

Information Disclosures Based on TCFD Recommendations

December 20, 2024
SEKISUI KASEI CO., LTD.

In May 2022, SEKISUI KASEI Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have identified “Addressing Climate Change” as a key management issue (Materiality), and are accelerating our efforts to achieve carbon neutrality by reducing greenhouse gas emissions through promoting energy-saving and greater efficiency in our production activities, and the utilization of renewable energy, and by the creation and expansion of "Sustainable Star Product (environmentally friendly products)" that contribute to decarbonization.

In addition, we have set “Shift to businesses that solve environmental and social issues” as one of the Key Issues of our medium-term management plan “Spiral-up 2024,” and set “Expanding Sustainable Star Product through recycling-based business” and “Striving to achieve carbon neutrality” as the initiatives to drive this shift.

Going forward, the Group will work to disclose information on our response to climate change in line with the TCFD recommendations, contribute to the realization of a sustainable society through our business activities, and strengthen our management foundation to enhance the Group’s long-term corporate value.

1. Governance

SEKISUI KASEI Group has a governance and risk management system in which climate change-related issues are discussed by the Sustainability Committee, which is composed of key members of the Executive Committee and the Board of Directors, among others, and the Compliance and Risk Management Committee, and then decisions are deliberated, approved, and supervised by the Board of Directors.

The President and Chief Executive Officer is responsible for making final decisions regarding the above matters.

The Sustainability Committee deliberates on the recognition of issues and measures based on them, and the Compliance and Risk Management Committee deliberates on the assessment of risks and initiatives to address them, both drafted by the Environmental Committee. The committees then submit matters for discussion to the Executive Committee and the Board of Directors. The Environmental Committee drives the implementation of policies and measures approved by the Board of Directors, and each department and subsidiary carry out various initiatives based on those policies and measures.

Organizational chart for resolving climate change issues



[Management’s role in assessing and managing climate-related strategies]

SEKISUI KASEI Group has defined “Contribution to a Sustainable Society” and “Sustainable Enhancement of Corporate Value” as the directions to be taken in our Medium-Term Management Plan “Spiral-up 2024.” We are promoting initiatives to transform our business structure based on the circular economy and to achieve carbon neutrality by 2050.

In view of all these, each operating officer carefully considers risks, opportunities, and corresponding strategies based on the perspective of whether the status of climate change-related initiatives is aligned with the Group’s direction. They are responsible for conducting business by making management decisions according to the situation.

2.Risk Management

In managing group-wide risks, including those related climate change risks, SEKISUI KASEI Group conducts scenario analysis and gains a fuller understanding to ensure that it can carry on our business in the future. The risks identified through these analyses are deliberated and evaluated by the Environmental Committee, which formulates strategies regarding environmental management, conservation, and the like, and identified as specific risks to be addressed. Initiatives for preventing risks from manifesting and to manage risks are deliberated by the Environmental Committee, reported to the Compliance and Risk Management Committee, which is a subordinate committee of the Executive Committee, and deliberated and managed as a management risk.

Opportunities are deliberated and evaluated by the Environmental Committee, reported to the Sustainability Committee, shared with related business divisions, and reflected in business strategies.

After risks and opportunities are reported to the Executive Committee, they are reported to the Board of Directors, and feedback from the Board of Directors is reflected in risk and opportunity initiatives.

3.Strategy

Since its founding, SEKISUI KASEI Group has always sought to help bring about a low-carbon and circular society and has long practiced sustainable manufacturing in harmony with the natural environment, primarily by conserving energy and recycling resources. We are currently implementing the 5Rs, which include the traditional 3Rs (Reduce, Reuse and Recycle) and the Group's own 2Rs (Replace and Re-create), as part of our SKG-5R*¹ promotion to help solve problems on a global scale. We have set our sights on achieving the following three targets by fiscal year 2030: (1) create Sustainable Star Product*² and expand their business; (2) increase recycled/biomass raw material usage ratio of 50% or higher; and (3) reduce GHG (CO₂)*³ emissions, aiming to make social and environmental contributions through our business activities.

