

Rengo Group’s materiality (key issues)

Materiality	Initiative theme	Explanation	Financial impact on the Rengo Group	Impact on the environment and society	Main measures	Medium-term goals		Scope			
								Non-consolidated	Consolidated subsidiaries	Overseas	
Creating New Value as a “Packaging Provider”	Providing sustainable packaging	We contribute to the creation of a sustainable society through the development and dissemination of packaging products that help resolve socially relevant issues.	(+) Increase in net sales through response to market needs	(+) Conservation of resources such as forest resources and fossil fuels	1. Development and dissemination of environmentally friendly paper products	(1) Average grammage of corrugated board (basis weight per square meter)	0.5% reduction compared to the previous fiscal year	✓	✓		
			(-) Increase in capital expenditures for product development			(2) Reduction of CFP for containerboard *1	—	✓	✓		
					2. Dissemination and promotion of environmentally friendly plastic products	(3) Net sales ratio of environmentally friendly plastic products	20%	✓	✓	✓	
	Creating new businesses and products that resolve socially relevant issues	We create new value beyond traditional frameworks by accelerating the application of technologies cultivated over many years and strengthening collaboration across Group companies and businesses.	(+) Increase in net sales through response to market needs	(+) Conservation of resources such as forest resources and fossil fuels	3. Promotion of low-carbon packaging	(4) Expansion of products subject to CFP calculation	—	✓	✓		
			(-) Increase in capital expenditures for product development and production expansion			1. Expansion of production for cellulose products	(1) Production volume of cellophane	160% compared to FY3/2024	✓		
						(2) Production volume of cellulose beads	300% compared to FY3/2024	✓			
Building a sustainable logistics system	As a company responsible for creating packaging essential to logistics, we work to resolve issues across the entire value chain from procurement to shipping, use, and collection.	(+) Prevention of opportunity loss through stable product supply	(+) Maintenance of smooth economic activity for customers and consumers through stable supply of products								
		(-) Increase in capital expenditures for logistics improvement			Ensuring of safety and reducing burden for logistics workers	(1) Improvement rate of product delivery lead time	10% compared to FY3/2024	✓*3	✓*3		
Coexisting with the Global Environment	Addressing climate change	We are committed to “climate change mitigation,” which involves reducing greenhouse gas emissions and minimizing the impact of our business activities on climate change, as well as “climate change adaptation,” which involves preparing for the risk of supply chain disruptions caused by natural disasters.	(+) Creation of revenue opportunities through response to requests from business partners and customers	(+) Reduction of greenhouse gas emissions	1. Reduction of greenhouse gas emissions	GHG emissions (Scope 1 + 2)	46% reduction compared to FY3/2014	✓	✓		
			(+) Avoidance of operational shutdowns and net sales declines due to disasters								(+) Mitigation of impact caused by the increasing frequency and severity of weather-related disasters
	(+) Avoidance of increased expenses from new laws/regulations and a carbon tax	(+) Enhancement of social and economic infrastructure resilience through stable product supply	2. Adaptation to risks	Continued monitoring in preparation for flood risks	—	✓	✓	✓			
	(-) Increase in capital expenditures for mitigation of and adaptation to climate change										
	Expanding the circular economy	We make the already established corrugated packaging recycling system more solid and work toward the realization of new systems for plastic resource recycling.	(+) Prevention of opportunity loss through stable procurement of raw materials	(+) Conservation of resources such as forest and fossil resources	1. Strengthening of the corrugated board resource recycling system	(1) Recovered paper utilization rate for paperboard	99% or more*2	✓			
			(+) Reduction of water costs			(2) Promotion of using pulp for paperboard made from unused wood resources	—	✓	✓	✓	
			(-) Increase in capital expenditures for research and development			2. Establishment of the plastic resource recycling system	Promotion of initiatives for plastic recycling	—	✓	✓	✓
	Conserving natural capital	To ensure the sustainability of the natural capital essential for our production activities, we are committed to reducing the environmental impact of our manufacturing processes and conserving natural environments such as biotopes.	(+) Cost reduction through suppression of emissions of substances harmful to the environment	(+) Conservation of environments such as forests and water	3. Efficient use of water resources	Water usage per unit of net sales	22% reduction compared to FY3/2024	✓	✓	✓	
					(+) Suppression of emissions of substances harmful to the environment	1. Management and utilization of Nationally Certified Sustainably Managed Natural Sites	Continuation of biological monitoring surveys	—	✓	✓	
