters as necessary.



Metrics and Targets

The Rengo Group has a medium-term target for FY2030 toward the realization of carbon neutrality in 2050. We engage in the reduction of greenhouse gas emissions by energy saving and conversion to renewable energy.

Long-term vision	We are taking on the challenge of achieving net zero greenhouse gas emissions by 2050. *1
Medium-term targets	46% reduction in CO ₂ emissions derived from fossil energy by FY2030 (compared to FY2013) *2



*1 Target: greenhouse gas emissions from manufacturing sites in Group consolidated companies

*2 Target: CO₂ emissions derived from fossil energy from Group consolidated companies in Japan subject to the Act on the Rational Use of Energy




Strategy – Risks, Opportunities, and Countermeasures Related to Climate Change

In FY2021, we identified risks and opportunities related to climate change and organized expected impacts and countermeasures for the principal businesses of the Rengo Group. Going forward, we will aim for disclosure that satisfies all the TCFD recommendations. In FY2022, we will analyze and evaluate the resilience of strategies taking into consideration different climate-related scenarios.

Major risks and the Rengo Group's initiatives

Transition risks	Policy and legal regulations	Markets	Reputation
Principal aspects	<ul style="list-style-type: none"> Tightening of regulations related to greenhouse gas emissions 	<ul style="list-style-type: none"> Changes in consumer behavior Acceleration of efforts for reduction of greenhouse gas emissions by customers 	<ul style="list-style-type: none"> Increase in concerns of stakeholders about climate change countermeasures
Expected impact	<ul style="list-style-type: none"> Increase in prices of fossil energy due to a rise in carbon tax Tightening of CFC regulations 	<ul style="list-style-type: none"> Shortage of recovered paper due to an increase in demand for recycled materials Intensification of customer requirements for reduction of greenhouse gas emissions Increase in prices of non-fossil energy due to increase in demand and difficulty in procurement Increase in prices of raw materials due to suppliers passing on costs of climate change countermeasures 	<ul style="list-style-type: none"> Changes in financing conditions by changing evaluation of efforts related to climate change
Efforts by the Rengo Group	<ul style="list-style-type: none"> Promotion of energy saving Introduction of renewable energy and fuel conversion of manufacturing sites and transport vehicles CFC-free air conditioner coolant 	<ul style="list-style-type: none"> Conversion of unused paper waste into raw material for papermaking Development and marketing of sustainable packaging and materials with less greenhouse gas emissions   <ul style="list-style-type: none"> Reinforcement of supply chain management through diversification and selection of suppliers 	<ul style="list-style-type: none"> Dispatching information on steady efforts and results related to climate change Active disclosure of environmental information including indicators related to climate change indicators
Physical risks	Acute		Chronic
Principal aspects	<ul style="list-style-type: none"> Intensified abnormal weather 		<ul style="list-style-type: none"> Rise of average temperature, change in precipitation and meteorological patterns
Expected impact	<ul style="list-style-type: none"> Damage to production sites Suspended operations due to supply chain disruption 		<ul style="list-style-type: none"> Deterioration in production efficiency due to worsened working environment Increase in the prices of forest resources and plant-derived materials and difficulty in procurement Decrease in procurable water due to drought Increased risk of inundation at production sites due to sea level rise
Efforts by the Rengo Group	<ul style="list-style-type: none"> Identification of disaster risks at production sites and its reflection in capital investment plans Installation of flood control equipment at production sites, separation of rainwater and drainage channels Securing of BCP effectiveness for all sites by strengthening supply chain management and collaborating within the Rengo Group Insurance coverage against damage caused by climate change 		<ul style="list-style-type: none"> Installation of heat control equipment Reinforcement of supply chain management through diversification and selection of suppliers Reduction in water consumption by improving efficiency in manufacturing processes Reinforcement of inundation countermeasures and site location selection in consideration of hazard maps, etc.

Principal opportunities and efforts by the Rengo Group

Opportunities	Resource efficiency	Energy sources	Products and services
Expected impact	<ul style="list-style-type: none"> Increased efficiency in distribution processes 	<ul style="list-style-type: none"> Transition to non-fossil energy 	<ul style="list-style-type: none"> Expansion of demand for low-carbon products and services Expansion of demand for products that can contribute to appropriate forest management
Efforts by the Rengo Group	<ul style="list-style-type: none"> Reduction in per-unit greenhouse gas emissions through transportation and other logistics efficiency improvement. Provision of packaging and packaging systems that optimize logistics efficiency 	<ul style="list-style-type: none"> Effective utilization of waste byproducts from the paperboard manufacturing process as energy Active introduction of renewable energy 	<ul style="list-style-type: none"> Provision and development of packaging and materials with less greenhouse gas emissions Provision and development of biodegradable and compostable packaging and materials  <ul style="list-style-type: none"> Provision of FSC certified products and products with high recovered paper utilization rates

Creation of a Carbon-Free Society

Related SDGs



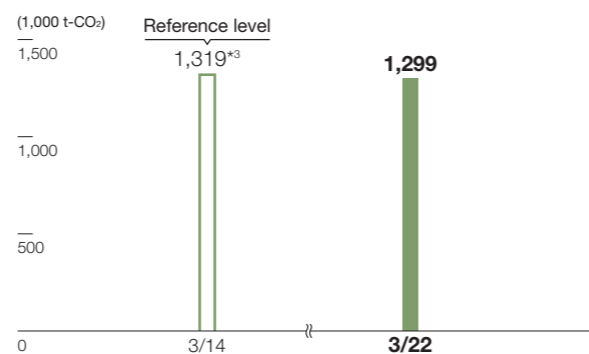
Basic Stance | The problem of climate change is an urgent issue that needs to be tackled on a global scale. The Rengo Group considers the creation of a carbon-free society to be the most important issue of its environmental management. We are actively working to reduce the greenhouse gas emissions produced by our business activities and cut these emissions throughout our supply chain.

Reducing Greenhouse Gas Emissions

Fossil energy-derived CO₂ from production makes up a majority of the greenhouse gases emitted by the Rengo Group's business. Under Eco Challenge 2030, as our target for greenhouse gas emissions reductions, we are striving to reduce fossil energy-derived CO₂ by 46% at production sites by FY3/2031 compared to FY3/2014. In order to achieve this target, we will implement energy-saving measures, converting coal and fuel oil boilers to other fuels, installing biomass boilers, and developing solar power generation and other renewable energies.

In FY3/2022, we worked to increase energy efficiency through energy savings (see p. 17), CO₂ emissions derived from fossil energy decreased by 1.5% compared to FY3/2014. In order to ensure we achieve the target for FY3/2031, we will carry out practices and improvements based on an action plan and continue implementing initiatives to reduce CO₂ emissions.

CO₂ Emissions from Manufacturing Sites*1 (consolidated*2)



*1 Derived from fossil energy (including purchased electricity)
 *2 Group companies in Japan subject to the Act on the Rational Use of Energy
 *3 Total of target companies as of FY3/2022

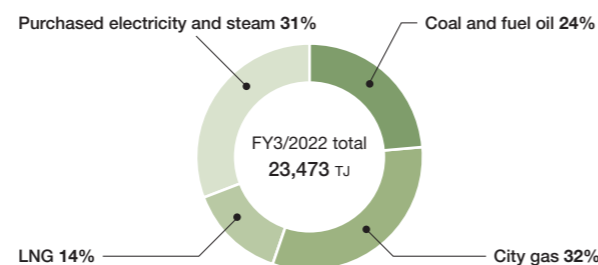
Promoting of Fuel Conversion

As an initiative to reduce CO₂ emissions, the Rengo Group is converting the fuels used in boilers to cleaner fuels with low CO₂ emissions.

We began converting from fuel oil to city gas in the 1980s and since 2005 we have utilized liquefied natural gas (LNG) in regions without city gas infrastructure as well, making steady efforts over time to convert to gas. As a result, we were able to lower the rate of coal and fuel oil energy in the Group's fossil energy in FY3/2022 to approximately 24%.

Going forward, we will continue to actively convert from fuel oil and coal to gas and also work to expand use of sustainable energy sources like solar and biomass.

Fossil Energy Input by Fuel Type at Manufacturing Sites (consolidated*)



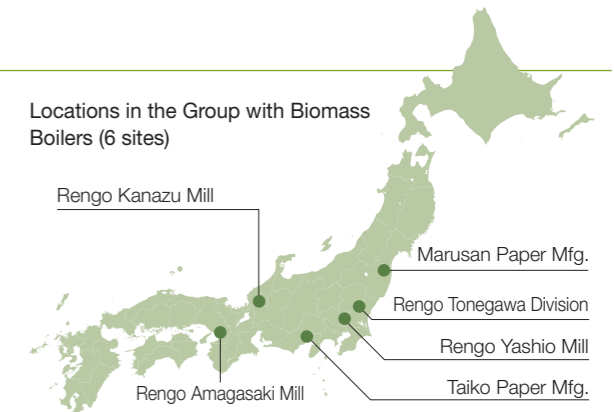
* Manufacturing sites of consolidated companies in Japan

Increasing Renewable Energy Use

The Rengo Group is working to expand its use of renewable energy to address the problem of climate change and from the standpoints of energy source diversification and effective use of resources. The ratio of renewable energy use to total energy input in FY3/2022 was 17%.

Solar power generation equipment is being implemented with consideration given to characteristics of the location and plants where the installation takes place. We have implemented solar power at 16 sites in the Group as a whole. In FY3/2022, it generated 6,595 thousand kWh (24 TJ) of electricity for the year, 2,698 thousand kWh (10 TJ) of which was consumed onsite.

In addition, we make effective use of waste products, such as wood chips made from construction waste materials and black liquor and paper sludge given off at mills, to fuel our biomass boilers. Our mills have installed 6 boilers able to use biomass, and in FY3/2022, we used 4,764 TJ of biomass energy for the year. In FY3/2023, we expect that a new biomass boiler installation to convert approximately 1,928 TJ a year to biomass energy at Rengo's Tonegawa Division enables us to reduce CO₂ emissions by 90 thousand t-CO₂ annually.



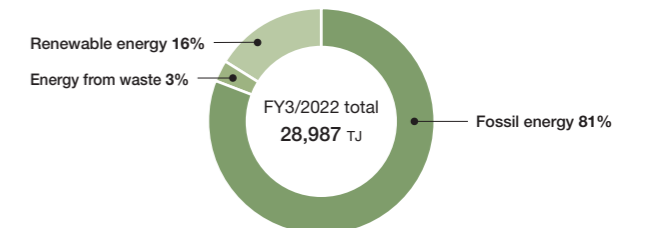
Locations in the Group with Solar Power Generation Equipment (16 sites)

Rengo	<ul style="list-style-type: none"> Shin-Sendai Plant Tonegawa Division Shin-Nagoya Plant Okayama Plant 	<ul style="list-style-type: none"> Fukushima-Yabuki Plant Yoshio Mill Shin-Kyoto Division Tosu Plant
Yamato Shiki	<ul style="list-style-type: none"> Setouchi Plant 	
Settsu Carton	<ul style="list-style-type: none"> Shin-Tokyo Plant Itami Plant 	<ul style="list-style-type: none"> Utsunomiya Plant
Kinyosha Printing	<ul style="list-style-type: none"> Head office 	<ul style="list-style-type: none"> Gotemba Factory
	<ul style="list-style-type: none"> Marusan Paper Mfg. 	



Solar power generation equipment at Rengo's Fukushima-Yabuki Plant | Woodchip biomass power plant at Rengo's Yashio Mill

Total Energy Input and Energy Ratios in Manufacturing Sites by Type (consolidated*)



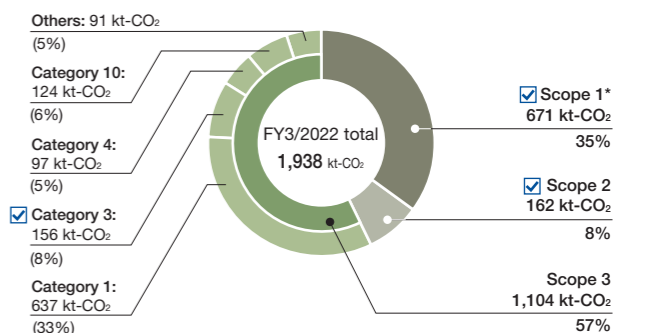
* Manufacturing sites of consolidated companies in Japan

Initiatives to Calculate Greenhouse Gas Emissions of Entire Supply Chain

Rengo calculates Scope 1, 2, and 3* emissions in order to reduce greenhouse gas emissions across our entire supply chain. Total emissions in FY3/2022 were 1,938 thousand t-CO₂. Scope 1 and 2 accounted for 43% of this total, and Scope 3 accounted for 57%. We are currently working to calculate Scope 3 emissions for the entire Rengo Group and are considering initiatives to reduce them.

* Scope 1: Direct emissions of greenhouse gases by business operators (fuel combustion and industrial processes)
 Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat, and steam supplied by other companies
 Scope 3: Indirect emissions of greenhouse gases other than Scope 1 and 2 (emissions by other companies related to the business operator's own activities)

Greenhouse Gas Emissions of Entire Supply Chain (non-consolidated)



* CO₂ derived from fossil energy

Improvement of Energy Efficiency

Related SDGs



Basic Stance

The Rengo Group uses a large amount of energy in production. Improving energy efficiency not only helps in securing a stable supply of energy but also facilitates measures to address the problem of climate change. Accordingly, we are thoroughly implementing measures to use energy more efficiently.

Efficient Energy Usage

The Rengo Group uses various forms of energy, including fossil energy, energy from waste, and renewable energy. Under Eco Challenge 2030, we are working to use energy more efficiently, having set a target to reduce the five-year average energy intensity at our manufacturing sites by 1% per year. We achieved the target with energy intensity for FY3/2022 amounting to 98.7% year-on-year, and the average over five years amounting to 98.9%.

Year-on-Year Comparison of Energy Intensity at Manufacturing Sites*1 (consolidated*2)

	3/18	3/19	3/20	3/21	3/22	5-year average
Year-on-year comparison	—	98.0%	100.2%	98.8%	98.7%	98.9%

*1 Total energy usage including fossil energy, energy from waste, and renewable energy divided by production volume

*2 Group companies in Japan subject to the Act on the Rational Use of Energy (excluding certain companies)

Topics

Initiatives at the Yashio Mill

Since 2011, Rengo's Yashio Mill—Japan's largest paperboard mill—has created a structure for selecting energy-saving initiatives, implementing them, and evaluating the outcomes, by setting up small-group activity team within the mill to work technically on pursuing energy-saving measures. The entire mill is actively involved, with all employees invited to suggest



Small-group activity

new initiatives. Energy efficiency has been improved by approximately 35% since 1990 through measures such as installing highly efficient equipment for manufacturing processes and reducing use of steam energy during the energy-intensive drying process.

In addition to its energy-saving initiatives, the Yashio Mill is also actively engaged in reducing CO₂ emissions by other means such as converting to alternative fuels and using renewable energy. In FY3/2022, the mill received renewed recognition as a Top Level Facility within the Excellent Large Scale Business Facilities category under the Saitama Prefecture cap and trade type emissions trading system.



Receiving the certificate of recognition as a Top Level Facility

Creation of a Recycling-Oriented Society

Related SDGs



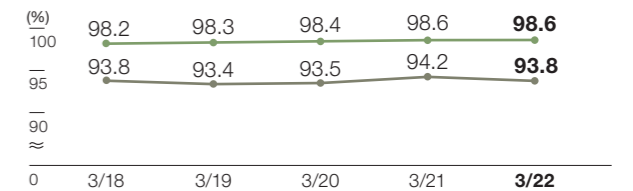
Basic Stance

The Rengo Group is helping to create a recycling-oriented society by striving to recycle resources and reduce its resource consumption. Furthermore, we collaborate with other companies and industrial organizations to develop new recycling technologies, and conduct recycling awareness-raising activities at various educational institutions.

Effective Use of Recovered Paper

In our laboratories and mills, we are developing modern technologies that enable us to raise our recovered paper blend ratio while maintaining product quality. We are also making advances in the effective use of recovered paper, such as employing previously unused recovered paper resources as raw materials for papermaking. Under Eco Challenge 2030, we are working toward a recovered paper utilization rate target for paperboard of 98% or more, and in FY3/2022, we achieved a rate of 98.6%.

Recovered Paper Utilization Rate in Paperboard Manufacturing*1 (consolidated*2)



● Rengo Group ● Paperboard industry

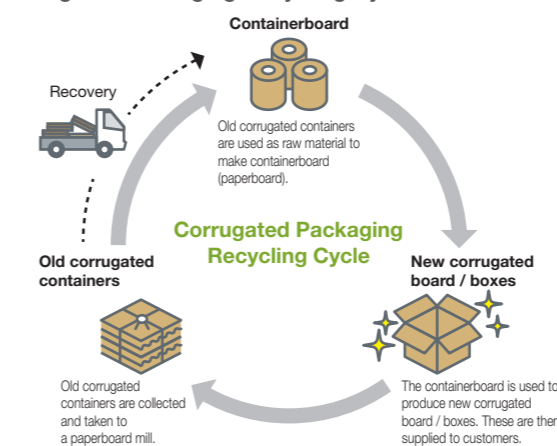
Source: Paper Recycling Promotion Center

*1 Rate of recovered paper in the raw materials used in all paperboard products

*2 Paperboard manufacturing sites in consolidated companies in Japan

Note: Industry figures are on a calendar year basis (FY3/2022 corresponds to the year from January to December 2021).

Corrugated Packaging Recycling Cycle



The Corrugated Recycle symbol is used to indicate corrugated packaging that can be recycled. Currently, more than 90% of corrugated packaging in Japan displays the recycle symbol.



Corrugated Recycle Symbol
ダンボール

For details, please see:
Corrugated Packaging Recycling Council (Japanese)



Increasing Utilization of Recovered Paper (Utilization of Confidential Paper Waste)

Rengo has implemented processing equipment designated for confidential paper waste at its Yashio Mill, Amagasaki Mill, and Tonegawa Division. The equipment is used to reuse confidential documents that were previously incinerated for information leakage concerns as raw material for papermaking. Certification under ISO 27001, the international standard for information security management, was acquired for the management of confidential documents by the Yashio Mill and Amagasaki Mill in FY3/2016 and the Tonegawa Division in FY3/2017. A fully secured dedicated facility complies with policies for accepting the raw materials and processing the boxes containing confidential documents without opening them.



Confidential paper waste recycled as raw material for papermaking

Improving the Quality of Recovered Paper

Thermal foaming coated paper, sublimation transfer paper, or paper with odors, such as detergents, soaps, or incense, may cause problems if mixed into products, and must be removed before paper is recovered. As such materials (known as prohibitive items) will significantly reduce the quality of paperboard, Rengo widely promotes proper recycling that does not mix in prohibitive items through its website and dispatch lessons (see p. 54).

