

# THE PACK CORPORATION

<https://www.thepack.co.jp/en/>

Headquarters	OAP Tower 20F, 1-8-30 Temmabashi, Kita-ku, Osaka City, Osaka 530-6020, Japan Tel.: +81-6-4967-1221
Tokyo Head Office	2-8-4 Tomigaya, Shibuya-ku, Tokyo 151-0063, Japan Tel.: +81-3-3469-1221
URL	<a href="https://www.thepack.co.jp/en/">https://www.thepack.co.jp/en/</a>
Founded	1878
Incorporated	May 10, 1952
Capital	2,553,505,600 yen
Representative	Hideaki Yamashita, President and CEO
Number of employees	1198 (consolidated, as of December 2021); 841 (nonconsolidated, as of December 2021)
Annual sales	80.1 billion yen (consolidated, as of December 2021)
Shares traded on	Prime Market, the Tokyo Stock Exchange (securities code: 3950)
Lines of business	Planning, manufacturing, and sale of paper bags, folding paper cartons, corrugated boxes, film packaging, etc.
Offices and Plants	Headquarters: Osaka Tokyo Head Office: Tokyo Branches: Hokkaido, Tohoku, Kanto, Yokohama, Nagoya, Kyoto, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka Sales offices: Aomori, Niigata, Shizuoka, Kanazawa, Matsumoto, Yonago, Takamatsu, Oita, Kumamoto, Kagoshima, Nagasaki, Okinawa Plants: Osaka, Nara, Tokyo, Ibaraki
Domestic subsidiaries:	Keihin Tokushu Printing Corporation Nikko Print Corporation Pack Takeyama Co., Ltd. Nishinohon Printing Co., Ltd. Kannaru Printing Co., Ltd.
Overseas subsidiaries:	The Pack America Corporation The Pack (Shanghai) Corp. The Pack (Changshu) Co., Ltd.



## CSR REPORT 2022

Corporate Social Responsibility Report



# The structure of our Corporate Philosophy and business philosophies



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## Editorial Policy

This Report has been prepared to disclose information about The Pack Corporation to stakeholders and to help them understand our CSR activities. This Report also serves as tool for employee education. Based on growing interest in issues related to the environment, society, and governance (ESG), this Report reviews our various activities in related categories.

### ■ Period covered by this Report

While this Report basically covers the period of FY2021 (January 1 – December 31, 2021), it includes some information from before and after this period.

### ■ Organization covered by this Report

The Pack Corporation

### ■ Section preparing this Report and contact point

IR & Public Relations Department, The Pack Corporation  
 Address: 2-8-4 Tomigaya, Shibuya-ku, Tokyo 151-0063, Japan  
 Tel.: +81-3-3469-1221; fax: +81-3-3469-1353  
 E-mail: koho@thepack.co.jp

### ■ Company URL

<https://www.thepack.co.jp/en/>



# Message from the President

My name is Hideaki Yamashita. I took office as President and CEO of The Pack Corporation on March 30, 2022. I would greatly value your support while I go about my activities in furthering progress of The Pack Group.

This year marks the 70th anniversary of our founding in 1952 as a manufacturer of corrugated apparel boxes. In the Company's early years soon after the end of World War II, to express his gratitude to all the employees who had placed their trust in him, our founding President Shigenari Morita gave us the Company motto that still applies today: "Passionate and Dedicated to Our Partnerships." These words express his management credo, which calls for valuing not just customers, but employees. Over the years since then, the Group has grown to its current status as an enterprise with approximately 1,200 employees. Mr. Morita's ideas survive today as part of our Corporate Philosophy: "We value and nurture people." In guiding our corporate management, I intend to embody our Corporate Philosophy in our business activities and in the foundations of our company and to pass it along to future generations as a set of unchanging principles.

Today, as an integrated packaging company, we handle a wide range of products, including our custom paper bags, folding paper cartons, corrugated boxes, and film packaging products. In recent years, we have firmly established a marketing style that targets solutions through a wide range of packaging options. We respond as a total packaging solutions provider to the various challenges facing our customers, including environmental concerns, business efficiency, labor savings, and progress toward the Sustainable Development Goals (SDGs).

In 2021, Japan's economy experienced repeated lulls and rallies even as the economic slowdown associated with the COVID-19 pandemic continued. Groupwide solidarity in efforts to improve business results, including new market development, proactive capital investment, and improvements to quality control, allowed us to realize increases in both sales and profits in the period ended December 31, 2021. In the area of paper cartons in particular, we developed practical, comprehensive solutions, including switching to paper, reducing plastic waste, and structural design changes, as sales of e-commerce packaging and

**Hideaki Yamashita**  
 President and CEO  
 The Pack Corporation

food takeout and delivery packaging grew in response to changing consumer lifestyles during the pandemic.

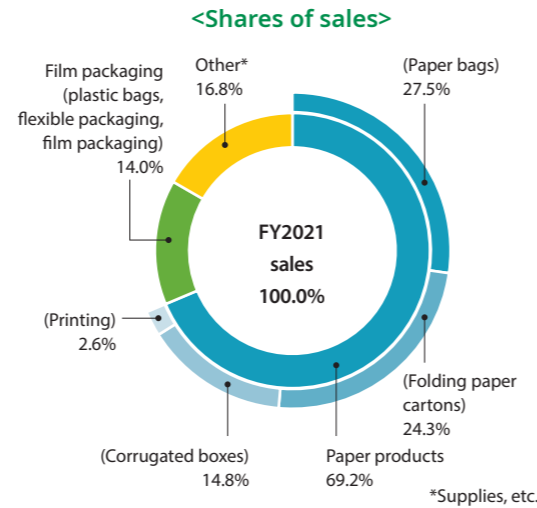
Today, business enterprises are expected to present and achieve specific targets, actions, and results to help realize a sustainable society. As a company whose shares are traded on the Tokyo Stock Exchange Prime Market, we recognize our responsibility to address and disclose information concerning various global challenges, including the SDGs, climate change, and carbon neutrality. Stakeholders are demanding management that emphasizes the environment, society, and governance (ESG). The meaning of our existence as a company is a topic of ever-growing complexity and interest. We established the Sustainable Business Team in January 2022 to promote and accelerate sustainable management. This office plays a central role as a project team in taking concrete action to address societal challenges, including establishing long-term visions and targets for 2030 and 2050; identifying material topics; responding to climate change; and reducing greenhouse gas emissions. We will strive to publish information on various results and progress in this Report next year.

The Pack Group remains committed to the core mission of helping to realize a sustainable society through its core businesses.



# Corporate Profile

## Product line



## The Pack's strengths and the process through product supply

### 1 Consultation and meetings

Based on a production system consisting of four plants in Japan and cooperation with Group companies, partner companies, and other partners, we deliver total package production from consultation to stable supply and use. Our sales facilities nationwide are home to a sales staff numbering some 250 packaging professionals, capable not just of solving customer concerns about packaging products, but offering solutions in areas such as improving workplace efficiency and saving labor through packaging.



### 2 Planning

Our creative sections comprise about 60 creative specialists in package design (graphic design and structural design), who plan optimal packages for our customers in cooperation with our sales staff. Drawing on our diverse package lineup, a wealth of expertise, and a track record of transactions with about 14,000 corporate customers, we offer a wide range of options in packaging materials, structure, and processing.



### 3 Production

In addition to four Company-owned plants in Japan, we produce packaging products at Group companies and subcontractor plants. The related sections at our Tokyo Plant and Osaka Plant have earned FSSC 22000 international Food Safety Management Systems certification and maintain management systems, equipment, and environments capable of manufacturing safe, reliable, high quality food product packages.



### 4 Delivery

Based on our large-capacity automated rack warehouses and Web ordering systems, we maintain a system capable of rapid delivery of packages to specific locations.