						(1) Number of administrative guidance cases due to environmental accidents	Zero cases annually	✓	✓		
People-Centric Management	Respecting human rights	With respect for the human rights of all stakeholders involved in our business activities, including employees, business partners, and customers, we fulfill our corporate social responsibility through our business activities.	(+) Avoidance of losses due to human rights risks	(+) Prevention of human rights violations		Implementation of human rights due diligence	Implementation rate	100%	✓	✓	
	(-) Increase in expenses for environmental and other improvements										
	Establishing a safe and healthy working environment	We ensure the safety and health of everyone involved in our operations and work for eliminating industrial accidents.	(+) Avoidance of losses due to industrial accidents	(+) Ensuring workplace safety and improvement working environments	Ensuring occupational health and safety	Number of fatal/serious accidents	Zero cases annually	✓	✓		
	(-) Increase in capital expenditures for occupational health and safety measures										
	Fostering well-being and fulfillment	We establish flexible systems and environments that enable employees to pursue career development tailored to their individual circumstances, creating a corporate culture where they can work with a sense of well-being and fulfillment. This approach aims to foster engagement and improve total factor productivity (TFP).	(+) Realization of stable acquisition of human resources	(+) Enhancement of well-being	1. Improvement of employee engagement	Implementation rate of employee engagement survey	100%	✓	✓		
			(+) Improvement of market competitiveness through strengthening of human resources								
Promoting DEI	We aim to foster a corporation where diverse human resources, regardless of gender, age, and other factors, respect and accept each other, enabling unique qualities and strengths to be harnessed, which in turn generates synergies.	(-) Increase in expenses due to improvements for systems and working environments	(+) Creation of employment opportunities for diverse human resources	2. Support for career development	(1) Provision of opportunities for learning and acquiring certifications (holding of public courses, dispatch to external seminars, support for study abroad at universities, encouragement and support for obtaining certifications, etc.)	—	✓	✓			
Strengthening the Management Base for Sustainable Growth	Strengthening Group governance	We are committed to enhancing the governance of the Rengo Group, aiming to maintain and improve compliance and management standards.	(+) Avoidance of losses due to governance failures	(+) Development of a fair economic society	1. Development of a sense of integration within the Rengo Group	Instilling of Corporate Philosophy and management philosophy	—	✓	✓	✓	
					2. Enhancement of employee understanding regarding compliance	Continuous implementation of training on corporate ethics and legal compliance	4 times per year	✓	✓		
					3. Prevention of incidents involving corruption	Number of serious corruption cases	0	✓	✓	✓	
	Establishing a foundation for DX	We aim to achieve harmony between digital technology and the people who use it, and to address various business challenges and contribute to society through the collection and utilization of data.	(+) Improvement of labor productivity	(+) Improvement of working environments	1. Promotion of DX	Cultivation of DX human resources and establishment of a promotion framework	—	✓	✓	✓	
			(+) Reduction of information security risk								
	Strengthening business partnerships	We aim to achieve mutual growth between the Rengo Group and our business partners by ensuring sound procurement of raw materials with consideration for the environment and society, adhering to fair transactions based on our Declaration of Partnership Building, and establishing robust partnerships.	(+) Stabilization of business activities through strengthened relationships with business partners and customers	(+) Sound development of the economy and society	Promotion of sustainable procurement	Implementation of CSR procurement assessments for major raw material suppliers	—	✓	✓		
			(-) Increase in expenses associated with obtaining various certifications								
	Assurance of product quality and safety	We aim to consistently supply products that meet customer needs and enhance customer satisfaction by ensuring thorough quality and safety.	(+) Stabilization of business relationships by supplying high quality and safe products	(+) Maintenance of smooth economic activity for customers and consumers through supply of high quality and safe products	Achievement of zero defects (ZD)	Number of occurrences of serious product defects (loss of 1 million yen or more)	0	✓	✓		
(-) Increase in expenses required for advanced quality control											

*1 With the achievement deadline being FY3/2026 *2 With the achievement deadline being FY3/2028 *3 Paperboard mills and corrugated packaging plants