*1 SKG-5R : <https://www.sekisui-kasei.com/en/sustainability/esg/environment/skg-5r/>

*2 Sustainable Star Product : We certify those products that make even greater contributions to the environment as "Sustainable Star Product."
<https://www.sekisui-kasei.com/en/sustainability/esg/environment/ssp/>

*3 We calculate the amount of emissions of CO₂, a greenhouse gas (GHG) within the scope of the Act on Promotion of Global Warming Countermeasures, produced by our business activities.

Foam products have features such as resource and energy conservation and resource circulation, and are used in a wide range of fields to take advantage of these features.

For example, when foam products are used as automobile components, their lightweight properties help to reduce the vehicle's weight. This also results in less consumption of fuel, such as gasoline, leading to less GHG (CO₂) emissions that contribute to global warming.

Furthermore, we use thermal insulation (for retaining heat or cold) in food containers to preserve the freshness of agricultural produce, seafood, and other food products and extend their shelf lives, helping to reduce food loss. Taking into consideration these features of foam products, we have selected foam plastic business, the core business of SEKISUI KASEI Group, as a business subject to scenario analysis. We have agreed to align this business with the Paris Agreement target of limiting global warming to an increase of 1.5°C, and after identifying climate-related risks and opportunities and deliberating countermeasures to address them, we have analyzed "transition risks" and "physical risks" associated with climate change in order to achieve a decarbonized economy in accordance with the TCFD framework.

During the course of this analysis, we create projects whose participants include the eight key departments' heads and persons in charge, who are involved in addressing environmental challenges such as climate change, led by the Director in charge of the environmental departments.

When formulating actual measures and accurately identifying business impacts, each department discusses risks, opportunities, and countermeasures and conducts analyses based on actual conditions.

Features of Foam Products

Foam products have characteristics such as resource and energy conservation and recycling of resources, and these characteristics are applied across various sectors.

For example, when foam products are used as automobiles components, their lightweight properties help to reduce the vehicle's weight. This also results in less fuel consumption, leading to less CO₂ emissions that contribute to global warming.

Saving Resource Only 2% of the Volume is Material

We make our foam products by inflating material beads derived from oil to several dozen times their original size, so that air accounts for most of the product volume. A real resource saver.

Energy Saving Effect Thermal insulation effect & lightweight

It has a high insulating effect and allows temperature control with low energy. It is used as a food container to preserve freshness and as a light component of a car.

Resource Circulation Effective recycling rate 92.0%*

We started recycling EPS in 1971. Today, used PET is recycled through various methods.

*Data source : JEPSA

Japanese Domestic (FY 2023)



[Climate-related risks, opportunities, and SEKISUI KASEI Group's responses]

●Target	… 2050
●Scope	… Focused primarily on domestic risks and opportunities, taking into consideration net sales, profit, and other factors.(including in-house business and supply chains)
●Scenario	… IEA WEO NZE2050, IPCC SSP5-8.5 (*for details, please refer to Table1)
●Periods	… Short-term: Less than three years, Medium-term: Three to five years, Long-term: Six years or more
●Financial impact	… Large: ≥2.0billion yen, Medium: >0.5billion yen and <2.0billion yen, Small: ≤0.5billion yen

Table1

Item	Climate change countermeasures are implemented and climate change mitigated	There are no climate change mitigation efforts and past trends are left to run their course
Transition Scenario	IEA WEO NZE2050	-
Physical Scenario	-	IPCC SSP5-8.5
Temperature Rise	Less than1.5°C	4°C or more
Carbon Tax	Higher Carbon Pricing	Not Implemented
Crude Oil Price	Price Decreases	Price Increases
Electricity Price	Price Increases	Price Decreases
Flooding	No Extreme Increase in Flooding	Extreme Increase in Flooding