## Medium-Term Management Plan

● **Subject period: 2020-2022**

● **Slogan: Management Focused on Environmental Responsiveness**

● **Growth strategies**

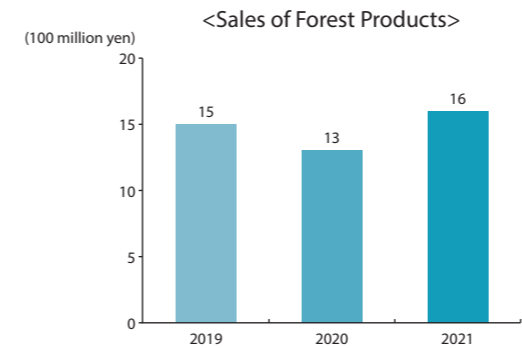
- (1) Initiatives to switch to paper packaging
- (2) Growing sales to the food products, pharmaceuticals and cosmetics, and e-commerce markets
- (3) Enhancing sales of paper cartons
- (4) Expanding business domains
- (5) Promoting productivity improvements and workstyle reforms

\*\*Environmental responsiveness\* refers to being responsive not just to the natural environment, but to needs across a wide range of areas, including the social environment and workplace environments.

### SDG initiatives

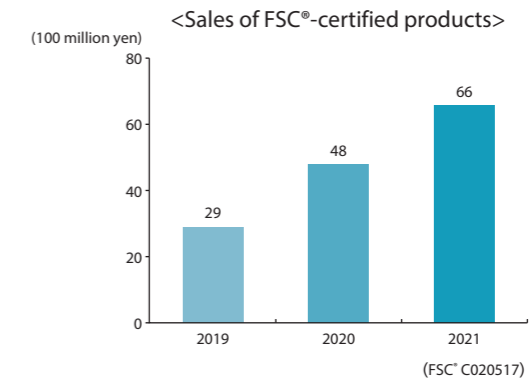
#### 1 Enhancing sales of Forest Products

Striving to protect the global environment alongside our customers by contributing a portion of sales to The Pack Forest Environment Fund



#### 2 Enhancing sales of Forest Stewardship Council®-certified products

Contributing to forest conservation

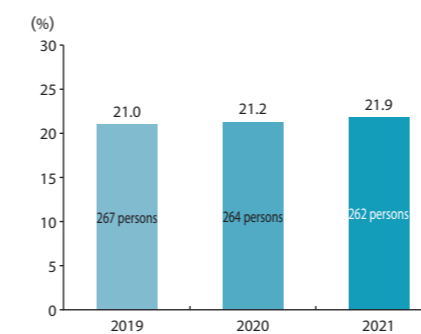


#### 3 CO<sub>2</sub> emissions reduction initiatives

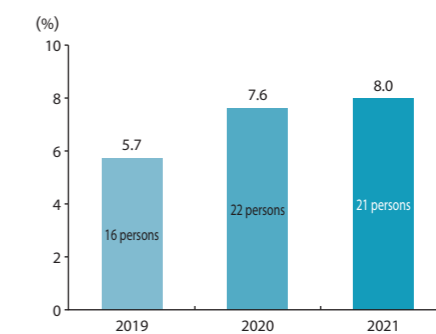
Shifting toward renewable energy in a planned future rebuild of the headquarters building and the Osaka Plant

#### 4 Action plan for promoting women in the workplace

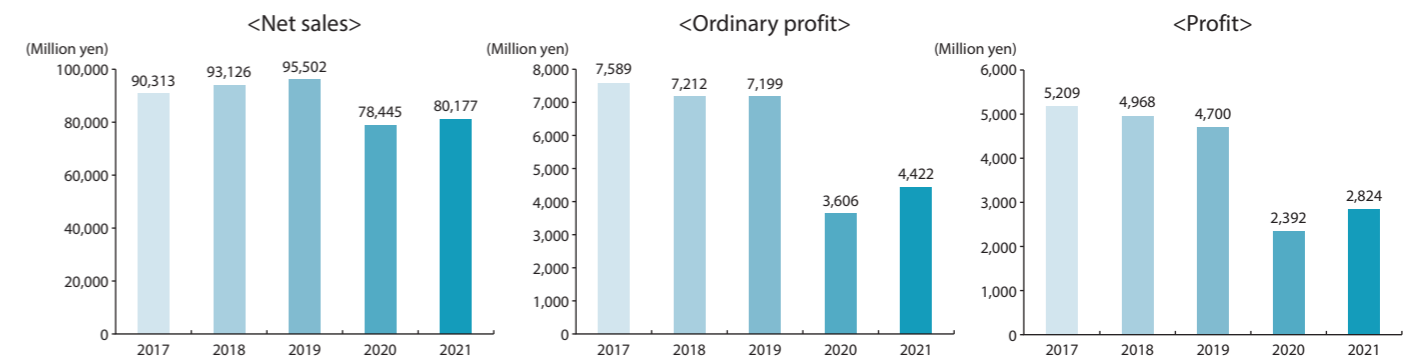
Increasing the percentage of permanent full-time employees who are women to 25% or more



Increasing the percentage of managerial personnel (managers and above) who are women to 10% or more



## Financial highlights (consolidated)



# SDG Initiatives

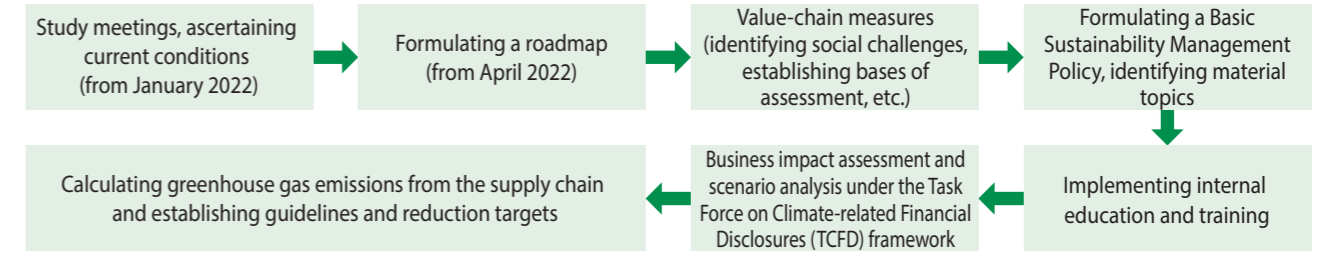
Based on our Corporate Philosophy, we pursue activities that contribute to achieving the Sustainable Development Goals (SDGs).

These initiatives are listed below.



## Establishing the new Sustainable Business Team

To realize a sustainable society, each enterprise must contribute to solutions to environmental and social challenges through its business activities. In January 2022, we established the new Sustainable Business Team as a project team. With a target date of March 2023, its current efforts include value chain measures, establishing sustainability management policies, identifying material topics, and making business impact assessments and performing scenario analyses within the Task Force on Climate-related Financial Disclosures (TCFD) framework. Other activities include calculating greenhouse gas emissions from the supply chain and establishing guidelines and reduction targets.



