

ENVIRONMENTAL
REPORT

Vol. 14

Our packages contribute to both customers and society's initiatives in environmental sustainability.

Recently, social awareness about the environment, such as marine plastic, is intensively spreading. In fact, we have been making attempts in Reduce – Recycle – Reuse activities. We would like to introduce some of our efforts.

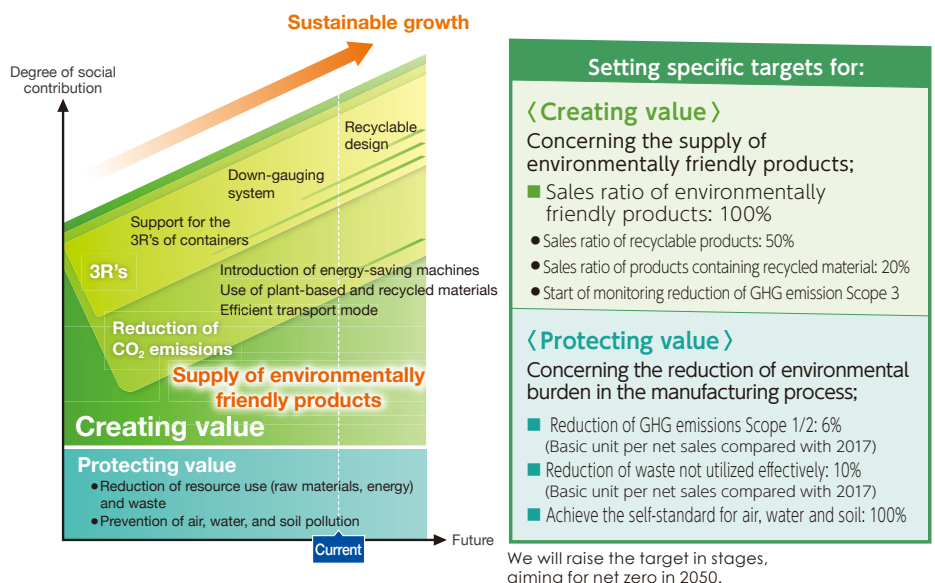
Fuji Seal Group

Environmental Targets and Efforts for Resource Recycling at Fuji Seal Group

Fuji Seal Group has set new environmental targets since fiscal 2021 in response to the Environmental Vision formulated in fiscal 2020. In this article, we will explain the environmental targets at Fuji Seal Group and also introduce the establishment of a resource recycling system of our products on the market where it would be one of the keys to the development of renewable product design, which is also included as one of our KPIs.

Environmental Visions and Targets

Fuji Seal Group considers **climate change, ocean plastic issues, and resource depletion** to be important environmental issues. In order to solve these environmental issues, as introduced in **Integrated Report 2020**, 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. In response to these efforts, we have set environmental targets for fiscal 2025 (the target year for the existing GHG emissions reduction target is 2023) in our medium-term management plan starting in fiscal 2021.




ENVIRONMENTAL
REPORT

Vol. 14

We have set three targets for "Protecting Value": (1) reduce greenhouse gas emissions during manufacturing, (2) reduce landfill waste, and (3) comply voluntary standards for air, water, and soil. The main target for "Creating Value" is to ensure that all products are designed with environmental consideration, and among these, we have set individual KPI targets for recyclable design products and products using recycled materials.

Recyclable Design Products

Product itself is recyclable

- ① **Products are designed based on third-party guidelines:**
Customers, recycling associations in each country, or suppliers
- ② **Products with established in-house recycling systems**

Products containing recycled materials

Product to which external recycled material is added intentionally

- ① **Products containing post-consumer-derived recycled materials**
- ② **Products containing post-industrial-derived recycled materials**

※Products only with internal recycled material are not included

In addition to the results of the development and supply of these environmentally friendly products, recyclable design products, and products containing recycled materials, we expect to reduce GHG emissions in the entire supply chain not only by ourselves but also in cooperation with our business partners. Our immediate goal is to establish a system to monitor Scope 3 GHG emissions.

Some of our efforts to achieve these goals are disclosed in [ESG 2021 Data Book](#) and [Integrated Report 2021](#), and we will continue to disclose them on a regular basis.