Type	Key Items with Potential Financial Impact	Financial Impact	Potential Risks and Opportunities		SEKISUI KASEI Group's Responses	Environmental Issue Correlation Analysis
			Risks	Opportunities		
Risks and Opportunities Related to Transition (1.5°C Scenario)	Policy and Regulation	Large	(Medium Term) -Increased costs due to introduction of carbon tax -Prices increase due to passing carbon tax costs onto product prices, sales decline accordingly (Risks associated with transitioning to other materials)	(Medium-to-Long-Term) -Expansion of business fields and increase in sales volume for Sustainable Star Product that contribute to GHG (CO ₂) emissions reductions [E.g.:Expansion of collaboration with customers to take advantage of opportunities presented by GHG (CO ₂) reductions] [E.g.:Increase in demand for product that support electrification of vehicles] -Increased cost competitiveness through introduction of energy-saving/efficiency improvements and renewable energy	-Expansion of lineup of Sustainable Star Product [E.g.:Development of lightweight thermal insulation automotive components suitable for use in EVs] -Production process innovation and logistics efficiency improvements [E.g.:Introduction of high efficiency devices, development of energy-saving processes, promotion of DX] -Systematic introduction of renewable energy equipment [E.g.:Introduction of solar power generation systems Development planned for 12 sites, performed for 8sites]	Mitigation Mitigation Mitigation
			Medium	(Short Term) -Decline in sales due to restrictions on use of single-use plastics (Medium-to-Long-Term) -Reduced existing business due to replacement of materials with substitutes, etc. -Difficulty in procurement of substitute materials and increased costs -Stricter recycling and waste regulations -Introduction of plastic tax	(Short Term) -Early capture of benefits through prompt provision of substitutes for regulated materials (Medium-to-Long-Term) -Increased demand resulting from preferential use of Sustainable Star Product -Sales enhancement through development of new products using biomass, recycled raw materials, etc.	-Strengthening the Sustainable Star Product lineup centered on SKG-5R [®] -Expansion of lineup of "ReNew [™] " products that use recycled materials. [E.g.:ESLEN Beads RNW, PIOCELAN RNW, LIGHTLON RNW, etc.] -Expansion of the "BioCellular [™] " lineup, which consists of products made with biodegradable or biomass-derived materials [E.g.:RETONA FOAM, LIGHTLON BIO, etc.] -Acquisition of ISCC PLUS certification (international sustainable carbon certification) as a result of increased use of recycled and biomass materials -Creation of a horizontal recycling system through coordination with other industries and business segments [E.g.:Collecting and recycling of used PIOCELAN parts packaging materials] [E.g.:Collecting and recycling of used EPS foam] -Early collection of regulatory information and development of substitute materials [E.g.:Product lineup of new functional polymer material "Fluxflow"]
	Market	Large	(Short Term) -Increased expenditures for decarbonization, energy-saving, and renewable energy facilities -Negative image due to delay in introduction of new technology	(Medium Term) -Expansion of business opportunities and acquisition of new business for products that enhance low-carbon,energy-saving performance for customers [E.g.:Vehicle weight reduction, thermal insulation, etc.] -Reduction of capital investment and R&D investments through the use of subsidies -Capture of new markets that contribute to new technology development	-Aggressive introduction of renewable energy and energy-saving equipment through use of environmental investment quotas [E.g.:Promotion of transition from heavy fuel oil boilers to gas boilers Planned for 13 sites, performed for 1site] -Prioritized use of ¥2.6 billion in R&D funds on topics related to environmental contributions -Compression of investment in GHG (CO ₂) emissions reductions through promotion of production process innovation and energy conservation -Pursuing new environmental contributions by leveraging our fundamental technologies [E.g.:Development of lightweight components which use ST-Eleveat BIO as their core material] -Cost reductions through utilization of subsidies in environmental investment and enhancement of PR measures [E.g.:Reinforcement of EPS-to-EPS recycling (Expanded Polystyrene)] -New business development and promotion of open innovation [E.g.:Offshore solar systems using foam with 100 times expansion rate, RETONA FOAM BIO, etc.]	Mitigation Mitigation Mitigation Mitigation Mitigation
			Medium	(Short Term) -Decreased demand for plastic products due to rising environmental consciousness (Regarding issues such as marine plastics) -Accelerated shift towards circular economy and sustainable society [E.g.:Materials which cannot be recycled no longer sell well, etc.] -Delayed response to changing customer needs -Decreased demand for one-way plastic products	(Short Term) -Increase in demand for resource-saving plastics driven by decrease in plastic usage (Increase in demand for foamed plastic, which uses less raw material than non-foamed plastic) -Increased opportunities for priority sales through visualization of environmental contribution [E.g.:Disclosure of GHG (CO ₂) emissions amounts, disclosure of biomass content, etc.] -Increase in demand for recyclable products -Increase in demand for products made with recycled and biomass-derived materials -Increase in sales of products that contribute to reduced energy consumption -Increased demand for returnable products	-Measures for addressing marine pollution [E.g.:Collecting and recycling of scrapped floats] -Measures for increasing resource recycling value through participation in initiatives [E.g.:We are a member of The Japan Plastics Industry Federation, CLOMA, and the Plastic Waste Management Institute, and we continuously work to solve environmental issues together with these associations' working groups.] -Initiatives for solving environmental issues together with customers [E.g.:ESLEN Sheet PZ Series] -Transition to resource recycling-based business [E.g.:ESLEN Beads RNW made from recycled used fish boxes, creation of a horizontal recycling system together with product recipients, etc.] [E.g.:Expansion of 3R promotion efforts together with customers through PIOCELAN RNW] -Shift to businesses that solve environmental and social issues [E.g.:Promotion of recycling and decarbonization, expansion of disaster-related products] -Procurement of recycled raw materials and ensuring of stable quality
Reputation	Medium	(Medium Term) -Devalued corporate brand due to delay in global warming countermeasures -Declined external evaluation due to lack of information disclosure	(Medium Term) -Corporate image enhancement through promotion of environmental responses and climate-related information disclosure -Stable funding procurement through increased engagement with investors	-Active information disclosure and enrichment of disclosed information [E.g.:Disclosure of information to CDP] -Promotion of dialogue with local communities through CSR activities [E.g.:Establishment and operation of the SEKISUI KASEI Fund] -Creation of model environmental business sites and enrichment of contents of sites [E.g.:Recycling equipment, ECO action gallery, environmental training] -Enhancement of voluntary foam plastic collecting and recycling activities involving local communities [E.g.:Use of special exception to the Plastic Resource Circulaion Act] -Addressing environmental issues through collaboration between the private and public sectors [E.g.:Certification as a Ministry of the Environment "Eco-First Company"] -Contributions to the tackling of climate problems through collaboration with outside organizations [E.g.:Participation in the TCFD Consortium and CDP, support for the GX League]	Mitigation Mitigation Mitigation Mitigation Mitigation	