Corporate Philosophy structure	The Pack's initiatives	Relationship to the Sustainable Development Goals (SDGs) (circles indicate related topics)													
		3	4	5	6	7	8	9	10	11	12	13	14	15	16
Items related to corporate governance (compliance)	Implementing health management initiatives through health examinations and secondary examinations, stress checks for all employees, and smoking cessation programs	○													
	Providing support for childrearing and long-term care			○				○							
	Formulating an action plan to promote women in the workplace			○				○							
	Supporting participation in society by those with disabilities through employment and other means							○		○					
	Providing training and improving equipment, manuals, and other materials to promote safe and secure working environments							○							
	Building workplaces where people can grow, providing salaries and other treatment on which workers can depend, and designing systems that account for workers after the mandatory retirement age of 60 years														
	Prohibiting discrimination by age, gender, disability, ethnicity, religion, etc.			○							○				
	Investigating the causes and making efforts to prevent the recurrence of any reported incidents involving harassment			○				○							○
	Preventing cases of demands for or payment of bribes through monitoring, internal controls, and internal audits														○
Asking suppliers to submit written pledges on the exclusion of antisocial forces														○	
Major products • Paper bags • Folding paper cartons • Corrugated boxes • Film packaging	Drawing on alternatives to plastic laminate in surface treatment technologies										○		○	○	
	Offering functional paper packaging as alternatives to plastic packaging for food products										○		○	○	
	Offering paper cushioning materials as alternatives to plastic										○		○	○	
	Offering recyclable corrugated storage containers										○		○	○	
Planning and proposal, logistics and production	Proposing products that use fewer raw materials										○				
	Proposing energy efficient systems for environments in which packaging products are used										○				
	Reducing consumption of paper, ink, and other resources in product manufacturing										○		○		
Environmental and quality management systems	Purifying and reusing water in manufacturing processes				○						○				
	Reducing use of harmful chemical substances				○						○				
	Properly recovering and treating waste fluids that contain harmful chemical substances				○						○				
	Reducing consumption of paper, ink, and other resources in business activities other than product manufacturing										○		○		
	Reducing CO <sub>2</sub> emissions (intensity)										○			○	
	Promoting migration to renewable energy with low CO <sub>2</sub> emissions, such as solar power					○					○				
Developing and providing eco-friendly products	Manufacturing in accordance with food safety management systems at the Tokyo and Osaka plants, which have earned FSSC 22000 certification										○				
	Procuring eco-friendly raw materials, such as FSC®-certified products										○			○	
	Developing products that reflect consideration for post-use										○				
Activities of The Pack Forest Environment Fund	Developing and supplying materials with low environmental impact										○		○	○	
	Reducing CO <sub>2</sub> emissions by 132 t/year										○			○	
	Striving to preserve and restore forest and mountain ecosystems and to restore degraded land and soil				○						○		○	○	
	Planting trees with consideration for biodiversity													○	
Employee volunteer activities (social contribution activities)	Striving to preserve cultural heritage and natural heritage									○					
	Holding hands-on classes for elementary school students through the Manufacturing Education Support Program		○												
Human resource development	Collecting and treating waste and preserving comfortable community environments through cleanup activities near business sites									○					
	Providing training to improve job skills		○	○				○							

# Creating a More Abundant Environment

## Environmental Initiatives



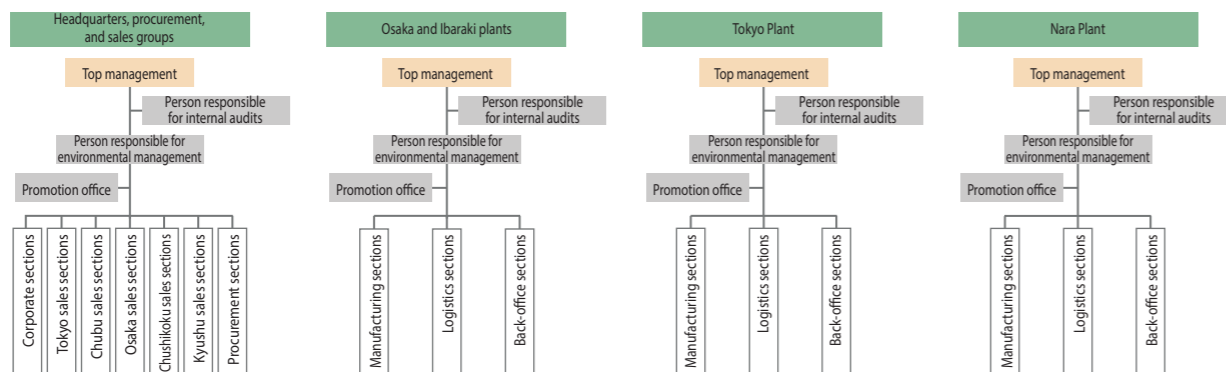
The Pack currently advances environmental initiatives Companywide. All plants and sites in Japan attained ISO 14001 certification in 2006 and undertake a wide range of initiatives in various areas, including reducing CO<sub>2</sub> emissions and waste, and developing eco-friendly products.

### Environmental philosophy | Basic policy on environmental activities

We will work to protect our irreplaceable environment and broadly contribute to society out of our deep respect for people and nature as well to inspire future generations.

1. We will promote the development of safe, environmentally friendly products and technologies.
2. We will utilize resources and energy efficiently and work to minimize and recycle waste.
3. We will pursue customer satisfaction through environmental activities.
4. We will actively participate in local and national environmental protection campaigns.

### Environmental management organization



### Environmental targets

Reviewed below are the FY2021 targets and results and FY2022 targets.

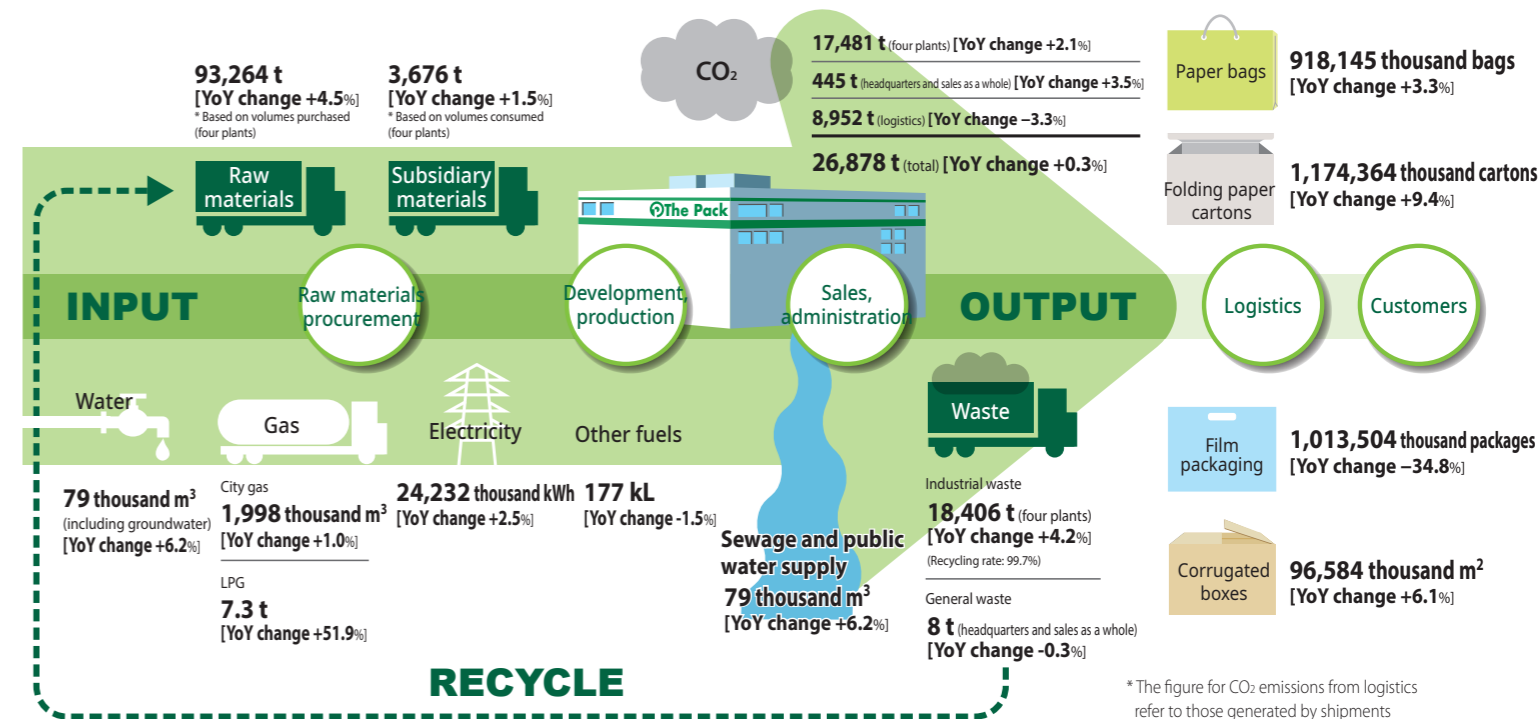
Section	Measures	FY2021			The FY2022 targets are reviewed below
		Target	Performance	Result	Target
Headquarters and sales group	Growing sales of Forest Products*	Capping the decline in sales of Forest Products at 20% vs. 2020	+25.3%	○	Sales of Forest Products equal to or above those in 2021
	Growing sales of FSC®-certified products	Increasing sales of FSC®-certified products by 33% vs. 2020	+36.7%	○	Increasing sales of FSC®-certified products by 19% vs. 2021
	Forest conservation activities	Planning or implementing forest conservation activities five times	Five times	○	Planning or implementing forest conservation activities six times
Osaka Plant	Energy conservation	Reducing CO <sub>2</sub> intensity: Reductions to below actual 2020 figures	-0%	○	Reducing CO <sub>2</sub> intensity: Reductions to below actual 2021 figures
Tokyo Plant	Energy conservation	Reducing CO <sub>2</sub> intensity: Reductions of 1% vs. 2020	-1.4%	○	Reducing CO <sub>2</sub> intensity: Reducing by 1% vs. 2021
Nara Plant	Energy conservation	Reducing CO <sub>2</sub> intensity: Reductions of 0.5% vs. 2019	+2.2%	×	Reducing CO <sub>2</sub> intensity: Reductions of 0.5% vs. 2021

\* Forest Products subject to The Pack Forest Environment Fund include bagasse, Forest Light, Custard Color, Sugar Brown, biodegradable rope, etc.