For details, please see: Paper Recycling Promotion Center (Japanese)



Common Examples of Prohibitive Items

Paper products that cannot be used as raw materials for papermaking	
Perfumed paper and paper with odors	Paper wrapping, paper boxes, corrugated boxes, and other paper packaging for products such as detergents, soaps, and incense
Sublimation transfer paper	Dye-sublimation paper, iron-on transfer paper
Thermal foaming coated paper	Non-flat copy paper (such as for Braille)
Wax coated corrugated box	Wax coated corrugated boxes containing imported fruits and vegetables, processed seafood, etc.
Paper with food leftovers	Packaging with food leftovers such as pizza or cake
Soiled paper	Paper stained with oil, used tissue paper and paper towels, paper stained with pet excrement, etc.

Items other than paper

Nonwoven products (sanitary masks, moist towelettes), disposable diapers, etc.

Source: Excerpt from the Paper Recycling Promotion Center's Recovered Paper Quality Standards

Sniffer Dogs Playing an Active Role at Paperboard Mill



Since 2014, Rengo's Yashio Mill has used sniffer dogs to prevent contamination by recovered paper with odors. Since the sniffer dogs were introduced, the number of cases of contamination has significantly dropped, resulting in a steady reduction in product issues and loss. Sniffer dogs are currently in active service at the Yashio Mill and Tonegawa Division.

Sniffer dog Chako Chako uses its front paws to show when recovered paper has an odor.

Topics



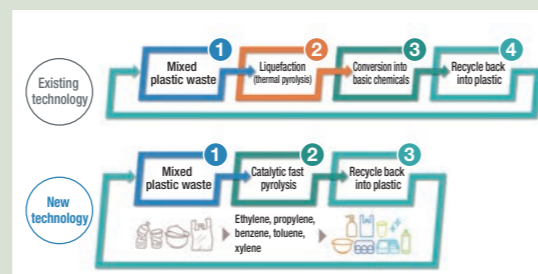
Initiatives to Recycle Used Plastic

In June 2020, upon the invitation of Suntory MONOZUKURI Expert Ltd., Rengo joined with 11 cross-industry partners making up the plastic value chain to establish R Plus Japan Ltd., a joint venture that engages in the business of recycling used plastics, and began its operations.

In Japan, with the exception of PET bottles, much of the plastic waste undergoes thermal recovery (incineration). The new company aims to use the technology of Anellotech, Inc., a U.S. biochemical venture company, to perform chemical recycling, using chemical reactions to directly convert plastic into raw materials, especially to establish new and efficient recycling technology with a low environmental impact that enables plastic processing without the need for liquefaction.

To help solve the issue of plastic, which is a common issue around the world, we are strengthening our cooperation with all companies in the supply chain for manufacturing plastic products with the goal of commercial deployment in 2027.

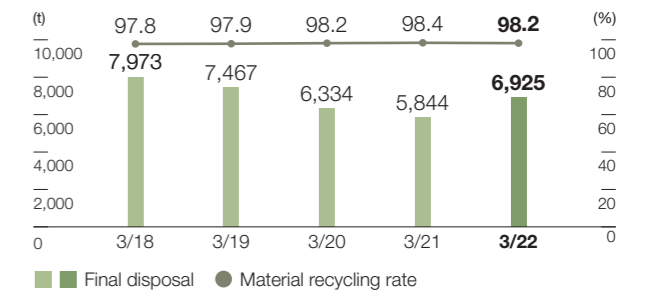
New Technology



Reducing Waste Volume

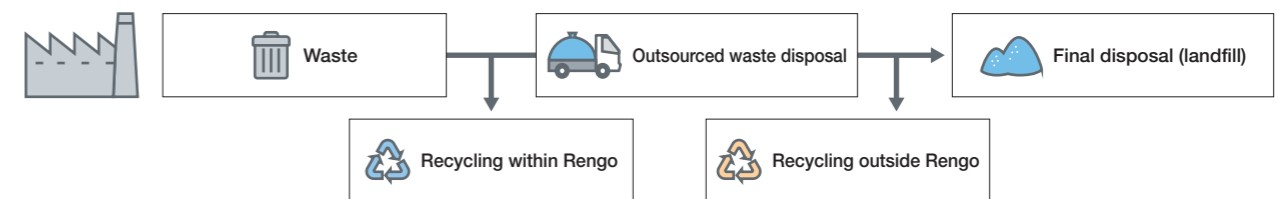
In order to realize a recycling-oriented society, the Rengo Group is actively using environmentally friendly materials such as recycled materials, recycling byproducts from our divisions, plants, and mills, and minimizing the waste we generate. Under Eco Challenge 2030, we have been endeavoring to increase our effective utilization rate of waste. In the outsourcing of waste disposal at our divisions, plants, and mills, wherever possible, we select contractors that are capable of recycling the waste to increase the material recycling rate. As a result of these efforts, final disposal for FY3/2022 amounted to 6,925 tons and the material recycling rate was 98.2%. Moving forward, we will continue to curb waste generation by promoting recycling.

Final Disposal and Material Recycling Rate (consolidated*)



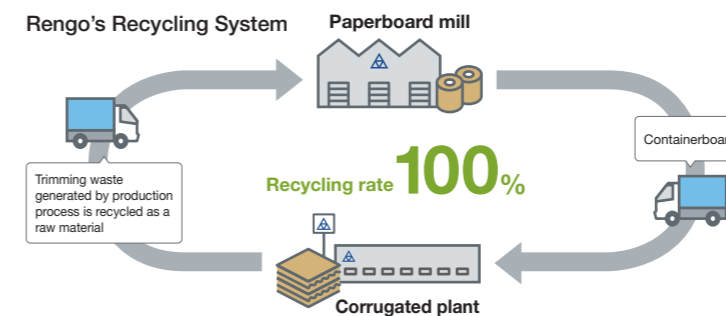
* Manufacturing sites of consolidated companies in Japan

Waste Disposal Process



Recycling Old Corrugated Containers Within Rengo

Rengo recycles old, corrugated containers within the Group. Trimming waste of corrugated board/boxes, generated during the production process of our corrugated plants, is transported back to paperboard mills where it is 100% recycled as a raw material for papermaking, using the return trips of trucks transporting containerboard from our paperboard mills.



Trimming waste to be recycled as a raw material for papermaking

Proper Management of Waste

Rengo separates and minimizes the volume of waste generated by its business activities wherever possible. We regularly check the storage conditions of waste stored within the company to ensure that there are no problems, and as a rule, we visit disposal contractors at least once a year to perform on-site confirmation. To prevent improper disposal of

industrial waste and improve the efficiency of management, we have introduced waste management systems capable of handling electronic manifests at our divisions, plants, and mills, and confirm that the waste disposal we have externally contracted is conducted properly.

Water Risk Management



Basic Stance | Droughts, flooding, and other effects of climate change are growing more severe, both in Japan and around the world. Rengo considers the efficient use of water resources and the assessment and management of water risks to be a vital issue. Water damage, water quality regulations, and other water-related risks have a major impact on the activities of production sites, so we appropriately assess and manage water risks on an individual site basis.

Analysis of Water Risks

In order to make our business activities as sustainable as possible going forward, the Rengo Group is engaging in evaluation to identify water risk factors such as water supply per production site and flood frequency, and to establish appropriate measures.

During the primary evaluation implemented in 2021, in order to identify regional water issues in regions in which sites are located, evaluation was performed using Aqueduct^{*1}, a catchment basin-specific water risk assessment tool released by the World Resources Institute (WRI) and the Water Risk Filter by the World Wide Fund for

Nature (WWF)^{*2}. Evaluation was performed at 145 sites within and outside Japan.

In FY3/2023, we will conduct a secondary evaluation to assess risk in detail for each catchment basin. At sites in Japan, we are identifying flood zones using hazard map and landform classification maps for flood control, and at sites overseas, we are specifying risks and risk levels through investigations that include interviews.

^{*1} Water risk evaluation tool developed by WRI
^{*2} Water risk evaluation tool developed by WWF

WRI Aqueduct Water Risk Evaluation Results

Water stress level	Number of production sites	Percentage (%)
Low	26	18
Low-medium	113	78
Medium-high	1	1
High	4	3
Very high	1	1
Total	145	100

WWF Water Risk Filter Risk Evaluation Results^{*3}

Water stress level	Number of production sites	Percentage (%)
Very low	0	0
Low	122	85
Medium	17	12
High	5	3
Very high	0	0
Total	144	100

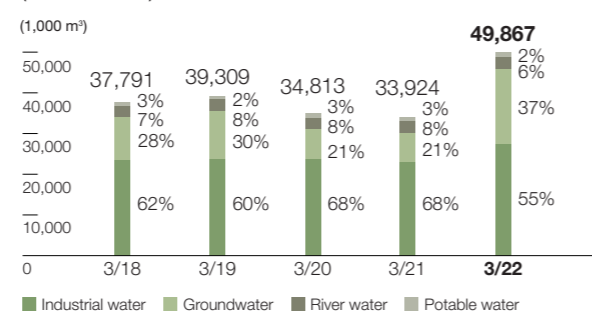
^{*3} Hawaii site N/A for evaluation

Efficient Use of Water Resources

The Rengo Group uses potable water, industrial water, groundwater, water taken from nearby rivers, and water from other sources in its production activities. Volume of water intake of FY3/2022 was 49,867 thousand m³.

In order to use limited water resources with care, it is essential that we use water resources effectively at mills, which use particularly large amounts of water. We take measures to reduce the amount of water intake by treating waste water from production processes at water treatment facilities for further reuse. Furthermore, we reduce overall water usage levels to effectively utilize water resources.

Total Water Intake and Water Resource Ratios by Type (consolidated)



Chemical Substance Management

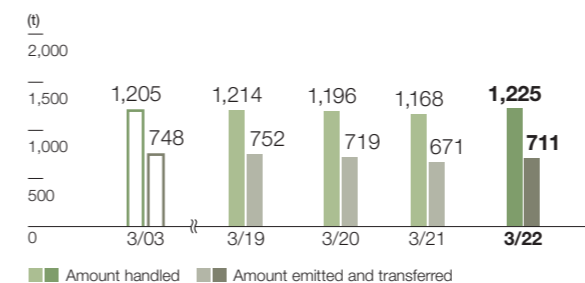


Basic Stance | Rengo strives to prevent its business activities from causing pollution by appropriately managing chemical substances and reducing the amount of waste it disposes. Besides adhering to laws and regulations concerning the disposal of hazardous substances that can harm people's health and have negative effects on ecosystems and other aspects of the environment, we also engage in thorough management by setting our own, even stricter standards.

Reducing Emissions and Transfers of PRTR Chemical Substances

Rengo's emissions and transfers of relevant substances subject to the PRTR Act (the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement) measured 711 tons in FY3/2022. The amount increased from the previous year due to increased production volume and other factors, but we are working on our initiatives to reduce emissions, which include plans to augment exhaust gas cleaning equipment at the Takefu Plant.

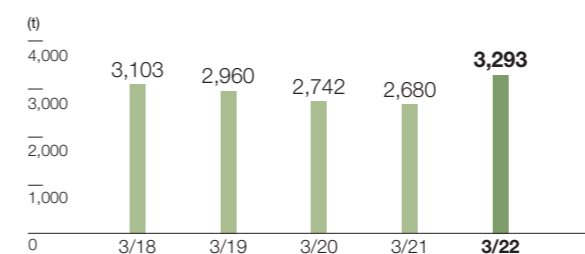
PRTR Chemical Substances Amount Emitted and Transferred (non-consolidated)



Reducing VOC Emissions

The Rengo Group uses ink and processing agents containing volatile organic substances (VOCs) in the printing/processing of paperboard and film, and VOCs are emitted into the atmosphere once they are dry. To reduce VOC emissions, we cooperated with our suppliers to switch to low-VOC solvent and VOC-free inks. Thanks to these efforts, emissions in FY3/2022 measured 3,293 tons.

VOC Emissions^{*1} (consolidated^{*2})



^{*1} Refers to the top five substances discharged by members of Japan Paper Association (toluene, methyl ethyl ketone, ethyl acetate, isopropyl alcohol, and methanol).
^{*2} Manufacturing sites of consolidated companies in Japan

PCB Countermeasures

The Rengo Group completed disposal of highly concentrated PCB in FY3/2021. However, there is the possibility that we have not identified all ballasts, so we are continuing to perform investigative studies. In addition, for equipment which, partly due to its date of manufacture, may contain low concentrations of PCB, we analyze the equipment before disposal and dispose of it properly based on whether it contains PCB.

Asbestos Countermeasures

Asbestos has been used extensively in insulation, building materials, and other applications. Rengo has completed our study of asbestos usage conditions, and we have removed or sealed in all asbestos with potential for aerial dispersal. For asbestos without the potential for dispersal, such as the asbestos used in finishing compounds or slate roofs, we assess usage conditions so that the asbestos can be dealt with appropriately during dismantling work.

Atmospheric and Water Pollution Prevention Initiatives

The Rengo Group reduces the levels of atmospheric pollutants such as NOx, SOx, and dust to below regulatory standard limits through proper management of the combustion temperatures used in boilers and the exhaust gas treatment facilities used in incinerators. Waste water is sanitized—using methods such as pressure flotation treatment, microbial degradation, and sedimentation—to maintain water quality at values below regulation standards before being discharged into rivers and sewers. We have defined strict voluntary standards and perform regular measurements to ensure thorough pollution management.

Soil Pollution Prevention Initiatives

At divisions, plants, and mills with designated hazardous substance storage facilities or designated hazardous substance usage facilities, Rengo regularly inspects and maintains the facilities and the floor surfaces around it to prevent soil pollution such as from spillage.

Creation of Products That Solve Environmental and Social Issues



Basic Stance

Based on the wealth of packaging technologies Rengo has built up over the years, we research, develop, and supply environmentally friendly products, and, through this, we help reduce the environmental impact of our entire supply chain. We are particularly dedicated to developing and spreading the use of lightweight packaging and products made with biodegradable cellulose.

Reducing the Weight of Corrugated Packaging

The Rengo Group is reducing the weight of its core product, corrugated packaging. We are making corrugated board and boxes more lightweight while maintaining its strength and other performance factors by combining three methods: (1) reducing the weight of containerboard, (2) making corrugated board thinner, and (3) optimizing packaging design of corrugated boxes. Under Eco Challenge 2030, we are working toward a target of reducing the average basis weight of corrugated board

(grammage per square meter) by 0.5% per year. This figure in FY3/2022 decreased by 0.1% compared to FY3/2021. Making corrugated board and boxes more lightweight not only reduces the amount of raw material used, but also helps improve transportation efficiency, lowering the environmental impact of entire supply chains. We will continue working to reduce the weight of our corrugated packaging.

Three Pillars of Corrugated Packaging Weight Reduction

- Containerboard**
Weight reduction
Development of lightweight containerboard
- Corrugated packaging weight reduction**
- Corrugated board**
Thickness reduction
Introduction of thinner corrugated boards
- Corrugated boxes**
Optimization of packaging design

Containerboard Weight Reduction
Development of lightweight containerboard and reinforced lightweight containerboard

Structure of Corrugated Board

Lightweight Containerboard Types and Basis Weights

Type	Containerboard basis weight*	Product name
Lightweight containerboard		
Linerboard	120 g/m ²	ETSL120
Corrugating medium	100 g/m ²	RCM1100
Reinforced lightweight containerboard		
Corrugating medium	120 g/m ² (same strength as conventional 160 g/m ²)	LCC120
Corrugating medium	90 g/m ² (same strength as conventional 120 g/m ²)	LCCX90

* Grammage per square meter of containerboard

Reducing Corrugated Board Thickness
Introduction of C-flute and Delta-flute

Flute Types and Thicknesses

- E-flute (1.5 mm)
- DELTA FLUTE (2mm)**
- B-flute (3 mm)
- C-flute (4 mm)
- A-flute (5 mm)

Developing and Promoting Sustainable Packaging

The Rengo Group is involved in developing and promoting sustainable packaging* through collaboration with suppliers. Under Eco Challenge 2030, we are working to formulate sustainable packaging certification standards by FY3/2023 in order to convey to internal and external

stakeholders the exceptional environmental performance of our products in a way that is easier to understand.

* Environmentally friendly products of the Rengo Group

Developing and Promoting Products Made with Biodegradable Cellulose

The Company began manufacturing cellophane, which is made from wood pulp (cellulose), in 1934. Utilizing over 80 years of cellophane manufacturing technology, we have developed Viscoppearl® cellulose beads, RCNF® cellulose nanofiber, and also REBIOS®, a new series of high biomass, biodegradable packaging material made with cellophane and paper.

Our cellophane and Viscoppearl are characterized by

being biodegradable in seawater, which has less microorganisms than soil*. Under Eco Challenge 2030, we have a goal of developing and popularizing products made with biodegradable cellulose and by promoting plastic alternative innovation, we are working to solve a variety of environmental problems, including the issue of ocean plastics.

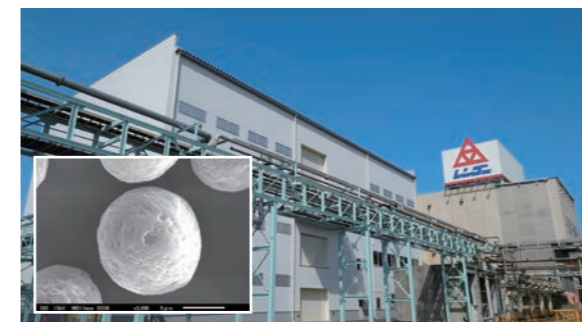
*Received "OK biodegradable MARINE" certification for marine biodegradability

Initiatives to Expand Production Volume of Viscoppearl® (Spherical Cellulose Bead)

Ocean pollution caused by microplastics, which are plastics 5 mm or smaller in size, has become a worldwide problem in recent years.

Viscoppearl is a spherical cellulose bead that is 3 μm to 4 mm in diameter made from wood pulp. Because the product is biodegradable in soil and seawater, it is expected to serve as an alternative to microplastic beads. Under Eco Challenge 2030, we have set a target for production volume of 40 tons per year or more, and we achieved the target in FY3/2022, producing 52.8 tons.