Type	Key Items with Potential Financial Impact	Financial Impact	Potential Risks and Opportunities		SEKISUI KASEI Group's Responses	Environmental Issue Correlation Analysis	
			Risks	Opportunities			
Risks and Opportunities Related to Physical Changes (4°C Scenario)	Acute	Increase in Extreme Weather	Large	(Short Term) •Increased disaster prevention costs at production sites •Impact on supply chain •Increased damage and loss of sales opportunities due to plant shutdowns, etc. (Medium Term) •Increased insurance premium	(Short Term) •Increased demand for disaster response products (For prevention, early restoration materials, for resilience, etc.) •Earn trust of customers and increase competitiveness by making supply chain more resilient •Increase in sales opportunities through response to extreme weather phenomena	•Identification of risks by region and enhancement of BCP initiatives based on the risks •Strengthening SCM functions by utilizing DX •Expanding and deploying products that prevent flooding and landslides caused by torrential rains, and products that lead to emergency response and early restoration (E.g.: AQUAROAD for rainwater storage infiltration tanks used to address torrential rain, EPS lightweight embankment method for rapidly repairing roads following disasters, and EPS Slopes dealing with uneven road surfaces)	Adaptation Adaptation Adaptation
	Chronic	Average Temperature Increase	Medium	(Medium Term) •Impact on production and supply due to power supply restrictions •Decreased harvest of agricultural produce and seafood, changes in regional characteristics •Decline in sales in existing regions due to changes in demand and consumption areas	(Short Term) •Increased business opportunities for products that lead to high thermal insulation and energy-saving performance •Increased sales opportunities for disaster prevention and greenery products (Medium Term) •Positive impact of heat on sales	•Reducing power consumption through production innovation •Accelerate sales of thermal insulation products (E.g.: Thermal insulation materials for buildings, heat insulation materials for housing equipment) •Accelerate sales of products that mitigate temperature rise (E.g.: Lightweight greenery methods) •Accelerate sales of products that respond to rises in sea levels (E.g.: Floating pier systems) •Expansion of agriculture/fishery applications that are not affected by climate change (E.g.: Plant factory for agriculture, land-based aquaculture for seafood) •Flexible response to changes in demand by leveraging multiple sites	Both adaptation Both adaptation Adaptation Adaptation Adaptation