## Overview of environmental impact

We're striving to ascertain and lessen the environmental impact of production activities as a whole.

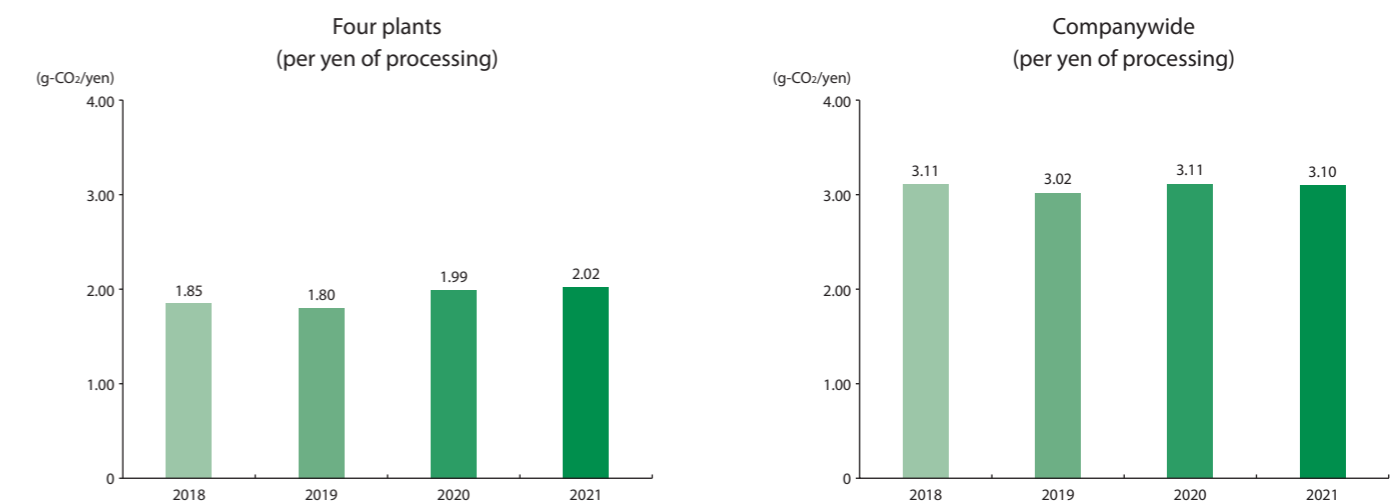
\* The data shown below are for the four plants (the Osaka Plant, Nara Plant, Tokyo Plant, and Ibaraki Plant) and the headquarters and sales groups.



\* The figure for CO<sub>2</sub> emissions from logistics refer to those generated by shipments from The Pack to customers.

### CO<sub>2</sub> emissions intensity

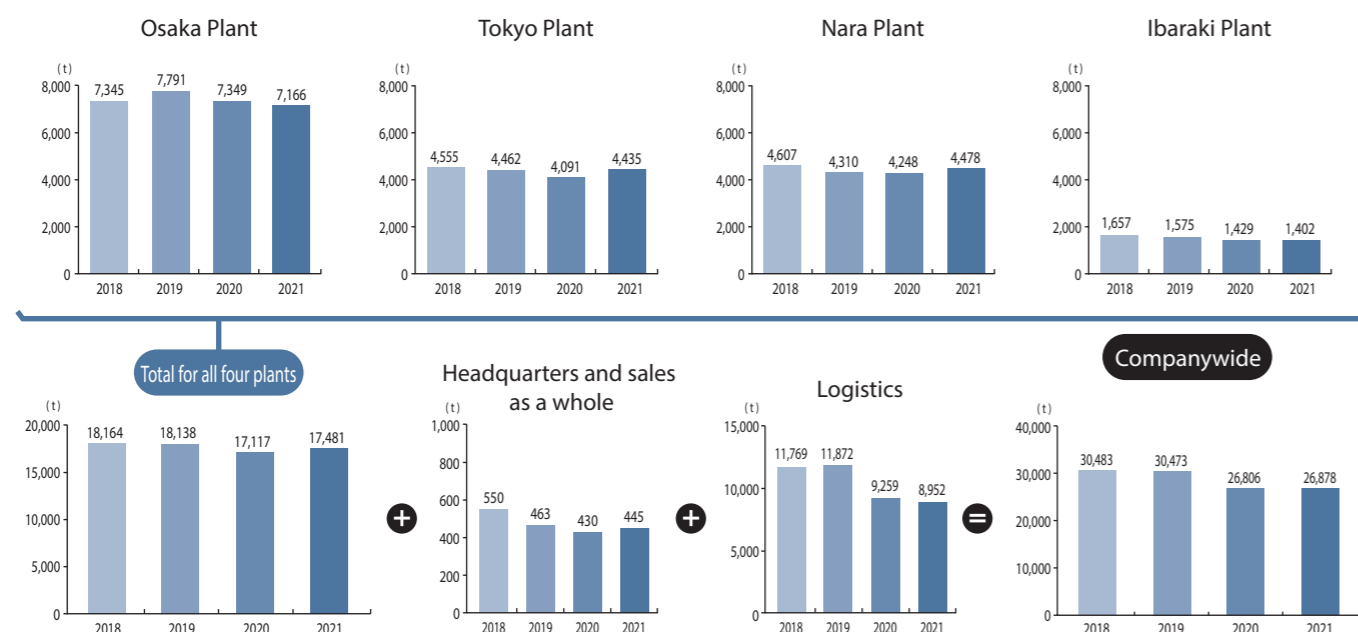
CO<sub>2</sub> emissions intensity refers to the volume of CO<sub>2</sub> emitted from a fixed amount of business activities. We calculate CO<sub>2</sub> emissions intensity based on processing at domestic plants, for headquarters, and for all plants and sales operations in Japan. This is used as a general indicator of energy conservation because it is unaffected by changes in sales or production volume.



