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Tokyo Head Office	2-8-4, Tomigaya, Shibuya-ku, Tokyo 151-0063, Japan Tel.: +81-3-3469-1221
Founded	1878
Incorporated	May 10, 1952
Capital	2,553,505,600 yen
Representative	Naoki Nakamura, President and CEO
Number of employees	1,196 (consolidated, as of December 2024); 862 (nonconsolidated, as of December 2024)
Annual sales	101.4 billion yen (consolidated, as of December 2024)
Shares traded on	Prime Market, the Tokyo Stock Exchange (securities code: 3950)
Lines of business	Planning, manufacturing, and sale of paper bags, 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 Group Companies:	Keihin Tokushu Printing Corporation Nikko Print Corporation Pack Takeyama Co., Ltd. Nishinihon Printing Co., Ltd. Kannaru Printing Co., Ltd. Hikari Packs Ishikawa Co., Ltd.
Overseas Group Companies:	The Pack America Corporation The Pack (Shanghai) Corp. The Pack (Changshu) Co., Ltd.

URL

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



Sustainability

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



Sustainability Report 2025



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Editorial Policy

Starting from this year, the CSR Report has been renamed the Sustainability Report. The Sustainability Report has been prepared to communicate to stakeholders in detail the efforts of The Pack Corporation to realize a sustainable society while also raising its corporate value.

Period covered by this Report: While this Report basically covers the period of FY2024 (January 1 – December 31, 2024), it includes some information from before and after this period.

Published figures: Totals may not match the sum of individual components due to rounding.

Organization covered by this Report: The Pack Corporation

Section preparing this Report and contact point: IR & Public Relations Department, The Pack Corporation

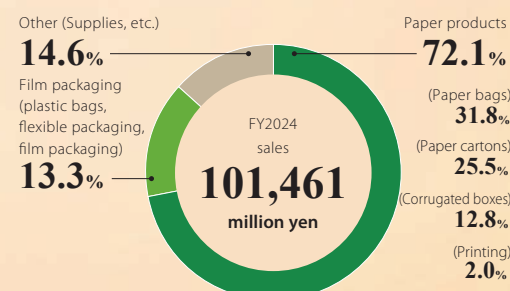
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Disclosure structure

Financial information	Nonfinancial information
<ul style="list-style-type: none"> Business Results Briefing Materials on Business Results Shareholder Bulletins 	<ul style="list-style-type: none"> Sustainability Report Corporate Governance Code Initiatives
Integrated Report	
Annual Securities Report	
The Pack Corporate Website	



Shares of sales



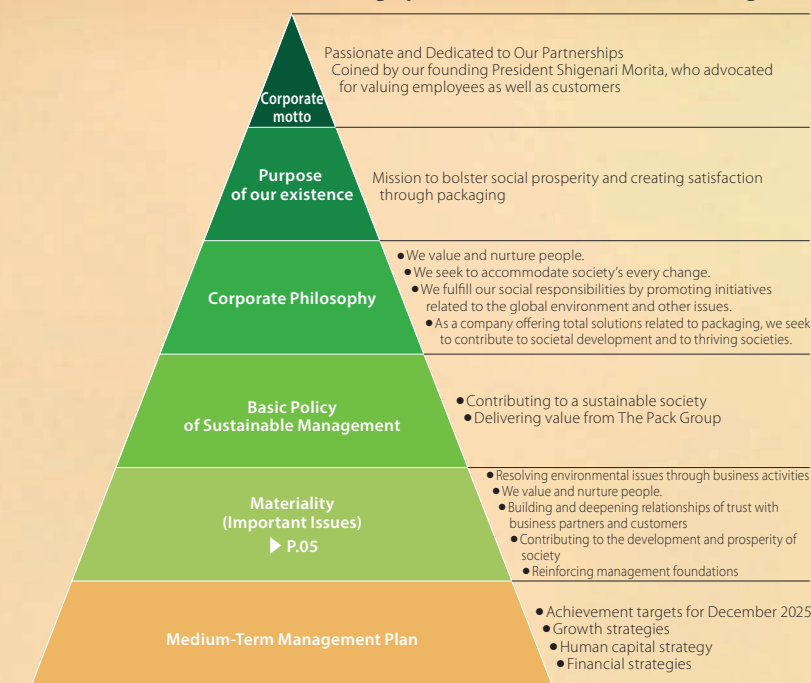
The Purpose of The Pack Group's Existence

Mission to bolster social prosperity and creating satisfaction through packaging

Basic Policy of Sustainable Management

As is expressed in The Pack Group's corporate motto, we are passionate and dedicated to our partnerships in all our activities. Furthermore, we pursue sustainable management in keeping with the purpose of our existence (purpose): to provide packaging solutions to contribute to a prosperous society and bring satisfaction to people. As a company offering total solutions related to packaging, we help solve the many issues facing our stakeholders through the creation of new value in packaging, thereby contributing to a prosperous and sustainable society. To this end, we strive to deliver environmental, social, and economic value that is unique to The Pack Group, based on sustained growth and the ability to adapt to social change.

Philosophy Structure of The Pack Group



Top Message

Our understanding of sustainability promotion

My name is Naoki Nakamura. I took office as President and CEO of The Pack Corporation on March 26, 2025. As Company representative, alongside all our employees, I try to strengthen the value of the Pack Corporation by drawing on my years of experience working with customers in the sales field to find solutions.

Our world is changing at an unprecedented pace, a process accompanied by growing uncertainty. Our business environment is seeing the emergence of various risks, both domestic and international, including a global economic slowdown, fluctuations in raw material prices, increasingly severe climate change, and labor shortages. But I understand that even under such circumstances I bear the important responsibilities of properly identifying risks and guiding the organization toward growth.

Since the announcement and launch of sustainability management in 2022 under former President Yamashita, we've formulated our corporate Purpose and materiality issues and a Medium-Term Management Plan based on them. Over the past three years, under the clear policies identified by management, awareness has taken firm root within the organization that sustainability initiatives are essential elements for growth. I will work to ensure our continuing growth by accelerating this movement and developing systems that fully incorporate sustainability into our main businesses. As a first step, I plan to incorporate measures to enhance sustainability into our management strategies and build systems to promote these measures. Over the long run, we will remain a company that provides new value to society and the markets as we work to realize our reason for being—our Mission to bolster social prosperity and create satisfaction through packaging.

Status of promoting sustainable management and future outlook

In 2024, we continued to promote various measures aiming to enhance sustainable management. This report details some particularly important initiatives chosen from among them, based on ESG (environmental, social, governance) perspectives. It also shares information on our future outlook.

In the environmental field, we focused on promoting increased sales of eco-friendly products. Prominent examples include The Pack Forest® products and products certified by the Forest Stewardship Council (FSC®).

The Pack Forest® products are distinguished by the way customers who use them can contribute to afforestation by their choice of packages. A portion of sales of these products is allocated to conservation activities within our afforestation areas. We propose these products to customers who are highly environmentally aware, and in 2004, sales of these products grew by around 8% year on year. In 2025, we concluded contracts on 10 new afforestation areas in Wakayama Prefecture, where we work with customers and local communities to conserve and revive forests.

FSC®-certified packages are produced at plants accredited under international FSC® standards using responsibly procured raw materials. These packages have drawn the support of numerous customers as reliable ways to fulfill their obligations to consider the environment and society.

In 2024, as part of efforts to achieve the materiality KPI target for 2030 of achieving a ratio of sales of FSC®-certified products to total sales of 50% or higher, we marketed FSC®-certified products as ways to express environmental awareness. As a result, sales of these products grew by about 10% year on year. We will make steady progress toward the KPI target for 2030 by raising awareness of reliable FSC®-certified materials, enhancing relationship with suppliers and building systems to ensure a stable supply.

On the topic of social considerations, we see human resource management as a top priority. We've improved working environments and enhanced training and various systems. We recognize the importance of building environments in which employees can demonstrate their individual abilities to the fullest as they work to customize products to meet customer needs in line with our business model. Specifically, in addition to improving sales skills, we're focusing on building environments in which all employees—the administrative staff who support sales, creators who develop our products, manufacturing staff who realize efficient production while meeting high quality requirements, and corporate section staff, whose roles have grown more important in recent years—can grow together while enjoying similar levels of rewarding work. We're confident that employees who demonstrate their abilities to the fullest will lay the foundations for our continuing growth.

Regarding training, in addition to tiered educational programs, we're continuing to hold specialized study meetings in sales and product development as well as training to promote digital transformation (DX). In 2025, this DX training reached its third term. While we recognize that we still have a way to go to achieve business reforms on a Companywide scale, we sense future potential in the fact that some sections have begun to generate results on business efficiency

improvement using AI. In the future, we will aim to improve productivity across the organization through DX promotion powered by development of digital human resources to lead the way.

We're also promoting varied measures to improve working environments. In 2024, we revised the personnel evaluation system to implement improvements intended to evaluate the contributions of the steadily increasing numbers of employees who continue to work after retirement. We introduced new approaches to improvements, including training to strengthen awareness based on an analysis of engagement survey findings. We're also focusing on measures to promote health management and to encourage men to take childcare leave. These are part of our efforts to develop environments in which employees can work through diverse work styles with peace of mind. We will continue making steady improvements to strengthen growth foundations for The Pack.

Lastly, in the field of governance, we've focused on strengthening the risk management structure. To achieve continuing growth in an increasingly uncertain business environment, we must develop systems we can use to ascertain risks accurately and to make related decisions swiftly and flexibly. For this reason, in addition to regularly identifying and assessing risks and formulating and thoroughly implementing responses to them, we will further enhance the functions of the Board of Directors to build a system capable of appropriate decision-making. The management team underwent a generational change in March 2025, resulting in an organization that more strongly incorporates into management the perspectives of those in the field—in terms of their thoughts and feelings. We will continue to enhance the Board to enable appropriate management decision-making through highly constructive and effective deliberations.

To strengthen stakeholder relationships, we will strive to effect clear and good-faith communication, granting top priority to transparent disclosure. Specifically, we will strive to deepen understanding of our philosophy and business activities by actively disclosing not just financial but nonfinancial information as well. Through these and other initiatives, we aim to be a company that earns even higher levels of trust and empathy from all our stakeholders.

Message to stakeholders

In 2024, the Company achieved record high financial results. These results, led by sales in target markets, represent the fruit of all employees continuing to work together to achieve our goals. Our people are our greatest strength, and such growth is the result of individual

employees continuing to take on challenges.

We will strive to apply the gains of these efforts not just to make capital and strategic investments and achieve continuing growth, but to provide returns to our stakeholders. Specifically, we will pay stable dividends to shareholders and create new business opportunities through co-creation with business partners. We're also striving to establish cycles of sustainable growth through wage increases for employees and to develop workplace environments in which they can do rewarding work.

One important recent initiative is the project currently underway to rebuild the Osaka and Nara plants. This project represents a major turning point for the Company. In addition to enhancing our business foundations, this work will help fulfill our corporate responsibilities of improving production efficiency and reducing our environmental impact. To make the most of this manufacturing capital, we will focus aggressively on human resource development and on building systems intended to realize efficient management. Through these initiatives, we will enhance our competitive strengths and ensure long-term growth.

Engagement with stakeholders is essential to our growth. We are committed to evolving into a company that delivers value to society and the markets by listening to what stakeholders have to say and accepting their opinions in good faith. It is my heartfelt wish that The Pack Corporation will continue to enjoy the support and guidance of our stakeholders.

Naoki Nakamura
President and CEO



Materiality

Identification process

A set of Materialities (important issues) was identified by the project members centering on the Sustainable Business Team established in January 2022. In July 2022, the Materialities were approved by the Board of Directors and finalized.

In September 2023, we established five materiality KPIs. We are promoting initiatives intended to achieve these KPIs by FY2030. We will strive toward sustained growth in corporate value by checking progress on, assessing, and updating these materiality issues and KPIs through the plan-do-check-act (PDCA) cycle.

Step 1

Organizing study meetings held by the Sustainable Business Team, which is a member of the project team that identifies materiality topics

The project team has at least one individual from each department responsible for topics such as sales, quality control, finance, legal affairs, human resources, general affairs, and business strategy. Multiple study meetings to date have strengthened the understanding of team members regarding terminology and sustainable management at other companies. Study meetings have also been held for executives to promote their understanding and discussion of initiatives to help build a narrative on sustainable management and value creation as well as initiatives related to the Task Force on Climate-related Financial Disclosures (TCFD).

