

KANEPACKAGE GROUP OF COMPANIES **KPGreen Earth** A CORPORATE SOCIAL RESPONSIBILITY PROJECT NEWSLETTER

2nd issue 2022







MANAGEMENT VISION

We deliver "Surprise", "Good Impression", and "Comfort" to as many countries/customers as possible in a speedy and timely manner through our package design, package, and services.

We also aim to be an excellent company by strengthening the trust of stakeholders and corporate value.

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At Kanepackage Group, we strive to promote environmental sustainability and climate actions through different programs aligned with our Corporate Social Responsibility (CSR) and Sustainable Development Goals (SDGs).

Through these programs, we can continue to promote our business philosophy of "Giving Surprise, Good Impression, and Comfort" to all our stakeholders, and also promote our "Dream Package Technology" that not only protect the product but also protect our Mother Earth for the benefits of all the people.

The KPGreen Earth Mangrove Project which started in 2009 in Cebu, Philippines, already marked its 14 years of implementation. We already planted over 13.3 million mangroves through the active support and participation of the local people and in partnership with the Department of Environment and Natural Resources and the local government units.

Our employees from all branches are eagerly waiting for their turn to come to the Philippines to participate in the mangrove planting activity which we usually conduct twice a year. However, during the pandemic outbreak, we were not able to organize this activity in 2020 and 2021 due to travel restrictions. It was only in November 2022 that we resumed the mangrove planting with 35 participants and another in February 2023 with 39 participants.

The mangrove planting activity has increased the awareness and appreciation of our employees in taking care of our coastal environment, especially the mangroves. The activity also serves as an avenue among employees from other branches to be connected with each other, share their experiences working in the company, and even encouraged one another to do better.

This fiscal year, we entered into a collaboration project with Overseas Environmental Cooperation Center Japan to research the possibility of carbon credit through our mangrove project. This project will develop a method in quantifying the amount of carbon sequestered by our mangrove project.

As corporate citizens, we believe that environmental conservation is not only the sole responsibility of the government but a shared responsibility with private sectors, especially with businesses and industries. We will continue to strengthen our efforts and commitment to this CSR and SDG programs.

Considering the significant impacts of this project on the community and to our Mother Earth, we commit to strengthen our efforts in bringing this project to another milestone. We look forward to more successes and partnerships with these projects.

• COMPANY PROFILE

Company Name Establishment Capital	-	Kanepackage Co., Ltd. September 29, 1976 50,000,000 JPY			
Number of Employees	-	1,000 (including employees of affiliates)			
Line of Business	-	 Design, testing, manufacturing and sale of various types of cushioning products Sale of corrugated boards and packages for office appliances such as Soft Pack (management of export kit products, packing and total distribution services) 			
Officers	-	Chairman President /CEO Directors		Mr. Sakutaro Kanehira Mr. Yoshikazu Kanesaka Mr. Kenji Takamura Mr. Akira Katsuno Mr. Yuji Kanehira	

KANEPACKAGE GROUP CSR AND SDG •

Kanepackage Group integrates the Corporate Social Responsibility and the United Nations Sustainable Development Goals into its business operations to foster sustainable growth.

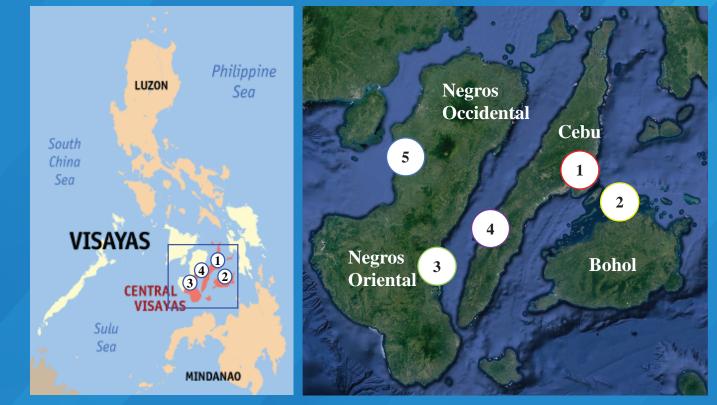
The company does not only exist to take profits but also to give back by taking care of the environment and the welfare of the people.

The programs encompass three main themes: 1) Environment; 2) Support for People and 3) Safe, Security, and Welfare of all the stakeholders.