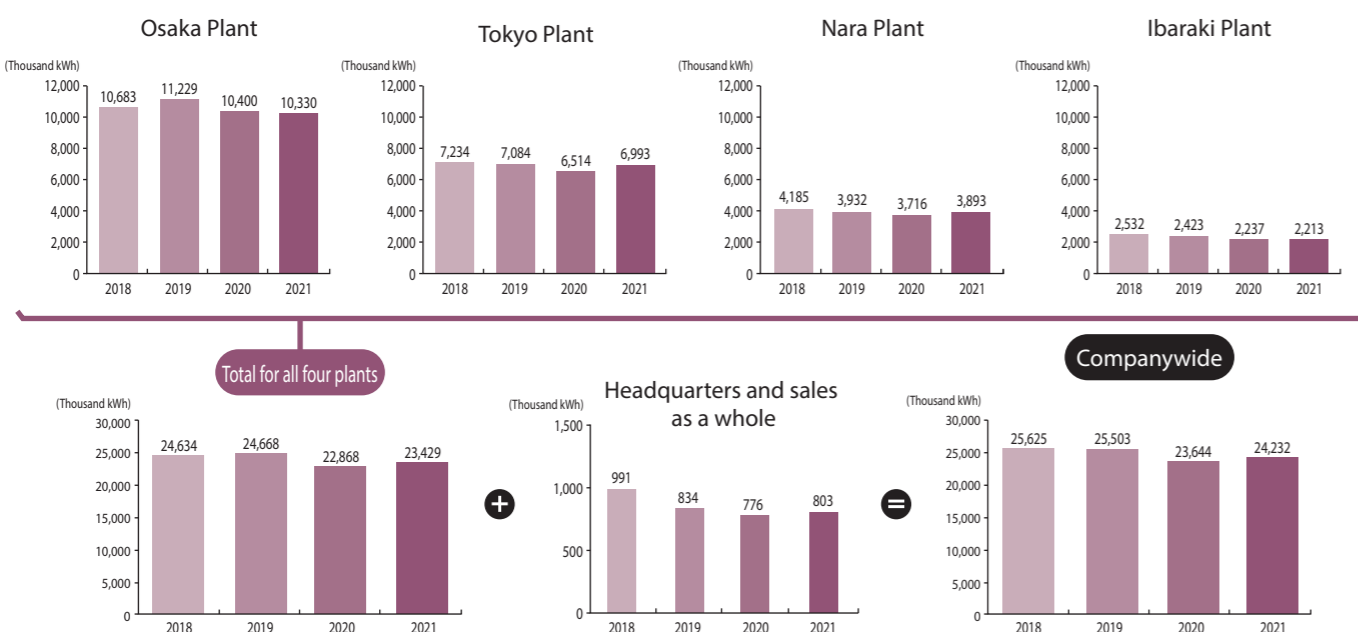
## Quantitative changes

The headquarters, sales group, and the four plants are striving to reduce CO<sub>2</sub> emissions in various ways, including energy conservation activities and the adoption of high-efficiency equipment. They're also working to reduce industrial waste and boost recycling rates. CO<sub>2</sub> emission increased in FY2021 due to increased processing. However, Companywide CO<sub>2</sub> emissions intensity decreased due to improvements achieved in our logistics sections. While industrial waste generated increased, we maintained a recycling rate of 99.7%.

### CO<sub>2</sub> emissions



### Electricity use



\* Excludes power generated from solar power equipment installed by the Company itself.

### Recycling of industrial waste

The total recycling rate for all four plants in FY2021 was 99.7%



\* Totals may not match due to rounding of component figures.  
\* Industrial waste such as used paper and polyethylene film are recycled and put to effective use.

## Appropriate management of chemical substances

The chemical substances we use in manufacturing processes are suitably managed pursuant to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act). In addition, in bag and carton production, we are making steady progress on switching to safe adhesives free of restricted chemical substances. In FY2021, we reduced the volume of substances subject to the PRTR Act by 47%.

### Volumes of Type I designated chemical substances under the PRTR Act (total for all four plants) (t)

Subject chemical substances	Material in which included	2018	2019	2020	2021
Toluene	Adhesives	1.0	0.8	0.8	0.0
Xylene	Adhesives	0.0	0.0	0.0	0.0
Phthalates	Adhesives	1.2	0.5	0.2	0.0
Boric acid and compounds thereof	Adhesives	1.7	1.7	1.6	1.6
Monochlorobenzene	Adhesives	0.8	0.8	0.8	0.0
Dichloromethane	Offset-printing cleaning solution	0.0	0.0	0.0	0.0
1,2-Dichloropropane	Offset-printing cleaning solution	0.0	0.0	0.0	0.0
<b>Total</b>		<b>4.7</b>	<b>3.8</b>	<b>3.4</b>	<b>1.6</b>

### Putting water resources to more effective use

The water used at the Tokyo Plant for washing printing ink, paint, and adhesives in the manufacturing process is recycled using a water treatment facility for use as toilet flushing water. This helps conserve tap water and counters water shortages by making more efficient use of our limited water resources.



The Tokyo Plant water treatment facility

### Eco-friendly printing ink

We offer a full lineup of eco-friendly printing ink for use with packaging materials. This makes it possible to contribute to a carbon-zero society by switching from ordinary inks, made using petroleum-based compound resins and organic solvents, to inks made from biomass materials and water-based inks that use no organic solvents.

### Eco-friendly printing plastic bags

To reduce use of petroleum-based compound resins in plastic bags, we're expanding our lineup of biomass materials. We currently offer 13 types of products that have earned biomass mark certification from the Japan Organics Recycling Association. In 2020, we sold 109,699,707 biomass mark certified plastic bags.

### Taking the environment into consideration in product planning

Today, amid rising environmental awareness worldwide, accounting for the environment can boost corporate value. We're receiving growing numbers of customer requests about eco-friendly packaging, and use of this packaging continues to grow. There are various approaches to eco-friendly products. We strive to offer a wide range of choices so that customers can choose solutions that match their own product lines, philosophy, preferences, and budgets.

#### Examples of environmental consideration

- Reducing use of plastics and switching to paper: Switching from plastic to paper materials
- Single-material use: Easily recyclable products made using a single material
- Use of eco-friendly materials: Use of biomass materials, biodegradable materials, recycled materials, non-wood-based paper, and eco-friendly inks
- Supporting the Forest Environment Fund: Contributing a portion of our sales for use in forest conservation activities
- Use of FSC®-certified base paper: Using paper certified to come from soundly managed forests
- Design and processing efforts: Using structural designs that enable easier disposal and recycling, reducing use of plastic cushioning materials, simplified packages, eco-friendly processing

### Participation in CLOMA

There are calls worldwide to promote efforts to identify solutions for the issue of ocean plastic waste, a new issue recognized on a global scale. In response, the Japan Clean Ocean Material Alliance (CLOMA) was launched in January 2019 to promote innovation by strengthening joint efforts among a wide range of parties across industry boundaries and by pooling their technologies and expertise. Since then, we've participated in CLOMA's activities as a core member, mainly by proposing use of paper materials as alternatives to plastic products. We plan to maintain our efforts in related areas, including developing new eco-friendly packages and building systems to help realize a circular economy by exchanging information and working with other CLOMA members.



## Activities of The Pack Forest Environment Fund

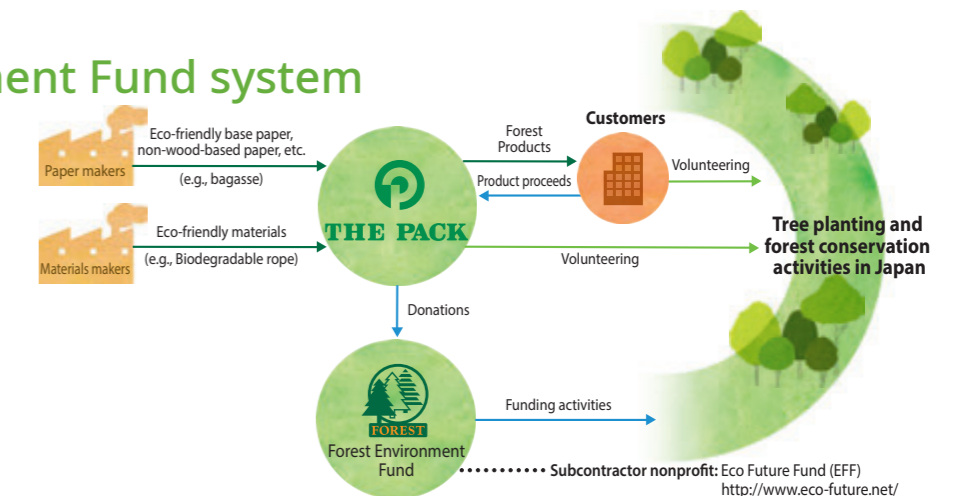
Relationship to the SDGs



We've been developing eco-friendly products since 1993, contributing a portion of our sales to fund forestry conservation activities. In 2000, we established an independent Forest Environment Fund and launched volunteer activities to plant and thin forested areas. We also contribute funding for forestry conservation activities. A portion of this fund is allocated to purchasing saplings and other forestation resources. Several times a year we engage in joint activities with the nonprofit Eco Future Fund (EFF). To date, we've planted trees in eight locations across Japan, with the participation not just of The Pack employees, but customers and the general public. We remain committed to forest conservation activities suited to community needs in cooperation with government, nonprofits, and local communities.