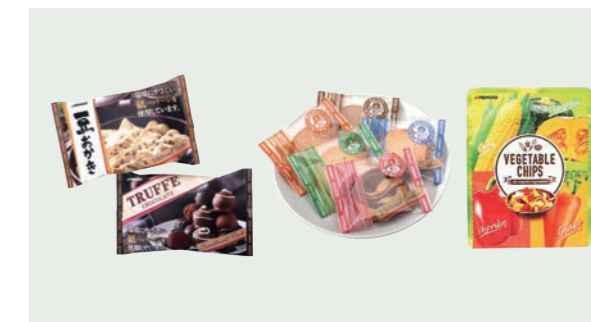
In July 2022, we built a plant for micro-sized Viscoppearl beads on the site of Rengo's Kanazu Mill, establishing a mass production structure for them. Currently, the beads are mainly used as an ingredient in cosmetics, but application development is underway for their use in other products like paints, inks, and resin and rubber modifiers, so we plan to increase production volume with a target of 200 tons or more by FY3/2031, which would be four times the level of FY3/2022.



Micro-sized Viscoppearl and the new plant

Initiatives to Promote REBIOS (High Biomass, Biodegradable Packaging Material)

REBIOS packaging material leverages the full potential of cellophane and paper, combining these and other plant-derived biodegradable materials to offer functions such as heat seal ability, moisture proof property, and oxygen barrier. With both high biomass content and biodegradability, REBIOS has joined our lineup as a new packaging material series with the transparency and printing ease of cellophane and the feeling of paper. It can be used in a wide range of applications, including foods, daily necessities, clothes, and sanitary materials, and we are working to promote it as an alternative to conventional packaging materials that use petroleum-derived plastic. Under Eco Challenge 2030, we are targeting adoption of REBIOS in five projects by FY3/2023, and in FY3/2022 it was adopted by two projects. Going forward, we will continue helping to reduce the amount of petroleum-based plastic used in packaging.



REBIOS, a high biomass, biodegradable packaging material

Value Chain Management (Downstream)

Related SDGs



Basic Stance

Rengo aims to contribute to the realization of a sustainable society by providing products and services that offer added value. We are striving to minimize the environmental impact associated with our logistics in particular.

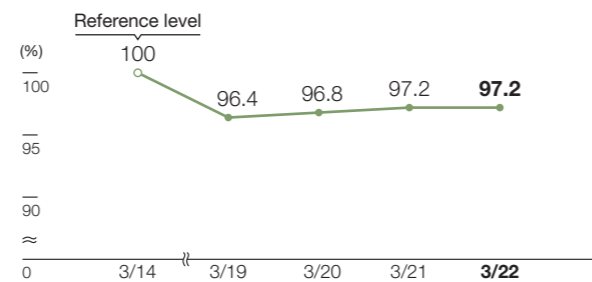
Rengo's Value Chain

Our value chain is subject to a range of issues associated with the transportation of corrugated board and boxes, our mainstay product, given that we have numerous plants and it is sent out to diverse destinations. Nonetheless, we believe that the potential value of transportation to these destinations is great. We are therefore aiming not only to meet delivery deadlines, but also to reduce the environmental impact of transportation, by identifying specific issues and working to implement improvements.

Reducing CO₂ Emissions from Corrugated Board and Box Transportation

Under Eco Challenge 2030, we are working toward a 13% reduction of per-unit CO₂ emissions from corrugated board/box transportation by FY3/2031. In FY3/2022, per-unit CO₂ emissions decreased by 2.8% compared with FY3/2014. We will continue seeking to further reduce our environmental impact by making use of large trucks to increase load capacity and reduce transportation frequency, and by optimizing the locations of distribution sites and warehouses to cut transportation distances.

Per-Unit CO₂ Emissions* Index for Corrugated Board/Box Transportation (non-consolidated)



* CO₂ emissions divided by net sales

Topics

Initiatives to Improve Logistics Efficiency at the Rengo Group

Containerboard as a raw material is transported day-to-day from mills to corrugated plants. In various cases of transportation, we face transportation problems such as loss of time and increased labor hours of truck drivers. Rengo's mill and corrugated plants of Yamato Shiki, a Rengo Group company, are taking the initiative to reduce the waiting time of trucks and CO₂ emissions from the perspective of White Logistics.

In this initiative, with logistics efficiency as a primary consideration, the mills and plants reduce waiting time by adjusting ordering and delivery times on the one hand, and reduce loading and unloading times on the other hand. In particular, at the corrugated plants, by both adopting a queuing system for unloading and visualizing the delivery time, we

were able to significantly reduce the waiting time of trucks. In addition, CO₂ emissions from transportation were reduced by approximately 9 tons* compared to before the initiative (*reduction in delivery trucks from our paper mills).

As a group that builds an integrated business from paperboard to corrugated packaging, we will continue to horizontally expand this unique initiative to each group company.



Visualizing delivery time allocation

Conservation of Biodiversity

Related SDGs



Basic Stance

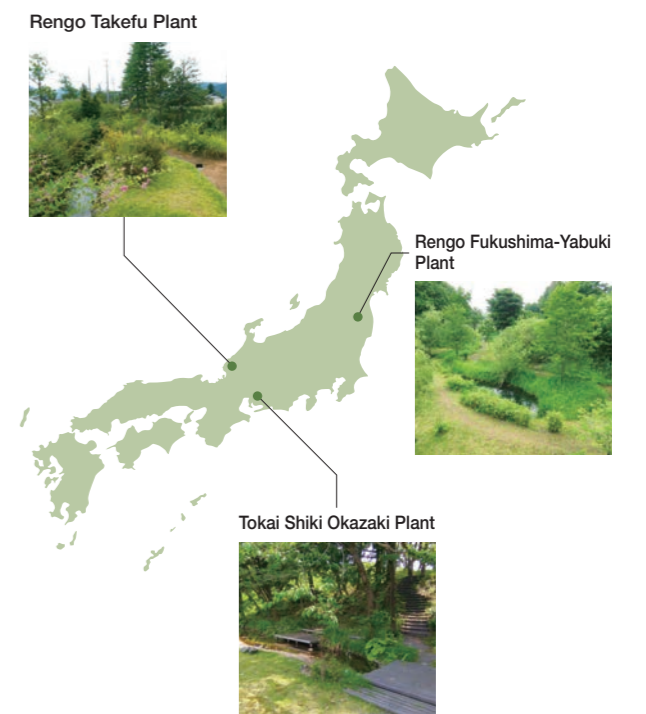
On Earth, many different living things coexist while maintaining balance with the natural environment. In conducting business, which uses wood materials utilized from forest, Rengo strives to protect biodiversity while sustainably using the materials. We also actively communicate with communities as we strive to achieve harmony with local natural environments.

Initiatives to Conserve Ecosystems in Biotopes

The Rengo Group's divisions, plants, and mills conduct business activities within their links to their local communities and environments. This is especially so for our Fukushima-Yabuki Plant and Takefu Plant, and the Okazaki Plant of Rengo Group company Tokai Shiki Co., Ltd., all of which are richly surrounded by natural environments with spring water, primary forests, and locally found flora and fauna. These plants work with their local communities to conserve and nurture local ecosystems by creating biotopes within the sites.

Regular monitoring of the animals and plants is carried out in the company's biotopes to study the trends of ecosystems in the surrounding environment. In FY3/2022, these studies found a total of 88 species of insects, fish, amphibians, reptiles, birds, and mammals in the Fukushima-Yabuki Plant and a total of 219 species (including plants) in the Takefu Plant.

Locations of the Rengo Group's Biotopes



Ecological monitoring (autumn study performed using the sweep method)

Topics

Heike-Botaru Fireflies in Our Biotope

Heike-botaru (*Luciola lateralis*) larvae have been observed in the biotope at Rengo's Takefu Plant in Fukui Prefecture since 2019, and every year since 2020, adult fireflies have also been seen flying around. From the time the biotope was first created, genji-botaru (*Luciola cruciata*) fireflies were released into the environment there, but heike-botaru were not released, and are believed to have established themselves naturally. With the freshwater snails that are their main source of food

living in the biotope's water channels and ponds, it is an ideal habitat for fireflies. We will continue contributing to the protection of diverse natural environments within local communities going forward.



A heike-botaru firefly in the biotope

Environmental Data

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Organizational Scope/Target Period/Independent Practitioner's Assurance

Organizational Scope

Rengo Co., Ltd. 1
 Domestic consolidated subsidiaries (excluding second-tier subsidiaries) ... 36
 Overseas consolidated subsidiaries (excluding second-tier subsidiaries) ... 8
 Non-manufacturing sites whose business activities have a small impact on the environment are excluded.

Target Period

Japan: FY3/2022 (April 2021 to March 2022)
 Overseas: 2021 (January 2021 to December 2021)

May include time before and after the target period in certain parts.

Independent Practitioner's Assurance (Symbol of Assurance:)

For information subject to the independent practitioner's assurance, the symbol of assurance is indicated as a sign that the information has been assured.

Calculations of Energy Usage and Scopes 1, 2, and 3 Emissions

Calculations of energy usage and greenhouse gas emissions use the following coefficients.

Heat value coefficient	[Japan]	Fossil energy: Coefficients based on the Act on the Rational Use of Energy Energy from waste and renewable energy: Coefficients from the KEIDANREN (Japan Business Federation)'s Commitment to a Low Carbon Society
	[Overseas]	Fossil energy: Coefficients based on the Act on the Rational Use of Energy For electricity from solar power generation, 3.6 GJ/1,000 kWh is used
Emissions coefficients	[Japan]	Fuel: Coefficients based on the Act on Promotion of Global Warming Countermeasures ("Act on Global Warming") Electricity: Adjusted emissions coefficients for each electric power provider as stipulated in the Act on Global Warming
	[Overseas]	Fuel: Coefficients based on the Act on Global Warming Electricity: Emissions coefficients for public power utilities by country based on IDEA Ver. 3.2 (for coefficients prior to 2020, IEA 2015 annual figures are used)
Scope 3 calculation standards		Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.4)

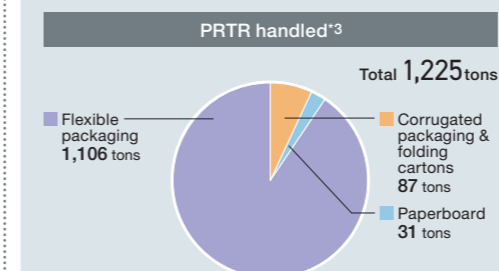
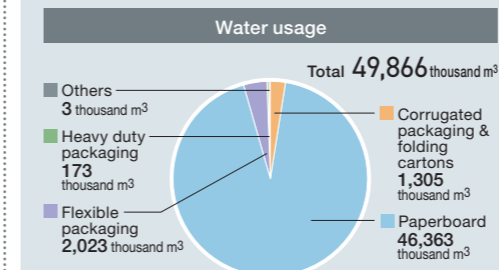
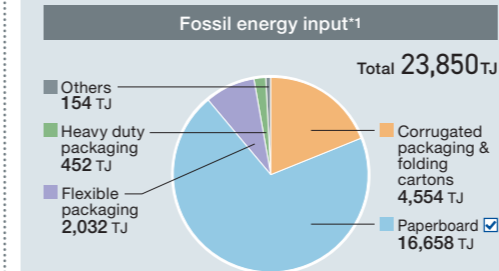
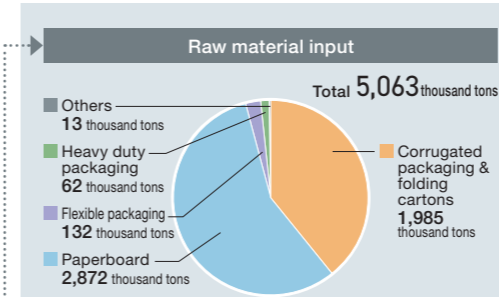
Environmental Data Definition

- The scope of companies is Rengo Co., Ltd. and domestic and overseas consolidated subsidiaries (excluding second-tier subsidiaries) in principle. In case the scope differs from above, it will be indicated with a note.
- Figures are rounded to the nearest number and may not add up to the total.
- "-" indicates outside the scope of calculations; "0" refers to a figure of less than 0.5.
- Legal status indications have been omitted, in principle, from company names.
- In conducting calculations for this fiscal year, some figures from past fiscal years were revised.

Material Balance

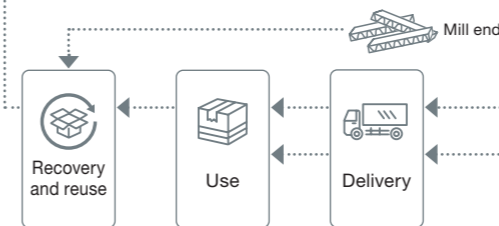
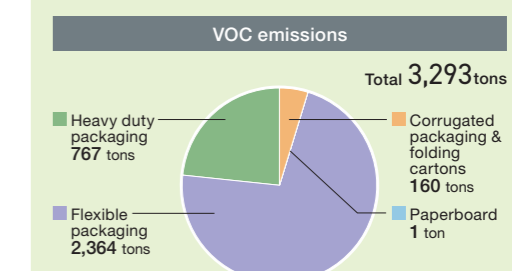
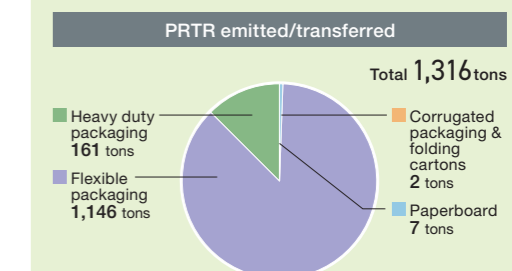
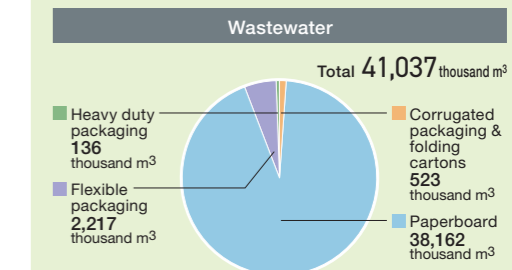
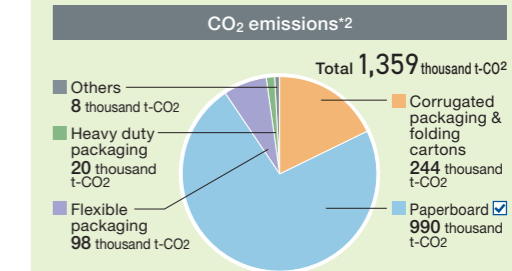
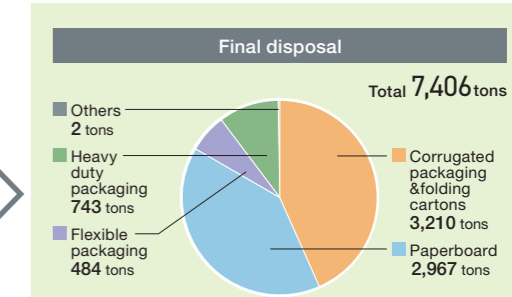
Production Activity Material Balance

Inputs



[Breakdown by business] Corrugated packaging & folding cartons Paperboard Flexible packaging Heavy duty packaging Others

Outputs



*1 Including purchased electricity
 *2 Derived from fossil energy (including purchased electricity)
 *3 Non-consolidated

Management

ISO 14001 Certification (as of March 31, 2022)

	Company	Certified organization	Certification body	Registration number
Non-consolidated	Rengo	Eniwa Plant, Asahikawa Plant, Aomori Plant, Shin-Sendai Plant, Fukushima-Yabuki Plant, Oyama Plant, Maebashi Plant, Tokyo Plant, Chiba Plant, Shonan Plant, Niigata Plant, Nagano Plant, Matsumoto Plant, Shimizu Plant, Toyohashi Plant, Shin-Nagoya Plant, Fukui Plant, Shiga Plant, Shin-Kyoto Division, Sanda Plant, Wakayama Plant, Okayama Plant, Hiroshima Plant, Matsuyama Plant, Hofu Plant, Tosu Plant, Katsushika Plant	Japan Quality Assurance Organization	JQA-EM3112
		Tonegawa Division	Japan Quality Assurance Organization	JQA-EM2019
		Kanazu Mill	Japan Quality Assurance Organization	JQA-EM3250
		Yashio Mill	Japan Quality Assurance Organization	JQA-EM4147
		Amagasaki Mill	Japan Quality Assurance Organization	JQA-EM5249
		Takefu Plant	Japan Quality Assurance Organization	JQA-EM5529
Domestic consolidated subsidiaries	Yamato Shiki	Head Office, Saitama Plant, Fukaya Plant, Kanagawa Plant, Shizuoka Plant, Takatsuki Plant, Osaka Plant, Setouchi Plant	Japan Management Association	JMAQA-E148
	Settsu Carton	Niigata Plant, Utsunomiya Plant, Tukuba Plant, Kumagaya Plant, Shin-Tokyo Plant, Yashio Plant, Echizen Plant, Shinshiro Plant, Komaki Plant, Itami Plant, Higashiosaka Plant, Ono Plant, Yamaguchi Plant	Japan Quality Assurance Organization	JQA-EM3016
	Hinode Shiki Kogyo	Head Office/Kagoshima Plant, Kokura Plant, Fukuoka Plant, Art Package Center	GCCJapan	JP25468-E-3
	RG Containers	Miyagi Plant, Sano Plant, Saitama Plant	GCCJapan	JP28772-E-4
	Asahi Danboru	Head Office Plant	JSA Solutions	JSAE228
	Asahi Shiko	Head Office Plant, Nagano Division	JIC Quality Assurance	E1019
	Kofu Daiichi-Jitsugyo	Head Office Plant, Matsumoto Shiki Plant	Intertek	7602
	Hokuriku Shiki	Head Office Plant	JSA Solutions	E2007
	Nitto Shiki Kogyo	Head Office Plant	Perry Johnson Registrars	C2021-00769
	Sanko	Head Office Plant	SGS Japan	JP09/070751
	Yoshikawa Shigyo	Head Office, Koriyama Plant	Union of Japanese Scientists and Engineers	JUSE-EG-527
	Kowa Sangyo	Yuki Plant	JIC Quality Assurance	E584
	Takedashiki	Kashiwa Corrugated Plant, Kashiwa Assembly Center, Noda Assembly Center	Perry Johnson Registrars	C-2020-01272-R2
	Awaji Shiko	Head Office Plant	Japan Quality Assurance Organization	EM4190
	Kinyosha	Headquarters, Gotemba Factory	JSA Solutions	JSAE612
	Fuji-Hoso Shiki	Head Office	ASR	E1393
	Marusan Paper Mfg.	Head Office Plant	JSA Solutions	JSAE1245
	Osaka Paper	Head Office Plant	ASR	E2034
	Taiko Paper Mfg.	Head Office Plant	Intertek	14208
	Nihon Matai	Headquarters, Saitama Plant, Shiga Plant, Osaka Branch, Hyogo Plant, Okayama Plant	Japan Management Association	JMAQA-E290
Tarutani Industrial Packaging	Kakogawa Plant	Japan Management Association	JMAQA-E511	
Rengo Nonwoven Products		Japan Quality Assurance Organization	JQA-EM6097	