Step 2

Reviewing the value chain and ascertaining our management capital (strengths)

We examined our value chain in great detail, identifying our unique qualities and points of differentiation from our competitors. Based on the findings, we identified our management capital: financial capital, manufacturing capital, human capital, intellectual capital, social and relationship capital, and natural capital.

Step 3

Identifying themes (issues) for maintaining and growing our management capital and defining initiatives for each issue

We studied how to maintain and grow management capital comprising these six types of capital and identified related issues. We also defined initiatives for each issue as it relates to the environment, customers, people and labor, local communities and society, and management.

Step 4

Deciding on materiality topics based on their importance to stakeholders and to the Company

Step 5

Submitting the materiality topics through the Sustainable Committee to the Board of Directors for approval

List of Materiality issues organized from an ESG point of view

	Major themes	Materiality (Important Issues)	Initiatives		Association with SDGs
E	Theme 01 Delivering solutions to environmental issues through our business activities	Promoting eco-friendly product planning and technological development	<ul style="list-style-type: none">Developing, procuring, and supplying eco-friendly raw materials, including forestry-certified and mixed paperProposing packaging that requires reduced volumes of raw materialsProposing solutions to improve work efficiency through use of our packaging	<ul style="list-style-type: none">Proposing alternative surface processing technologies to replace plastic laminatesDeveloping alternative paper packaging to replace plastic packagingDeveloping reusable packagingDeveloping eco-friendly plastic packaging	   
		Reducing environmental impact throughout our business activities	<ul style="list-style-type: none">Purifying and reusing water used in manufacturing processesReducing CO₂ emissions (intensity)	<ul style="list-style-type: none">Transitioning to renewable energyAppropriately managing industrial waste and reducing emissions; promoting recycling	   
		Contributing to environmental conservation and preservation	<ul style="list-style-type: none">Preserving and restoring forest and mountain areasPlanting trees with consideration for ecosystems	<ul style="list-style-type: none">Establishing a new environment fund to support efforts such as the preservation and restoration of coasts and riversInvesting in efforts that contribute to environmental conservation and preservation	   
S	Theme 02 Valuing and nurturing people	Promoting employee health and safety	<ul style="list-style-type: none">Maintaining and improving the health of employees and their families as set forth in the Health and Productivity Management DeclarationImplementing safety measures at manufacturing sites	<ul style="list-style-type: none">Stockpiling disaster supplies to keep employees safe in the event of natural disasters	  
		Developing and cultivating the capacity to offer total solutions related to packaging	<ul style="list-style-type: none">Using the Packaging Laboratory to foster an organization of specialists who support The Pack as a company offering total solutions related to packagingDeveloping and utilizing databases on packaging expertise	<ul style="list-style-type: none">Improving business efficiency and enhancing proposal capabilities through digital transformation (DX)Promoting product development through study groups in which manufacturing sites participate	 
	Theme 03 Building and enhancing relations of trust with our business partners and customers	Promoting diverse work styles that encourage all employees to thrive	<ul style="list-style-type: none">Developing environments for work styles suited to employee lifestylesPromoting an action plan to empower women in the workplaceDesigning remuneration schemes to allow employees to work with peace of mind and other systems to secure post-retirement plans	<ul style="list-style-type: none">Developing teleworking environments and adopting communication toolsDeveloping employee skills and optimizing assignments through job rotationsBuilding a more open human resource evaluation system	  
		Co-creating brand value with our customers	<ul style="list-style-type: none">Identifying and analyzing customer issues and providing solutionsCollecting information on packaging in Japan and overseas and communicating market developments and trends	<ul style="list-style-type: none">Providing multifaceted proposals on distribution and logistics solutions to achieve labor savings, automation, and mechanizationProposing ways to participate in The Pack Forest® Environment Fund to preserve forests	  
G	Theme 04 Contributing to social development and prosperity	Maintaining and improving quality through joint efforts with business partners	<ul style="list-style-type: none">Implementing joint development of production technologies and establishing mass production in partnership with production subcontractorsImproving quality by enhancing quality control structures	<ul style="list-style-type: none">Investing in efforts that contribute to the development of future generationsParticipating in and supporting activities that lead to increased environmental awareness	  
		Contributing to developing future generations and fostering environmental awareness	<ul style="list-style-type: none">Holding visiting classes for elementary school studentsParticipating in educational content (including online)	<ul style="list-style-type: none">Support for activities that create jobs for people with disabilities and activities that assist them in becoming self-sufficient and finding employmentSupporting activities of children to support environmental protection	 
	Theme 05 Enhancing management foundations	Securing soundness, transparency, and efficiency in management	<ul style="list-style-type: none">Improving corporate governance structuresDisclosing information on the status of initiatives related to all principles of the Corporate Governance CodeStrengthening management soundness through the G-Line (compliance line as the internal whistleblowing system)	<ul style="list-style-type: none">Implementing fair and objective decision-making processes for management appointmentsImproving the quality of disclosure to shareholders and other stakeholdersSecuring diversity among the Board of Directors	
		Promoting supply chain risk management	<ul style="list-style-type: none">Strengthening supply chains that can respond to various procurement, production, and sales risks	<ul style="list-style-type: none">Enhancing resilience to ensure the appropriate operation of business continuity planningCountering information leaks and system failures associated with cybersecurity risks	

Materiality KPIs

A set of Materialities (important issues) was identified in 2022. In September 2023, we established KPIs on five of these materiality issues we deemed were of particular importance to increasing our social and economic value. We will aim to achieve all five of these KPIs by FY2030.

Materiality KPIs and results over the past five years

Major themes	Materiality (Important issues)	KPIs, action plans	2020	2021	2022	2023	2024
Theme 01 Delivering solutions to environmental issues through our business activities	Promoting eco-friendly product planning and technological development	Achieving a ratio of sales of FSC®-certified products (paper bags, paper cartons, corrugated boxes) to total sales of 50% or higher *1 • Strengthening proposals to shift to paper packaging • Expanding numbers of FSC®-certified suppliers • Accelerating development of new materials and products based on paper materials	10.8%	13.2%	17.4%	20.2%	21.1%
	Reducing environmental impact throughout our business activities	Reducing CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018 (targeting 8,997 t) • Switching to highly energy-efficient machinery • Switching to renewable energy (including renewable energy purchases) • Expanding use of solar panels	10.5% (14,914 t)	10.6% (14,894 t)	7.6% (15,399 t)	−0.6% (16,756 t)	3.1% (16,149 t)
	Contributing to environmental conservation and preservation	Implementing 15 The Pack Forest® Environment Fund activities, with 500 participants per year • Expanding capacity through new site development • Enhancing activities to strengthen awareness among local residents and seeking volunteers from the general public • Enhancing activities to invite customer participation	0 0	0 0	4 111	9 253	8 230
Theme 02 Valuing and nurturing people	Promoting diverse work styles that encourage all employees to thrive	Increasing women's percentage of managers (managers or above) to 15% or more • Increasing the percentage of women among new graduate hires to 35% or more • Developing systems and environments through which women can continue to work over the long term	5.3%	4.9%	6.7%	6.3%	7.2%
Theme 03 Building and enhancing relations of trust with our business partners and customers	Co-creating brand value with our customers	Earning the support of 300 firms for The Pack Forest® Environment Fund*2 • Enhancing the tools used to introduce activities and providing support for them	44	67	94	123	158

*1 Sales: The Pack (nonconsolidated) paper products business as a whole (FSC® C020517) *2 Number of companies with sales results

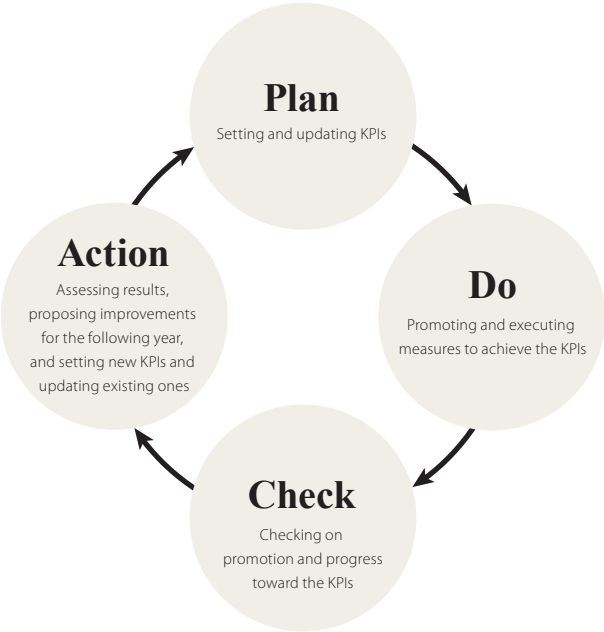
KPI management

The Sustainable Committee and the Sustainable Committee Secretariat, its executive arm, set and manage materiality KPIs. The Sustainable Committee Secretariat reports every half-year to the Sustainable Committee on progress toward the KPIs, ascertained in partnership with Business Units and Group companies. In addition, it assesses results each year, proposes improvements for the following year, and sets new KPIs and updates existing ones.

The Sustainable Committee works together with the Conference of Business Divisions to promote practical efforts targeting the KPIs in individual business sections.

Each business section employs the plan-do-check-act (PDCA) cycle to improve productivity across the organization and strives to achieve the KPIs.

A management structure has been established to promote and monitor progress toward the KPIs, striving toward fair assessment of individual business sections.



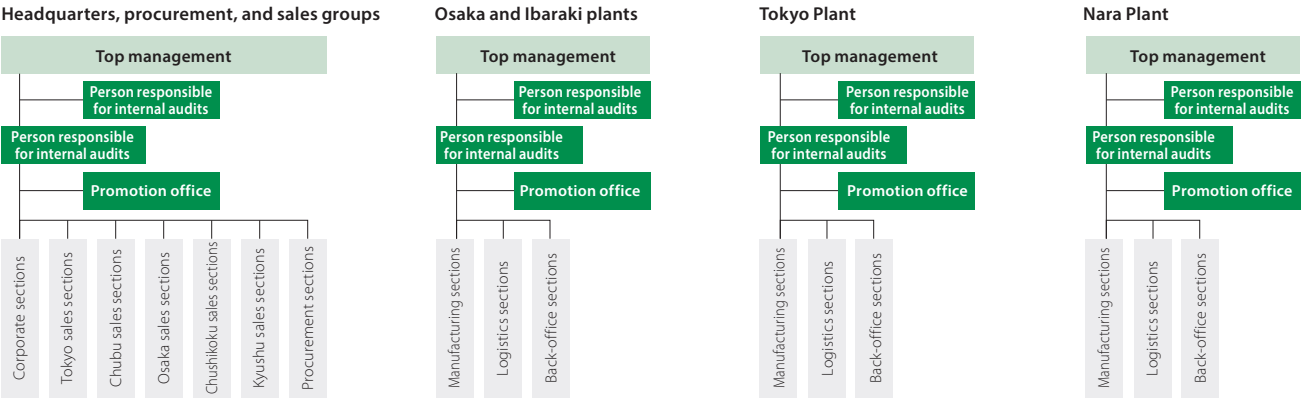
Environmental philosophy

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.