*1 SKG-5R: The Group's initiatives to contribute to a sustainable society consisting of 3Rs (Reduce, Reuse, Recycle) toward a recycling-based society and 2Rs (Replace, Re-create) based on our unique technologies. For details, please visit our website "SKG-5R."

<https://www.sekisui-kasei.com/en/sustainability/esg/environment/skg-5r/>

*2 ReNew+ : The Group's products in categories for which recycled materials are used are indicated with "RNW."

*3 BIO Cellular : The Group's products in categories for which biodegradable or biomass-derived plastics are used are indicated with "BIO."

[Examples of SEKISUI KASEI Group's environmental activities]

Recycling Initiatives

We started recycling EPS foam in 1971. In 1991, the industry established the Japan Expanded Polystyrene Recycling Association (now the Japan Expanded Polystyrene Association). In 2024, we began a new initiative, voluntarily collecting and recycling EPS foam from households in 15 prefectures (covering roughly 63% of Japan's population) with the assistance of members of communities around our business sites and members of SEKISUI KASEI Group.

The map shows previously certified areas in blue, newly certified areas in green, and areas planned for future certification in grey. The flowchart details the process from collection by transport companies and collection sites to recycling by SEKISUI KASEI, with sales and provision back to the manufacturer.

Launch of the Demonstration Project for Horizontal recycling - from EPS Foam to EPS Foam -

We have launched a demonstration project for horizontal recycling toward mass production of reusable EPS foam. The goal is to develop a system that creates pellets from ingots of used EPS foam. These are impregnated and polymerized with styrene monomers to regenerate raw materials to a better quality than before.

The flowchart illustrates the circular process: Collection of Used EPS leads to Conversion into Ingots, Volume Reduction, and Crushing. This produces Post-Consumer Recycled Materials, which are then used for Polymer Impregnation and Mini-Pellets. These are converted to Raw Materials (ESLEN Beads RNW) and molded into Foam Molded Products. The process also shows the use of Styrene Monomer Virgin Raw Materials.

This initiative was selected as a "Ministry of the Environment's FY2023 Project to Promote the Creation of a System for a Decarbonized Circular Economy (of which, Demonstration Projects for Establishing a Recycling System for Plastics and Other Resources)."

