

SBTi Annual Progress Report (FY2025) by Erg Ventures Co., Ltd.

(August, 2026)

Executive Summary

We, Erg Ventures Co., Ltd, are a small enterprise based in Tokyo, Japan, primarily engaged in office-based operations. In December 2024, we received official approval from the Science Based Targets initiative (SBTi) under the SME framework, committing to science-based greenhouse gas (GHG) reduction targets.

Under our approved targets, we aim to reduce our Scope 1 and Scope 2 emissions by **5% annually** and achieve a **50% reduction within 10 years** relative to the FY2024 base year.

In FY2025, our total GHG emissions were **9,444 kg-CO₂**, compared to **8,279 kg-CO₂** in the base year. This represents an increase rather than a reduction. The rise in emissions is primarily attributed to higher office activity levels and increased electricity consumption during the reporting period. As a small enterprise, year-to-year fluctuations in electricity use can occur due to operational changes and work-style variations.

Despite the increase, we remain fully committed to our science-based targets. We continue to implement energy-efficiency measures, promote digital workflows, optimize office operations, and expand the use of environmentally responsible practices. These actions form the foundation for future reductions and long-term alignment with SBTi requirements.

We will strengthen our reduction initiatives in the coming years and maintain transparent reporting as part of our commitment to climate responsibility.

Thank you so much.

1. GHG Emissions Inventory

We, Erg Ventures Co., Ltd calculate our greenhouse gas (GHG) emissions in accordance with the GHG Protocol, covering Scope 1, Scope 2, and Scope 3 emissions. As a small enterprise whose business activities are primarily office-based, the company's emissions are almost entirely derived from electricity consumption.

Organizational Boundary

- **Scope 1 (Direct emissions):** Not applicable. We do not operate fuel-combustion equipment or company-owned vehicles.
- **Scope 2 (Indirect emissions from purchased electricity):** Applicable Electricity consumption in the office is the company's primary source of emissions.
- **Scope 3 (Other indirect emissions):** Not required for SMEs Selected categories (business travel, commuting, procurement) may be assessed in future years.

GHG Emissions (kg-CO₂)

- **Base Year (FY2024):** 8,279 kg-CO₂
- **FY2025:** 9,444 kg-CO₂

Emissions increased compared to the base year due to higher office activity and increased electricity consumption. Erg Ventures reports these figures transparently and will strengthen reduction measures going forward.

2. SBTi-Approved Targets (Target Description)

We received official approval for our Science Based Targets (SBTs) from the Science Based Targets initiative (SBTi) in December 2024 under the SME target-setting framework.

Scope 1 + Scope 2 (Absolute Reduction Targets)

1. **Annual reduction of 5% in CO₂ emissions**
2. **50% reduction within 10 years (relative to the base year)**

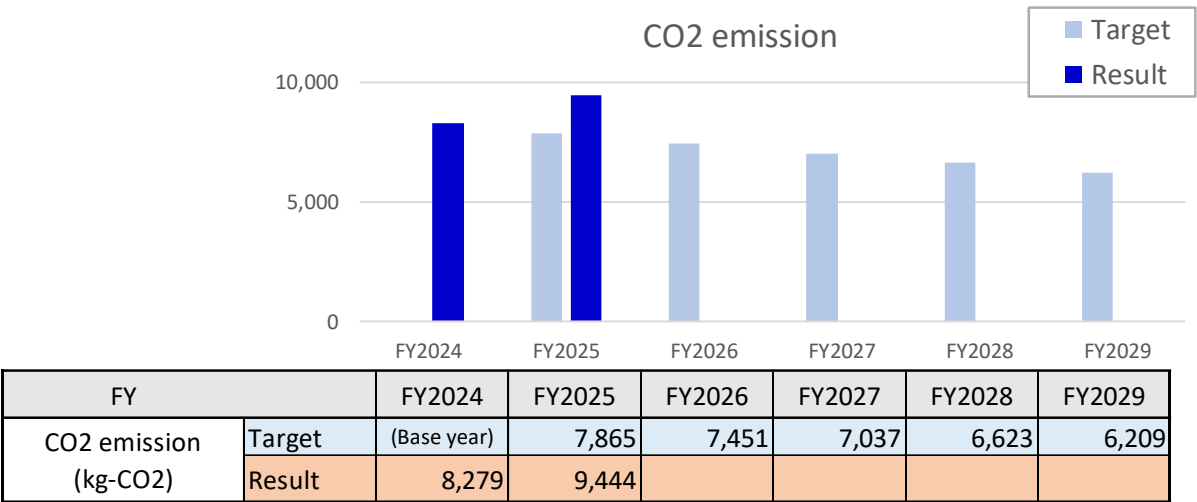
Scope 3

- SMEs are not required to set quantitative Scope 3 targets; however, the company commits to continuous efforts to reduce indirect emissions.