Basic policy o Environmental philosophy n environmental activities

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 (ISO14001)



Environmental targets (ISO14001)

Organization	Measures	FY2024			FY2025
		Target	Performance	Result	Target
Headquarters, procurement, and sales group	Growing sales of Forest Products ^{*1}	Growing sales of Forest Products by 20% or more vs. FY2023 ^{*2}	+8.4%	×	Limiting any decline in sales of Forest Products to 22.0% vs. FY2024
	Growing sales of FSC®-certified products	Increasing sales of FSC®-certified products by +30% vs. FY2023 ^{*2}	+9.0%	×	Increasing sales of FSC®-certified products by 0.1% or more vs. FY2024
	Forest conservation activities	Implementing forest conservation activities 10 times	10 times ^{*2}	○	Implementation of forest conservation activities 10 times
Osaka Plant	Energy conservation	Reducing CO ₂ intensity: Reductions to below actual FY2023 figures	−0.0%	○	Reducing CO ₂ intensity: Reduction to below actual FY2024 figure
Ibaraki Plant			−1.3%	○	
Tokyo Plant	Energy conservation	Reducing CO ₂ intensity: Reducing by 33.6% vs. FY2012	−28.7%	×	Reducing CO ₂ intensity: Reducing by 29.7% vs. FY2012
Nara Plant	Energy conservation	Reducing CO ₂ intensity: Reductions of 3.0% vs. FY2023 ^{*2}	+12.8%	×	Reducing CO ₂ intensity: Reductions of 3.0% vs. FY2024

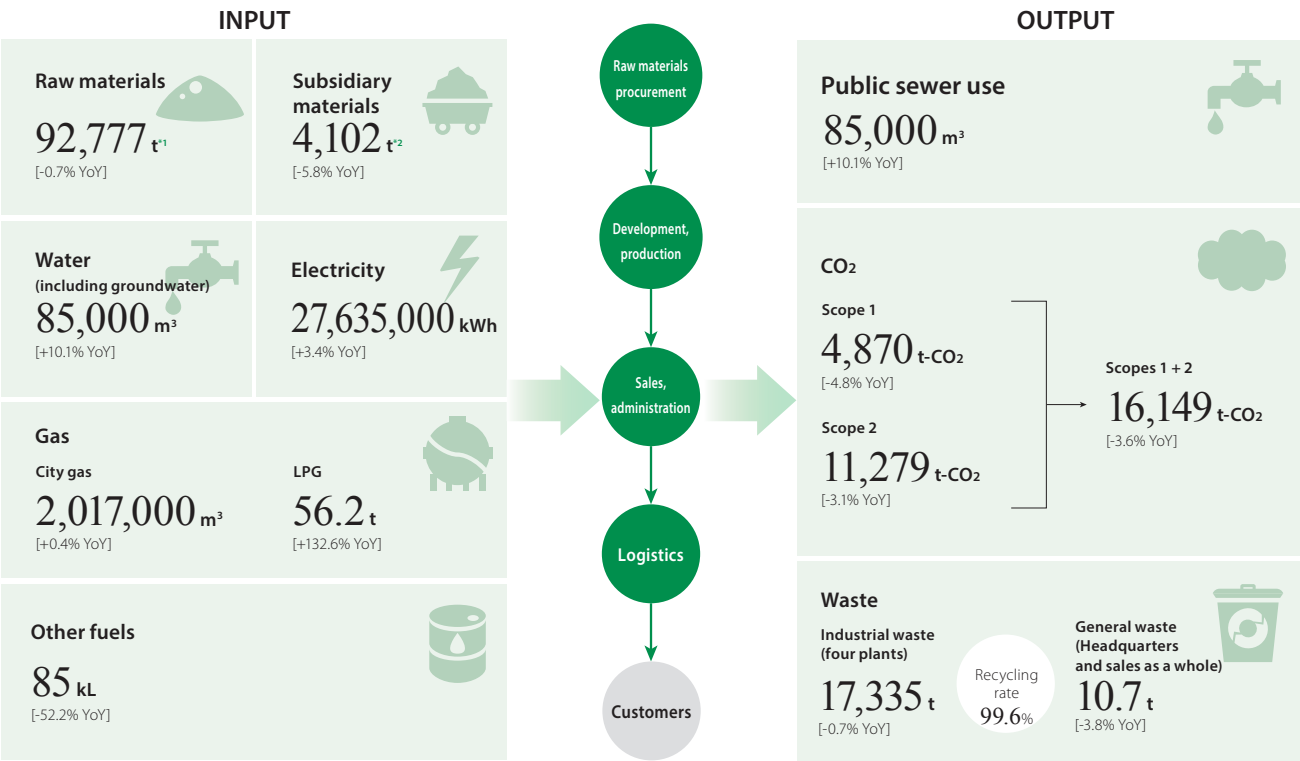
*1 Forest Products subject to The Pack Forest® Environment Fund include bagasse, Forest Light, Custard Color, Sugar Brown, etc.
*2 Including activities canceled due to weather

Striving to reduce environmental impact

Environmental impact of production activities

We're ascertaining and striving to minimize the overall environmental impact of our production activities.

Note: The data shown is for the four plants (Osaka, Nara, Tokyo, and Ibaraki), headquarters and sales group.



¹ Based on volumes purchased (four plants)
² Based on volumes consumed (four plants)

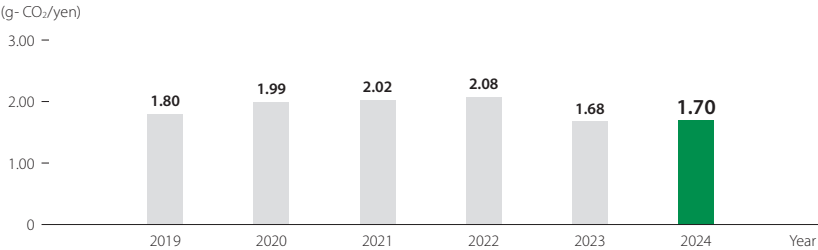
Sales volumes



CO₂ emissions intensity

CO₂ emissions intensity refers to the volume of CO₂ emitted from certain business activities. We calculate CO₂ emissions intensity based on domestic plant processing volumes and CO₂ emissions from domestic plants, the headquarters and sales as a whole. This is used as a general indicator of energy conservation because it is unaffected by changes in sales or production volume. CO₂ emissions intensity increased in FY2024. We plan to maintain various energy conservation activities, especially at the plants.

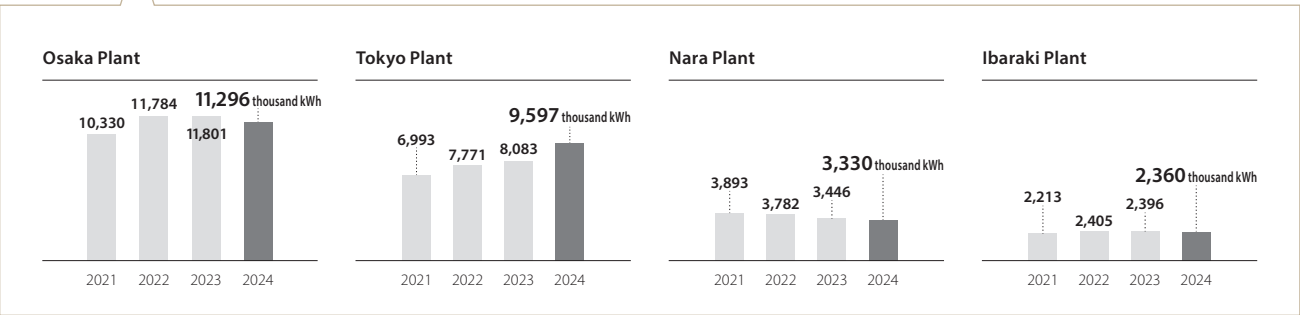
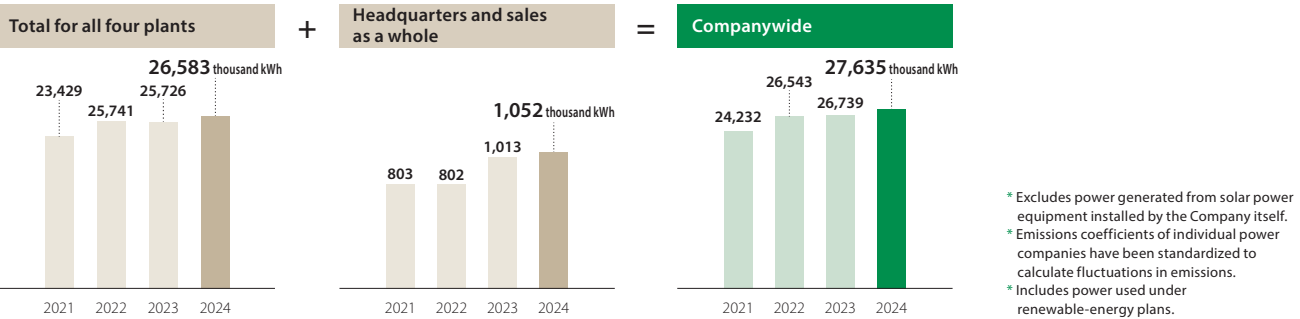
Four plants (per yen of processing)



Quantitative changes

The headquarters, sales group, and four plants are striving to conserve energy through means such as adopting high-efficiency equipment. We're also striving to reduce industrial waste and increase recycling rates. Although industrial waste emissions increased in FY2024, recycling rates improved to 99.6%.

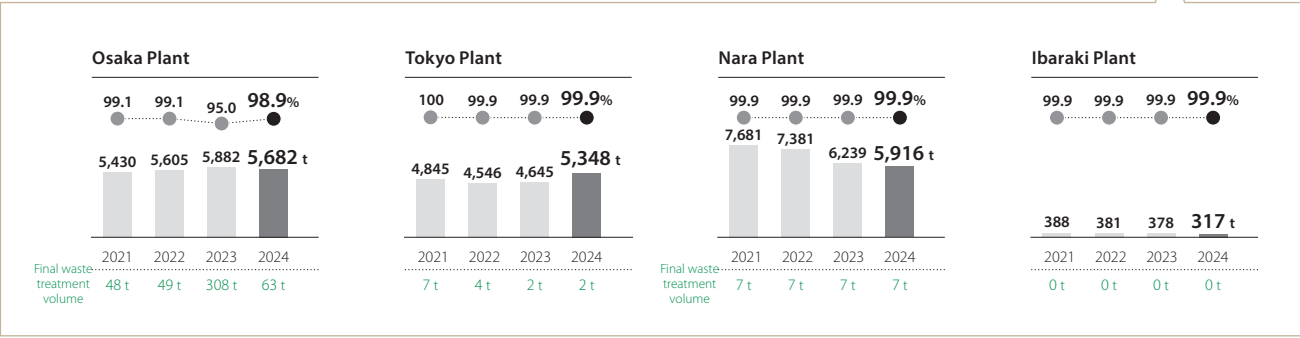
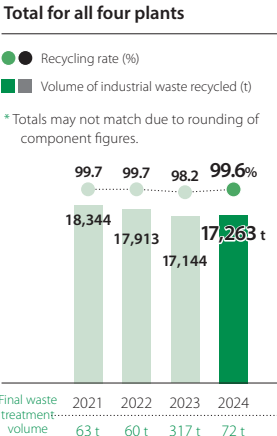
Electricity use



Recycling of industrial waste

Each plant recycles as much industrial waste as possible in an effort to reduce the amount of waste ultimately disposed of. Part of the industrial waste from the loss of manufacturing paper and chemical product packaging, and part of the packaging materials that were used as raw and subsidiary materials are now reused in the market as recycled packaging materials, etc.

Some industrial waste that cannot be recycled is recycled into solid fuels and other useful resources.



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 FY2024, the volume of substances subject to the PRTR Act remained unchanged year-on-year.

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

Subject chemical substances	Material in which included	2021	2022	2023	2024
Toluene	Adhesives	0.0	0.0	0.0	0.0
Xylene	Adhesives	0.0	0.0	0.0	0.0
Phthalates	Adhesives	0.0	0.0	0.0	0.0
Boric acid and compounds thereof	Adhesives	1.6	1.4	1.2	1.2
Monochlorobenzene	Adhesives	0.0	0.0	0.0	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
Total		1.6	1.4	1.2	1.2

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

Fuel conversion at the Ibaraki Plant

In 2024, the Ibaraki Plant upgraded its aged kerosene boilers, replacing them with eco-friendly LPG (liquefied petroleum gas) boilers. Since LPG is a clean energy source that when burned emits almost no substances harmful to the environment or people, the fuel conversion is expected to reduce emissions of substances that lead to global warming and acid rain. The decision to convert to LPG fuel was made not just to reduce CO₂ emissions but to cut costs.

As a result, CO₂ emissions per boiler at the Ibaraki Plant in 2024 were down 56 t (24%) year-on-year, while operating costs fell by 11%.