*Scope: Non-consolidated and domestic consolidated subsidiaries (excluding second-tier subsidiaries)

ISO 27001 Certification (as of March 31, 2022)

	Company	Certified organization	Certification body	Registration number
Non-consolidated	Rengo	Tonegawa Division	JIC Quality Assurance	I425
		Yashio Mill	JIC Quality Assurance	I393
		Amagasaki Mill	JIC Quality Assurance	I394

*Scope: Non-consolidated and domestic consolidated subsidiaries (excluding second-tier subsidiaries)

Independent Practitioner's Assurance

FSC® Certification (as of March 31, 2022)

	Company
Non-consolidated	Rengo
Domestic consolidated subsidiaries	Yamato Shiki, Settsu Carton, Tokai Shiki, Hinode Shiki Kogyo, RG Containers, Asahi Shiko, Asahi Danboru, Kofu Daiichi-Jitsugyo, Ihara Shiki, Kato Danboru, Hokuriku Shiki, Tohoku Asahi Danboru, Sankyo Danboru, Nitto Shiki Kogyo, Sanko, Tohoku Shiki, Yamatoya, Kyowa Shigyo, Yoshikawa Shigyo, Kowa Sangyo, Takedashiki, Kinyosha, Fuji-Hoso Shiki, Marusan Paper Mfg., Taiko Paper Mfg., Osaka Paper, Howa Sangyo, Nihon Matai, Tarutani Industrial Packaging, RPB

*Scope: Non-consolidated and domestic consolidated subsidiaries (excluding second-tier subsidiaries)

ISCC Certification (as of March 31, 2022)

	Company	Certified plant
Domestic consolidated subsidiaries	Sun-Tox	Kanto Plant, Tokuyama Plant
	Howa Sangyo	Narashino Factory, Hikata Factory, Kyoto Factory, Fukuoka Factory

*Scope: Non-consolidated and domestic consolidated subsidiaries (excluding second-tier subsidiaries)

Climate Change Countermeasures

Trend of Scopes 1 and 2 Emissions*

(Thousand t-CO₂)

			FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Scope 1 emissions	Non-consolidated		613	674	663	637	671
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	152	150	158	150	221
		Others	69	69	74	98	102
	Overseas consolidated subsidiaries		17	16	15	12	14
	Total		851	908	910	898	1,008
Scope 2 emissions	Non-consolidated		197	173	166	151	162
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	64	64	61	40	51
		Others	88	103	96	110	115
	Overseas consolidated subsidiaries		18	16	16	16	22
Total		368	356	338	317	351	
Scopes 1 and 2 emissions	Non-consolidated		810	847	829	788	834
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	216	214	219	191	272
		Others	158	172	170	209	217
	Overseas consolidated subsidiaries		35	32	31	28	36
	Total		1,218	1,265	1,248	1,215	1,359

*CO₂ derived from fossil energy (including purchased electricity)

Trend of Scope 3 Emissions*

(Thousand t-CO₂)

Category	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	Main emission sources
Category 1	638	630	663	660	637	Procurement of raw materials at production plants
Category 2	56	33	45	45	56	Purchase of fixed assets
Category 3	107	106	144	139	156	Purchase of electricity and fuel
Category 4	99	101	92	88	97	Transportation from primary suppliers to procure raw materials and transportation of products for sale
Category 5	4	4	4	4	4	Transportation and processing of waste discharged by plants (incineration, landfill)
Category 6	3	3	1	1	1	Transportation by bullet train or plane and lodging
Category 7	4	4	8	7	5	Commuting via private car or train
Category 8	1	1	1	1	1	Server use at data centers
Category 9	Outside the scope of calculations					—
Category 10	102	100	83	80	124	Corrugated packaging processing at linerboard/corrugating medium customers and film processing at film customers
Category 11	19	11	12	10	10	Use of packaging machinery by customers
Category 12	17	16	21	18	15	Disposal of sold linerboards/corrugating mediums and boxboards
Category 13	Outside the scope of calculations					—
Category 14	Calculated by inclusion in Category 11 (Use of sold products)					—
Category 15	Outside the scope of calculations					—
Total	1,051	1,010	1,072	1,052	1,104	

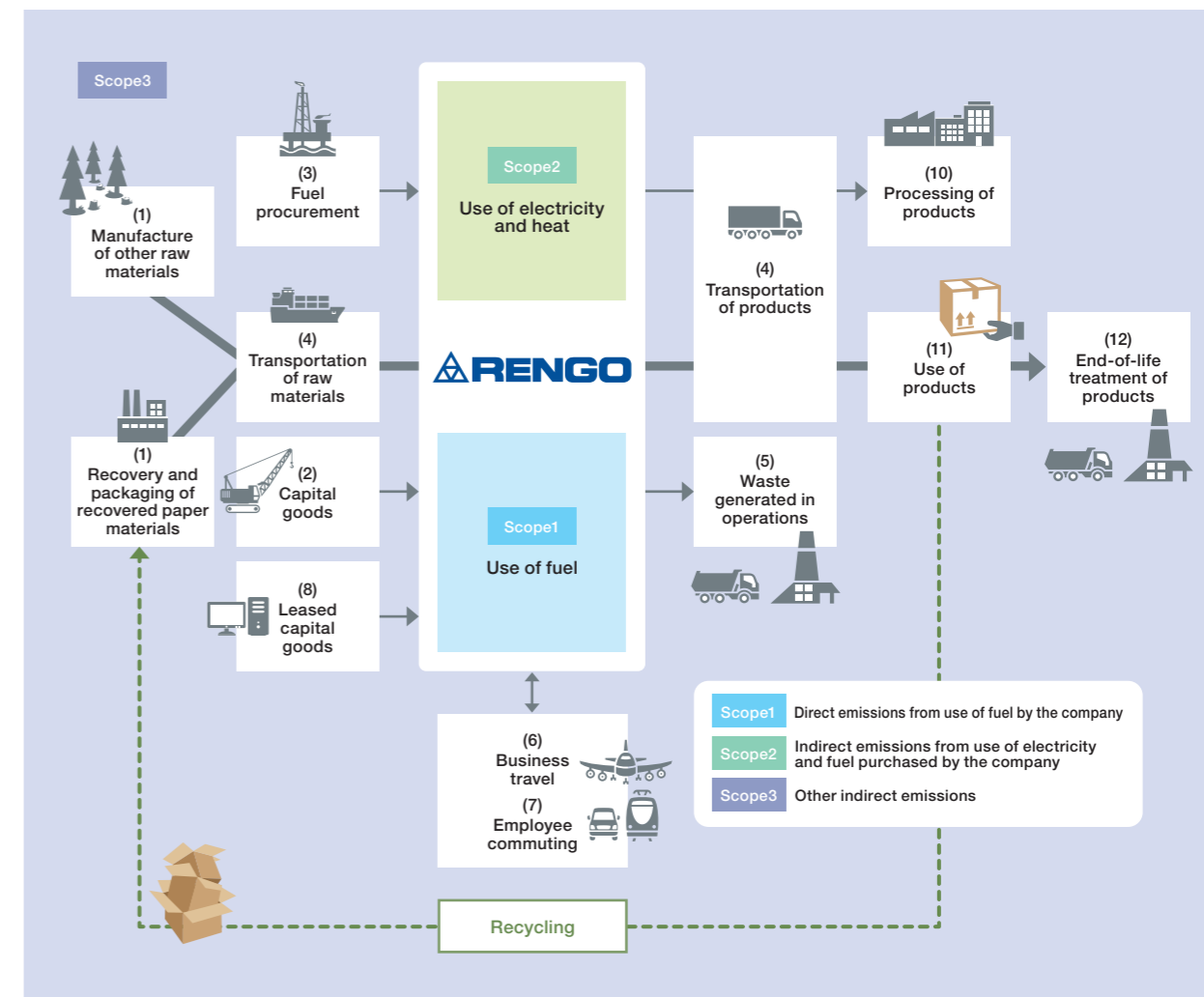
*Category 3 is CO₂ derived from fossil energy (including purchased electricity)

*Non-consolidated

• Organizational scope: Rengo Co., Ltd.

• Calculation method: Categories 9 (Downstream transportation and distribution), 14 (Franchises), and 15 (Investments) have been excluded from the scope of calculations since there is no business related to them. Category 13 (Downstream leased assets) is calculated by inclusion in Category 11 (Use of sold products)

Diagram of Greenhouse Gas Emissions from Rengo's Entire Supply Chain



Improvement of Energy Efficiency

Trend of Total Energy Usage

(TJ)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Total energy usage*	Non-consolidated	16,883	17,140	16,977	16,332	17,249	
	Domestic consolidated subsidiaries	Paper manufacturing companies	3,298	3,293	3,371	3,104	7,164
		Others	3,269	3,306	3,474	4,363	4,583
	Overseas consolidated subsidiaries	431	392	381	324	379	
	Total	23,882	24,131	24,203	24,124	29,375	

*Total energy consists of fossil energy, energy from waste, and renewable energy (including solar)

Trend of Energy Usage (by Type)

(TJ)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022		
Energy usage	Fossil fuels	Non-consolidated	10,383	11,046	11,021	10,622	11,196	
		Domestic consolidated subsidiaries	Paperboard manufacturing companies	2,013	2,007	2,141	2,214	3,187
			Others	1,199	1,200	1,309	1,796	1,868
		Overseas consolidated subsidiaries	302	272	261	212	254	
		Total	13,897	14,526	14,733	14,843	16,506	
	Purchased electricity	Non-consolidated	3,871	3,574	3,449	3,246	3,518	
		Domestic consolidated subsidiaries	Paperboard manufacturing companies	1,129	1,156	1,112	747	1,084
			Others	1,977	2,006	2,067	2,384	2,524
		Overseas consolidated subsidiaries	89	81	82	81	86	
	Total	7,066	6,816	6,711	6,458	7,212		
	Purchased steam	Non-consolidated	3	0	0	0	0	
		Domestic consolidated subsidiaries	Paperboard manufacturing companies	0	0	0	0	0
			Others	0	0	0	90	96
Overseas consolidated subsidiaries		39	37	37	30	37		
Total	41	37	37	120	133			
Waste-derived fuel (RPF, waste plastics, waste oil)	Non-consolidated	87	86	130	156	112		
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	19	17	17	13	544	
		Others	92	99	96	92	94	
	Overseas consolidated subsidiaries	0	0	0	0	0		
Total	198	201	243	261	750			
Biomass fuel (sludge, wood chips, black liquor)	Non-consolidated	2,533	2,427	2,370	2,302	2,417		
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	135	111	98	129	2,346	
		Others	0	0	0	0	0	
	Overseas consolidated subsidiaries	0	0	0	0	0		
Total	2,668	2,538	2,468	2,431	4,764			
Solar	Non-consolidated	7.0	6.9	6.6	6.6	6.3		
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	2.1	2.1	2.1	2.0	2.1	
		Others	1.4	1.4	1.3	1.3	1.4	
	Overseas consolidated subsidiaries	1.6	1.5	1.4	1.4	1.5		
Total	12.1	11.9	11.5	11.3	11.2			
Grand total	23,882	24,131	24,203	24,124	29,375			

Trend of Renewable Energy Ratio

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Renewable energy ratio	Non-consolidated	15.0%	14.2%	14.0%	14.1%	14.1%	
	Domestic consolidated subsidiaries	Paperboard manufacturing companies	4.2%	3.4%	3.0%	4.2%	32.8%
		Others	0.0%	0.0%	0.0%	0.0%	0.0%
	Overseas consolidated subsidiaries	0.4%	0.4%	0.4%	0.4%	0.4%	
	Total	11.2%	10.6%	10.2%	10.1%	16.3%	

Creation of a Recycling-Oriented Society

Trend of Resource (Raw Material) Inputs by Type

(Thousand tons)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Resource (raw material) inputs by type	Recovered paper	2,537	2,586	2,584	2,498	2,658
	Pulp	46	44	41	36	56
	Paperboard	2,537	2,076	2,111	1,985	1,980
	Wood chips	—	—	—	—	158
	Resins, films, synthetic fiber	112	124	123	193	207
	Others	0.0	4.0	3.8	5.1	4.4
	Total	5,231	4,834	4,863	4,716	5,063

Trend of Recycling Rate

(%)

	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Recovered paper utilization rate for paperboard*	98.2	98.3	98.4	98.6	98.6

*Recovered paper utilization rate = (Amount of recovered paper used) / (Amount of recovered paper + pulp used)

Trend of Total Waste Generated, Final Disposal Volume and Material Recycling Rate of Waste

(Tons)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Waste generated	Non-consolidated	195,895	193,056	182,679	191,309	198,810
	Domestic consolidated subsidiaries	160,092	162,788	174,396	178,576	189,739
	Overseas consolidated subsidiaries	30,034	26,324	27,173	24,527	25,701
	Total	386,020	382,167	384,248	394,412	414,250
Final disposal volume of waste*	Non-consolidated	3,826.4	3,349.3	3,034.9	2,719.2	2,519.0
	Domestic consolidated subsidiaries	4,147.0	4,117.4	3,299.0	3,124.5	4,406
	Overseas consolidated subsidiaries	533.8	490.2	546.1	590.0	481.2
	Total	8,507	7,957	6,880	6,434	7,406
Material recycling rate of waste (%)	Non-consolidated	98.0	98.3	98.3	98.6	98.7
	Domestic consolidated subsidiaries	97.4	97.5	98.1	98.3	97.7
	Overseas consolidated subsidiaries	98.2	98.1	98.0	97.6	98.1
	Total	97.8	97.9	98.2	98.4	98.2

*Final disposal volume of waste is external waste emissions less material recycling volume

Water Risk Management

Trend of Water Resource Inputs by Type of Intake Source

(Thousand m³)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Water resource inputs by type of intake source	Potable water	Non-consolidated	372	365	338	334	333
		Domestic consolidated subsidiaries	404	417	422	439	439
		Overseas consolidated subsidiaries	209	179	190	167	225
		Total	985	960	951	939	998
	Industrial water	Non-consolidated	18,615	18,724	18,662	18,097	17,897
		Domestic consolidated subsidiaries	4,932	4,874	4,964	5,079	9,614
		Overseas consolidated subsidiaries	0	0	0	0	0
		Total	23,547	23,598	23,626	23,176	27,511
	Groundwater	Non-consolidated	7,497	7,512	7,208	6,851	6,910
		Domestic consolidated subsidiaries	213	225	231	260	11,696
		Overseas consolidated subsidiaries	3,000	4,000	0	0	0
		Total	10,711	11,737	7,440	7,112	18,606
	River water	Non-consolidated	2,547	3,014	2,797	2,697	2,753
		Domestic consolidated subsidiaries	0	0	0	0	0
		Overseas consolidated subsidiaries	0	0	0	0	0
		Total	2,547	3,014	2,797	2,697	2,753
	Grand total		37,791	39,309	34,813	33,924	49,867

Trend of Wastewater (by Discharge Destination)

(Thousand m³)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Wastewater by discharge destination	Groundwater	Non-consolidated	7,066	7,344	7,344	6,871	7,688
		Domestic consolidated subsidiaries	4,503	4,072	4,278	4,313	17,897
		Overseas consolidated subsidiaries	54	59	80	74	93
		Total	11,623	11,475	11,703	11,258	25,679
	Rivers	Non-consolidated	17,736	18,064	18,064	17,411	14,932
		Domestic consolidated subsidiaries	238	249	248	420	424
		Overseas consolidated subsidiaries	6	7	4	3	3
		Total	17,981	18,320	18,315	17,834	15,359
	Others	Non-consolidated	0	0	0	0	0
		Domestic consolidated subsidiaries	0	0	0	0	0
		Overseas consolidated subsidiaries	21	10	0	0	0
		Total	21	10	0	0	0
	Grand total		29,625	29,805	30,019	29,092	41,037

Chemical Substances Management

Trend of Releases into the Atmosphere by Type

(Tons)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Releases into the atmosphere by type	SOx	Non-consolidated	170	144	118	45	94
		Domestic consolidated subsidiaries	491	417	520	335	366
		Overseas consolidated subsidiaries	2	1	1	1	1
		Total	663	562	639	381	461
	NOx	Non-consolidated	1,021	1,017	1,071	627	1,027
		Domestic consolidated subsidiaries	276	223	281	274	413
		Overseas consolidated subsidiaries	14	8	10	8	8
		Total	1,311	1,248	1,361	908	1,448
	Dust	Non-consolidated	39	67	58	18	19
		Domestic consolidated subsidiaries	4	5	6	6	29
		Overseas consolidated subsidiaries	1	1	1	1	1
		Total	44	73	65	25	49
	VOCs*	Non-consolidated	258	228	220	221	216
		Domestic consolidated subsidiaries	2,845	2,732	2,523	2,459	3,077
		Overseas consolidated subsidiaries	0	0	0	0	0
		Total	3,103	2,960	2,742	2,680	3,293

*Scope of the volatile organic compounds (VOCs) is the top five substances discharged by members of the Japan Paper Association (toluene, methyl ethyl ketone (MEK), ethyl acetate, isopropyl alcohol, and methanol)

Trend of Releases into Water by Type

(Tons)

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Releases into water by type	BOD	Non-consolidated	817	642	1,011	855	922
		Domestic consolidated subsidiaries	169	109	148	161	174
		Overseas consolidated subsidiaries	3.4	3.2	4.6	1.3	3.2
		Total	990	753	1,163	1,017	1,100
	COD	Non-consolidated	1,494	1,375	1,634	1,271	1,197
		Domestic consolidated subsidiaries	199	167	222	217	780
		Overseas consolidated subsidiaries	9.4	9.1	8.4	5.2	7.2
		Total	1,703	1,552	1,864	1,494	1,985
	SS	Non-consolidated	1,409	821	849	681	643
		Domestic consolidated subsidiaries	44	31	35	25	112
		Overseas consolidated subsidiaries	2.3	3.5	2.8	2.1	2.2
		Total	1,455	855	886	709	757
	n-Hex	Non-consolidated	16	16	15	25	30
		Domestic consolidated subsidiaries	2	2	2	3	3
		Overseas consolidated subsidiaries	0	0	0	0	0
		Total	18	18	17	27	33

Trend of Chemical Substance Amount Handled, Emitted, and Transferred (Class 1 Designated Chemical Substances: tons; Dioxins: mg-TEQ)

			FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	
Amount handled	Non-consolidated	Class 1 Chemical Substances	1,205	1,214	1,196	1,168	1,225	
		Total Class 1 Chemical Substances	1,205	1,214	1,196	1,168	1,225	
Amount emitted	Non-consolidated	Class 1 Chemical Substances	746	749	717	669	709	
		Dioxins	13	21	55	70	38	
	Domestic consolidated subsidiaries	Class 1 Chemical Substances	566	451	481	517	537	
		Dioxins	4	5	5	3	4	
			Total Class 1 Chemical Substances	1,312	1,200	1,198	1,186	1,246
			Total Dioxins	17	26	60	73	42
Amount transferred	Non-consolidated	Class 1 Chemical Substances	2	3	2	2	2	
		Dioxins	1,115	1,676	1,547	1,004	1,148	
	Domestic consolidated subsidiaries	Class 1 Chemical Substances	65	63	60	62	68	
		Dioxins	8	5	5	0	211	
			Total Class 1 Chemical Substances	67	65	62	64	70
			Total Dioxins	1,124	1,682	1,552	1,004	1,359
Total amount emitted and transferred	Non-consolidated	Class 1 Chemical Substances	748	752	719	671	711	
		Dioxins	1,129	1,698	1,602	1,074	1,186	
	Domestic consolidated subsidiaries	Class 1 Chemical Substances	630	513	541	579	605	
		Dioxins	12	10	10	3	215	
			Total Class 1 Chemical Substances	1,379	1,265	1,260	1,250	1,316
			Total Dioxins	1,141	1,708	1,612	1,077	1,401

*Scope: Non-consolidated and domestic consolidated subsidiaries (excluding second-tier subsidiaries)

Independent Practitioner's Assurance

Rengo Co., Ltd. has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co., Ltd. for environmental data (fossil energy inputs, waste-derived energy inputs, renewable energy inputs (excluding solar), Scopes 1 and 2 CO₂ emissions derived from fossil energy, and Scope 3 (category 3) greenhouse gas emissions) given in the Japanese version of the Sustainability Report 2022.

