

ENVIRONMENTAL REPORT Vol. 25

Fuji Seal Group Fuji Seal International's Green House Gas Reduction Targets Validated by the SBT Initiatives

Fuji Seal International's near-term target has been validated by the SBTi^{*1}. The SBTi has classified the company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

Scope 1 ^{*2} &2 ^{*3}	Reduce absolute scope 1&2 GHG emissions 42% by FY2030. (From FY2022 base year)
Scope 3 ^{*4}	Reduce absolute scope3 GHG emissions 25% within the same timeframe



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- *¹ The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).
- *² Scope1: Direct emissions that are owned or controlled by the company
- *³ Scope2: Indirect emissions from electricity, steam, heat, or cooling purchased and used by the company
- *⁴ Scope3: Indirect emissions from the company's value chain other than Scope1&2

■ Trends in GHG Emissions to Date and the Start of New Initiatives

The Fuji Seal Group has been working towards a target for the six-year period from FY 2018 to FY 2023, which is to reduce energy-derived GHG emissions per sales unit at all of its bases in Japan and its overseas production bases. In the final year of the period, FY 2023, we achieved a 14.4% reduction (0.78 t-CO₂/million yen) compared to FY 2017. This result greatly exceeded the target of a 6% reduction (0.85 t-CO₂/million yen) compared to FY 2017, and we were able to achieve our target. Please refer to the final page, where we have included a graph showing the trends in GHG emissions and intensity per sales turnover as reference materials.

The actual start of the goals certified by SBTi is in FY 2024. We aim to reduce the total emissions of scope 1 and 2 in FY 2022 (189,778 tCO₂) to 110,071 tCO₂ by FY 2030. In addition, we are planning to reduce scope 3 emissions from 1,652,102 tCO₂ in FY2022 to 1,239,076 tCO₂. We will continue to make further reductions by adding new measures to our existing initiatives.

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■Fuji Seal Group's Main Initiatives

◇Provision of Environmentally Friendly Products (Contribution to the reduction of scope3)

● Shrink Sleeve Label Applicators、Shrink Tunnels

In response to the growing needs for environmentally friendly packaging, we are also strengthening the development of machines that are friendly to both people and the environment. We have a lineup of products that includes a shrink sleeve label applicator (product name: TLS) that is compatible with the thinnest gauge 20-micron labels, and a shrink tunnel (product name: FS-HS) that can significantly reduce energy consumption and water usage compared to conventional models.



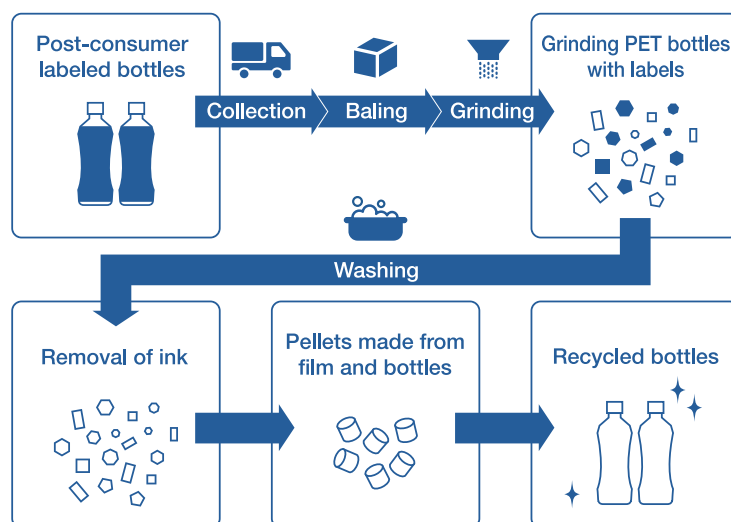
TLS Series



FS-HS

● RecShrink™

We are aiming for further expansion, particularly in the Americas, by positioning labels as “valuable resources” rather than waste, promoting their reuse. Our developed product, RecShrink™, was certified by the Association of Plastic Recyclers (APR) in 2019 as a recyclable label that can be processed with PET bottles to create recycled PET bottles. As systems for the circular use of plastics gain momentum, we quickly adapted to these changes and seized new business opportunities. Moving forward, as recycling systems for labels are established, RecShrink™'s unique features are expected to contribute to reducing Scope 3 emissions.