### The Forest Environment Fund system

Forest conservation activities are underway at eight locations across Japan, funded by a portion of sales from products subject to The Pack Forest Environment Fund, or called Forest Products.



### Results of activities to date (cumulative totals as of December 31, 2021)

- Participants: **6,907** people
- Trees planted: **20,465**
- CO<sub>2</sub> absorbed: **1,702.08** t

All activities were suspended in 2021 to help stop the spread of COVID-19.

We plan to resume activities at the appropriate time, based on due consideration for safety.

\* See The Pack website for more on these activities: <https://www.thepack.co.jp/en/environment.html>



### Tree-planting sites

- First tree-planting site: Nishiwaga, Iwate Prefecture (tree-planting began in June 2001.)
- Second tree-planting site: Yoshino, Nara Prefecture (tree-planting began in March 2002.)
- Third tree-planting site: Onna, Okinawa Prefecture (tree-planting began in October 2003.)
- Fourth tree-planting site: Takehara, Hiroshima Prefecture (tree-planting began in November 2004.)
- Fifth tree-planting site: Kimitsu, Chiba Prefecture (tree-planting began in February 2009.)
- Sixth tree-planting site: Takatsuki, Osaka Prefecture (tree-planting began in November 2009.)
- Seventh tree-planting site: Hidaka, Saitama Prefecture (tree-planting began in March 2012.)
- Eighth tree-planting site: Shijonawate, Osaka Prefecture (tree-planting began in June 2016.)



Cutting undergrowth



Tree thinning



Tree planting

### The Forest Mark

The Forest Mark is our original logo for the Forest Environment Fund and forest conservation and tree-planting activities. It can be printed on packages certified as Forest Products to help customers inform consumers of their contributions to forest conservation activities.



## New Products –Eco-friendly product development–



Demand is growing for eco-friendly products that help realize a sustainable society. The Pack is carrying out research and development on eco-friendly products from several perspectives, including materials, design, and technology.

Demand is growing worldwide for biomass plastics to reduce CO<sub>2</sub> emissions and use of petroleum resources. The Pack is focusing on eggshells, an underutilized organic resource obtained from animal-based sources that can be collected and recycled in large volumes in Japan. Moving forward, we will proceed to develop resource recycling schemes that make use of underutilized waste in line with the circular economy\*<sup>1</sup> concept.

\*<sup>1</sup> Circular economy: This term refers to economic activities that generate added value through development of services and other activities while putting resource stocks to effective use and minimizing volumes of virgin resource inputs and consumption, in addition to the traditional three Rs of reduction, reuse, and recycling. (Reference: "Disclosure and Engagement Guidance to Accelerate Sustainable Finance for a Circular Economy" by METI)

### Eggshells + plastics Biomass trays

Japan is the world's second largest egg-consuming nation (according to the International Egg Commission). Inedible eggshells, which to date have been considered waste materials, are largely disposed of as waste in annual volumes of roughly 260,000 tons. We have developed biomass trays as compound materials that help reduce plastic use through a technology that mixes highly concentrated eggshells with plastic.



#### Product properties

- Biomass trays incorporating eggshells
- Refrigerator- and freezer-safe
- Recyclable as materials and products

### Eggshells + plastics Biomass film

By advancing technologies for mixing with eggshells, we developed a film that can be processed into bag form. Use of eco-friendly flexography printing makes it possible to realize more sustainable packages.



#### Product properties

- Biomass film containing eggshells
- Employs flexography printing associated with low environmental impact.
- Can be supplied in both tube and sheet forms.
- Offers distinctive look and feel.

We're making progress on developing ocean-biodegradable products and water-resistant paper pouches.

### Ocean-biodegradable paper-based flexible packaging Craft Bio Marine

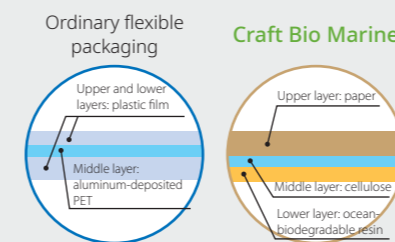


We've developed ocean-biodegradable packages as one solution for the problem of ocean plastic waste. These packages are broken down in the ocean by microbes into water and carbon dioxide.\*<sup>2</sup>

#### Report on the biodegradation process



#### Material structures



#### Product properties

- Three-layer structure of paper, cellulose, and ocean-biodegradable resin
- Decomposes into water and carbon dioxide in about two years, drawing on the power of microbes naturally present in the ocean
- Barrier protection performance roughly equivalent to that of traditional aluminum-deposited PET products

### Ocean-biodegradable bags



We've developed bags made from ocean-biodegradable materials.

#### Product properties

- Decomposes into water and carbon dioxide, drawing on the power of microbes naturally present in the ocean
- Estimated time required for ocean biodegradation: about one year for a 25 μm bag and about two years for a 50 μm bag\*<sup>2</sup>

\*<sup>2</sup> Testing by an independent agency using ISO methods is currently underway.

### Water-resistant paper Craft Pouches



Made using highly water-resistant paper-based flexible packaging, these boilable pouches help reduce use of plastic.

#### Product properties

- Made using highly water-resistant paper consisting of water-resistant paper to which a special water-resistant coating is applied
- Durable tear-resistant material, even when wet; withstands repeated bending
- Authorized for food product applications following elution testing by an independent agency

Suitable for boiling

#### Sample material content comparison

When replacing an ordinary (4.91 g) pouch with a water-resistant Craft Pouch

Ordinary pouch	Water-resistant Craft Pouch
Plastic: 80% (3.96 g)	Paper: 53% (4.28 g)
Aluminum: 20% (0.95 g)	Plastic: 35% (2.8 g)
	Aluminum: 12% (0.95 g)

#### Key points

- Cuts plastic use by about 30% (1.16 g/pouch)
- Qualifies for the "Paper" recycling mark
- Barrier performance equivalent to that of an ordinary pouch



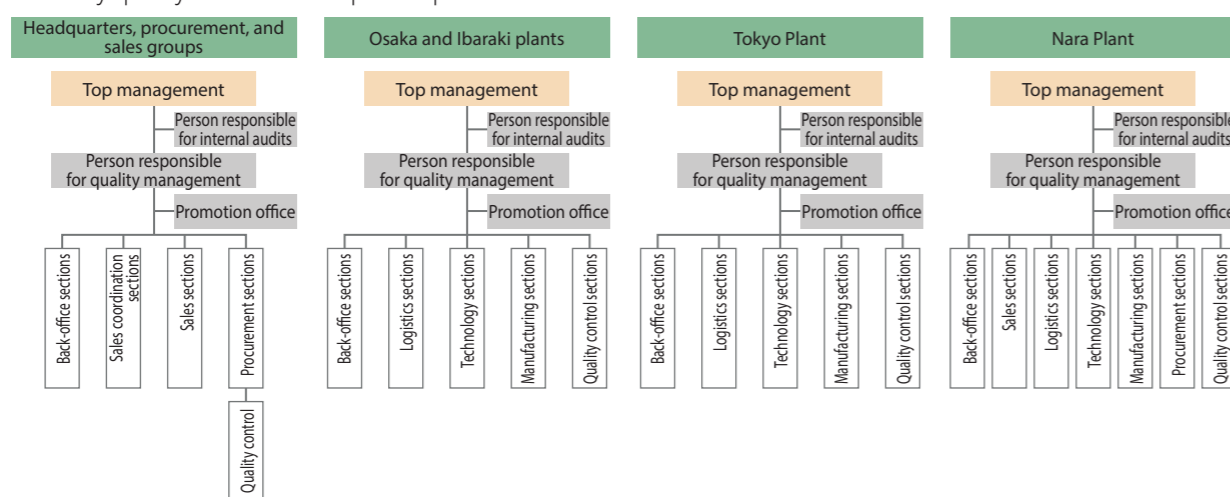
## Quality Control



The Pack's Quality Policy calls for "Increasing customer satisfaction through enhanced quality." To ensure high-quality products, we've established a quality control organization. We implement quality and safety activities and training and make continual improvements in response to complaints or irregularities. We remain dedicated to initiatives in which all employees take part, based on the Quality Policy, to ensure that we can deliver safe, reliable products to our customers.