- **Scope of assurance** Manufacturing sites of Rengo Co., Ltd. (including some affiliates located within the premises of business sites within the scope) and of paperboard manufacturing companies in the Rengo Group (Marusan Paper Mfg. Co., Ltd., Osaka Paper Co., Ltd., and Taiko Paper Mfg., Ltd.)
- **Target of assurance**
 - FY3/2022 fossil energy, energy from waste, and renewable energy (excluding solar) inputs (excluding portion for sold electric power)
 - FY3/2022 Scopes 1 and 2 CO₂ emissions derived from fossil energy (excluding portion for sold electric power)
 - FY3/2022 Scope 3 (category 3) greenhouse gas emissions
- **Calculation guideline**
 - Advanced technologies promotion Subsidy Scheme with Emission reduction Targets (ASSET) Monitoring Report Guidelines (Version 9.0)
 - Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (Ver. 2.4)
 - Fossil energy inputs are taken from unit heat values based on the Act on the Rational Use of Energy.
 - Waste-derived energy inputs and renewable energy inputs are taken from unit heat values from KEIDANREN (Japan Business Federation)'s Commitment to a Low Carbon Society.
 - CO₂ emissions derived from fossil energy are taken from emissions coefficients based on the Act on Promotion of Global Warming Countermeasures ("Act on Global Warming"). Emissions coefficients for electricity are taken from emissions coefficients for each electric power provider (adjusted emissions coefficients).
 - Scopes 1 and 2 greenhouse gas emissions are calculated using unit heat values and emissions coefficients based on the Act on Global Warming. Adjusted emissions coefficients are used as emissions coefficients for electricity.
 - Scope 3, Category 3 greenhouse gas emissions are calculated using emissions coefficients from the Emissions Unit Value Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.2) (electricity, steam), IDEA Ver. 3.2 (fossil fuels), and JLCA-LCA Database (waste materials).

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

September 28, 2022

Mr. Yosuke Kawamoto,
Representative Director, President & COO,
Rengo Co., Ltd.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the environmental data indicated with for the year ended March 31, 2022 (the "Environmental Data") included in the "Sustainability Report 2022" (the "Report") of Rengo Co., Ltd. (the "Company").

The Company's Responsibility
The Company is responsible for the preparation of the Environmental Data in accordance with the calculation and reporting standard adopted by the Company (the Report P27 and P38). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Environmental Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Environmental Data is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

Quality Assurance

Related SDGs



Basic Stance

Based on the idea that 6S activities (Sort, Set in order, Shine, Standardize, Sustain, and Sophisticated manners) are the foundation of all, the entire company works together as one for quality improvement to provide products that meet the needs of our customers and are safe to use.

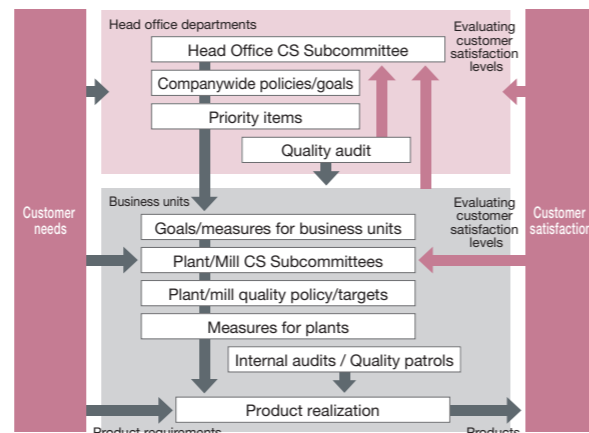
CS Action Policies for FY3/2022 Make Zero Defect (ZD) activities fruitful

Fundamental philosophy	Improve customer satisfaction to the maximum limit amidst economic activities in pursuit of profits
Priority item	Establishing the awareness that zero defects are the norm and identifying issues at workplaces to respond immediately and improve quality

Quality Assurance Structure

Based on our CS action policies, we operate our own unique quality management system to ensure the quality of our products. We established the Head Office CS Subcommittee to provide companywide oversight so that we can promote quality assurance activities. The subcommittee meets twice per year. In addition to monitoring the status of activities throughout the company, it also identifies risks that would have a material impact on quality and deliberates on and determines matters such as companywide action policies and priority items. Business units decide on measures based on the action policies established by the Head Office CS Subcommittee. Plants and mills consider the measures, formulate more specific measures, and set the goals for plants and mills. In addition, the Plant/Mill CS Subcommittees meet once a month to check the status of quality activities, evaluate defect countermeasures, and improve quality.

Quality Assurance Structure



List of plants with ISO 9001:2015 certification (As of March 31, 2022)
Shiga Plant, Takefu Plant, Shin-Nagoya Plant, Toyohashi Plant, Katsushika Plant, Oyama Plant

Efforts to Prevent Occurrence of Defects

In FY3/2022, we began to regard product contamination as a critical defect and engaged in discussions on incidents that occurred in plants at companywide quality meetings and thoroughly notified them to prevent reoccurrences. For typical defects that occurred in the previous year, information on the incidents that occurred in the past is shared companywide to call attention to prevent reoccurrences. In addition, for handling errors, information on the incidents that occurred in the previous month is shared companywide and are utilized for education of the Sales & Marketing Department.

We prevent the shipping of defective products by systematically updating or remodeling the equipment and upgrading the inspection equipment as needed to stabilize quality. We also have established a traceability system so that we can promptly respond when customers report quality defects and bring peace of mind to the consumers.

Strengthening the Quality of Procurement Sources and Subcontractors

We strive to provide a stable supply of procured products (mainly flexible packaging) under a strict quality control structure. We worked closely with major procurement sources to share information and prevent defects.



Quality Patrol

Supply Chain Management

Related SDGs



Basic Stance

In order to procure materials in a manner that conserves resources, protects the environment, and is in harmony with society, Rengo is increasing its cooperation with suppliers in everything from raw material procurement to production, logistics, and sales, and strives to build strong, trusting relationships.

Sustainable Raw Material Procurement

Rengo Group's Fundamental Policy on Procurement

For the Rengo Group to reduce its impact on the global environment while sustainably and stably providing high quality and high value-added products to earn the satisfaction of our customers, it is essential to improve the quality of procurement of materials in a manner that is environmentally and socially friendly.

To build healthy trading relationships with suppliers, we formulated Rengo's fundamental policy for procurement in April 2017, followed by establishing the new Rengo Group's Fundamental Policy on Procurement in April 2018 which comprehensively encompasses all the Group's companies.

Rengo Group's Fundamental Policy on Procurement

The following fundamental policy governs our responsible procurement of materials, in accordance with our Corporate Philosophy:

1. We will comply with laws, regulations, and social norms.
2. We will have consideration for conservation of resources, environmental protection, and social harmony beyond economic rationales.
3. We will select suppliers in a fair and impartial manner, irrespective of country and trading history with Rengo.
4. We will ensure proper management, protection, and no divulgence of information assets (confidential corporate data, personal information, intellectual property, etc.) acquired in the course of operations, and ensure that information is not used for purposes other than for which it was obtained.
5. We will build trust with suppliers and strive for mutual development.

Established on April 1, 2018

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, which stipulates nine items with which we request our suppliers' compliance. We have posted the details of these items on

our website in an effort to obtain the understanding of our suppliers.

Requests to Our Suppliers / Supply Chain Management:



Supplier CSR Questionnaires

Based on the Rengo Group's Fundamental Policy on Procurement, we collaborate with suppliers to engage in procurement activities that are friendly to the global environment and local communities. In FY3/2020, we began conducting supplier CSR questionnaires to gain an understanding of the CSR initiatives of our suppliers and clarify related issues. In FY3/2022, we expanded this initiative from 22 companies in the previous year, distributing questionnaires to 37 major suppliers from whom we purchase materials, and we received responses from 40 companies, including supplier subsidiaries (100% response rate). If there are items with low evaluation scores, we take actions such as requesting improvement efforts and checking the implementation status.

By working together with respondents to tackle the issues identified through the questionnaire, we seek to build solid trust and stronger long-term cooperative relationships with suppliers.

Overview of FY3/2022 CSR Questionnaire Results

In our CSR questionnaire, we use the CSR Procurement Self-Assessment Question Table created by Global Compact Network Japan in 2017. The average percentage scores of the 40 responding companies were high in the areas of "environment" and "information security" but low in the areas of "human rights" and "supply chains."



Procuring Wood Materials

Procurement Policy for Wood Pulp

Some of the Rengo Group's major products use wood pulp. Our Procurement Policy for Wood Pulp states that when procuring pulp, we must not only consider the global

environment and biodiversity, but we must also procure pulp from suppliers that do not use illegally logged wood (chips) to ensure effective use of sustainable wood resources.

Procurement Policy for Wood Pulp

The Rengo Group procures pulp sourced from wood that has been produced from sustainable forests based on the awareness that the wood in paper is a renewable natural resource, and for the sake of helping protect the global environment and global biodiversity.

Procurement Policy

- We will procure pulp sourced from wood that has been produced in properly managed forests that comply with local laws and regulations.
- We will prioritize the procurement of pulp sourced from waste timber, thinned wood, low-quality wood, and such, to ensure effective use of resources.
- We will not procure pulp sourced from illegal logging, wood from conservation-worthy forests, and wood obtained in circumstances that have infringed on human rights or traditional rights.
- We will procure from suppliers that comply with laws, regulations, and social norms, which show due consideration for human rights, the environment, and society.
- We will prioritize procurement of pulp sourced from wood produced in properly managed forests that have received third-party forest certification. In particular, we will only procure pulp for paperboard that has received third-party forest certification.
- When procuring pulp that has not received third-party forest certification for other uses, in the case of suppliers in Japan,

we will procure from suppliers that participate in the voluntary initiatives of the Japan Paper Association against illegal logging and have *goho* (legal) wood certification, or 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, 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

- We will keep the relevant documents for a minimum of five years and make them available at the request of auditors or other such persons.
- We will undertake an annual audit by the Japan Paper Association's Illegal Logging Monitoring Project.
- We will regularly provide summaries of the above on our website and other media.

Illegal Logging Countermeasures

Roughly 80% of the wood pulp Rengo uses is procured domestically, while roughly 20% is imported. In 2020, the pulp used in the manufacture of cellulose-related products at the Takefu Plant received Forest Stewardship Council (FSC) certification. With this, now all of the wood pulp we procure, including the pulp used in the manufacture of paperboard, receives forest management certification from third party certification bodies.

As part of our illegal logging countermeasures, in order to confirm that raw materials are procured in accordance with our procurement policy, we undertake annual audits by the Japan Paper Association's Illegal Logging Monitoring Project. Pulp procured in FY3/2021 was audited by the Monitoring Project in October 2021. This audit confirmed that all of the pulp was manufactured from wood material that was obtained legally.

The pulp procured in FY3/2022, as well, will be audited by the Monitoring Project by the end of FY3/2023.

Pulp Procurement Sources and Management Conditions (FY3/2022)

Country of origin	Composition (%)	FSC certification	Individually managed*
Japan	86.5	○	○
Brazil	7.3	○	-
South Africa	3.8	○	-
Chile	2.4	○	-

* We obtain *goho* (legal) wood certification based on the voluntary initiatives of the Japan Paper Association against illegal logging.

Supplying FSC®-Certified Products

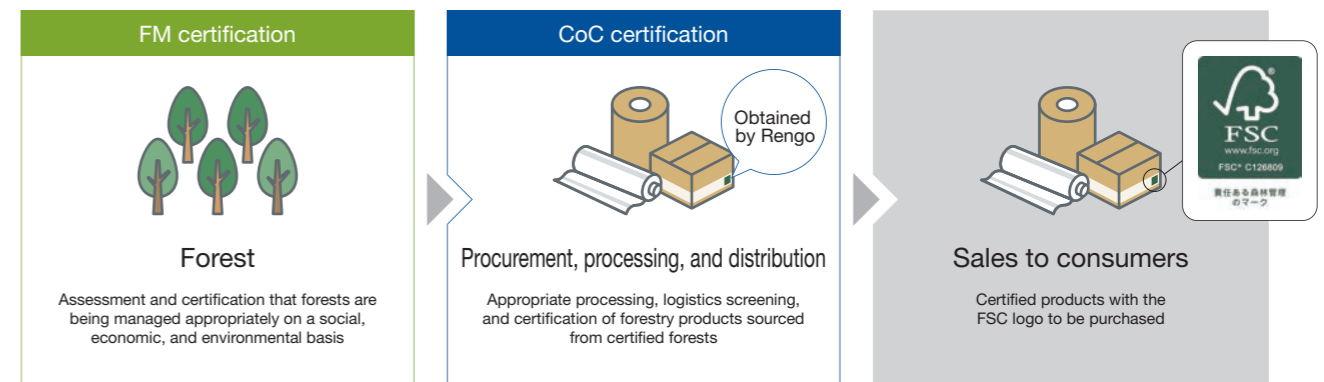
We use FSC certification to confirm that our wood pulp is procured appropriately and that we purchase appropriately managed wood material. We also promote the more widespread use of FSC-certified products.

FSC certification includes FM certification and CoC certification. It is an international system for authenticating and certifying both appropriately managed forests and the appropriate processing and distribution of lumber harvested from these forests. In the case of corrugated packaging, FSC certification must be obtained, not only by the corrugated plant that processes the corrugated packaging, but also by the paperboard mill that produces containerboard, the raw material of corrugated packaging. As an integrated manufacturer of both paperboard and

corrugated packaging, we obtained FSC certification (CoC certification) in 2016 for all of our containerboard and corrugated packaging other than cellulose-related products, and we established a nationwide supply structure for certified products. Apart from corrugated packaging, we have also obtained FSC certification for our clay coated board and chipboard which are used in packaging for food items and daily necessities.

In September 2020, we also acquired FSC certification (CoC certification) for cellulose-related products at the Takefu Plant. With this, all of the products we supply that are made using wood pulp are FSC-certified products. We will continue to contribute to responsible forest management through our raw material procurement, product manufacturing, and supply activities.

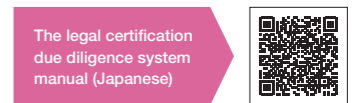
Structure of the FSC Certification System



Clean Wood Act Initiatives

Japan's Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products (the Clean Wood Act) went into force in May 2017, and the Rengo Group became a registered wood-related business operator in March 2018. To minimize the risk of purchasing wood or wood products which have been illegally harvested, we created and use a legal certification due diligence system manual. The Rengo Group will continue to

implement measures in accordance with the Clean Wood Act. This manual is available on our website (Japanese).



Conflict Mineral Response

The Rengo Group implements measures as not to provide benefits to organizations such as anti-social armed groups that infringe on human rights. In April 2017 we established the Conflict Minerals Policy and also confirm with our suppliers that measures and audits related to conflict minerals are being taken.

Conflict Minerals Policy

Certain minerals mined from the Democratic Republic of the Congo and its adjoining countries pose major problems internationally in that they are a source of funds for armed groups and exacerbate conflict, human-rights abuses, and environmental degradation. The Rengo Group implements measures for not sourcing or using raw materials containing conflict minerals, namely tantalum, tin, tungsten, and gold, that have been extracted or brokered by armed groups.

Respect for Human Rights

Related SDGs



Basic Stance

One of the elements of our Corporate Philosophy is to "respect the value of individual employees and strive to create safe and congenial work environments providing comfort and fulfillment." Based on this action guideline, we have formulated Rengo Group Human Rights Policy and work to create environments of respect for human rights.

Human Rights Policy

Rengo Group Human Rights Policy

The Rengo Group has regard for the value of each individual who works for the Group as a part of our Corporate Philosophy. The Rengo Group establishes this Rengo Group Human Rights Policy to codify respect for human rights as our corporate social responsibility and undertake initiatives relating to human rights.

1. Compliance with international norms, laws, and regulations

The Rengo Group will support and comply with international norms relating to human rights. In addition, the Rengo Group will comply with applicable laws and regulations in all countries and regions where it conducts business. In the event of a discrepancy between national or regional laws and regulations and international norms, we will pursue means of complying with international norms.

2. Responsibility to respect human rights in business activities

- (1) The Rengo Group will respect human rights in its business activities and respond promptly and appropriately when issues relating to violations of human rights occur.
- (2) We will respect the human rights and dignity of each individual, eliminate all forms of discrimination and harassment on the basis of gender, age, disability, nationality, race, religion, belief, gender orientation, gender identity, social standing, and so on, and will create work environments where employees are treated fairly.
- (3) We will prohibit human trafficking, forced labor, child labor, other improper labor practices, and all forms of discrimination and protect the human rights of workers including the freedom of association and collective bargaining, ensuring the payment of minimum wages, and appropriately managing working hours.
- (4) We will create work environments where each individual can work in good physical and mental health, safely, energetically, and enthusiastically. We will encourage work styles that lead to a good work-life balance.

3. Implementation of human rights due diligence

The Rengo Group will continuously implement human rights due diligence to prevent violations of human rights.

4. Corrective and remedial measures

The Rengo Group will take corrective and remedial measures in order to respond appropriately in cases where we receive information concerning incidents or problems relating to human rights violations arising from our business activities.