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◇Utilization of Renewable Energy (Contribution to the reduction of scope2)

We are promoting the introduction of renewable energy in order to reduce GHG emissions. In FY2023, we procured 9,126 MWH of renewable energy, which is 5% of our electricity usage. In addition, from January 2024, the German factory switched to 100% renewable energy for all of its purchased electricity. As a result, all of the electricity used is now renewable energy. In Japan, the Tsukuba factory in Ibaraki Prefecture also started operating self-consumption model of solar panels in January 2024.



Solar Panel at Tsukuba Plant

◇A Thermal Energy Circulation System (Contribution to the reduction of scope1)

As part of our efforts to reduce emissions of chemical substances, the Tsukuba, Nabari, Yuki(Japan) and Fougerolles(France) factories are using VOC kilns and waste heat boilers in a thermal energy circulation system to prevent VOCs from being released into the atmosphere, while also reducing fuel consumption.



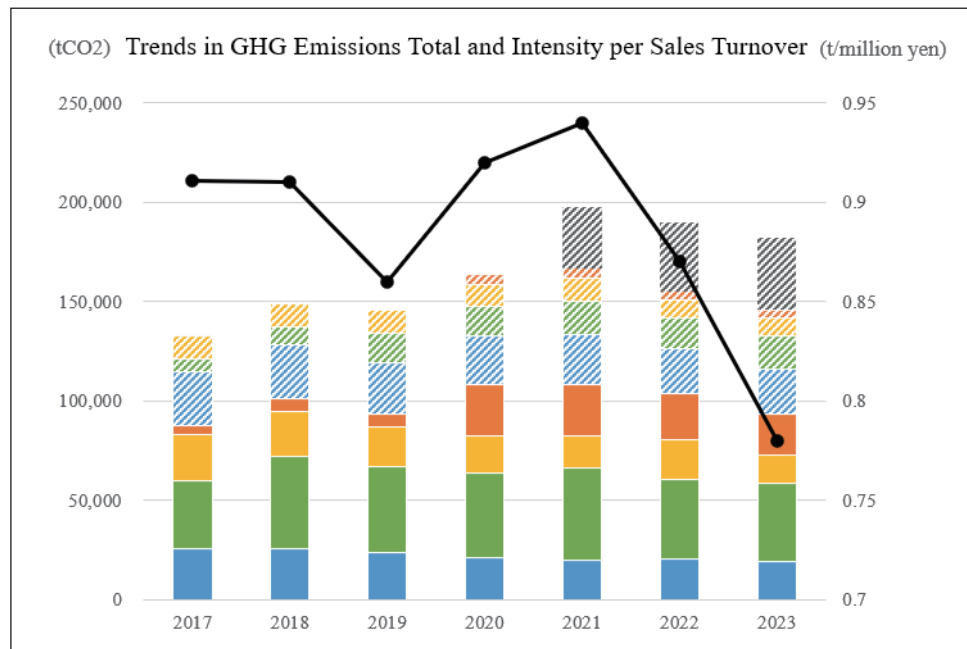
A Thermal Energy Circulation System

Fuji Seal Group considers climate change, ocean plastic issues, and resource depletion to be important environmental issues. In order to solve these environmental issues, we have formulated an environmental vision that focuses on "Creating Value" actions, such as the development and supply of environmentally friendly products, while building on "Protecting Value" actions that focus on reducing environmental impact in manufacturing. Fuji Seal Group will devote group-wide efforts to further reducing GHG emissions, aiming to achieve the new reduction targets.

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■Reference



GHG Emissions Intensity per Sales Turnover : —●—

GHG Emissions Total (Scope 1) : Japan Americas Europe ASEAN

GHG Emissions Total (Scope 2) : Japan America Europe ASEAN

Non-energy-related GHG emissions (Scope 1) The entire company