The LPG boilers allow safe energy use. For example, they eliminated the risk of soil or groundwater pollution from kerosene leaks.



The Ibaraki Plant LPG facility

Disclosure in accordance with TCFD recommendations

Recognizing the major impacts climate change would have on the Company and its stakeholders, The Pack has identified reducing environmental impact throughout our business activities as a key materiality issue. The following disclosures reflect Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The Pack will strive to provide appropriate disclosure to stakeholders by enhancing the content of disclosure in addition to further accelerating related initiatives.

Governance

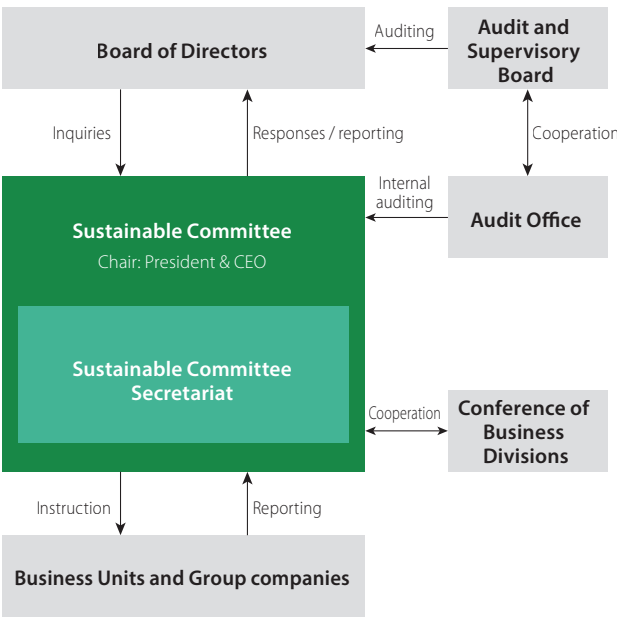
The Sustainable Committee (chaired by the President and CEO) under the Board of Directors manages and promotes response to climate change. The Sustainable Committee and the Sustainable Committee Secretariat, its executive arm, in partnership with the Conference of Business Divisions, Business Units, and Group companies, ascertain risks and opportunities associated with climate change, draft related targets, monitor and assess the state of related efforts, and submit reports and answers to the Board of Directors twice a year on the results of this process. While the Sustainable Committee meets twice annually in principle, it may meet at other times to address matters judged by the chairperson to be highly important or urgent.

The Board of Directors consults with and supervises the Sustainable Committee and makes decisions on targets.

Tasked with overseeing the executive organization, the Sustainable Committee Secretariat reviews anticipated risks and opportunities associated with climate change, identifies them and assesses their importance, and reviews their assessments. It also considers action plans and response policies and inspects and follows up on the state of execution periodically.

The Conference of Business Divisions consults with the Sustainable Committee to share information. Business Units and Group companies implement various measures and provide results and data.

The Audit and Supervisory Board and the Audit Office provide supplemental audits related to these initiatives.



Risk management

The Sustainable Committee reviews the risks and opportunities associated with climate change annually, assesses risks and opportunities based on various considerations, including their probability and impact and what recourses are available. In reviewing assessments of risks and opportunities, it refers to various scenarios provided by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and interviews related business sections as necessary. Among the risks and opportunities associated with climate change, those considered to be highly important are reported to the Board of Directors through the Sustainable Committee. The Sustainable Committee drafts responses to risks and opportunities and manages the progress thereof in accordance with established guidelines.

Strategy

The Group has considered two scenarios, the 2°C scenario and 4°C scenario, for the year 2030, for a scope consisting of The Pack Corporation. In doing so, it referred to the scenarios of the IEA's World Energy Outlook, the IPCC's Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) scenarios, and various forecasts and plans issued by the Japanese government and other parties. Analyzing each event along the two axes of probability and impact, it assessed business risks and opportunities at three levels: high, medium, and low. We will increase the resilience of business activities by promoting optimal initiatives based on the important business risks and opportunities clarified through this process.

Key business risks and opportunities

Item	Event	Potential impact	Business impact	Assessment
Transitional Risks Opportunities 2°C scenario	Policy/legal	Adopting carbon taxes	Risks Rising business costs, including the cost of fuel and raw materials, due to stricter regulations and carbon taxes	High
		More rigorous CO ₂ emissions and energy conservation regulations	Opportunities Reducing CO ₂ emissions intensity through the development of efficient logistics systems	Low
	Markets	Growing demand for low carbon products	Risks Declining demand for existing high carbon products	Low
			Opportunities Increasing demand for low carbon products (paper products)	High
		Promotion of switching from plastic to paper products	Opportunities Increased demand for paper products (bags, cartons)	High
		Growing demand for recycling materials	Risks Rising cost of used paper and other recycling materials	Medium
	Reputation	Declining corporate brand value due to inadequate environmental measures	Risks Changes in evaluations by stakeholders	Low
			Projections suggest that failure to adapt to climate change may lead to exclusion from investments, chiefly by institutional investors, and less favorable lending conditions from financial institutions. Despite the risk of fundraising obstacles, the impact might be controlled by enhancing disclosure and implementing measures to adapt to climate change.	
Physical Risks Opportunities 4°C scenario	Acute	Increasing frequency and scale of weather-related disasters	Risks Suspension of operations due to damage to Company facilities and supply chains	Low
	Chronic	Increasing numbers of days of fierce heat	Risks Inadequate electricity due to growing numbers of days of fierce heat Risks Rising air conditioning and other costs	Low
		Improved business sustainability through environmental measures	Opportunities Achieving differentiation from the competition and containing opportunity loss by ensuring a stable supply of products	Low

Strengths and initiatives for addressing major opportunities

Event	Strengths and initiatives
Stricter regulations governing CO ₂ emissions and energy conservation	<ul style="list-style-type: none">Establishing guidelines on adopting machinery and using machinery with a focus on efficiencyAdopting and expanding facilities to reduce environmental impact—for example, by installing solar powerPromoting the development of efficient logistics systemsPromoting contracts for CO₂-free electricity from renewablesConsidering carbon offsets through the purchase of non-fossil-fuel certificates, etc.Improving the efficiency of lighting, air conditioning, boilers, and other equipment
Growth in demand for low carbon products Promoting the switch from plastic to paper products	<ul style="list-style-type: none">Together with boosting sales of FSC® and other Forest Products, actively proposing and expanding the lineup of other paper productsMoving ahead with the development of eco-friendly products and proposing their use as substitutes for plastic products
Increasing the sustainability of eco-friendly businesses	<ul style="list-style-type: none">Ensuring stable supplies and effective risk management for emergencies through joint efforts with our four plants in Japan, Group companies, and subcontractor plantsPromoting supply chain resiliency by developing new suppliers and strengthening relations with existing suppliers

Indicators and targets

The Pack has established the following indicators and targets. Each business unit will strive to meet these targets under the oversight of the Sustainable Committee.

Supply chain CO₂ emissions results

We have determined that Scope 3, Category 1 emissions (from purchased products and services) account for 80.9% of total supply chain CO₂ emissions. In addition, we will consider ways to reduce total supply chain CO₂ emissions.

Emissions by scope

Scope	Emissions (t- CO ₂)	Ratio
Scope 1	4,870	0.7%
Scope 2	11,279	1.6%
Scope 3	683,700	97.7%
Supply chain emissions	699,849	100.0%

Scope 3 emissions categories

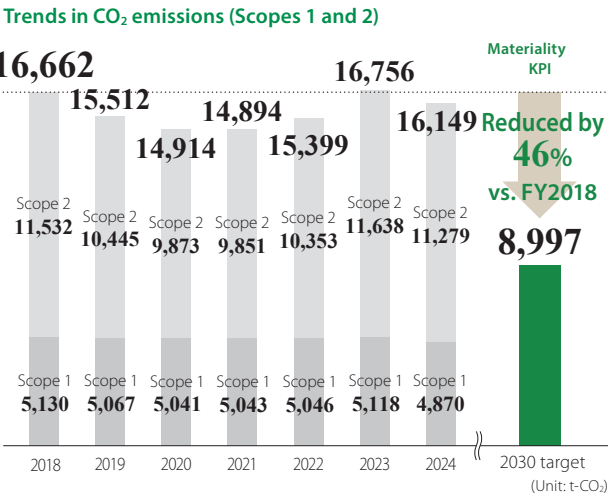
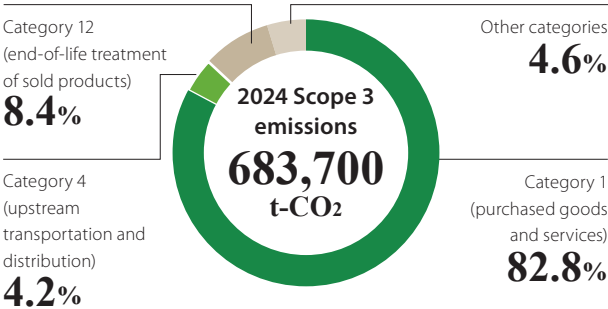
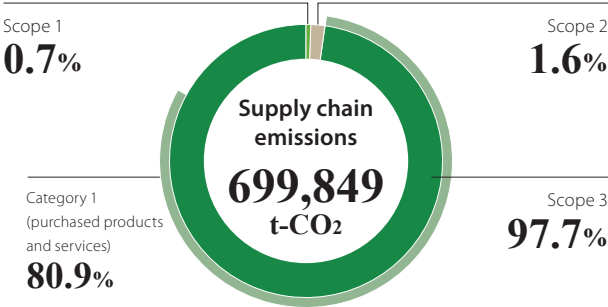
Category	Emissions (t- CO ₂)	Share of Scope 3 emissions
1 Purchased goods and services	566,381	82.8%
2 Capital goods	19,877	2.9%
3 Activities related to fuel and energy not included in Scopes 1 and 2	3,100	0.5%
4 Upstream transportation and distribution	28,752	4.2%
5 Waste generated by operations	837	0.1%
6 Business travel	443	0.1%
7 Employee commuting	1,339	0.2%
8 Upstream leased assets	—	—
9 Downstream transportation and distribution	5,216	0.8%
10 Processing of sold products	271	0.0%
11 Use of sold products	—	—
12 End-of-life treatment of sold products	57,484	8.4%
13 Downstream leased assets	—	—
14 Franchises	—	—
15 Investments	—	—
Total Scope 3 emissions	683,700	100.0%

CO₂ emission reduction target (Scopes 1 and 2)

[Target] By 2030, we hope to reduce CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018.

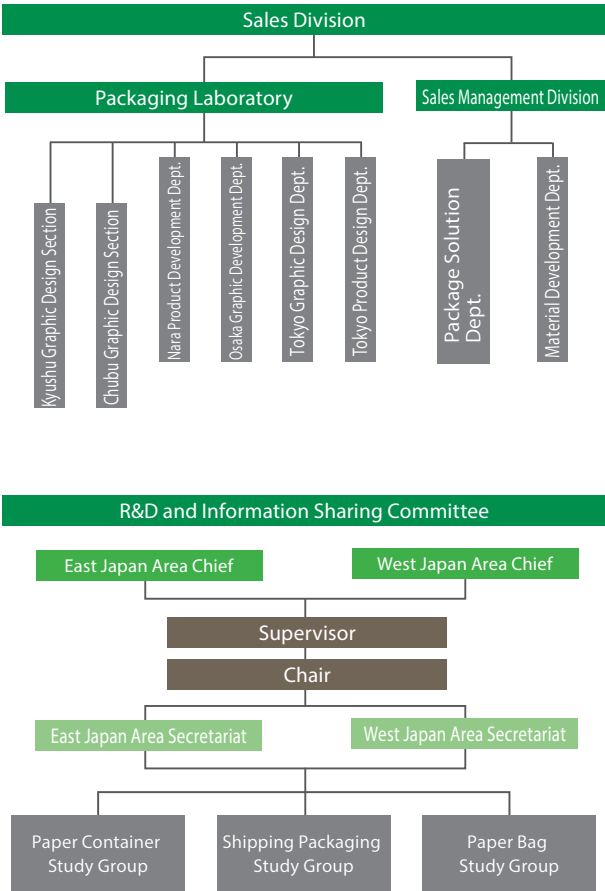
[Scopes 1 and 2 results] In 2024, even as sales reached record highs, Scope 1 and Scope 2 emissions decreased 3.6% year-on-year due to efforts such as switching to LED lighting in offices and use of more efficient plant equipment.