5. Education and training

The Rengo Group will conduct appropriate employee education and training for the purposes of firmly establishing this policy in all business activities and ensuring practice based on a proper understanding of this policy so that risks relating to human rights can be prevented.

6. Dialogue and collaboration with stakeholders

The Rengo Group will engage in dialogue and collaboration with relevant stakeholders in an effort to enhance and improve initiatives for respecting human rights.

7. Information disclosure

The Rengo Group will disclose information relating to its initiatives for respecting human rights in accordance with this policy through websites and reports.

8. Scope of application

This policy applies to all Rengo Group directors, officers, and employees. In addition, all concerned parties and partners involved in Rengo Group business activities are expected to support this policy and are urged to fulfill their social responsibilities including respect for human rights in collaboration with the Rengo Group.

Established on November 2, 2021

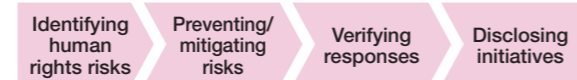
Initiatives for Human Rights Due Diligence

The human rights due diligence set forth in the Human Rights Policy is implemented as a series of cycles as follows.

- We will identify visible and potential human rights risks and understand the current situation.
- We will take appropriate measures to prevent and mitigate risks. Specifically, we will provide human rights-related education and training on the theme of harassment and diversity for employees, and develop and improve facilities, regulations, and labor practices, etc.
- We will strengthen our initiatives by conducting monitoring (follow-up surveys) to verify our initiatives.
- We will disclose information to stakeholders through our websites and other means.

- We will establish a system to receive and respond to complaints, consultations, and whistleblowing regarding human rights-related issues from employees and related stakeholders.
- We will build a management structure by the Ethics Subcommittee, evaluate these initiatives, strive to improve them, and ensure greater effectiveness.

Human Rights Due Diligence Process



Creating Environments of Respect for Human Rights

Recognizing the differing values with respect for individuality is the foundation of our business. To protect basic 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 whistleblower system and various kinds of consultation hotlines.

Conducting Education and Training

To foster a more accurate understanding and deeper awareness of human rights, in April of each year, external instructors give human rights lectures as a part of our internal training programs. For FY3/2022, lectures were conducted along four themes: 1) the relationship between society and human rights; 2) human rights issues and stereotype prejudices; 3) understanding the various human rights issues related to corporate activities; and 4) respect for human rights required of companies. We continuously strive to create ideal workplaces where each and every employee respects the rights of each other.

In addition, as an initiative to prevent harassment, we provide training for management employees and share information in Group newsletters distributed to all employees.

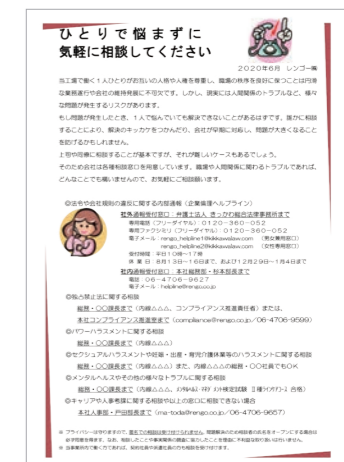


Human rights lectures

Establishing Consultation Hotlines

Many different kinds of issues can occur at the workplace. Rengo has put in place and made employees thoroughly aware of separate consultation hotlines depending on the type of issue—such as harassment, mental health care, and performance assessment—so that in the event that a problem occurs, employees have someone to consult with to deal with the issue and the company can respond to the issue promptly.

Not only can Group company members make use of external hotlines, but privacy is strictly protected and issues are handled appropriately so that whistleblowers are not treated unfairly.



Consultation hotline awareness poster

Building Healthy Relations Between Labor and Management

Once each month at our divisions, plants, and mills, executive branches of labor union 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, council meetings are held more than 400 times each year, and steady, ongoing efforts such as these help to deepen mutual understanding and build positive relations between labor and management.



Labor-management council

Creation of Environments Where Diverse Human Resources Can Demonstrate Their Unique Potential



Basic Stance Rengo views employees as the most valuable assets of a company. To create environments where each and every person is treated well and can work with motivation, Rengo is improving and expanding its personnel system and training programs as well as implementing initiatives to promote employees' health.

Human Resource Development to Improve Competency

We conduct fulfilling education and training according to the careers of our employees to actively support their growth. By conducting systematic education and training, Rengo seeks to develop employees with high levels of knowledge, competency, and a sense of responsibility and spirit who possess flexibility and creativity to properly adapt

to the changing times. In addition to on-the-job training, in which employees learn through their day-to-day work at their respective workplaces, we are also working to improve the abilities and motivation of employees through education and training that provide employees with the knowledge and skills needed for their own rank and job type.

Rank-Specific Career Education

We have particularly extensive training structures for employees who have been with the company for up to three years. Departments coordinate with each other to provide employees with knowledge, skills, and positive attitudes, and on-the-job training is used in plant and mill workplaces, based on the principle of the hands-on approach. Employees review their own work styles, and regular follow-up training is used to support the future growth of young employees, who will play an important role in the future. For mid-career employees, we provide more highly specialized training, and for management employees we provide opportunities to improve the knowledge and skills that are essential for management.

In addition, we have created a system that supports the development of employees' capabilities through employee self-fulfillment, and we provide support for self-fulfillment as a means of achieving growth.

Implementation of Small-Group Improvement Activities

We have employees participate in small-group improvement activities with the aim of further increasing employee growth, invigorating workplaces, and creating the world's best workplaces. In FY3/2022, we had themes related to initiatives for improving total factor productivity (TFP) such as safety, quality, the environment, productivity improvement, cost reduction, 6S, and customer satisfaction. In total, nearly 7,300 employees in 794 teams from within the Rengo Group took part in the activities. Besides leading to resolution of companywide issues, workplace improvements are also ways of further reinforcing the on-site strength of the Rengo Group.



New employee training session



Small-group improvement activities companywide presentation meeting

Education System Diagram

Target	New employees		Mid-career employees			Employees in supervisory positions		Employees in managerial positions			
	1st year	2nd year	3rd-4th year	5th-7th year	8th-9th year	Assistant Manager	Deputy Manager / Assistant Manager	Manager	Deputy General Manager	General Manager	
Rank-specific education	Career-path positions A	Introductory education for regular recruitment employees	1st year follow-up training	2nd year follow-up training	3rd year follow-up training						
		Career-path positions B	Training for new employees								
	Employees working as office & production staff		Group training for regular recruitment plant/mill employees	Training for new employees						Training for newly appointed management employees	Training for newly appointed General Manager of the plant
Education by business unit	Packaging Business Unit (sales & marketing)	Training provided for new sales & marketing personnel					Tutor training				
	Packaging Business Unit (manufacturing)	Operator education (introductory)					SP knowledge training				
		Networking events for female employees working as manufacturing staff	Operator education (intermediate)					Training program for Packaging Professionals			
				Rengo Technical Academy				Packaging technology training			
Paperboard Business Unit						Steam system seminar					
Departments of Human Resource / Legal Affairs / Environmental Management Promotion / Safety & Hygienic / Information Systems							RYCC seminar				
							Training for newly appointed Assistant Managers				
							Introduction to compliance				
							Introduction to credit management				
							Training for newly appointed Assistant Managers				
Open courses											
Selective education											

■ 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. Since 2010, a total of 44 employees have been selected and assigned to 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 ¥100,000 to ¥300,000 to those who achieve a certain level of language proficiency (English/Chinese).

■ Creating an Appropriate Evaluation System

Rengo provides 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. These feedback interviews help to increase subordinates' acceptance of the results and advance their understanding of the ideal employee profile for their superiors and the company. At the same time, superiors are able to assist subordinates in the direction of goal setting and competency development.

Also, employee satisfaction and needs are confirmed at yearly self-assessment and career interviews.

■ Empowering Female Employees

Rengo has established the Section for the Promotion of Women Employees in April 2014 (reorganized into the D&I Promotion Office in April 2022) and has set about developing an environment where diverse human resources 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 its initiatives and received Eruboshi certification (level 2) from the Minister of Health, Labour and Welfare in May 2016 for complying with standards as a general business enterprise in accordance with the Act on Promotion of Women's Participation and

Advancement in the Workplace. We have dedicated ourselves to hiring, actively promoting, and expanding the areas of responsibility of women. As a result of these efforts, in November 2020, our certification level was raised one level (to level 3).

We achieved all of the targets in our action plan for the FY3/2017 to FY3/2021 period. In our five-year action plan starting from FY3/2022, we aim to further accelerate our efforts, raising the ratio of female employees throughout the company and further improving their motivation and competency.

Promoting Diversity and Inclusion

Rengo promotes diversity and inclusion with the aim of being a corporation where diverse human resources can respect and accept each other, and everyone can maximize their unique potential regardless of their gender, age, disability, or nationality.

■ Encouraging Employment of Older Workers

To further encourage employment of older workers, Rengo increased the retirement age from 60 to 65 years in April 2019. In addition, based on the national government's Measure to Secure Working Opportunity for employees up to the age of 70," in April 2020, Rengo's previous re-employment program for employment up to 65 years was changed to allow workers to continue working up to a maximum age of 70 years if they wish to do so.

We are raising productivity and creating ideal workplaces so that all employees can work with enthusiasm and determination and uphold "lifetime careers" while maintaining good health and high motivation.

■ Encouraging Employment of Persons with Disabilities

Employing persons with disabilities is important to create work environments where everyone can work comfortably. Rengo is actively working to employ more persons with disabilities and increase their responsibilities. As of June 2021, the employment rate of persons with disabilities was 2.3%, satisfying the statutory requirement.

Furthermore, Rengo has conducted universal manner certification training to increase employees who are able to act with a sense of ownership and proper understanding. This training covers basic knowledge of appropriate ways to support and communicate with persons with disabilities. This includes the definitions of disabilities and ways of speaking to persons with disabilities. Using case studies, they also learn about specific mentalities and actions necessary for putting the training into practice. We will continue to create and improve workplace environments where people with disabilities can thrive.



Goals Stated in the Action Plan

Period of plan: Five years starting from April 1, 2021

1. Achieve an employment rate of 30% or more for female employees in career-path positions
2. Achieve an employment rate of 20% or more for female employees assigned to office & production staff positions
3. Achieve 1.5 times or more of the number of female employees in managerial positions (from 40 in FY3/2021 to 60 or more)
4. Achieve a rate of 80% or more of male employees taking childcare leave

		FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Number of employees	Number of females	3,730	3,817	4,042	4,132	4,180
	Percentage of females	9.3	9.7	11.2	11.6	12.3
Average age	Males	40.0	39.8	40.3	40.5	40.9
	Females	40.3	40.2	40.6	40.9	41.4
Average employment tenure (years)	Males	36.6	36.3	37.6	37.7	37.6
	Females	15.0	14.8	14.9	15.3	15.7
Number of new employees (career-path positions)	Number of females	15.4	15.2	15.4	15.8	16.3
	Percentage of females	11.7	11.5	11.2	11.5	11.5
Number of new employees (office & production staff)	Number of females	59	89	70	77	90
	Percentage of females	17	21	20	20	28
Number of employees in managerial positions	Number of females	28.8	23.6	28.6	26.0	31.1
	Percentage of females	124	185	187	128	122
Mid-career employment rate (%)	Number of females	18	18	15	19	26
	Percentage of females	14.5	9.7	8.0	14.8	21.3
Employment rate of persons with disabilities (%)	Number of females	684	686	716	754	764
	Percentage of females	29	33	34	40	39
		4.2	4.8	4.7	5.3	5.1
		55.1	55.6	71.3	38.0	50.5
		2.2	2.4	2.2	2.3	2.3

Developing Work Environments That Support a Good Work-Life Balance

Rengo creates working environments that promote work-life balance, such as with programs to support balancing work with childcare and family care so that every employee can feel fulfilled and satisfied and adopt working styles suited to their stage of the life. In November 2018, Rengo received Kurumin 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 Kurumin certification, a special certification, as an outstanding childcare supporting company that implements high-level measures.

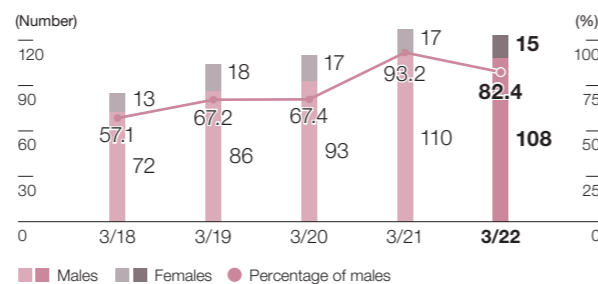
In order to make it easy for both men and women to take childcare leave and to establish environments where they can readily return to the workplaces, we have raised awareness of the plan by explaining its programs and preparing pamphlets and Group newsletters that describe personal experiences. We have placed particular emphasis on encouraging male employees to take childcare leave,

and the percentage of eligible employees taking leave is rising year by year.

To address the declining birth rate and support the development of future generations, Rengo gives congratulatory bonuses of ¥1,000,000 on the birth of an employee's third or subsequent child. Since this program was introduced in April 2006, a total of 433 employees have received the payments (as of March 31, 2022). Rengo is providing not only institutional leave, but also economic support.



Number and Rate of Employees Using the Childcare Leave Program



Systems to Support Work-Life Balance

System	Details
Childcare leave	Possible to take it until children are one year and two months old. The leave period can be extended until children are two years old if they cannot be placed in nursery care. The first seven days of the leave period are paid.
Reduced working hours for childcare	Working hours per day can be shortened to six or seven hours until children have completed their third year of elementary school. This can be combined with the flextime system.
Child nursing leave	Possible to take it until children have completed their third year of elementary school. Up to five days per year can be taken for single children. Up to 10 days can be taken for two or more children.
Family care break	Possible to take it up to three times per person requiring nursing care. Up to two total years per person requiring nursing care can be taken, with each leave period lasting up to one continuous year.
Reduced working hours for family care	Working hours per day can be shortened to six or seven hours. This can be combined with the flextime system. * Possible to use for up to three years. If this system is used in conjunction with other work hour measures related to family care, the combined total period of the systems is limited to three years.
Family care leave	Up to five days per year can be taken per person requiring nursing care. Up to 10 days can be taken for two or more people requiring nursing care.
Other working hour measures related to childcare and family care	Flextime system and staggered work start times.
Childcare and family care service usage supplementation	Usage fees are partly subsidized by outsourced benefit service.
Congratulatory bonus for childbirth	¥20,000 for first child, ¥50,000 for second child, ¥1,000,000 for third and subsequent children.

Utilizing Remote Work

In April 2019, Rengo introduced a work-from-home system, both to improve work-life balance and to raise productivity. Under the system, employees can work from home one day per week, during normal working hours. This system does not apply to plants and business units involved in on-site production or sales activities. From April 2020, due

to the state of emergency issued as a result of the COVID-19 pandemic, we established a supplementary system adopted temporarily for the purposes of protecting the health of employees and preventing the spread of infection. This work-from-home system is primarily being used for head office departments.

Promoting Good Health

In conjunction with setting age 65 as the mandatory retirement age, effective from April 2019, Rengo formulated the Rengo Good Health Declaration in January 2019 to maintain and improve the health of employees and their families. We are promoting day-to-day healthy living and creating safe, secure workplaces so that all employees can enjoy healthy and active work and private lives throughout their entire lives. We have set up a Good Health Committee and Plant/Mill Good Health Committees and are expanding the priority measures of the declaration companywide. The Good Health Committee is composed of the company, labor union and health insurance association. The Plant/Mill Good

Health Committees consist of general managers of general affairs departments of the divisions, plants, and mills and two Good Health Leaders (one each from the company and the labor union).

In 2022, we were recognized for the third consecutive year as a Certified Health & Productivity Management Outstanding Organization (large enterprise category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Rengo Good Health Declaration

Priority Measures

Actions to promote good health

- Promote smoking cessation
- Curtail lifestyle-related diseases and prevent serious conditions
- Hold seminars to encourage good health practices

Actions to Support Mental Health

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

Actions to create ideal workplaces for all employees

- Reduce overtime work
- Encourage employees to take paid annual leave
- Increase the safety and labor-saving of machinery, and develop and improve work environments

Actions to Promote Good Health

Since FY3/2020, Radio Taiso (radio-guided calisthenics) facilitated by specialized instructors and good health promotion lectures have been conducted companywide. Leaders of good health have actively led efforts to provide instruction and explanations to ensure that Radio Taiso are

performed properly, promote smoking cessation, and call out to others and gather opinions to foster communication. In addition to improving the health consciousness of individuals, these activities lead to better workplace safety and productivity.

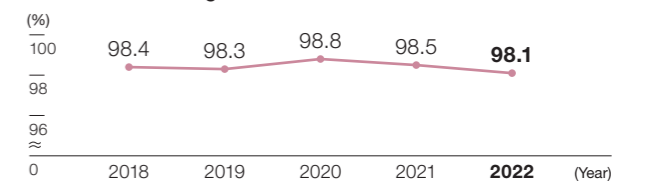
Actions to Support Mental Health

Rengo supports the mental health of its employees through conducting internal training and setting up internal and external consultation hotlines. Since 2010, we have recommended that employees take Mental Health Management Exam Class II (Line Care Course), and 246 employees have passed so far (as of June 2022). In 2012, we documented our initiatives in the form of Plan for the Promotion of Good Mental Health, which was rolled out companywide. In 2014, we formulated rules on gradual return to work so that those taking a break from work due to mental health issues can smoothly return to the workplaces.

With the aim of better utilizing the analysis on the results of the stress checks that have been conducted every year since 2016, in 2019 we revised how they are implemented, including the

questions and methods of aggregation and analysis. We conduct training for general managers of general affairs departments of the divisions, plants, and mills, in which we share analysis results, and we are carrying out activities aimed at making organizational improvements (98.1% of employees undertook the stress checks in 2021).

Rate of undertaking the stress checks

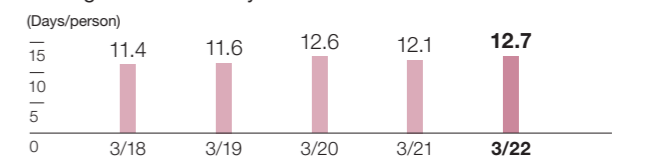


Reducing Overtime Work and Encouraging Employees to Take Paid Annual Leave

As the work style reform movement to address long working hours is taken up by the national government, since 2015, Rengo has been implementing an initiative 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, but also of 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 raising awareness and

making improvements to the workplace environment, the average number of days of leave taken in FY3/2022 was 12.7 days, steadily achieving our target of at least 10 days on average.

Average Number of Days of Paid Annual Leave Taken



Related SDGs



Protection of Health and Safety

Basic Stance

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 persons involved, his or her family, and the company. Based on the conviction that severe accidents must never be allowed to occur, we have therefore defined focus areas.