Certified as an Eco-First Company by the Ministry of the Environment, Japan

_ Committed to working to conserve the global environment _ as an environmentally advanced company

The Eco-First Program is a certification program in which the Minister of the Environment, Japan (MOE) certifies companies that are conducting "advanced, unique and industry-leading business activities" in the environmental field (environmentally advanced companies in their industry). With the aim of realizing a sustainable society, SEKISUI KASEI Group is implementing SKG-5R, which adds our unique 2Rs (Replace, Re-create) to the conventional focus of 3Rs (Reduce, Reuse, Recycle). In doing so, we contribute to the solution of the global environmental and social issues outlined in the SDGs. We have compiled these initiatives and declared them as our "Eco-First Commitment," and have been recognized as an environmentally advanced company for our efforts.

"Eco-First Commitment" (Summary)

- By FY2030, replace 50% of materials used with recycled materials or biodegradable/biomass-derived raw materials.
- Act on Promotion of Resource Circulation for Plastics-obtain certification for Voluntary Collection and Recycling Business Plan, extend expanded polystyrene resource recycling activities throughout Japan.
- By FY2030, create a total of 100 Sustainable Star Product (environment friendly products) and achieve a share of 50% or more of net sales.

SEKISUI KASEI CO., LTD. "Eco-First Commitment" (full text, in Japanese only)
<https://www.env.go.jp/guide/info/eco-first/commitment.html>

ESLEN Block RNW

ESLEN Block RNW, which uses recycled material, was selected for a facility development project at the Expo 2025 Osaka, Kansai, Japan. ESLEN Block is a lightweight embankment material that is exceptionally lightweight, independent, and highly workable. It is widely used in road construction, bank protection works, soft foundation countermeasures, and more.

The ESLEN Block RNW selected for the Expo project is made with collected and recycled used EPS foam using our proprietary technologies. Recycled expandable polystyrene beads are converted into raw material and foam-molded into blocks.

The flowchart shows the manufacturing process: Virgin raw materials and Used foamed polystyrene (from Used fish boxes, etc.) are converted to raw materials. Recycled foam polystyrene beads (ESLEN Beads RNW) are added. The process involves Material Recycling and Molding to create ESLEN Block RNW, which is used in Subsidence Countermeasures for Soft Foundations. Photos show the blocks being installed at the Expo 2025 Osaka, Kansai.

Image: Expo 2025 Osaka, Kansai (Provided by Japan Association for the 2025 World Exposition)

4. Metrics and targets

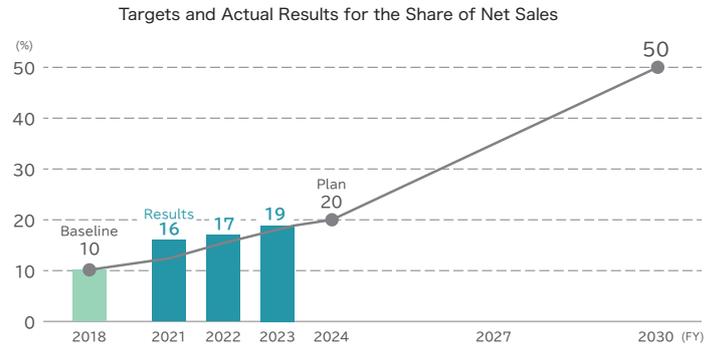
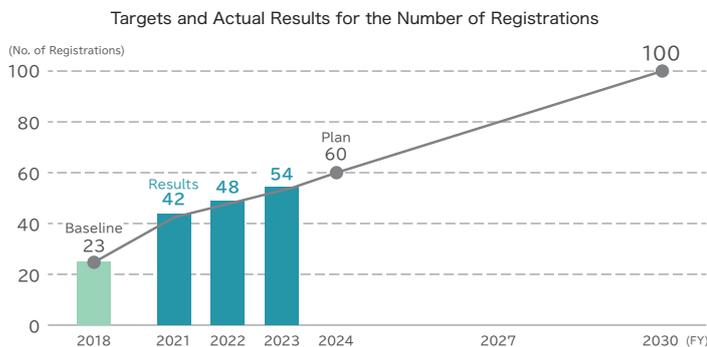
SEKISUI KASEI Group has established three targets to be achieved by 2030: the creation of Sustainable Star Product and expanding their business, recycled and biomass material usage ratio, and reduction of GHG (CO₂) emissions.