We will continue to invest in high-efficiency machinery and activities to conserve energy in 2025 and beyond. Additionally, we will promote various efforts to cut CO₂ emissions, including considering the expanded use of CO₂-free electricity.



Product development structure for environmentally-friendly products

Demand for environmentally-friendly packaging is growing as we strive to achieve a sustainable society. We conduct research and development of environmentally-friendly products from the perspectives of materials, design, and technology. Core product development is handled by the Packaging Laboratory and by the Sales Management Division, and combined they develop new products to meet the needs of customers and the market as part of the Sales Division, which maintains direct contact with customers.



FSC®-certified products (paper bags, paper cartons, corrugated boxes) as a percentage of total sales: results and targets

The Pack has earned FSC® Chain-of-Custody certification for paper and paper products using FSC®-certified materials and managed raw materials. This means that our customers can use packages made of raw materials from properly managed FSC®-certified forests and recycled resources. In 2023, we identified achieving a ratio of sales of FSC®-certified products (paper bags, paper containers, corrugated boxes) to total sales*1 of 50% or more as a materiality KPI. In 2024, sales of FSC®-certified products grew 9.8% year-on-year, while sales to the food products market increased by 9.7%. We will continue to fulfill

Packaging Laboratory

Working with the manufacturing sections, this creative section is in charge of the structural design and graphic design of packages, chiefly for paper products. Its staff of about 70 people nationwide brings together varied insights and ideas to manufacture products to meet customer needs. It develops high value added packages designed to reduce environmental impact through designs that reduce weight and conserve resources while proposing eco-friendly inks and single-material structures that are more readily recycled.

Material Development Dept.

This section works with materials makers and research institutions to develop new materials with functions and features to meet customer needs while keeping up with market trends.

Package Solution Dept.

This department analyzes issues on customer packaging lines and proposes optimal packaging solutions for more efficient and rational packaging. It seeks to build long-term partnerships not just by providing packaging materials but also contributing to solutions for customer challenges.

R&D and Information Sharing Committee

With their memberships selected from creative, sales, manufacturing, and other sections, study groups have been established for research and new product development in the three segments of paper containers, paper bags, and shipping packages. Companywide meetings are held twice a year to announce and share information on research results and products developed, and are organized into practical themes that reflect multifaceted information sources such as market trends, customer needs, and social issues.

our corporate responsibilities to nature and to society through the sales of FSC®-certified products.

FSC®-certified products as a percentage of sales						Materiality KPI
	2020	2021	2022	2023	2024	2030 target
Percentage (%)	10.8	13.2	17.4	20.2	21.2	50% or more

*1 Sales = The Pack paper-products business as a whole (nonconsolidated)

New product and equipment introduction

Draw-formed paper trays to replace plastic trays

We have developed draw-formed paper trays to replace plastic and styrofoam trays. These containers help to reduce plastic use, mainly in food product packaging.

Product features

- Molded paper container made from a single sheet of paper with no adhesive, which can be used with peace of mind even for foods that contain moisture
- Can be stored frozen and heated in the microwave
- Interior coating conforming to the amended Food Sanitation Act enables use as a primary food container



Water-based flexography printers introduced for paper cartons

We introduced water-based flexography printers for paper cartons to reduce environmental impact. Their energy-efficient design helps reduce CO₂ emissions from printing processes.

They use eco-friendly water-based inks that contain nearly zero organic solvents and emit very few volatile organic compounds. Since they do not use the photoinitiators contained in UV offset printing ink, they reduce impact on the human body to improve worker and consumer safety.

One-touch shock absorbent shipping cases

These shipping cases use the same materials as CC-PACK® all-paper shock absorbent envelopes. Three layers of special soft material protect against external shocks in transit, making it possible to reduce the use of plastic shock absorbent materials. Lighter in weight than traditional corrugated materials, they also help reduce CO₂ emissions during shipping.

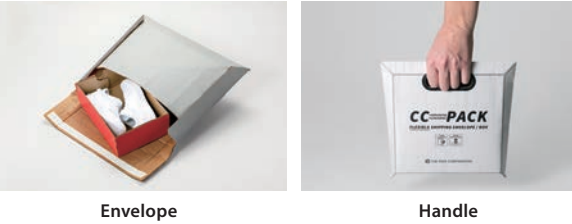
Product features

- Recyclable, all-paper material
- Made using special paper cushioning material
- Lighter than conventional corrugated materials
- One-touch assembly



*CC-PACK®
An original shipping packaging material developed based on our expertise as a comprehensive packaging provider. Uses special soft shock absorbent material so that gusset width can be adjusted easily to suit the thickness of the contents.

CC-PACK® product lineup



Story The CC-PACK® development story

It took us about one year, starting in 2019, to develop CC-PACK® as a new packaging material for the e-commerce market. Consumers had been concerned about how often large corrugated boxes were used in the e-commerce market even to ship small products. In response, we decided to develop a new packaging material that was flexible enough to handle a wide range of content sizes. Focusing on thin paper, which is not usually used as a material in corrugated boxes, we took on the challenges of manufacturing and processing three-layer sheets, just like in corrugated boxes, using this material. After several months of trial and error, we completed a sheet that drew on the properties of thin paper to achieve both softness and cushioning effects. The softness is a characteristic not found in ordinary corrugated sheets. The shape of CC-PACK® envelopes made using these sheets can be adjusted to match their contents; they don't require cushioning materials, which dramatically improves packing work and environmental performance. These features have attracted many users.

Looking back on the development stage, while facing numerous issues, we were able to generate results thanks to all team members working together toward the aim of developing a new product. This was a very meaningful experience for the Company. We will continue using the CC-PACK® materials to grow demand across the market by deploying them for new shipping and packaging applications.

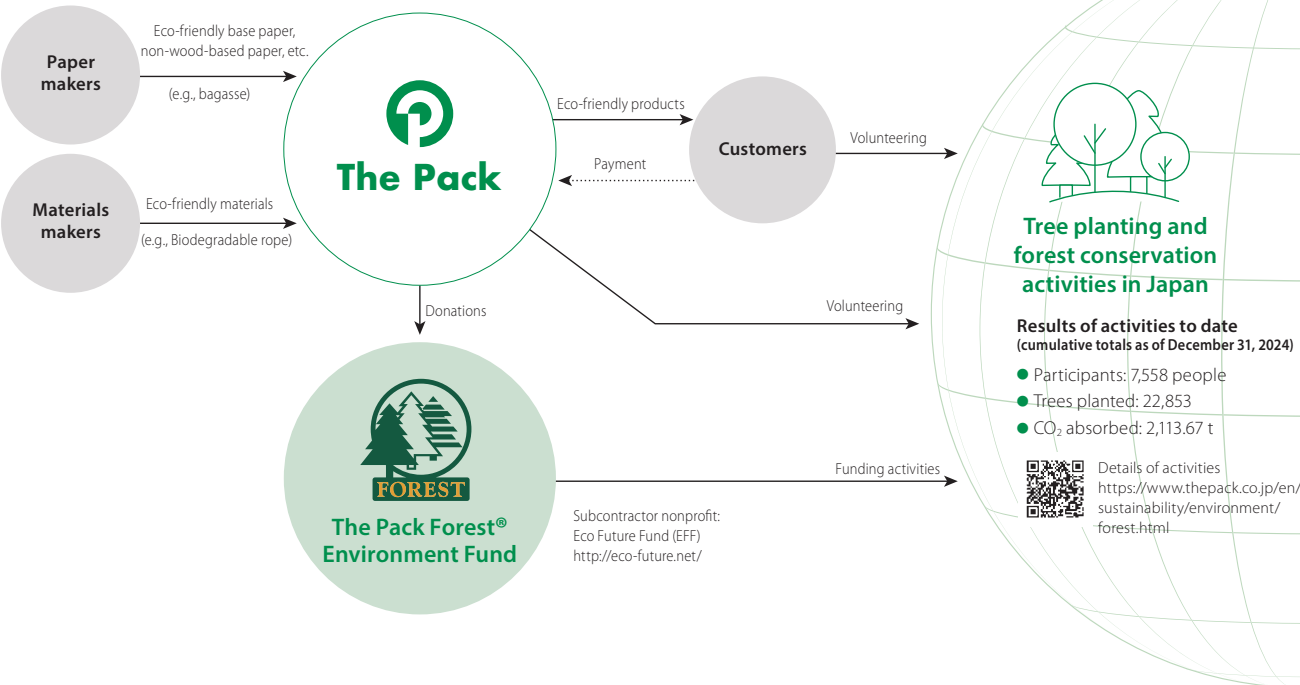


T.F., Nara Product Development Dept.

Activities of The Pack Forest® Environment Fund

We've been developing eco-friendly products since 1993, contributing a portion of our sales to fund forestry conservation activities. In 2000, we established The Pack 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 nine locations across Japan, with the participation of not just The Pack employees but also customers, public agencies, nonprofits, and the general public. This activity also enables customers using eco-friendly products to contribute to forest conservation activities through their packages. In 2023, we identified as materiality KPIs undertaking 15 activities/year, with 500 participants, under The Pack Forest® Environment Fund and increasing the number of companies supporting The Pack Forest® Environment Fund to 300 companies. We remain committed to promoting and expanding these activities while planting trees on even more sites.

The Pack Forest® Environment Fund system

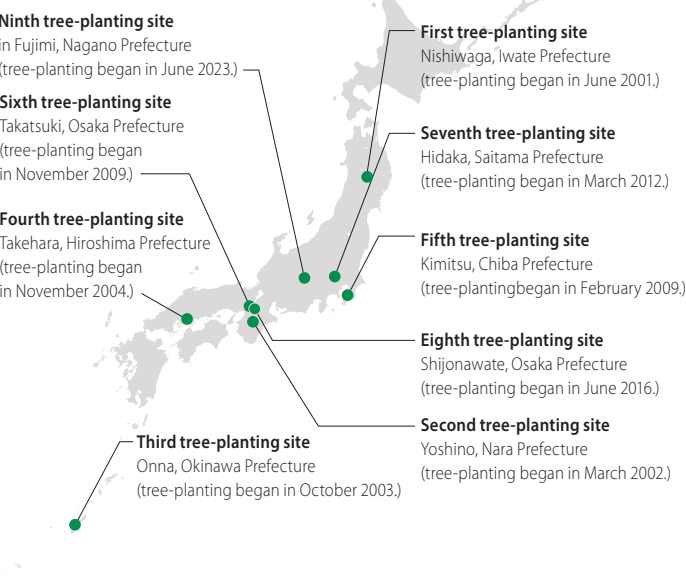


The Forest Mark

The Forest Mark is our original logo for The Pack 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.



Tree-planting sites



Activities of The Pack Forest® Environmental Fund in 2024

No.	Activity period	Location	Details	Participants
1	March 2024	Takehara, Hiroshima Prefecture	Tree planting	54
2	April 2024	Hidaka, Saitama Prefecture	Tree planting	19
3	April 2024	Fujimi, Nagano Prefecture	Tree planting	19
4	April 2024	Shijonawate, Osaka Prefecture	Thinning	16
5	June 2024	Shijonawate, Osaka Prefecture	Thinning	16
6	August 2024	Takehara, Hiroshima Prefecture	Cutting undergrowth	28
7	October 2024	Yoshino, Nara Prefecture	Thinning	42
8	November 2024	Yoshino, Nara Prefecture (PAL Forest)	Cutting undergrowth	36
Total				230

Pick up Fourth tree planting site: Takehara, Hiroshima Prefecture

Activities at the fourth tree planting site began in 2004, since which a total of 35 activities have taken place. The initial goal was to revive forests lost to wildfire. Some 13,000 trees were planted by the end of the afforestation period in 2015. Thereafter, we switched to conservation activities. The tree-planting efforts resumed following mudslides caused by torrential downpours in July 2018. Forests in Hiroshima Prefecture are susceptible to mudslides due to the region's granite soil, which becomes delicate after absorbing water. The trees planted can be expected to help alleviate mudslide damage as their roots extend deep into the soil.