We also provide 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 continually creating working environments which are safe and easy to work in, thereby helping prevent industrial accidents.

Health and Safety Policy for FY3/2022

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 putting health and safety as the topmost priority through cooperation between labor and management. At the same time, we remove potential hazards and risk factors from the workplace, and eliminate industrial accidents to create healthy and safe workplaces.

2 Goal

Eliminate accidents

3 Safety Spirit

Overconfidence is the enemy

4 Slogan

Strong warnings are considerate of others; work together to create safe workplaces

5 Focus Areas

We will continuously pick out sources of serious risk*¹ by operating industrial health and safety management systems. We will completely eliminate severe accidents**² by preventing accidents such as by eliminating risks and taking mitigation measures.

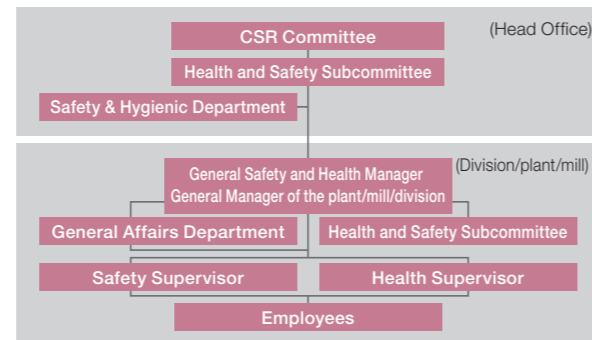
*1 Work or locations that are linked to serious accidents

**2 Accidents with severity that prevents or severely limits the victim from carrying out his or her main duties, such as death, paralysis, blindness in both eyes, and loss of limbs.

Health and Safety Promotion Structure

Rengo has established a Health and Safety Subcommittee within the head office that oversees the entire company, under which are the health and safety subcommittees of divisions, plants, and mills, with the goal of comprehensively promoting the management of health and safety. The Health and Safety Subcommittee at the head office meets twice a year to formulate companywide health and safety policies and measures for health and safety. The health and safety subcommittees at each division, plant, and mill plan specific health and safety activities in accordance with companywide policies and measures, and promote them by informing employees.

Health and Safety Promotion Structure



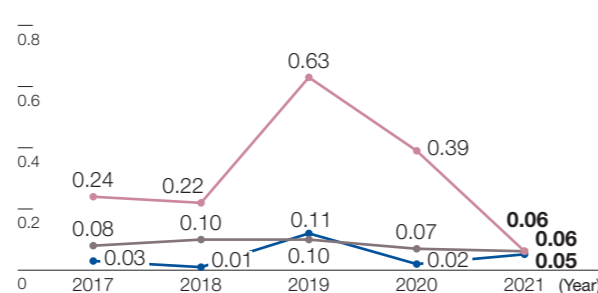
Industrial Accident Occurrence Conditions

Rengo has established and is working on our Health and Safety Activities Plan with the goal of eliminating accidents at divisions, plants, and mills. However, there were 11 accidents resulting in lost working days in 2021, an increase of five from the number in the previous year, and the frequency rate worsened to 0.97. Although the severity rate remained lower than the average in the pulp, paper, and paper converting industry and manufacturing industry, it has worsened, reaching 0.05. By promoting health and safety activities in cooperation with labor and management, we will continue our efforts to eliminate and mitigate risks and improve safety awareness, aiming to achieve zero accidents.

Frequency Rate* (CY)

	2017	2018	2019	2020	2021
Frequency Rate	0.63	0.44	1.16	0.53	0.97

Severity Rate* (CY)



● Rengo ● Pulp, paper, and paper converting industry ● Manufacturing industry

Source: Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

* Severity rate represents the severity of an accident, calculated by the number of working days lost for every thousand hours of cumulated work.

* Frequency rate represents the frequency of industrial accidents, calculated by the number of casualties (fatal accidents and accidents where one or more working days are lost) due to industrial accident for every million hours of cumulated work.

Fire Drill

Fire drills are held at divisions, plants, and mills at least once a year. We conduct fire extinguishing, reporting, and evacuation training as if a fire or earthquake has actually occurred so that employees can respond safely to emergencies. In addition, we attempt to familiarize employees with the use of fire extinguishers by having them actually use them.



Fire drill

Health and Safety Patrols

Safety personnel at divisions, plants, mills, and Rengo Group companies serve as patrol team members and conduct annual patrols of all divisions, plants, and mills. They perform confirmation from an objective perspective to identify latent risks and contribute to workplace improvements. We reported results and exchanged opinions through video conference and the use of web cameras to avoid the Three Cs (closed spaces, crowded places, and close-contact settings). Suggestions and initiatives for improvements are shared companywide in order to raise health and safety levels.



Health and safety patrol

Heat Stroke Countermeasures

Rengo uses wearable IoT as a measure against heat stroke. We have selected an easy-to-use wristwatch type and are working to remotely manage the health of our employees. Heat stroke is prevented by measuring the wearer's heart rate and skin temperature and sending alerts to the administrator when the value exceeds a certain threshold. It can also detect falls, which is used for safety when working alone.



Wearing a wearable device

VOICE



Hironobu Takeuchi
Assistant Manager,
Logistics Section,
Logistics Department,
Kanazu Mill
Rengo Co., Ltd.

Received a 2021 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare

I have received a 2021 Special Award for Outstanding Foremen in Occupational Safety by Japan's Minister of Health, Labour and Welfare. At my workplace, I am engaged in the transportation of pulper residue and other items, the collection and transportation of waste generated in the workplace inside the mill, and the management of green spaces inside and outside the mill. Since I handle large vehicles for loading and unloading products such as wheel loaders and dump trucks, I work not only by predicting danger but also by paying close attention to prevent injuries and accidents.

In addition, the Kanazu Mill manufactures containerboard containing tea leaves, and is also in charge of the process of crushing and slurrying tea leaves (dispersing solids in water) for use as raw materials.

In order to carry out a wide range of operations safely, it is important to provide appropriate instructions and transmit information with proper understanding of the situation of the mill. I constantly check the workplaces and strive for improvement and guidance so that we can work safely.

I will continue to take the initiative and to strive to pass on a safety culture so that I can serve as a model for the younger generation and create a safer working environment.



Safety education

Communication with Stakeholders

Active communication with stakeholders is indispensable to growing together with society. Rengo aims to build relationships of solid trust and manage the company in a way that meets the expectations of society by recognizing each other's value, sharing information, and solving issues.

Dialogue with Stakeholders

Rengo promotes dialogues with stakeholders through a variety of communication opportunities. Using the dialogues, we understand stakeholder expectations and requests, which come from stakeholders' diverse perspectives, and leverage them in our activities as we strive to increase our corporate value.

	Main dialogue method	Dialogue frequency
Customers	● Sales activities, CS activities	Year-round
	● Tours, exhibitions	As appropriate
	● Information communications (website) / Report publication (Integrated Report, Sustainability Report), etc.	Year-round / Once per year
Shareholders	● General Meeting of Shareholders / Earnings presentations	Once per year / Twice per year
	● Separate briefings	As appropriate
	● Information disclosure (website) / Report publication (Annual Securities Report, Integrated Report, etc.)	Year-round / Once per year
Suppliers	● Supplier CSR questionnaires	Once per year
	● Round-table discussions	As appropriate
	● Report publication (Integrated Report, Sustainability Report), etc.	Once per year
Local and communities	● Activities that contribute to society	As appropriate
	● Exchange of opinions and coordination with NGOs, NPOs, municipal governments, and neighboring companies	As appropriate
	● Recruitment	As appropriate
	● Information disclosure (website) / Report publication (Integrated Report, Sustainability Report), etc.	Year-round / Once per year
Employees	● Labor-management councils	As appropriate
	● Human resource development	Year-round
	● Group newsletter publication / Report publication (Integrated Report, Sustainability Report), etc.	Four times per year / Once per year
	● Whistleblower system	As appropriate

Evaluations of Products and Technology Development

Rengo actively collaborates with partners to develop products and technologies that can use packaging to solve the issues faced by society, which are constantly changing in line with the times.

Product name	Partners (Customers)	Name of contest/competition
Hakutsuru Ukiyo-E Label Box Series	Hakutsuru Sake Brewing Co., Ltd.	WorldStar Competition 2021 ^{*1} Marketing Special Award (Silver)
Pure Select [®] Mayonnaise Keep-Fresh Bottle 200 g	Ajinomoto Co., Inc. Shirouma Science Co., Ltd. Fuji Seal, Inc.	WorldStar Competition 2022 ^{*1} Japan Packaging Contest 2021 ^{*2}
Nishimura's Bolo Packaging; Fun Coloring Party Hat for Children's Day Cushioning Material Integrated Top and Bottom Identical Tray for Smart Cube	Nishimura Eisei Boro Co., Ltd. Daikin Industries, Ltd. Tokyo Seika Co., Ltd.	
Outer Carton for "SUGOI MIKAN," "SUGOI KAKI," and "SUGOI IMO"	Wismettac Foods, Inc.	
100% Paper-Made Phalaenopsis Vase, Including Flower Pot	Matsura Orchid Nagoya Mould Co., Ltd.	
New Single Action Open Box; Great Openability Even for Thin Coated Board Inner Carton	Asahi Group Foods, Ltd.	
Paper Made Bottle Neck POP with Trial Set	Sunstar Inc.	
House Foods "Gentle Late Night Curry" Corrugated Box	House Foods Group Inc.	
"KUBARA Shoyu Vegetable Kit" Two-Splitable Shelf Ready Packaging with Corrugated Board Connection	Kubara Honke Shokuhin Co., Ltd.	
Canon Mini Photo Printer Display Stand	Canon Marketing Japan Inc.	JPM (Japan Promotional Marketing Institute) POP Creative Award ^{*3}
MINTIA Halloween limited-Edition Witch's Apple Display Rack	Asahi Group Foods, Ltd.	
BOSS CAFE BASE One Panel Display	Suntory Foods Limited	
AROMA RESORT BODY GEL—Clear Lemon & Mint Display	Kracie Home Products, Ltd.	
Dear Beauté Scent Samples (Scandinavia and Aurora)	Kracie Home Products, Ltd.	
Corrugated Shipping Box for "Yuramikan" Produce	JA Shizuokashi (Shizuoka City)	Pentawards 2021 ^{*4}
November 11 Pocky & Pretz Day DEGI-PAKE for Transportation and Sales Promotion	Ezaki Glico Co., Ltd.	The 61st Jpc Packaging Competition (2022JPC) ^{*5}
Let's Make a Mask! Nishimura's Mamemaki Bolo	Nishimura Eisei Boro Co., Ltd.	
Super Irresistible Banzai Sansho Set	Iwatsuka Confectionery Co., Ltd.	

^{*1} A global packaging contest held by the World Packaging Organisation with the aim of raising awareness of and fostering more widespread use of packaging technology of excellent quality by competing in the areas of ease of use, design, and environmental friendliness
^{*2} A contest held by the Japan Packaging Institute with the aim of promoting the development and adoption of outstanding packaging and packaging technologies that meet the demands of the times and society
^{*3} The largest POP tool contest in the promotion industry in Japan held with the aim of improving the expressiveness of promotional tools and increasing social recognition of the promotion industry
^{*4} The world's most prestigious competition specializing in packaging design
^{*5} A competition judging a broad range of functions including reliability, safety, consideration for the environment, and conventional functionality such as ease of use from a comprehensive and multifaceted perspective to recognize outstanding packaging

Contribution to Society

Basic Stance

Rengo strives to contribute to the sustainable development of society by actively engaging with local communities as a good corporate citizen, through our business, and through our activities aimed at addressing social issues. We engage in various initiatives that leverage business as only we can and implement measures to solve community issues. In this section, let's look at leading initiatives such as developing future generations, providing support for disaster countermeasures and reconstruction, promoting culture, and providing science and technology support.

Developing Future Generations

Conducting Dispatched Lessons

Every year since FY3/2011, Rengo has provided dispatched lessons for the children who will lead the future to teach the origin of the name "corrugated board," the secret of its strength, its high recycling rate, and the importance of separation to keep the recycling rate high in a fun and easy way to understand. We have conducted a total of 141 lessons over the past 12 years, teaching roughly 6,200 children. Since FY3/2013, we have given dispatched lessons on manufacturing as part of Echizen City's Ambitious Children's Educational Program to teach about the features of cellophane and the joys of manufacturing. From FY3/2021, as a measure against COVID-19, we have been holding classes online as well.



Dispatched lesson

Cultural Promotion

Support for the Orchestra Ensemble Kanazawa

Orchestra Ensemble Kanazawa was established in November 1988 as the first permanent professional chamber orchestra in Japan under the leadership of the late music director Hiroyuki Iwaki with the support of Ishikawa Prefecture and Kanazawa City. Rengo has provided continuous support by sponsoring concerts and lending a renowned Stradivarius violin "Lang" (manufactured in 1714).



Orchestra Ensemble Kanazawa

Providing Support for Disaster Countermeasures and Reconstruction

Supporting Local Government Disaster Countermeasures

Rengo provides a number of corrugated products that can be used during earthquakes, typhoons, and other natural disasters, such as mats, space dividers, and beds, as well as corrugated boxes used in transporting relief supplies. Corrugated beds in particular have been known as being useful for alleviating lower-back pain and preventing deep-vein thrombosis for people living at evacuation sites for prolonged periods of time. At divisions, plants, and mills nationwide, we have concluded agreements with local municipalities and prefectural governments to provide relief supplies at times of disaster, thereby supporting disaster prevention measures in the event of an emergency. The whole of the Rengo Group has entered into disaster prevention agreements with more than 300 municipalities located throughout Japan. In addition, we provided 210 units of Rakuppa Display to the COVID-19 large-scale medical care center in Osaka established by Osaka Prefecture as a stand for providing foods to users.



Comprehensive disaster prevention training session

Providing Science and Technology Support

Supporting the Japanese Antarctic Research Expedition

Rengo supplied the first Japanese Antarctic Research Expedition in 1956 with corrugated boxes, and has continued to support the expedition's survey and research. In August 2021, we supplied corrugated boxes to the 63rd Japanese Antarctic Research Expedition. Rengo's corrugated boxes are used as packaging materials for transporting important materials and daily necessities essential in the Antarctic, and to protect rare items collected.



Corrugated boxes supplied to the Japanese Antarctic Research Expedition (Photo source: National Institute of Polar Research)

Members of the Board, Audit & Supervisory Board Members, and Executive Officers

(As of June 29, 2022) * Number of shares owned as of March 31, 2022

Members of the Board



Kiyoshi Otsubo

Representative Director,
Chairman & CEO

April 1962 Joined Sumitomo Corporation
June 1992 Member of the Board of Sumitomo Corporation
June 1996 Managing Director of Sumitomo Corporation
April 2000 Executive Vice President of Sumitomo Corporation
June 2000 Representative Director, President & CEO of Rengo Co., Ltd.
April 2014 Representative Director, Chairman, President & CEO
April 2020 Representative Director, Chairman & CEO (to present)

Number of shares owned: 164,000
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10



Yosuke Kawamoto

Representative Director,
President & COO

April 1978 Joined Rengo Co., Ltd.
April 2007 Executive Officer
June 2011 Member of the Board, Executive Officer
April 2014 Member of the Board, Managing Executive Officer
April 2019 Member of the Board, Senior Managing Executive Officer
April 2020 Representative Director, President & COO (to present)

Number of shares owned: 92,600
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10



Kaoru Tamaoka

Outside Director

June 1989 Worked in literary circles as a writer (to present) winning the Kobe Literary Prize (award-winning work: Yume-kui-sakana no blue-goodbye)
April 2008 Professor of Osaka University of Arts (to present)
November 2009 Oda Sakunosuke Prize (award-winning work: Oie-san)
October 2012 Member of the Hyogo Prefectural Board of Education
April 2014 Visiting professor of Kansai University (to present)
April 2018 Director of the Administrative Agency for Osaka City Museums (to present)
June 2021 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2022
Board of Directors meetings: 9/9*

* Since Kaoru Tamaoka assumed office, the Board of Directors has met nine times.



