

Development of Environmentally Friendly Products



Reasons for selecting materiality FSG recognizes that environmentally friendly products and manufacturing are essential issues common to all humankind. Therefore, we aim to develop environmentally friendly products and endeavor to achieve environmental targets not only for FSG but also for customers through our business activities.

Regarding the KPI of the Materiality FSG is implementing initiatives for “creating value” focusing on development and supply of environmentally friendly products in order to realize a sustainable growth as a company in addition to social sustainability, while solving environmental issues such as climate change, marine plastic issues and depletion of resources.

Qualitative target	KPI (Key Performance Indicator) up to 2025	Actual figures (as of March 31, 2022)	Main Initiatives	Value to Society
<ul style="list-style-type: none"> Reduction of environmental burdens in the entire supply chain associated with climate change, depletion of resources, and biodiversity Reflection of environmental activities in our business strategies 	<ul style="list-style-type: none"> Sales ratio of environmentally friendly products: 100% Sales ratio of recyclable products: 50% Sales ratio of products containing recycled material: 20% * Targets for 2025 	<ul style="list-style-type: none"> Sales ratio of environmentally friendly products: 65% Sales ratio of recyclable products: 4% Sales ratio of products containing recycled material: 4% 	<ul style="list-style-type: none"> Development and commercialization of recyclable products (such as RecShrink™ labels and mono-material pouches) Development and launch of products containing recycled material (such as recycled PET shrink sleeve labels and self-adhesive labels) Development and provision of packaging materials, modes of transportation, and manufacturing systems which help reduce energy consumption and GHG emissions 	<ul style="list-style-type: none"> Mitigation of climate change Reduction of environmental burdens on water, air, soil, etc. Conservation of biodiversity Innovation of environmentally friendly technologies Promotions for raising environmental awareness through our products and services

Initiatives up to 2021

FSG works to develop and commercialize environmentally friendly products, represented by recyclable products and products containing recycled material.

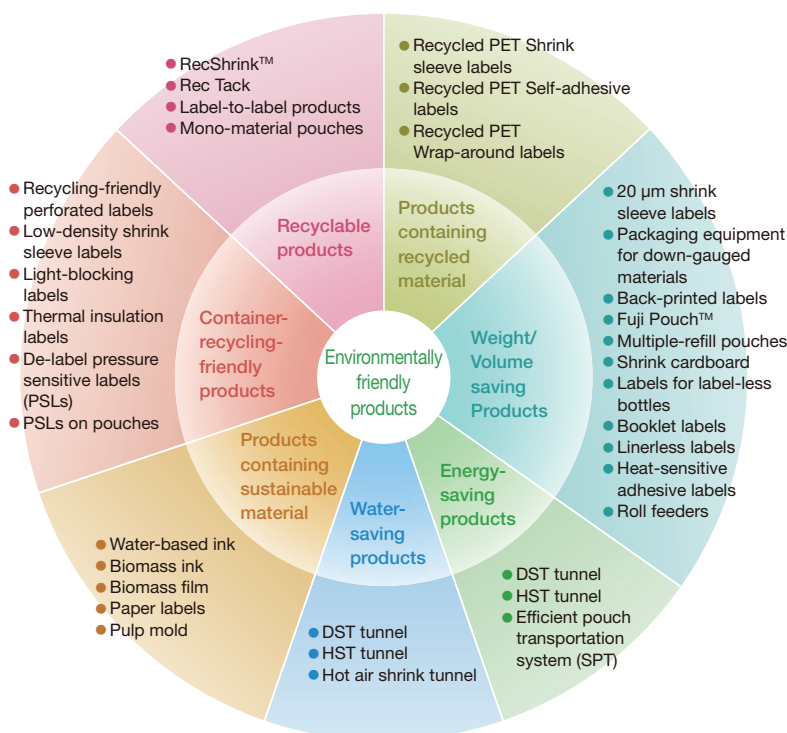
We implement various initiatives to help solve environmental issues, including expanding the use and develop the variation of Fuji Pouch™ that can be replaced in combination with a holder, and developing mono-material pouches, plant-based labels and ink, water-based ink, down-gauged label, label applicator, and delivery systems.

Initiatives for achievement

We have worked to boost sales of the RecShrink™ label as our primary recyclable product and have increased its share of the American market to nearly 20%. We will begin to introduce these products in Europe and ASEAN regions, and we will continue our efforts to expand recyclable design products with the objective of promoting resource recycling.

As for products containing recycled materials, we have launched various labels made of recycled plastic in Japan since 2009, and have begun test marketing in Europe and the Americas.

FSG’s environmentally friendly products



Topic

Environmentally friendly e-commerce initiative: ~Development of Mono-material Pouches~

Recyclable pouches made of a mono-material film and easy-to-remove PSLs were launched for e-commerce by Kimura Soap Co., Ltd. A three-party collaboration between Kimura Soap Industry Co., Ltd., G-Place Corporation, and FSG is taking place to conduct a trial run on the feasibility of recovering the pouches after consumer use and using them for horizontal recycling. In addition, these products are sent to consumers in postable package for e-commerce products that can be sent through mailboxes, contributing to the reduction of greenhouse gas emissions (GHG) by eliminating the need for redistribution.



Benefits of postable package for e-commerce products.



Pressure sensitive labels on pouches Postable package for e-commerce products