KP Group Newsletter 2022 English Version FA.indd 4

MANGROVE PROJECT UPDATE •



TOTAL MANGROVES PLANTED: 13,341,724

OLANGO ISLAND, CEBU

- PLANTED MANGROVES: 449,575
- AREA: 10 HECTARES
- NUMBER OF BENEFICIARIES: 35 MEMBERS

BANACON ISLAND, BOHOL

- PLANTED MANGROVES: 12,572,644
 - AREA: 258 HECTARES •
- NUMBER OF BENEFICIARIES: 230 FAMILIES •

TANJAY, NEGROS ORIENTAL

• PLANTED MANGROVES: 221,000

BADIAN, CEBU

- PLANTED MANGROVES: 74,005
 - AREA: 6 HECTARES •
- NUMBER OF BENEFICIARIES: 81 MEMBERS •



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BINALBAGAN, NEGROS ORIENTAL

- PLANTED MANGROVES: 24,500
- AREA: 2.5 HECTARES
- NUMBER OF BENEFICIARIES: 47 MEMBERS

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COMPANY MANGROVE PLANTING

RESUMPTION OF COMPANY MANGROVE PLANTING

The company mangrove planting has been resumed on November 24, 2022 in Banacon Island, Getafe, Bohol after being postponed for two years due to the pandemic.

Representatives of Kanepackage affiliates from Japan, Thailand, Vietnam, Indonesia, Philippines, and customers and partners including Couzou and KGS Corporation joined this event.

A total of 6,000 mangrove seedlings were planted in partnership with the community organization – the Banacon Fisherfolks Mangrove Planters Association (BAFMAPA) and the local government unit of Getafe.

The participants also had an opportunity to visit some of the tourist destinations of Bohol like the tarsier, chocolate hills and Loboc River Cruise.

This mangrove planting and tour is organized twice a year and serves an avenue among the Kanepackage employees to get to know with each other.



COMPANY MANGROVE PLANTING •

COMPANY MANGROVE PLANTING IN FEBRUARY 2023

We held another company mangrove planting and tour last February 24 and 25, 2023 in Banacon Island, Getafe, Bohol. A total of 39 participants joined this event and planted 10,000 mangroves. This is the second time we conducted a company mangrove planting since the outbreak of the pandemic.

Our project partner and beneficiary – the Banacon Fisherfolks and Mangrove Planters Association actively participated in this event. They prepared the seedlings and venue where we can have a short introduction about mangrove planting.

The participants enjoyed the planting experience and was also amazed seeing the large Kanepackage mangrove plantation in nearby area.

The people of Banacon Island actively supported our mangrove project since 2011 where planted over 250 hectares.



COMMUNITY MANGROVE PLANTING

ACTIVE PARTICIPATION OF THE COMMUNITY IN MANGROVE PLANTING AND CO-MANAGEMENT

The active participation of our partner Peoples Organization (PO) played an important role in achieving our goals. During the fruiting season, they collect and plant propagules in the identified area and maintain a seed-ling nursery of various kinds of mangroves.

The locals were also actively involved in the post-planting management and monitoring to ensure the high survival of the plantation. They regularly visit the plantation to remove the plastics attached to seedlings and to replace the dead plants.

In return, they were compensated for the number of seedlings they planted and for monitoring. This serves as an additional income for them. At times during unfavorable weather condition for fishing, the compensation they received greatly helped them in their basic needs.

They are very grateful to Kanepackage for making them as beneficiary of the CSR project.



COMMUNITY GIFT-GIVING TO DAY CARE CENTERS

Every December, we give gifts and hold Christmas parties at the day care centers in San Vicente, Olango Island, Cebu and in Banacon Island, Getafe, Bohol as part of our support to the community. A total of 129 children received gifts and Jollibee food packs.

These community extension activities have been an annual tradition of the company to give back to the community and bring happiness to these children.

The parents and their teachers gave heartfelt gratitude to the continued support of Kanepackage.



DONATION FOR MANDAUE CITY CENTRAL SPED SCHOOL

Kanepackage CSR and SDG programs extended its support to Mandaue City Central SPED School. Last February 16, 2023, the project was formally turned over to the school's head teacher Ms. Carolina Ambray.

The project includes renovation of barber shop, braille labeler and equipment for practical skills training among others.

During the turnover program, their head teacher was very happy and thankful to the management of Kanepackage for this partnership.

The school serves the learners with special educational needs including the visually impaired, hearing impairment and those with intellectual disabilities.



Climate change is a global problem that threatens and affects our day-to-day living. Its mitigation and adaptation measures are everybody's business not just for the government alone.

Kanepackage Group has integrated the Corporate Social Responsibility and Sustainable Development Programs into its operation. The program includes three main themes: 1) Environment, 2) Support for People, and 3) Safe, Security, and Welfare of all the stakeholders.