In the March 2024 activity, 54 participants planted 217 maple saplings. A 20th anniversary forum was held on the same day to mark the 20th anniversary of the start of these activities. We shared information with participants on the results of 20 years of activities and future prospects.

We remain committed to working to revive disaster-resistant forests with the cooperation of customers, local companies and schools, the government, and volunteers from the general public.



Group photo



20th anniversary forum

Voice Comments from Eco Future Fund (EFF), the nonprofit contracted to manage the activities

Eco Future Fund is active across a wide range of projects to realize a sustainable society, including forest conservation. Our ties to The Pack Corporation go back to 1993. At that time, founding member (now chairperson) Hiroaki Takahashi and I were working with a previous employer to develop wood-free bagasse paper products. Since the EFF was founded in 2000, we've cooperated in The Pack Forest® Environment Fund's employee-led forest conservation activities across Japan.

The activities in Takehara, Hiroshima Prefecture marked their 20th anniversary in 2024. The trees planted when they began have grown. Through the end of 2024, a total of 3,375 participants had planted a cumulative total of 13,575 trees. The activities began with the goal of greening the site of a major wildfire. In recent years, we've worked to revive forests at the sites of mudslides caused by typhoons. It takes decades to see the results of planting trees and growing forests, and requires the cooperation of many members of the public and companies. We appreciate The Pack Forest® Environment Fund's continued active participation.



Shigenori Furuse, President, Eco Future Fund (EFF)

Trend in activity results

	2020*	2021*	2022	2023	2024	Materiality KPI 2030 target
Annual activities (times)	0	0	4	9	8	15
Annual participants (persons)	0	0	111	253	230	500

* Activities cancelled due to the COVID-19 pandemic

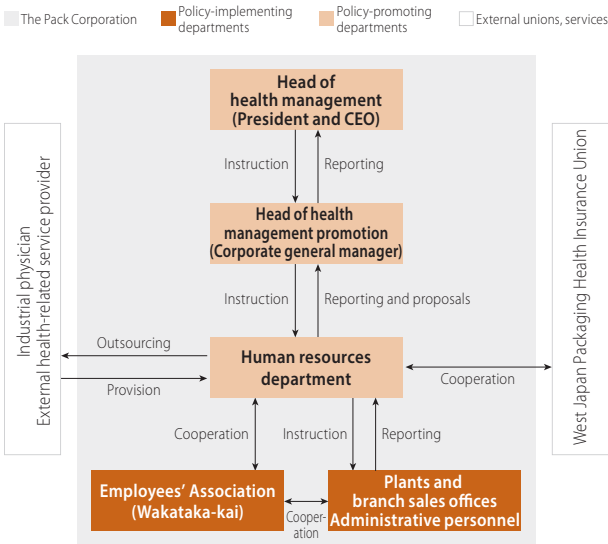


Health management

Since announcing our health management plan in March 2017, the Company has implemented initiatives to maintain and promote the health of our employees and their families. One benefit of health management is the rise in labor productivity expected as an outcome, which will further contribute to Company development.

Health management structure

We work with internal and external organizations, primarily Human Resources, to implement various measures.



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 (FY2024 application)

Overall ranking:
2401-2450 out of 3869 companies
Overall assessment:
47.1 ↓2.2 (points from the previous score of 49.3)



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 FY2023, shows that while 100% of employees underwent regular health checkups, only 32.4% underwent secondary examinations. More than one quarter of our employees, or 23.9%, underwent secondary examinations. 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. Beginning in 2024, we provide all employees with paid time off (unpaid for those not paid monthly salaries) for the time needed to undergo secondary examinations and complete health checkups during working hours. We will continue to develop environments that make it easier to undergo health checkups.

* Part-time employees are not included because they may join and leave the company throughout the year.

Regular health checkups

(checkup period: April 1 of year indicated – March 31 of following calendar year)

	FY2021		FY2022		FY2023	
	Persons	%	Persons	%	Persons	%
Examined	899	100.0	883	100.0	928	100.0
Unexamined	0	0.0	0	0.0	0	0.0
Total	899	100.0	883	100.0	928	100.0
Persons who underwent secondary examinations	239	26.6	208	23.6	222	23.9

Secondary examinations

(checkup period: April 1 of year indicated – March 31 of following calendar year)

	FY2021		FY2022		FY2023	
	Persons	%	Persons	%	Persons	%
Examined	138	57.8	69	33.2	72	32.4
Unexamined	99	41.4	139	66.8	150	67.6
Resigned after being informed	2	0.8	0	0.0	0	0.0
Total	239	100.0	208	100.0	222	100.0

Smoking cessation challenge

We're promoting a smoking cessation challenge program for the health of employees and their families. The Human Resources Dept. plays a leading role in surveying the smoking status of employees and raising awareness of smoking cessation programs and other initiatives of the Health Insurance Society.

Subsidies for flu vaccination costs

For purposes of health maintenance and preventing the spread of influenza, since 2024 we've subsidized the entire amount of the individual copay for flu vaccinations for employees and dependents who are members of the Health Insurance Society.

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. We will also analyze rates of persons with high stress levels by business site, to contribute to improvements in individual sections.

Stress checks		Subject: all employees				
		2020	2021	2022	2023	2024
Number undergoing stress checks (persons)		1,274	1,215	1,206	1,233	1,290
Rate of undergoing stress checks (%)		97.2	97.4	96.9	96.0	98.6

Occupational health and safety management

We practice occupational health and safety management to provide safe, healthy workplaces for all employees, and are striving to enhance safety measures in manufacturing workplaces in particular.

Establishing an occupational health and safety management system manual

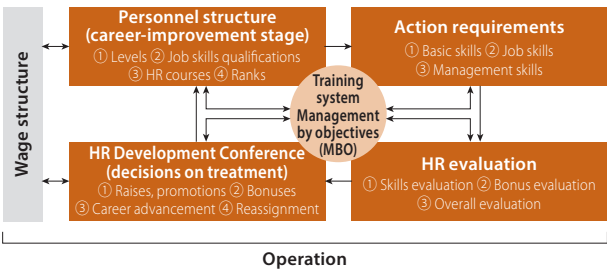
We have prepared an occupational health and safety management system manual to establish safe, healthy workplaces based on active improvements in occupational health and safety performance and the prevention of job-related injuries and illness in manufacturing workplaces. We have also developed systems to minimize occupational health and safety risks by preparing and enhancing subordinate documents under the manual on subjects such as education and training, risk assessment, and managing change.

Training and other programs to support skills development

Under the HR system adopted in 2020, The Pack Group is making progress on developing workplaces in which employees can grow. We will enhance training, support and evaluation programs to support skills development to enable highly motivated employees to perform at their best.

Overview of our human resource system

We introduced a new human resources system in 2020 to create a workplace where people can thrive. In the salary structure, the requirements for salary increases and promotions have been made clearer. We are increasing lifetime annual income by reviewing salaries and retirement benefits for younger employees and employees who continue to work after retirement. As part of the evaluation system, the Human Resources Development Council holds evaluation meetings throughout the company in an effort to make evaluations as open and accurate as possible.



Talent management system

The talent management system introduced in 2022 centralizes employee information, including personal information, skills, past positions, awards received, training completed, HR evaluations, and management by objectives, to support the appropriate placement and development of human resources. We plan to use this system, which involves employees enhancing the information in their own profiles, as a tool for stimulating internal communication.

HR Development Conference

Based on the results of the performance reviews, talent development meetings are held throughout the company. At these meetings, we share information about top talent throughout the company and discuss ways to evaluate employees fairly and appropriately. It is also an opportunity to evaluate the management skills of participating managers.

Skills improvement support program

To encourage employee self-improvement, we provide economic assistance for activities such as learning English and Chinese, earning Microsoft Office Specialist, Japan Chamber of Commerce and Industry (Nissho) Bookkeeping, and other qualifications, and Nikkei Test taking. 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.

Number of persons who used the skills-improvement support program (total)

	2020	2021	2022	2023	2024
Number of persons who used the program (total)	10	9	23	21	20

Digital transformation (DX) training

Promoting digital transformation (DX) is essential to making the organization more competitive. We launched DX training in 2023 as part of human resource development efforts under the medium-term management plan's human capital strategy. That year, about 700 trainees improved their DX knowledge through a half-year e-learning program. In 2024, about 130 DX promotion team members chosen from the previous year's assessment results learned more about DX literacy and skills and how to use DX in their work. We will continue with DX training in 2025 as we seek to improve business efficiency and develop DX promotion human resources.

Voice Voice of a participant in DX training

As a DX promotion team member, I'm learning about a wide range of topics centered on courses directly related to my work. Since a large proportion of accounting work consists of regular monthly tasks, I would like to learn about subjects such as statistics and AI to contribute to future automation.

In the learning process, I realized that it was essential to analyze current topics and consider improvements in order to incorporate DX knowledge into actual work. For this reason, I'm concurrently taking a logical thinking course and using what I'm learning in everyday discussions and decision making on the job.

I'm still at the stage of knowledge acquisition. Looking to the future, I want to reach a place where I can take effective real-world action on the job, even if that involves a certain amount of trial and error.



K.N., Finance Dept.

Improving employee engagement

The Pack considers its employees to be a vital asset for our businesses. We will develop an environment in which employees can grow by doing rewarding work while sharing a common purpose.

Engagement survey

Based on the conviction that strengthening employee engagement contributes directly to corporate growth, The Pack has conducted employee engagement surveys since 2023. These surveys seek employees' frank opinions through questions in five categories, such as work and interpersonal relations in the workplace, and we strive to improve employee engagement based on the survey results.

Results of analysis of the previous year's results in 2024 showed that some sites needed to develop workplaces with higher levels of psychological safety. In response, about 260 personnel underwent

Training on seven types of practices

To cultivate leadership and grow employees and the organization, the training was launched in 2021 based on Franklin R. Covey's book, *The Seven Habits of Highly Effective People*.

The goals include deepening communication within the workplace and allowing employees to work together while mindfully seeking to establish win-win relationships. Training sessions for those in managerial positions began with 18 trainees in the first year and have continued with about 50-60 trainees in each year thereafter. In FY2024, 56 trainees took part in a two-day online training program and 13 topical assignments. Plans call for training about 40 section managers in 2025.

Engagement survey response rates

	2023	2024
Response rate (%)	77.6	78.6

group work training at those sites, led by an outside instructor.

We will continue annual surveys and improvement measures to ensure that all employees can enjoy more satisfying and rewarding work.

Diverse human resources

With an emphasis on human resource development, The Pack maintains comfortable workplaces where diverse human resources can demonstrate their individuality and abilities. We will continue to respond to changes in society and develop attractive systems.

Promoting women in the workplace

We believe that an environment in which women can thrive is necessary if all employees are to 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)

	2020	2021	2022	2023	2024
All permanent full-time employees (persons)	881	841	835	840	862
Women permanent full-time employees (persons)	176	167	171	181	198
Percentage accounted for by women (%)	20.0	19.9	20.5	21.5	23.0

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

(Figures for each fiscal year are as of April 1)

	2020	2021	2022	2023	2024
All permanent full-time employees hired (persons)	30	13	20	28	42
Women permanent full-time employees hired (persons)	11	6	7	14	15
Percentage accounted for by women (%)	36.7	46.2	35.0	50.0	35.7

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

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

	2020	2021	2022	2023	2024	Materiality KPI 2030 target
All permanent full-time employees hired (persons)	208	206	209	206	194	
Women permanent full-time employees hired (persons)	11	10	14	13	14	
Percentage accounted for by women (%)	5.3	4.9	6.7	6.3	7.2	15% or higher

Gender pay gap

The Pack applies a gender-neutral payroll structure. The key factors underlying the gap between male and female pay are average age, percentages in managerial positions, and overtime, shift work, late-night work, and other allowances in manufacturing workplaces, where men make up a large portion of the workforce. To eliminate this gap, we plan to promote highly capable women to managerial positions and to increase the percentage of women among new graduate hires for career track positions by emphasizing ability regardless of gender.

Women's pay as a percentage of men's pay

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

	2023	2024
Regular workers (%)	75.1	73.7
Nonregular workers (%)	64.5	59.6
All workers (%)	55.8	56.6

Notes
Subject period: January 1 – December 31
Regular workers: Permanent full-time employees (including secondees currently posted outside the organization);
Non regular workers: contracted employees, reemployees, part-time employees
Pay: Includes commuting allowance.