### Quality control organization

A quality control organization has been established at four domestic plants and the headquarters, procurement, and sales groups to unify quality control and improve operations.



### ISO activities

All of our sites have obtained international certification under ISO 9001 for Quality Management Systems and ISO 14001 for Environmental Management Systems. In addition, the food product paper packaging and container production lines at the Tokyo and Osaka plants have earned FSSC 22000 international Food Safety Management Systems certification to deliver safe, reliable, high-quality food product packages to customers. We also perform regular internal audits to ensure the effectiveness of our management systems.

### The Pack Quality Control Activities

All sections organize small quality circles to promote operation- and workplace-improvement activities, which improve quality and productivity. Internal awards are presented twice a year to encourage autonomous activities.

### Internal training on quality control

Manufacturing workplaces implement internal training on management of the 'Four Ms' (manpower, machinery, materials, and methods) and the 'Three Hs' (*hajimete* [at the start], *henko* [during changes], and *hisashiburi* [the first time after a while]).



The Pack Quality Control Activities

### External quality patrols for partner companies

We conduct checks, guidance, and education through on-site verification and periodic quality patrols.

## Social Contribution Activities



As a member of the community ourselves, we engage in a wide range of activities to build relationships of trust and to move forward alongside other members of our local communities.

### Hands-on manufacturing classes

The city of Higashi-Osaka, where the Osaka Plant is located, is one of Japan's leading manufacturing centers. It produces a wide range of products that support society. The city is currently promoting a "Monozukuri no Machi Higashi-Osaka" ("Higashi-Osaka: A City of Manufacturing") program, including hands-on manufacturing classes for elementary-school students, contracted to the nonprofit Higashi-Osaka Organization for Region Innovation. We have participated in this program since it was launched in FY2002, sending employees to 10 or so schools each year to share the enjoyment of manufacturing with the students.

In 2020, employees were unable to visit schools due to measures to stop the spread of COVID-19. Thus, we participated in this program by producing a video for students to watch on the subject of making paper bags. In 2021, the program returned to the normal in-person class format. We plan to continue contributing to the education of children, as the human resources of the future, while modifying this initiative in line with new ways of living.

#### Results of this activity to date (cumulative totals through the end of FY2021)

Student participants: **15,304** (14,763 through visiting classes, 541 through watching a video)



The video class on making paper bags

### Supporting the Kansai Philharmonic Orchestra

We're an official corporate member of the Kansai Philharmonic Orchestra (<https://kansaphil.jp/>), which contributes to artistic and cultural development as one of the leading orchestras in the Kansai region. We provided the orchestra with special support as a sponsor of its 50th-anniversary project (held April 1, 2020 – October 30, 2021).

### Sponsoring the Kids Earth Fund

Founded in 1988, the Kids Earth Fund (<https://www.kidsearthfund.jp/en/>) provides children around the world devastated by disease, war, and disaster with art supplies and other supplies, as well as provides self-care services through workshops. Pictures drawn by the children are converted to revenue through use in companies' product designs. The funds generated are used to support children. As an official corporate member, we use the images created from the Kids Earth Fund as part of the graphic designs for packages for customers who so request.



## Human Resource Development and Workplace Development

Relationship to the SDGs



With an emphasis on human resource development, The Pack maintains comfortable workplaces where diverse human resources can demonstrate their individuality and abilities. We also strive to maintain comfortable working environments and implement health management to keep employees and their families in good health. We've launched a smoking cessation challenge program as part of these efforts. As a company that practices sustainable management, we will continue to maintain attractive systems by adapting to changes in the world around us.

### Diverse human resources

#### Promoting women in the workplace

An environment in which women can thrive is one where diverse employees, including young people, seniors, and those caring for children or other family members can work in comfort. In 2021, based on an analysis of various issues related to the creation of working environments where people can comfortably work over the long term, we established our targets for the future.

##### Action plan on promoting women in the workplace

- Plan period: April 1, 2021 – March 31, 2026
- Targets: (1) Women accounting for at least 25% of permanent full-time employees  
(2) Women accounting for at least 35% of permanent full-time employees (new graduates) hired  
(3) Women accounting for at least 10% of managerial personnel (managers and above)
- Issues and initiatives: One issue we face is the low number of women personnel. This means that women account for a small percentage of managerial personnel. In addition to hiring based on an awareness of the gender of new graduates hired, we plan to implement training on understanding the issues of diversity, gender, and systemic bias.

##### Women as a percentage of permanent full-time employees

(Figures for each fiscal year are as of December 31)

	2017	2018	2019	2020	2021
All permanent full-time employees (persons)	867	865	892	881	841
Women permanent full-time employees (persons)	156	159	171	176	167
Percentage accounted for by women (%)	18.0	18.4	19.2	20.0	19.9

##### Women as a percentage of permanent full-time employees (new graduates) hired

	2017	2018	2019	2020	2021
All permanent full-time employees hired (persons)	27	30	39	30	13
Women permanent full-time employees hired (persons)	6	11	8	11	6
Percentage accounted for by women (%)	22.2	36.7	20.5	36.7	46.2

##### Women as a percentage of managerial personnel (managers and above)

(Figures for each fiscal year are as of December 31)

	2017	2018	2019	2020	2021
All managerial personnel (persons)	203	205	213	208	206
Women managerial personnel (persons)	7	7	7	11	10
Percentage accounted for by women (%)	3.4	3.4	3.3	5.3	4.9

#### Comprehensive reduced working hours program

This program allows employees whose circumstances involve responsibilities such as caring for children aged three or older, providing long-term care for family members, hospital treatment, or family support to choose from various forms of employment, including six-hour working days, seven-hour working days, or staggered working hours. The program was established to support diverse workstyles based on a comprehensive consideration of situations in which standard working hours may pose difficulties. Launched in 2018, the program was in use by 12 employees in 2021.

##### Users of the comprehensive reduced working hours program

	2017*	2018*	2019	2020	2021
Users (persons)	—	—	4	7	12

\* Program began November 1, 2018

#### Numbers and percentages of employees taking childcare leave

Twenty employees are currently taking childcare leave (this number represents the number of employees who took at least one day of childcare leave from January 1 to December 31, 2021). All women employees eligible for the program have made use of it. In accordance with legal amendments in 2022, we plan to make progress in fostering an environment that makes it easier for both men and women to take childcare leave.

#### Employment of those with disabilities

Employment of those with disabilities In April 2022, we opened a business site in the city of Kainan, Wakayama Prefecture, intended to support the employment of those with disabilities. We will strive to facilitate continual employment in cooperation with special-needs schools in the prefecture.

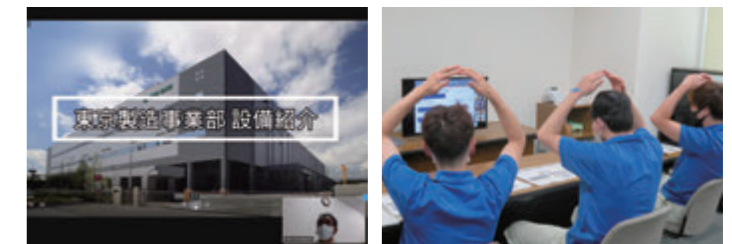
#### Technical trainees from Vietnam

We have welcomed a total of 10 technical trainees from Vietnam: five at the Osaka Plant since August 2019 and five at the Tokyo Plant since February 2021. The technical trainee program is just one of the ways we contribute to the international community. Human resources from developing countries return to their home countries with skills and techniques gained while working in Japan to contribute to future progress there. In addition to these international contributions, this program has been adopted at the Osaka and Tokyo plants to prepare for the potential employment of workers from abroad. Currently, trainees are employed in production of printed cartons in folding paper carton manufacturing workplaces, where they learn practical day to day skills and work toward their own personal objectives for coming to Japan.