ENVIRONMENTAL
REPORT

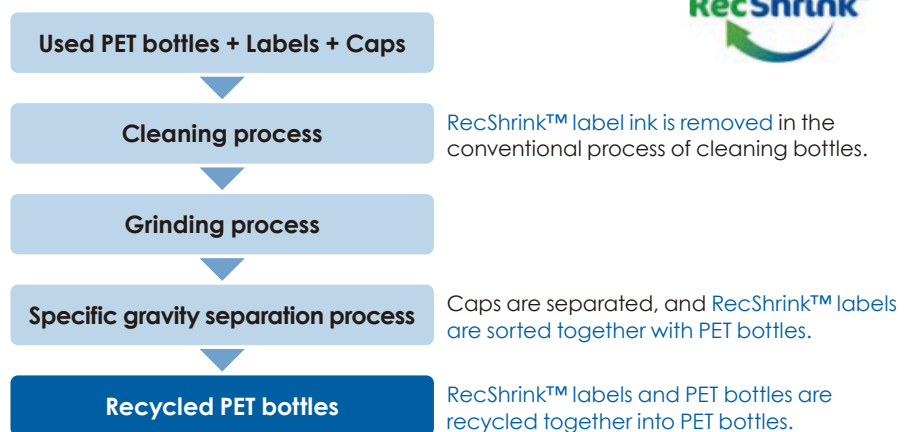
Vol. 14

■ Establishment of resource recycling system of our products on the market

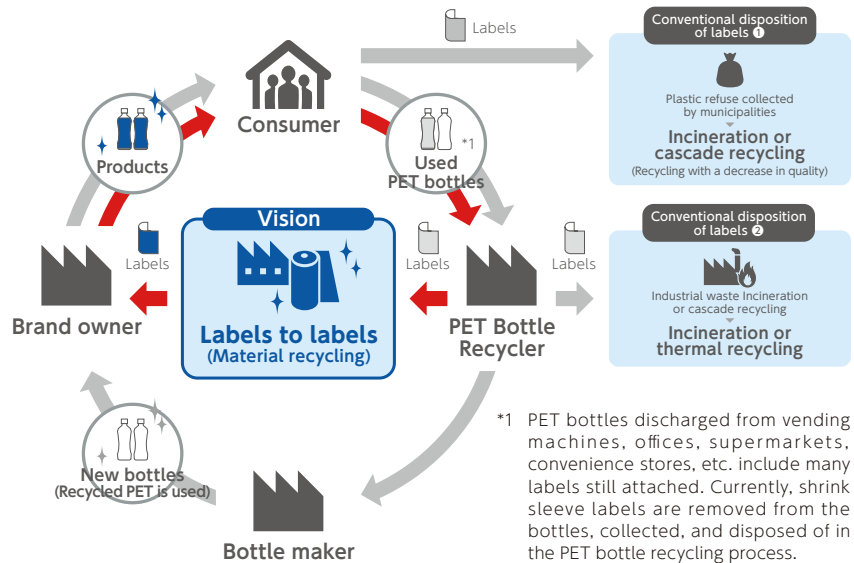
In addition to products that are recognized as "recyclable" by guidelines issued by customers, recycling associations in various countries, and business partners, we have also established a standard for products for which we have established our own recycling system. We believe that it is very important to shift the design of the products we supply to be suitable for recycling. Among our own products, for shrink labels, which were developed by Fuji Seal, first in the world, in 1961, we are also making efforts to build a resource recycling system for our products in the market.

The recyclable design of shrink labels is based on either one of two concepts in line with local customs: (1) "label to bottle," in which a label is recycled into a bottle, and (2) "label to label," in which a label is recycled into a label. The RecShrink™ shrink label, which can be recycled into bottles, was launched in the Americas in 2018, and we have worked with customers, suppliers, and recycling associations to create rules and regulations that have led to its current market development. The RecShrink™ shrink label is also launched in regions other than the Americas where we are working on the development of the recycling system.

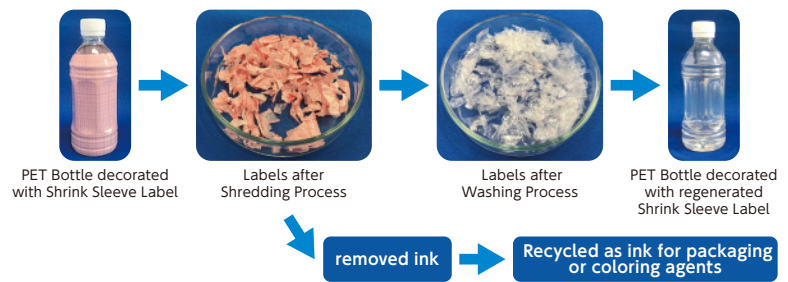
APR recycling scheme



In Japan, we have started a pilot project with recyclers and suppliers to realize "label to label" horizontal recycling of shrink labels, with the aim of social implementation in fiscal 2022. (Please see "IR News")



Label-to-label flow



The project started as a search for a form of label recycling that is possible only in Japan, where PET bottles and labels have been already mechanically separated. To pursue a better form of recycling, including economic efficiency, by experiencing the actual collection of PET bottles, we have also joined the project hosted by Japan Soft Drink Association to reduce foreign matter in PET bottle collection. In order to build an optimal recycling system for labels and caps associated with PET bottles, we will continue to work together with our stakeholders to create a recycling system for shrink labels.