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.

Users of the comprehensive reduced working hours program

	2020	2021	2022	2023	2024
Users (persons)	7	10	9	12	10

The Pack's own maternity and paternity leave program

Numbers and percentages of employees taking childcare leave

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

Subject: all employees excluding part-time employees

		2020	2021	2022	2023	2024
Women	Number of employees taking childcare leave (persons)	11	15	11	10	15
	Percentage of employees taking childcare leave (%)	100.0	100.0	100.0	100.0	100.0
Men	Number of employees taking childbirth and childcare leave (persons)	0	0	3	10	21
	Percentage of employees taking childbirth and childcare leave (%)	0	0	13.0	40.0	87.5

Voice Voice of an employee who took childcare leave

I began handover of my work about two months before taking paternity leave and childcare leave. Since in my section we always work with customers as a team, I was able to proceed with handover without encountering any major disruptions, either inside or outside the Company. While some projects still remained incomplete before I took the leave, I was able to spend precious time with our newborn without any interruptions from work during the leave. I'm grateful for my superior's management and the support of my colleagues.

My superior and colleagues welcomed me back warmly on my return. I felt inspired to contribute even more to my employer. Since then, I have concentrated on my work while remaining conscious of how to use time efficiently, so that I can both generate results and spend time with my child. For example, every day I think about efficiency and improvements, including prioritizing tasks, allocating time appropriately, and exploring new targets during breaks in the schedule.



Y.U., Tokyo Sales Division No. 4
Leave period: 2 months total

The Pack's own maternity and paternity leave program

In April 2022, we introduced our own maternity and paternity leave to make it easier for men to take paternity leave. To support a spouse's childbirth and childcare, employees are entitled to take 20 days of paid leave in single-day increments from one week before the planned birth date to one day before the child's second birthday. In addition to parental leave, we have created an environment that makes it easier for employees to take leave.

Revisions to bonus evaluations for employees under reemployment

The Pack has adopted a reemployment system which extends to the age of 65 years. The rules of employment have been revised steadily since 2020 to ensure that people can continue to do rewarding work even after retirement. In 2023, the bonus evaluation system was revised. In 2024, various allowances were added to wage components. We will continue efforts to improve treatment of employees under reemployment as important strategic resources supporting Company growth.

Employment of those with disabilities

The company opened an office in Kainan City, Wakayama Prefecture, in April 2022 to support the employment of people with disabilities. A total of six people have started here, who are involved in manual processing of paper bags and paper containers. We will continue to develop and improve the working environment so that employees can work in a safe environment with a sense of satisfaction. In addition, we will strive for continued employment with the cooperation of support schools in the prefecture.

Employment rate of those with disabilities (Figures for each fiscal year are as of March 31)

	2020	2021	2022	2023	2024
Employment rate (%)	1.8	1.8	1.6	2.1	1.9

Special leaves added for part-time employees

In 2024, to enhance employee welfare and benefits, we revised the rules of employment for part-time employees. These revisions added three special leave programs for part-time employees: marital leave for marriages of employees or their children, condolence leave for those who have lost a spouse or other family member, and childbirth leave for childbirth by a spouse.

Technical trainees from Vietnam

The Technical Internship Program helps human resources from developing countries to bring back to their home countries the skills and techniques they have acquired while working in Japan, thus contributing to the development of their home countries in the future. With a view to making an international contribution and employing foreign workers in the future, we have been accepting Vietnamese technical apprentices since 2019. Currently, the trainees are making printing boxes at the printing press manufacturing site. They are enthusiastic about their work, and each of them is working daily on practical training to achieve their goals.

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

	2020	2021	2022	2023	2024
Trainees (persons)	5	10	5	5	5

Referral employment program

In 2022, we adopted a referral employment program to hire those referred by current and future Company employees. The goal is to hire human resources on a stable basis who will stay with the organization over the long term, by preventing mismatches.

Referral hires (Figures for each fiscal year are as of December 31)
Note: Only permanent, full-time employees at the time of hiring are shown (excluding those who resigned at the end of the fiscal year in which employment began).

	2022	2023	2024
Number (employees)	2	8	6



Theme 03

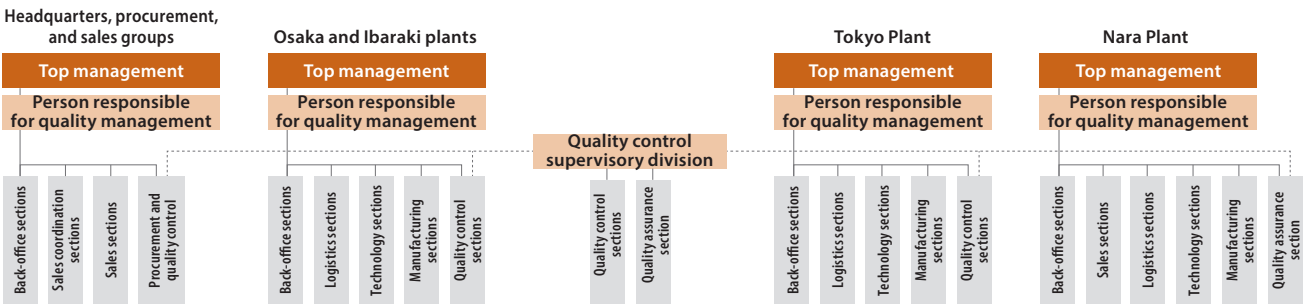
Building and enhancing relations of trust with our business partners and customers

Quality control

The Pack has established a quality control organization to ensure high product quality, and performs ongoing training and education and other activities related to quality and safety, and considers measures to consider and reflect complaints and irregularities. A quality control supervisory division under the direct supervision of the President has been established as an autonomous section in charge of oversight and supervision quality. This division works with manufacturing quality control sections to improve product quality. In 2023, we established quality control and quality assurance departments within the quality control supervisory division. We are striving to improve quality from a broad perspective through efforts to meet customer needs and improve manufacturing workplaces based on the twin perspectives of quality assurance from the buyer's point of view and quality control from the manufacturer's point of view.

Quality control organization chart

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. The quality control supervisory division takes the lead in preventing quality deviations and human error.



A Quality Policy

A Quality Policy: Increasing customer satisfaction through enhanced quality

The Pack strives to improve customer satisfaction by providing safe, reliable, high quality products to customers based on effective product design, development, manufacture, sales, and services, chiefly for its core business of packaging materials. This Quality Policy represents the foundations of our quality improvement activities and the basis of all our initiatives. In addition to meeting the requirements of laws, regulations, and other rules, we make every effort to ensure that the entire organization is aware of the importance of satisfying customer requirements.

Our thinking on quality

The Pack pursues quality to satisfy all our customers. It takes the following three steps to ensure high product quality:

- Thinking about quality first in product development and production
- Striving to improve customer satisfaction and functionality while ensuring stable supply
- Striving to build, maintain, and improve quality control systems

We also seek to strengthen product quality through ongoing joint efforts with manufacturing subcontractors. We investigate any quality deviations discovered and assess their effects on product quality and the scope of such impact, as well as thoroughly investigating their causes. We identify the underlying causes of such issues and take corrective measures to prevent their recurrence. We are currently building a structure to facilitate urgent reporting and immediate information sharing Companywide in response to complaints or irregularities involving products already delivered.

Certification

The entire Company has earned ISO 9001 certification to deliver stable quality on a sustained and sustainable basis. Through management structures based on a quality management system, we carry out thorough day to day management while also seeking to achieve continuing improvements in quality. In addition, the Osaka and Tokyo plants, which produce food packages, have earned FSSC 22000 international food safety standard certification for their production of high-quality products and ensuring stable supplies, for safety and peace of mind in the food industry. They carry out regular operations based on this standard. In addition to regular review by external certifying agencies, we're increasing opportunities for quality improvements through proactive internal audits.

Traceability

Our plants undertake the following comprehensive management, in accordance with management rules and procedures, based on traceability:

- Using traceable raw materials
- Recording and retaining details of individual manufacturing processes
- Identifying conforming and nonconforming products at each manufacturing process, starting from raw materials acceptance

We also maintain the following systems to swiftly implement initial response, investigations, and countermeasures in the event of a quality issue:

- Use of urgent reporting systems for immediate sharing of information Companywide
- Securing advanced analytical instruments and technologies to identify causes

These management systems are part of our system for minimizing recalls by making it easy to identify the causes of any quality issues discovered in the steps from raw materials acceptance through each manufacturing process, storage, sale, and consumption.

Co-creation with customers and partners

Our business activities are based on joint efforts with customers and suppliers. We will continue working to deepen trust and our relationships with all our partners.

Logistics Web truck reservations reception service

We recognize the impact on logistics of working hours regulations introduced in 2024 to be an important management topic. With reference to government guidelines, we are enhancing efforts to improve efficiency and reduce workloads on delivery drivers and logistics workplaces. In one such effort, our logistics center in Iruma-gun, Saitama Prefecture introduced a Web truck reservations reception service. Through this service, truck unloading schedules are

Internal auditing

For internal audits, quality sections undertake careful reviews from an independent perspective to provide opportunities to identify issues and propose improvements on matters that may be easy to overlook in self-inspections. (Internal audits were carried out at 19 facilities in FY2024.)

We've established a system capable of swift detection and resolution of any quality-related issues among the issues identified, and proposed improvements.

Results of 2024 quality activities

Seeking to provide products with ever higher levels of quality, The Pack implements regular quality improvement activities. We've identified quality improvement months all year long and provide quality control training and awareness-raising activities for employees. Other activities seek to strengthen customer satisfaction by achieving higher quality across the entire supply chain, include announcing and thoroughly communicating quality-related information, holding seminars, and holding quality meetings with partner companies and Group companies in Japan.

Joint quality meeting with a partner company



Agenda:
Sharing individual companies' quality policies, causes of complaints and improvement measures, etc.
Participating companies: 61
Participants: 96 persons

Quality month lectures



Agenda:
Thinking about ways to prevent human error, etc.
Six seminars
Participants: 46 persons

Domestic Group quality meetings

Agenda:
Sharing quality information, introducing examples of complaints, site tours, etc.
Participating companies: six in total from Japan
Participants: 25 persons

Four-plant joint quality meetings

Agenda:
Chemical risk assessment, quality proposals, etc.
Meetings held: 7 times

received in advance to handle unloading work efficiently. This dramatically reduces the time drivers spend waiting for unloading at the logistics center, keeping the average time spent in the logistics center to about one hour. It also enables the center to ascertain the who, what, where, when, why, and how of logistics information in advance for more efficient unloading work.

Proposing support for The Pack Forest® Environment Fund

Since 2000, The Pack has contributed a share of some sales of eligible products to The Pack Forest® Environment Fund to support forest conservation activities at nine planting sites across Japan.*1

In 2023, we identified Earning the support of 300 firms for The Pack Forest® Environment Fund as a materiality KPI, and through our packages we are extending the range of contributions to forest conservation activities together with supporting customers.

In 2024, 158 companies supported the Fund, and 66 customer personnel participated in the forest conservation activities. We will

continue striving to grow the number of supporting firms, as we co-create brand value and foster environmental awareness in society through these activities.

	2020	2021	2022	2023	2024	Materiality KPI 2030 target
Supporting firms (companies)*2	44	67	94	123	158	300

*1 See p. 17-18 for details of forest conservation activities.
*2 Only companies with actual results are counted.

Package development to contribute solutions to social issues

As a company offering total solutions related to packaging, we produce packages and services to contribute to solutions to social needs and issues.

Unique assortment system using robotics introduced

In response to the dramatically shrinking working population, we introduced our own assortment system using robotics. Use of the system has begun at the Secondary Food Packaging Facility in Kawasaki, Kanagawa Prefecture. This system takes and processes product photos in real time using cameras and assorts them automatically with precision robotic arms, which makes it possible to prevent reductions in productivity due to labor shortages while ensuring the stable supply of products to customers. It also contributes to efficient operation and cost savings by eliminating the burden of staffing adjustments between peak and nonpeak times. We will support solutions to the issues faced by customers in the food products industry as a one-stop provider of sorting work using this system as well as a package manufacturer and supplier.