### Human resource development

#### Online follow-up training and plant tours

We provide online follow-up training for new employees and those in their first and third years with the Company. We've also migrated plant tours, which previously had been conducted side by side with follow-up training, to an online format using pre-recorded video. These efforts reflect concern for employee safety. We plan to maintain our efforts to ensure that these online training programs build understanding and training outcomes equivalent to those of in-person training.



#### Online internships in hiring new graduates

We've implemented online internship programs since 2020. The benefits of online internships include the fact that students can participate from across the country. They can also save the time and cost of transportation and commutes to internship sites. Online internships also allow the participation of employees from various backgrounds across Japan, broadening the pool of employees who can participate. While we migrated these programs online initially to help stop the spread of COVID-19, those efforts have also made it possible to communicate the atmosphere of the Company and its employees to students more effectively through opportunities to meet students from regions where we have had little contact in the past and opportunities for employees from other sites to participate.

#### Skills improvement support program

To encourage employee self-improvement, we've established a skills improvement support program that provides economic assistance for activities such as language learning and earning qualifications. English and Chinese lessons are provided under corporate contracts with major language schools operating across Japan. Those learning English also have the option of online lessons.

Purpose of support	Subject	Details
Learning languages	English	Courses available at corporate contract prices (Incentives are paid for those who meet certain conditions.)
	Chinese	
Earning qualifications	Microsoft Office Specialist (MOS: Word, Excel, PowerPoint)	Those who pass the qualification exams are reimbursed the test fees and paid incentives.
	Official Business Skill Test in Book-keeping, Level 3 or above	
	Other (those necessary or beneficial to professional duties)	
Learning	Nikkei TEST	Trainees are reimbursed the test fees.

#### Human resources/general affairs liaison meetings

In addition to operation of the new human resource system, the volume of information that needs to be handled and the pace of changes continue to grow, due to developments such as legal amendments and accompanying changes in in-house rules and major changes in year-end tax adjustments due to changes in tax systems. For these reasons, we hold meetings on specific themes intended to enhance the skills of the Human Resources Division and general affairs staff at each business site and to encourage collaboration. These events serve as opportunities for sharing information, knowledge building, and mutual exchange of opinions.

Themes: Briefing on new retirement benefits system, Article 36 agreements, and working hours; dependent family members under social insurance and tax law; key points of amendments to laws on childcare and long-term care leave

## Health management

### Overview of the Certified Health & Productivity Management Outstanding Organizations Recognition Program and our ranking

The Certified Health & Productivity Management Outstanding Organizations Recognition Program is a program that recognizes major corporations and small and medium-sized enterprises (SMEs) that practice particularly outstanding health management, through initiatives reflecting community health issues and efforts toward good health as promoted by the Nippon Kenko Kaigi.



#### Assessment of The Pack's health management (FY2021 application)

- Overall ranking: **1751-1800** out of 2869 companies
- Overall assessment: **48.4 (up 1.6)** points from the previous score of 46.8

As the number of companies participating in this program increases, there is a need for more advanced and proactive health management efforts. Under our policy of management that values and nurtures people, we will strive to maintain and improve the health of employees and their families.

#### Background of certification

2016:	First took on the challenge of becoming a Certified Health & Productivity Management Outstanding Organization	March 2020:	Recognized as a 2020 Certified Health & Productivity Management Outstanding Organization in the large enterprise category
February 2019:	Named to the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program "White 500" in the large enterprise category	March 2021:	Recognized as a 2021 Certified Health & Productivity Management Outstanding Organization in the large enterprise category
		March 2022:	Recognized as a 2022 Certified Health & Productivity Management Outstanding Organization in the large enterprise category

### Thorough health checkups and secondary examinations

We provide regular health checkups for all employees, including part-time employees. The most recent percentages of employees undergoing these exams, for FY2020, shows that while 100% of employees underwent regular health checkups, only 67.2% underwent secondary examinations. It was apparent that in some cases employees found it difficult to make appointments with medical care facilities as many of them restricted numbers of people accepted for examinations in response to COVID-19, while others refrained from getting their examinations out of fear of catching the virus. Employees found to require urgent treatment based on examination results are encouraged to be examined through letters and telephone calls from public health nurses with the health insurance society. We will continue to confirm that employees understand the importance of undergoing secondary examinations instead of taking checkup results lightly.

#### Regular health checkups (checkup period: April 1 of year indicated – March 31 of following calendar year) (Subject: all employees)

	2018		2019		2020	
	Persons	%	Persons	%	Persons	%
Examined	959	100.0	940	98.9	913	100.0
Unexamined	0	0.0	10	1.1	0	0.0
Total	959	100.0	950	100.0	913	100.0

#### Secondary examinations (examination period: April 1 of year indicated – March 31 of following calendar year) (Subject: all employees)

	2018		2019		2020	
	Persons	%	Persons	%	Persons	%
Examined	172	73.2	117	52.7	166	67.2
Unexamined	54	23.0	101	45.5	81	32.8
Resigned after being informed	9	3.8	4	1.8	0	0
Total	235	100.0	222	100.0	247	100.0

### Health training

We provide health training for all employees, including part-time employees. In 2021, training was provided in the format of viewing via the Web a video prepared for the Company on the theme of "Staying healthy during the COVID-19 pandemic," in cooperation with the health insurance society.

#### Health training (Subject: all employees)

	2021	
	Persons	%
Completed training	1,173	95.3
Those on long-term absence or maternity or childcare leave	17	1.4
Did not complete training	41	3.3
Total	1,231	100.0

### Smoking cessation challenge

We're promoting a smoking cessation challenge program for the health of employees and their families. At the time of a March 2021 survey, 27% of Company employees were smokers, a figure much higher than the national adult average of 16.7% (according to the National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare). Together with raising awareness of available options such as the health insurance society's smoking cessation program, the Human Resources Division played an active role in implementing the following initiatives, which successfully reduced the percentage of smokers by three points from 27% to 24%. We will continue encouraging employees to quit smoking.

#### Main initiatives

- ① Smoking survey to ascertain current conditions: Smoking rates published by business site and section
- ② Management smoking cessation challenge: All officers of the rank of division general manager in charge and above pledge not to smoke during working hours
- ③ Setting numerical targets by business site and section and encouraging smoking cessation: Reporting on progress from time to time in the in-house bulletin and elsewhere

#### Smoking rate over time (Subject: all employees)

	March 2021		November 2021	
	Persons	%	Persons	%
Smokers	341	27.1	303	24.3

### Stress checks

We ask all employees, including part-time employees, to undergo annual stress checks. We aim to identify any mental-health concerns swiftly through analysis of individual groups of employees, in addition to encouraging eligible persons to receive in-person guidance from a physician based on the results of their stress checks.

#### Stress checks (Subject: all employees)

	2017	2018	2019	2020	2021
Number undergoing stress checks (persons)	1,313	1,304	1,295	1,274	1,215
Rate of undergoing stress checks (%)	97.9	98.0	97.0	97.2	97.4

#### Other health-management initiatives

- Influenza inoculations
- Normalization of working hours
- Radio calisthenics every morning
- Publicizing health emphasis month
- Encouraging employees to take paid vacation
- Specified health guidance etc.

## New HR system

In 2020, we adopted a new HR system, including revisions of wage and personnel structures as well as evaluation systems. The goals of this new system are to realize workplaces where people can achieve personal growth, to increase employee motivation, and to create an environment in which people can work with peace of mind over the long term.

#### Wage structure

Based on the new personnel structure, requirements for raises and promotions have been clarified to enable employees to envision their own future careers. Salaries and retirement benefits for younger employees and those continuing to work after mandatory retirement age have been revised to increase lifetime earnings.

#### Evaluation system

Salaries and bonuses are determined through suitable evaluations. A Companywide HR Development Conference is held as a meeting for evaluation purposes. In this conference, evaluations are made as openly as possible. Information is shared on outstanding human resources and the evaluations discussed. This serves as an opportunity not just for the evaluations themselves but for evaluating participating managerial personnel and for education.