Target I	Create Sustainable Star Product and expand their business	
	Total Number of Registrations 100	Share of Net Sales 50%
Target II	Recycled and Biomass Material Usage Ratio	
	50% or Higher	ReNew+ BIOCellular
Target III	Reduction of GHG (CO ₂) Emissions	
	Scope 1+2 -27% <small>(Compared to FY2018)</small>	Targets for FY2050 Carbon Neutrality Achieves

Target I Create Sustainable Star Product and expand their business

In SKG-5R, we have set the targets of expanding the number of Sustainable Star Product registered to a cumulative total of 100 and their ratio of net sales to 50% by FY2030. Furthermore, as a target by FY2024, which is the final fiscal year of the medium-term management plan “Spiral-up 2024,” we have stipulated a cumulative total number of registrations of 60 and a ratio of net sales of 20%.

In FY2023, the cumulative number of registrations was 54, and the ratio of net sales increased by 2.0 points year-on-year to 19%, so both the number of registrations and the ratio of net sales are largely as planned.



Sustainable Star Product

We develop and design products that consider the limited resources they use and their environmental impact throughout the life cycle, starting from the procurement of raw materials and use stages, up to disposal and recycling.
In SKG-5R, we certify those products that make even greater contributions to the environment as “Sustainable Star Product,” aiming to create and expand their business in line with the indicators set to this end.

Examination/Certification/Registration

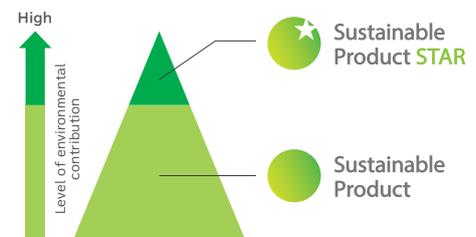
The process of registering a Sustainable Star Product is as follows. After receiving the application from the department in charge, the Environmental Committee examines it, and those that meet the criteria as a result of the examination are certified and registered after approval at a management meeting.
A third party evaluates the validity of the certification and registration process.

Flow for Examination, Certification, and Registration



Sustainable Star Product

Products and systems that make greater contributions to the environment among our sustainable products.



Sustainable Product

Products and systems that are useful in daily life and friendly to the environment, such as foam plastics.

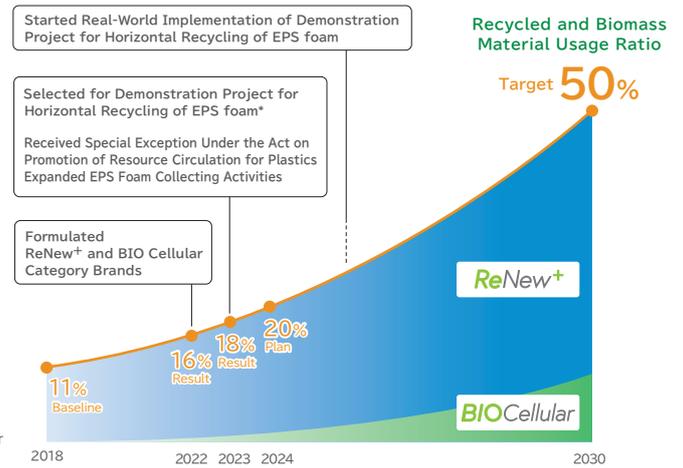
Recycled and Biomass Material Usage Ratio

In order to realize the creation and the business expansion of Sustainable Star Product, we have set a target of replacing 50% of the raw materials we use with raw materials recycled or biodegradable/biomass-derived raw materials from virgin raw materials in all of the products manufactured by the SEKISUI KASEI Group by FY2030.

Our result for FY2023 was 18%, showing steady progress toward the FY2024 target of 20%.