Moriaki Maeda

Representative Director,
Executive Vice President

April 1973 Joined Rengo Co., Ltd.
June 2003 Member of the Board
April 2007 Member of the Board, Managing Executive Officer
April 2011 Member of the Board, Senior Managing Executive Officer
April 2013 Representative Director, Executive Vice President (to present)

Number of shares owned: 96,100
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10



Yasuhiro Baba

Member of the Board,
Executive Vice President

April 1974 Joined Fukui Chemical Industry Co., Ltd. (currently Rengo Co., Ltd.)
April 2007 Executive Officer
June 2009 Member of the Board, Executive Officer
April 2012 Member of the Board, Managing Executive Officer
April 2014 Member of the Board, Senior Managing Executive Officer
April 2021 Member of the Board, Executive Vice President (to present)

Number of shares owned: 81,500
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10

Audit & Supervisory Board Members



Kiwamu Hashimoto

Full-time Audit & Supervisory
Board Member

April 1974 Joined Rengo Co., Ltd.
June 2004 Director
April 2007 Member of the Board, Executive Officer
April 2009 Member of the Board, Managing Executive Officer
April 2013 Member of the Board, Senior Managing Executive Officer
April 2015 Director
June 2015 Full-time Audit & Supervisory Board Member (to present)

Number of shares owned: 68,300
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10
Audit & Supervisory Board meetings: 10/10



Tsutomu Shoju

Full-time Audit & Supervisory
Board Member

April 1985 Joined Rengo Co., Ltd.
April 2010 General Manager of Information Systems Department
April 2015 Corporate Officer
April 2016 General Manager of Information Systems Group
April 2020 Assistant to the Senior Managing Executive Officer responsible for General Affairs Department
June 2020 Full-time Audit & Supervisory Board Member (to present)

Number of shares owned: 14,000
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10
Audit & Supervisory Board meetings: 10/10



Ichiro Hasegawa

Member of the Board,
Executive Vice President

April 1976 Joined Sumitomo Corporation
March 2002 Adviser to Rengo Co., Ltd.
June 2002 Member of the Board
June 2003 Member of the Board, Managing Director
April 2007 Member of the Board, Senior Managing Executive Officer
April 2013 Representative Director, Executive Vice President
April 2021 Member of the Board, Executive Vice President (to present)

Number of shares owned: 619,800
Meeting attendance in FY3/2022
Board of Directors meetings: 9/10



Sadatoshi Inoue

Member of the Board,
Executive Vice President

April 1985 Joined Rengo Co., Ltd.
April 2007 Executive Officer
June 2012 Member of the Board, Executive Officer
April 2014 Member of the Board, Managing Executive Officer
April 2019 Member of the Board, Senior Managing Executive Officer
June 2021 Senior Managing Executive Officer, Member of the Senior Executives Meeting
April 2022 Executive Vice President
June 2022 Member of the Board, Executive Vice President (to present)

Number of shares owned: 81,200
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10



Junzo Ishii

Outside Audit & Supervisory
Board Member

April 1986 Professor, Faculty of Commerce, Doshisha University
April 1989 Professor, School of Business Administration, Kobe University
April 1999 Professor, Graduate School of Business Administration, Kobe University
April 2008 President of University of Marketing and Distribution Sciences
June 2015 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 15,500
Meeting attendance in FY3/2022
Board of Directors meetings: 9/10
Audit & Supervisory Board meetings: 9/10



Hitoshi Tsunekage

Outside Audit & Supervisory
Board Member

April 1977 Joined The Sumitomo Trust and Banking Co., Ltd.
June 2004 Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
June 2005 Director & Managing Executive Officer of The Sumitomo Trust and Banking Co., Ltd.
January 2008 President & CEO of The Sumitomo Trust and Banking Co., Ltd.
April 2011 Chairman of the Board, President of The Sumitomo Trust and Banking Co., Ltd. Representative Director & Chairman of Sumitomo Mitsui Trust Holdings, Inc.
April 2012 Representative Director & President of Sumitomo Mitsui Trust Bank, Limited
April 2017 Director of Sumitomo Mitsui Trust Bank, Limited
June 2017 Director & Chairman of Sumitomo Mitsui Trust Bank, Limited
Director of Sumitomo Mitsui Trust Holdings, Inc.
June 2020 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)
April 2021 Senior Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited (to present)

Number of shares owned: 0
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10
Audit & Supervisory Board meetings: 10/10



Yoshio Sato

Outside Director

April 1973 Joined Sumitomo Life Insurance Company
July 2000 Director of Sumitomo Life Insurance Company
April 2002 Managing Director of Sumitomo Life Insurance Company
July 2007 President & CEO of Sumitomo Life Insurance Company
July 2011 President & Representative Director, CEO of Sumitomo Life Insurance Company
April 2014 Chairman of the Board of Sumitomo Life Insurance Company
July 2015 Chairman of the Board, Representative Executive Officer of Sumitomo Life Insurance Company
June 2018 Outside Director of Rengo Co., Ltd. (to present)
April 2021 Director of Sumitomo Life Insurance Company
July 2021 Senior Corporate Advisor to Sumitomo Life Insurance Company (to present)

Number of shares owned: 0
Meeting attendance in FY3/2022
Board of Directors meetings: 10/10



Masayuki Oku

Outside Director

April 1968 Joined Sumitomo Bank, Limited
June 1994 Director of Sumitomo Bank, Limited
November 1998 Managing Director of Sumitomo Bank, Limited
January 2001 Representative Director & Senior Managing Director of Sumitomo Bank, Limited
April 2001 Representative Director & Senior Managing Director of Sumitomo Mitsui Banking Corporation
December 2002 Representative Director & Senior Managing Director of Sumitomo Mitsui Financial Group, Inc.
June 2003 Representative Director & Deputy President of Sumitomo Mitsui Banking Corporation
June 2005 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.
Representative Director & President of Sumitomo Mitsui Banking Corporation
April 2011 Chairman of the Board of Sumitomo Mitsui Financial Group, Inc.
April 2017 Director of Sumitomo Mitsui Financial Group, Inc.
June 2017 Honorary Advisor to Sumitomo Mitsui Financial Group, Inc. (to present)
June 2019 Outside Director of Rengo Co., Ltd. (to present)

Number of shares owned: 0
Meeting attendance in FY3/2022
Board of Directors meetings: 8/10



Tadazumi Fujino

Outside Audit & Supervisory
Board Member

March 1981 Registered as a certified public accountant in Japan (to present)
May 1981 Registered as a certified public tax accountant in Japan (to present)
Opened Tadazumi Fujino Certified Public Accountant Office (to present)
Opened Tadazumi Fujino Certified Public Tax Accountant Office (to present)
April 2008 Osaka District Court Civil Conciliation Commissioner
April 2010 Director of Osaka City University
June 2010 Member of the Independent Committee on Takeover Defense Measures of Rengo Co., Ltd.
April 2013 Director of Osaka Prefecture University
June 2022 Audit & Supervisory Board Member of Rengo Co., Ltd. (to present)

Number of shares owned: 7,000
Meeting attendance in FY3/2022
Board of Directors meetings: —
Audit & Supervisory Board meetings: —

Compliance

Related SDGs



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 only entail simply complying with the letter of the law. Rengo also strives to understand the purpose of the laws and regulations beneath the text and to meet the expectations and demands of society in order to practice fair and good-faith management.

Structures for Promoting Compliance

Rengo's Ethics Subcommittee has formulated policies on compliance with laws and regulations, and related duties are performed by the Legal Affairs Department and Compliance Promotion Office. Compliance promotion managers are appointed at all divisions, plants, and mills to coordinate with each other and further enhance compliance activities. Furthermore, Group companies are carrying out similar activities. In June 2014, Rengo and some Group companies received cease-and-desist orders and administrative monetary penalties from the Japan Fair Trade Commission in regard to violations of the Antimonopoly Act. Rengo's appeal was rejected in February 2021, but we have filed litigation rescinding the trial decision, and proceedings are still underway.

Compliance Education

Rengo conducts training and education on a regular basis to raise the compliance awareness of each and every employee. Since FY3/2013, this training has focused primarily on the Antimonopoly Act and has been provided to employees of Group companies as well. Rank-specific education includes education on the basic stance of compliance for new employees when joining the company and lectures on compliance as a whole on occasions such as the promotion of employees to the General Managers of the plants or managerial positions. In addition, regular lectures by legal advisors are conducted at the beginning of meetings attended by officers, general managers, and Group companies' top management.

Training Workshops and Rank-Specific Education Conducted in FY3/2022

	Frequency/timing	Main content	Participants
All employees, including Group company employees	Four times per year or more	· Antimonopoly Act	—*
New employees	Once after joining company	· Basic related laws and regulations · Compliance	55
Employees promoted to General Managers of the plants or managerial positions	Once when being promoted/appointed	· Related laws and regulations · Compliance	6
Officers, general managers, and Group companies' top management	Two times per year	· Antimonopoly Act	133
Meeting participants	As needed	· Content requested by departments/divisions	111

*Postponed in FY3/2022 due to COVID-19

Whistleblower System

In order to prevent violations of laws and regulations, Rengo, separate from the ordinary business reporting route via immediate superiors, has established whistleblower hotlines inside and outside the company (within a law firm) so that employees can report and consult on compliance matters. The whistleblower system can be used by officers, employees, temporary and contract employees working at Rengo, and retirees (within one year after retiring), and the external hotlines can also be used by employees of Group companies. The system can be used anonymously as well. 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.

Division Visits

Since FY3/2018, personnel have visited divisions in Japan, verifying the status of compliance with the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and other laws and regulations, checking for incidents of harassment, gathering information and sharing opinions regarding relations with local communities, and furthering understanding and awareness regarding compliance. In FY3/2022, planned visits could not be carried out due to COVID-19, but we intend to continue conducting visits, including visits to Group companies, in the future.

Protecting Intellectual Property

Rengo recognizes the importance of protecting its own intellectual property and observing the intellectual property rights of other companies, and has therefore established a dedicated department with an attorney for handling these issues. We also conduct investigations with the aim of securing rights for our own intellectual property and preventing infringement of intellectual property rights of others, and strive to utilize and manage intellectual property rights appropriately. We post educational materials regarding intellectual property and investigative materials regarding the technical fields in which we are active on our intranet. We also have established opportunities for educating sales personnel and research and development personnel. In FY3/2022, we received no claims of infringement of rights.

Risk Management

Related SDGs



Basic Stance | Taking to heart our mission as a “packaging provider,” the Rengo Group seeks to be the world's best general packaging manufacturer group and to create greater sustainable corporate value. To fulfill our responsibility as a supporting industry member that assists with the delivery of living essentials to consumers, we engage in various preparations and management in non-disaster periods, define basic policies for dealing with disasters, and strive to improve our supply structure.

Risk Management Structure

Rengo has established a CSR Committee chaired by the chairman & CEO with the aims of improving management quality and reducing and avoiding future risks. With regard to the management of compliance, environmental, disaster, quality, information, and other risks, individual departments and the six subcommittees under the CSR Committee for ethics, environment, health and safety, customer satisfaction, public relations, and information security work together to formulate internal regulations, create manuals, and monitor company-wide conditions. In addition, the Board of Directors receives reports on the status of initiatives from the directors who manage or oversee each business unit, group, and department, and from the chairs of each subcommittee. The Board deliberates and makes decisions on improvement initiatives and other matters as necessary.

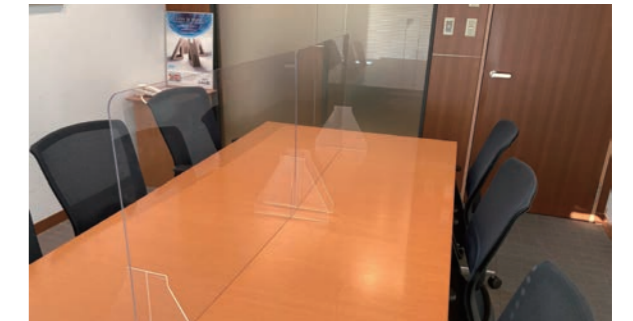
Natural Disaster Countermeasures

In consideration of the frequent occurrence of natural disasters such as earthquakes and typhoons, Rengo has established a basic policy that outlines the company's response in the event of a disaster. Following the Great East Japan Earthquake, all sites have maintained stocks of emergency supplies since June 2011. In addition, satellite telephones were installed at all sites in March 2012. Since April 2012, we have developed a structure that uses automatically sent emails to confirm the safety of employees and others and assess damage conditions in the event of a large-scale earthquake. Test emails are sent every six months in preparation for disasters.

Basic Disaster Policy
1. Our highest priority is ensuring the safety of employees and their family members.
2. We strive to assess damage conditions of Rengo facilities, restore them as quickly as possible, and continue operations to the greatest degree possible.
3. We fulfill our social responsibilities (such as employment and supply) by maintaining and continuing our corporate activities.

Response to the COVID-19 Pandemic

Confronted with the COVID-19 pandemic, the greatest crisis Japan has faced in the post-war period, Rengo does our utmost to ensure the safety and health of workers and, as a member of society, to prevent the spread of infection. In April 2020, we established the Rengo Group Novel Coronavirus Emergency Management Headquarters, led by the chairman & CEO and headed by the president as the chief, to fulfill our responsibility as a supporting industry member to supply products used to deliver living essentials to consumers. The Headquarters issues infection prevention measure instructions and notices throughout the Group, shares information provided by the government and other related organizations, and delivers and distributes infection prevention supplies.



Partition boards in the meeting room at the head office

Information Management

In recent years, there have been rapid advances in the introduction of remote work and cloud systems, and in the use of AI and the IoT at plants and mills. The amount of digital information used is growing quickly, and information security has become extremely important. To engage in even more thorough risk management and build a more robust security structure, the Rengo Group is continuously reviewing and revising its security policies and operation structures and carrying out awareness-raising activities. We consider information regarding our customers, investors, employees, and all of our other stakeholders to be important assets, and we protect and manage them appropriately. We also provide education to our employees to improve their security awareness, such as by issuing warnings regarding the handling of suspicious emails and the posting of information on our intranet.

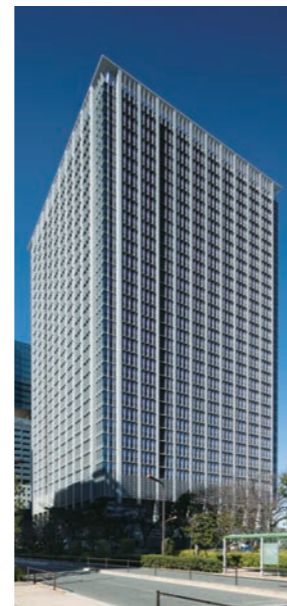
Corporate Information (As of March 31, 2022)

Corporate Profile

Name	Rengo Co., Ltd.
Head office locations	Head Office Nakanoshima Central Tower, 2-2-7 Nakanoshima, Kita-ku, Osaka, Japan 530-0005
	Tokyo Head Office Shinagawa Season Terrace, 1-2-70 Konan, Minato-ku, Tokyo, Japan 108-0075
Founded	April 12, 1909
Incorporated	May 2, 1920
Capital stock	¥31.066 billion
Stock listing	Tokyo Stock Exchange (Securities code: 3941)
Number of consolidated companies	168 (parent company and subsidiaries)
Number of companies under the equity method	16
Number of employees	20,141 (consolidated) 4,181 (non-consolidated)



Head Office



Tokyo Head Office

Main Sales Offices and Plants/Mills

Rengo Co., Ltd.

Corrugated Plants	Eniwa (Hokkaido)	Shimizu (Shizuoka Prefecture)
	Asahikawa (Hokkaido)	Toyohashi (Aichi Prefecture)
	Aomori (Aomori Prefecture)	Shin-Nagoya (Aichi Prefecture)
	Shin-Sendai (Miyagi Prefecture)	Fukui (Fukui Prefecture)
	Fukushima-Yabuki (Fukushima Prefecture)	Shiga (Shiga Prefecture)
	Oyama (Tochigi Prefecture)	Shin-Kyoto (Kyoto Prefecture)
	Maebashi (Gunma Prefecture)	Sanda (Hyogo Prefecture)
	Tokyo (Saitama Prefecture)	Wakayama (Wakayama Prefecture)
	Chiba (Chiba Prefecture)	Okayama (Okayama Prefecture)
	Shonan (Kanagawa Prefecture)	Hiroshima (Hiroshima Prefecture)
Folding Carton Plants	Niigata (Niigata Prefecture)	Hofu (Yamaguchi Prefecture)
	Nagano (Nagano Prefecture)	Matsuyama (Ehime Prefecture)
	Matsumoto (Nagano Prefecture)	Tosu (Saga Prefecture)
	Katsushika (Tokyo)	Shin-Kyoto (Kyoto Prefecture)
Paperboard Mills	Tonegawa (Ibaraki Prefecture)	Kanazu (Fukui Prefecture)
	Yashio (Saitama Prefecture)	Amagasaki (Hyogo Prefecture)
	Takefu (Fukui Prefecture)	
Laboratory	Central Laboratory (Osaka and Fukui Prefectures)	

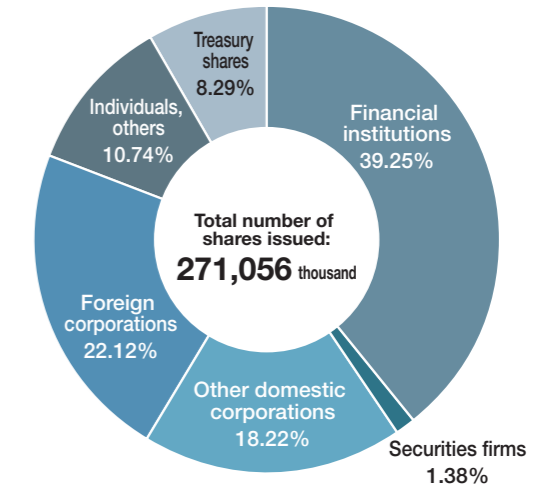
Subsidiaries

Yamato Shiki Co., Ltd.	Ibaraki-shi, Osaka Prefecture
Settsu Carton Co., Ltd.	Itami-shi, Hyogo Prefecture
Tokai Shiki Co., Ltd.	Nagoya-shi, Aichi Prefecture
Hinode Shiki Kogyo Co., Ltd.	Hioki-shi, Kagoshima Prefecture
RG Containers Co., Ltd.	Kawaguchi-shi, Saitama Prefecture
Rengo Riverwood Packaging, Ltd.	Minato-ku, Tokyo
Marusan Paper Mfg. Co., Ltd.	Minamisoma-shi, Fukushima Prefecture
Taiko Paper Mfg., Ltd.	Fuji-shi, Shizuoka Prefecture
Rengo Paper Business Co., Ltd.	Amagasaki-shi, Hyogo Prefecture
Howa Sangyo Co., Ltd.	Funabashi-shi, Chiba Prefecture
Sun-Tox Co., Ltd.	Taito-ku, Tokyo
Nihon Matai Co., Ltd.	Taito-ku, Tokyo
Rengo Logistics Co., Ltd.	Osaka-shi, Osaka Prefecture
Sanyo Jidosha Unso Co., Ltd.	Higashiosaka-shi, Osaka Prefecture
Tri-Wall Limited	Hong Kong, China
Jiangsu Zhongjin Matai Medicinal Packaging Co., Ltd.	Jiangsu, China

Status of Shares

Number of shares authorized	800,000,000
Total number of shares issued	271,056,029 (including 22,483,244 treasury shares)
Number of shareholders	27,627
Number of shares per trading unit	100

Shareholder Distribution



Major Shareholders

Shareholder name	Number of shares held (Thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	35,157	14.1
Custody Bank of Japan, Ltd. (trust account)	20,577	8.2
Sumitomo Mitsui Banking Corporation	9,562	3.8
Sumitomo Life Insurance Company	6,808	2.7
The Norinchukin Bank	5,965	2.4
Rengo Employee Shareholding Association	3,971	1.5
Yakult Honsha Co., Ltd.	3,326	1.3
JP MORGAN CHASE BANK 385632	3,324	1.3
Custody Bank of Japan, Ltd. (as trustee for Retirement Benefit Trust Account of Sumitomo Mitsui Trust Bank, Limited)	3,266	1.3
Oji Holdings Corporation	3,066	1.2

	Number of shares held (Thousands)	Percentage (%)
Financial institutions	106,400	39.25
Securities firms	3,727	1.38
Other domestic corporations	49,386	18.22
Foreign corporations	59,953	22.12
Individuals, others	29,105	10.74
Treasury shares	22,483	8.29

(Notes)

- In addition to the above list, Rengo Co., Ltd. holds 22,483 thousand shares of treasury shares.
- Percentages are calculated after deducting treasury shares.

IR Calendar

	April	May	June	July	August	September	October	November	December	January	February	March
Financial Results Announcement		● Announcement of annual financial results ● Earnings presentation			● Announcement of 1st quarter results			● Announcement of 2nd quarter results ● Earnings presentation				● Announcement of 3rd quarter results
Letter to Shareholders			● Submission of Annual Securities Report ● Posting of Annual Letter to Shareholders		● Submission of Quarterly Securities Report		● Publication of Integrated Report	● Submission of Quarterly Securities Report		● Posting of Interim Letter to Shareholders		● Submission of Quarterly Securities Report
General Meeting of Shareholders			● Notice of General Meeting of Shareholders									● Ordinary General Meeting of Shareholders



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<https://www.rengo.co.jp/english/>