For the environment, the company had a strong commitment to mangrove rehabilitation and co-management since 2009 where it already planted over 13 million mangroves in the central Philippines.

Kanepackage partnered with Overseas Environmental Cooperation Center, Japan for the mangrove carbon credit project. The project aims to quantify the CO2 absorbed by the mangrove plantation and apply for carbon credit in the future.

The project is still in its initial phase which ran from July 2022 to February 2023.

FIELDWORK AND COMMUNITY INTERPHASE | SEPTEMBER 2022



PRELIMINARY FIELD SURVEY | NOVEMBER 2022







MEETING AT DENR REGION 7 IN CEBU CITY SEPTEMBER 2022



COURTESY CALL WITH GETAFE, BOHOL MAYOR CARY CAMACHO | SEPTEMBER 2022



MEETING AT DENR BMB IN QUEZON CITY OCTOBER 2022



AYUTTHAYA FLOOD DONATION

On September 2022, heavy rain caused flooding in parts of Ayutthaya Province which caused damage to properties and livelihood.

Several employees of Kanepackage Thailand (KPTH) were affected by this calamity. As a response, the management of KPTH provided cash assistance to the employees affected. In addition, KPGroup Philippines also allocated 3,000 USD from its emergency funds to four employees.

In the past calamities and disasters, Kanepackage management consistently showed support and assistance to its employees.



KANEPACKAGE SCHOLARS IN PHILIPPINES

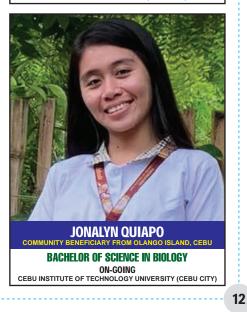




JAYMAR SATSATIN SUPER FLEX LOGISTIC, INC. BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION 2021 AN PEDRO COLLEGE OF BUSINESS ADMINISTRATION (SAN PEDRO, LAGUNA



KPGROUP PHILIPPINES, INC. DOCTOR OF PHILOSOPHY ON-GOING UNIVERSITY OF SAN CARLOS (CEBU CITY)





CONTINUING AND SHORT-TERM GOALS

- Continuing company mangrove planting and tour on October 2023 and November 2023
- Medical mission in Banacon Island and Olango Island in 2023
- Support for daycare centers
- Scholarship program for employees and community beneficiary

LONG-TERM GOALS

- Mangrove project milestone ceremony in 2025 to commemorate the 15 million mangroves target
- Continuity of carbon credit project in partnership with Overseas Environmental Cooperation Center
- Commitment towards a carbon neutral company by year 2050

CSR PROGRAM PILLARS OF SUPPORT

Since 2009 when we have started this KPGreen Earth Project, you have pledge your commitment and support. Our appreciation to our pillars of support, our affiliates, for your contribution to the CSR programs with an aim to make difference to the communities we support. The funds are being funneled into several projects to further our goal of SDG, from environment preservation, assistance to our communities, and uplifting the livelihood of our beneficiaries, where most of them is on their way to self-sufficiency because of the aid our organization are able to provide.



Mr. Akira Katsuno KANEPACKAGE JAPAN CO. LTD

Director

We at Kanepackage Group provide services to the world to realize efficiency in overall logistics. In doing so, we also believe it is important to contribute to society and actively engaged in CSR (Corporate Social Responsibility) activities.

We are involved in a variety of initiatives for the local communities who support us. As such we have several communities engage in different activities namely

Volunteer activities, environmental conservation activities, and educational support activities to name a few. Our group contributes to the local community and helps to realize a better society through these activities.

We are currently aiming to contribute to society in response to the goal set forth in SDGs through our CRS activities. We also believe that by engaging in these activities, we can raise the awareness of our employees and improve our corporate images, which in turn will contribute to the development of our company.

We appreciate your continued understanding and cooperation.



Mr. Kenji Takamura KANEPACKAGE JAPAN CO. LTD. Managing Director



Mr. Yuji Kanehira KANEPACKAGE PHILIPPINE INC. / SUPERFLEX LOGISTIC INC. President/Directo



Mr. Seigo Yagi KANEPACKAGE PHILIPPINE INC. / SUPERFLEX LOGISTIC INC. SR. EVP



Mr. Jumpei Ishizaki PT. KANEPACKAGE INDONESIA President



Mr. Junichi Shitara KANEPACKAGE VIETNAM CO. LTD President



Mr. Yoshihisa Kaida KANEPACKAGE (THAILAND) CO. LTD President

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