*Selected as a "Ministry of the Environment's FY2023 Project to Promote the Creation of a System for a Decarbonized Circular Economy (of which, Demonstration Projects for Establishing a Recycling System for Plastics and Other Resources).

Targets and Actual Results of Raw Material Usage Ratio to the Total Production Volume



ReNew+

We recover used products and the offcuts from manufacturing processes, carry out regenerative treatment so that they are easy to use, and use them as raw materials in new products.

In developing materials that use recycled raw materials, it's essential to solve a variety of technical challenges to achieve the same level of performance as conventional products, but we believe this is one important initiative from the perspective of the reduction of waste.



ESLEN (EPS) beads RNW EPS (expandable polystyrene) beads

We collect the polystyrene (PS) components of discarded household appliances* and polystyrene foam molded products using our original recycling system and then turn them into raw materials.

*Discarded household appliances : discarded home appliances such as TVs and refrigerators

BIOCellular

Bioplastic is the collective term for biomass plastic and biodegradable plastic.

Biomass plastic is made from recyclable organic materials such as plants, while biodegradable plastic is eventually broken down into CO₂ and water through the action of microorganisms, etc.

Biomass



Biodegradable



RETONA FOAM BIO Biodegradable foam

This biodegradable foam is made from improved plant-derived materials. As part of its SDGs activities, the Flowering Japan Council ran a "Let's reduce disposable gift wrap" campaign in October 2024, and RETONA FOAM BIO was used for the campaign POP, posted in flower shops nationwide.

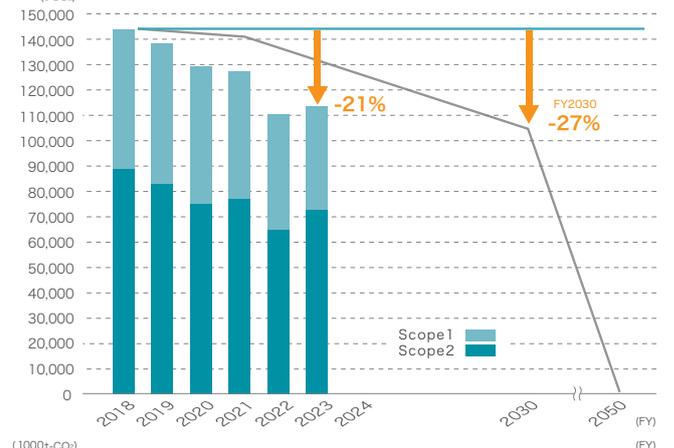
Reduction of GHG (CO₂) Emissions

In SKG-5R, we have set a target to reduce our Scope 1+2 GHG (CO₂) emissions in our business activities by 27% by FY2030 from FY2018 levels, that was based on the criteria set by the Science Based Targets (SBT) initiative.

We are proactively implementing measures across the Group in accordance with the reduction plan, including promoting more energy-saving production and reviewing our energy procurement method, and we are aiming for zero substantial GHG(CO₂) emissions by FY2050 with the 2030 reduction target as a milestone.

In FY2023, we implemented measures including the improvement of production efficiency and the introduction of renewable energy, but due to changes in CO₂ emissions factors, the level of reductions fell below the previous year, with GHG(CO₂) emissions reduced by 21% from FY2018 levels. Next fiscal year, we will redouble our efforts to achieve our plan objectives and reduce our GHG(CO₂) emissions.

GHG (CO₂) emissions (Scope 1 + 2) reduction targets and actual results



Category	2018	2019	2020	2021	2022	2023
Scope1	55	56	54	50	45	42
Scope2	88	82	75	77	64	72
Scope1+Scope2	143	138	129	127	110	114

Promoting the introduction of solar power generation systems across SEKISUI KASEI Group



Sekisui Kasei Kanto (Shimodate)



Sekisui Kasei Tenri

*Details regarding our Scope 3 GHG (CO₂) emissions are disclosed via CDP. <https://japan.cdp.net/disclosure>