Automatic packaging system for paper delivery bags to protect the environment and save labor

In joint efforts with machinery manufacturer Y.A.C. Machinery Co., Ltd., we have developed an automatic packaging system for paper delivery bags in response to the shortage of labor in packaging facilities and to address future environmental needs. By focusing on material structures and machinery design, this system has been designed to enable automatic packaging using paper materials, which previously were difficult to handle in automatic packaging.

This system, which allows continuous paper packaging simply by placing the products to be packed on a conveyor belt, controls paper use by automatically detecting product length and packaging the product accordingly. Following further improvements, we switched in FY2024 to 100% paper-based materials. Since these packages do not use adhesive plastic film, they can be recycled as paper.

This packaging system meets the need for both labor savings and environmental protection.



Film-free paper delivery bag

Theme 04

Contributing to social development and prosperity

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 (<https://npo-higashiosaka.org/>). 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 2024, we visited six schools in the city to provide a total of 274 students with paper-bag making experience. We will continue to contribute to the development of future leaders.

Results of this activity to date (cumulative totals through the end of FY2024)

Student participants	16,318 (15,777 through visiting classes, 541 through watching a video)
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Contributing to disaster relief in response to the 2024 Noto Peninsula Earthquake

We donated 10 million yen in relief funds to the Japanese Red Cross Society to aid those affected by the disaster and support the recovery of affected areas. All employees express their best wishes for the rapid recovery of affected areas.

Sending instructors to a job fair

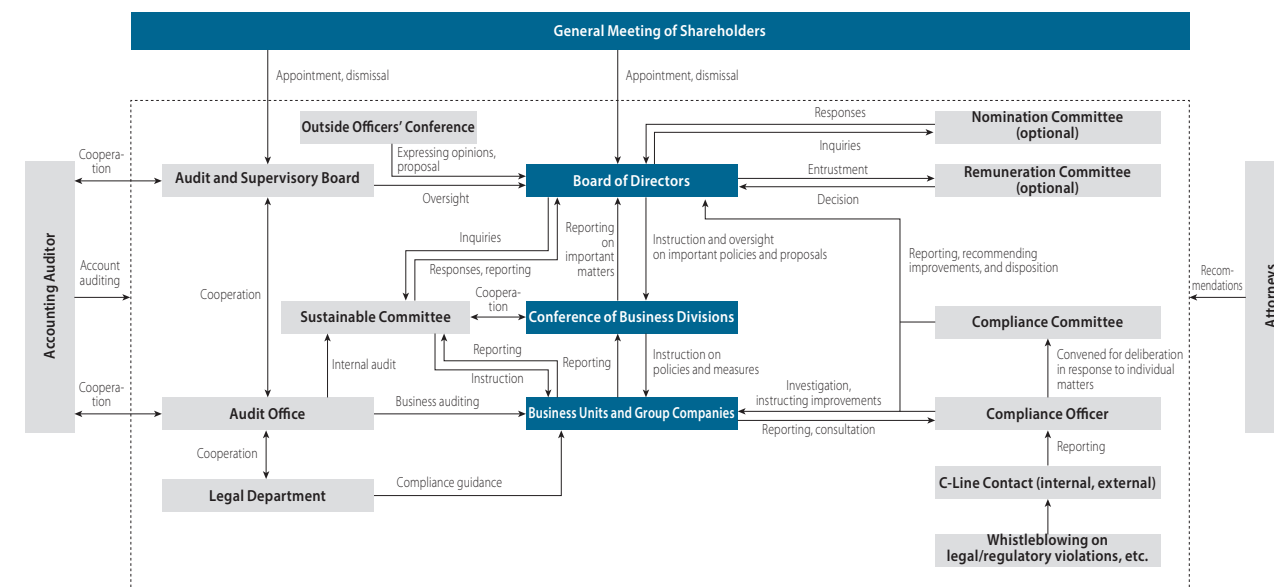
Company employees participated as instructors in the third job fair organized by the Nara Prefecture nonprofit Okaeri (<https://npo-okaeri.net/>). Targeting junior high school students living with foster parents, family homes, and homes for children in Nara Prefecture, the job fair seeks to inspire them to find their own future pathways and careers through talks by working adults. This marked our first involvement with the job fair. On the day of the fair, a total of 24 participants learned about the specifics and rewards of factory work in manufacturing. We hope these efforts will contribute to student career education.

Theme 05

Enhancing management foundations

We're keenly aware of the importance of corporate governance. On that basis, we're developing structures to improve management efficiency, establish sound corporate ethics, and monitor management activities to ensure that all these responsibilities are effectively discharged. We're also striving to increase corporate value over the medium to long term through proactive efforts to ensure compliance with the Corporate Governance Code.

Corporate governance structure



As a company with an Audit and Supervisory Board, we ensure soundness and transparency in management through oversight of the performance of the duties of the Board of Directors by independent Statutory Auditors and the Audit and Supervisory Board.

The Board of Directors has nine members, including three outside Directors. The Audit and Supervisory Board has four members, including two outside Statutory Auditors. To ensure fairness, transparency, and objectivity in procedures related to the nomination of Directors and operating officers and decisions on matters such as remuneration, we have established the optional bodies of a Nomination Committee and a Remuneration Committee.

The membership of each committee consists of Directors appointed by the Board of Directors. Outside Directors, one of whom

serves as chairperson, make up the majority of each committee. The Nomination Committee deliberates as an advisory body to the Board on matters related to the nomination of Directors and Corporate Officers. The Remuneration Committee is delegated authority by the Board for deliberations and decision-making on matters related to the remuneration of Directors and Corporate Officers.

Other efforts whereby we strive to enhance our corporate governance structure include the addition of an executive officer system to improve management efficiency and execute business through dynamic decision-making. We have also established a Board of Outside Officers to allow the exchange of opinions among outside Directors and outside Statutory Auditors and recommendations to the Board of Directors, thereby enhancing Board oversight functions.

Activities status of committee

	Board of Directors	Audit and Supervisory Board	Outside Officers' Conference	Nomination Committee	Remuneration Committee
Role	Making decisions on major management issues and overseeing the conduct of the business	Monitoring and supervising business execution of Directors and decision-making processes of the Board of Directors	Information sharing and awareness raising among the independent Outside Officers	Deliberations and recommendations on matters related to the appointment or dismissal of Directors and Corporate Officers	Deliberations and decision making on matters relating to the remuneration of Directors and Corporate Officers
Personnel composition as of FY2025	Eight members (including three from outside the company)	Four members (including two from outside the company)	Three Outside Directors, two Outside Corporate Auditors	Five Directors (including three from outside the company)	Five Directors (including three from outside the company)
Number of meetings held in FY2024	18 times/year	13 times/year	5 times/year	2 times/year	5 times/year
Contents	Appropriate decision-making and management supervision are carried out based on the wealth of business experience of Internal Directors in the Company and the objective and professional perspectives of Outside Directors.	Management soundness is ensured from the perspective of full-time Corporate Auditors based on their experience in the Company and from the objective and professional perspectives of Outside Corporate Auditors.	The exchange of information and awareness among independent Outside Officers provides effective supervision of management from an independent and objective perspective.	With a majority of independent Outside Officers, including the Chairperson, the Committee deliberates on proposals for the appointment and removal of Directors and the selection of Representative Director and Corporate Officers. It also makes recommendations in response to requests from the Board.	With a majority of independent Outside Officers, including the Chairperson, the Committee deliberates and makes decisions concerning compensation for Directors and Corporate Officers.

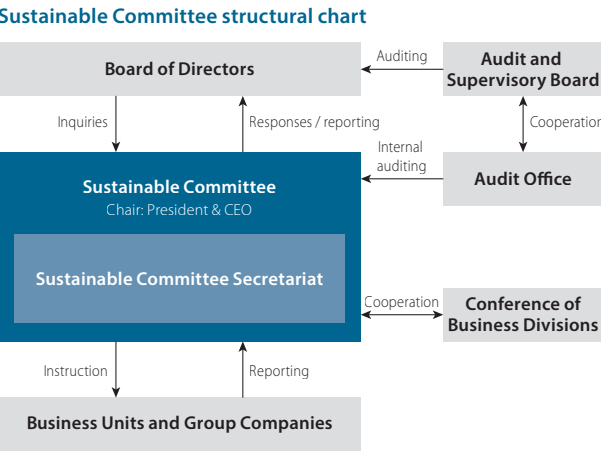
Sustainable Committee

In January 2023, we established the Sustainable Committee under the Board of Directors to address efforts to promote sustainable management within the Group.

The Sustainable Committee and its executive body, the Sustainable Committee Secretariat, work with the Conference of Business Divisions, Business Units, and Group companies to advise and make decisions on the operation and promotion of sustainable management, the formulation of policies on key issues, management of the progress of initiatives, and the incorporation of these policies into the medium-term management plan. The Sustainable Committee Secretariat promotes action plans and manages KPIs in collaboration with the Business Units and Group companies.

The Board of Directors consults with the Sustainable Committee to set policy and provide oversight. The Conference of Business Divisions will work with the Sustainable Committee to share information. Business Units and Group companies implement various

measures and provide results and data. The Audit and Supervisory Board and the Audit Office provide supplemental audits related to these initiatives.



Use of independent Outside Directors and Outside Corporate Auditors

The Company has appointed three Outside Directors and two Outside Corporate Auditors.

All five have no personal, capital, or business relationships with our Company and are completely independent. The independence of Outside Directors is in accordance with the requirements of the

Companies Act and the standards of the Tokyo Stock Exchange.

The role of Outside Directors and Outside Corporate Auditors is to enhance the effectiveness of corporate governance at our company by using their expertise and experience to provide supervision and auditing from a neutral standpoint.

Conforming to the Corporate Governance Code

Basic policy on corporate governance

The Company is strongly aware of the importance of corporate governance and will strive to improve management efficiency and establish corporate ethics. Our basic policy is to establish a system to

monitor the proper conduct of management activities and to promptly disclose important information that serves the common interests of our shareholders.

Conforming to the Corporate Governance Code

The Company's corporate governance is described in the Tokyo Stock Exchange Corporate Governance Report. We also publish our initiatives regarding the Corporate Governance Code, which describes the status of corporate governance, on our corporate website. Here you can find information not just on the principles for which disclosure is required in the Corporate Governance Report, but initiatives regarding all principles.



Assessment of the efficacy of the Board of Directors

To improve the efficacy of the Board of Directors, we implement annual self-assessment surveys of all Directors and Statutory Auditors.

Assessment method	Questionnaires on the efficacy of the Board of Directors are distributed to all Directors and Statutory Auditors at a Board meeting each December. The efficacy of the Board is analyzed and assessed based on all answers collected from the completed questionnaires in a Board meeting in January of the following year. Efforts to make improvements are based on these findings.	Response format	Scoring, with spaces for freeform comments
		Response method	Not anonymous

Internal controls

Pursuant to the Companies Act and the Enforcement Regulations to the Companies Act of Japan, we maintain the internal controls systems needed for efficient management by securing the propriety of business operations and pursuing business appropriately within the Company and at Group member companies.



Compliance structure

In addition to enhancing internal systems, we respond to legal issues based on consultations with outside advising attorneys as necessary in individual cases. The Legal Department in the Corporate Division strives to enhance structures for management and education regarding matters such as laws, regulations, social norms, and contracts with counterparties.

C-Line (internal whistleblowing system)

We established the C-Line (Compliance Line) as a contact point for whistleblowing and consultations regarding violations of laws and regulations and similar incidents inside the Company. This system is intended to ensure fair and sound corporate management by raising awareness of compliance among all employees; preventing inappropriate actions, such as violations of laws and regulations; and swiftly detecting and rectifying any improprieties or problems.

Protection of personal information

We have established a Privacy Policy and Guidelines on the Protection of Personal Information, which concern matters including why and how we use personal information and how personal information is managed and safeguarded.

Compliance training and awareness raising

We draw on the corporate intranet and other means to communicate information for internal compliance training and to inform employees of legal information. We also strive to provide training on and to raise awareness of compliance through training and educational opportunities, including internal legal courses.