These targets are incorporated into the company's environmental management policy and guide ongoing reduction activities.

3. Progress Toward Targets (Target Progress)

We evaluated progress by comparing FY2025 emissions with the base year (FY2024).



Emissions Comparison

- **FY2024 (Base Year):** 8,274 kg-CO₂
- **FY2025:** 9,444 kg-CO₂

Annual Reduction Rate

- **-14.1% (increase)** Emissions increased rather than decreased.

Progress Toward the 10-Year 50% Reduction Target

- Current progress indicates an upward trend. Additional reduction measures will be required to align with long-term targets.

The increase is attributed to changes in office utilization, electricity consumption, and work-style patterns. We will reinforce reduction initiatives to return to the intended trajectory.

4. Emission Variations and Target Changes

Reasons for Emission Variations

FY2025 emissions increased compared to the base year. Contributing factors include:

- Increased office operating hours
- Higher electricity consumption
- Fluctuations in remote-work adoption
- Changes in electricity emission factors (if applicable)

Such variations are common among small enterprises, and the company reports them with full transparency.

Changes in Targets

- **No changes have been made to the approved targets.**
- In accordance with SBTi requirements, the company will conduct a formal target review in **2029**, five years after approval.

5. Actions Toward Meeting SBTs

We, Erg Ventures, continue to implement the reduction measures submitted during our SBTi approval process. These actions support progress toward Scope 1 and Scope 2 reduction targets.

1. Office-Based CO₂ Reduction Measures

- Replacement of lighting fixtures with LED units
- Promotion of remote work to reduce office occupancy

2. Energy-Efficient IT Equipment and Green IT

- Upgrading laptops and monitors to energy-efficient models (e.g., Energy Star certified)
- Virtualization and consolidation of servers and network equipment
- Increased use of cloud services to leverage efficient data centers

3. Paperless Operations and Digital Workflows

- Introduction of electronic contracts and electronic invoicing
- Cloud-based management of internal documents
- Reduction of printing volume and enforcement of double-sided printing

4. Green Procurement

- Selection of environmentally friendly office supplies (recycled paper, remanufactured toner, etc.)
- Encouraging suppliers to adopt environmentally responsible practices (Scope 3 engagement)

5. Employee Commuting and Travel Measures

- Promotion of public transportation
- Increased use of online meetings to reduce business travel

6. Office Operational Improvements

- Optimized air-conditioning settings (28°C in summer, 20°C in winter)
- Ensuring all devices are powered off when not in use
- Use of smart plugs and timers to reduce standby power

We will continue implementing these measures and explore additional opportunities to reduce emissions in future years.

Appendix

A: GHG calculation methodology (GHG Protocol)

B: Emission factors used (electricity provider data)

C: Data tables (electricity consumption, calculation formulas)

Appendix A: GHG calculation methodology (GHG Protocol)

1. Calculation Standard

We, Erg Ventures Co., Ltd calculated greenhouse gas (GHG) emissions in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard**, the globally recognized framework for corporate GHG inventories.

We applied the **location-based method** for Scope 2 emissions, using the official emission factors published by the electricity provider.

2. Organizational Boundary

The organizational boundary follows the **operational control approach**, meaning that emissions from operations fully controlled by Erg Ventures Co., Ltd are included in the inventory.

Included operations:

- Office facility (electricity consumption)

Excluded operations:

- No manufacturing facilities
- No company-owned vehicles
- No fuel-combustion equipment

3. Scope Definitions and Applicability

Scope 1 – Direct Emissions

- No applicable sources.
- The company does not operate boilers, generators, or company-owned vehicles.
- Scope 1 emissions = 0 kg-CO₂

Scope 2 – Indirect Emissions from Purchased Electricity

- Electricity consumption at the office is the company's primary emission source.
- Emissions are calculated using the location-based emission factor provided by the electricity utility.

Scope 3 – Other Indirect Emissions

- As an SME, Scope 3 quantification is optional.
- Selected categories (business travel, commuting, procurement) may be assessed in future years.

4. Activity Data

The following activity data are used for Scope 2 calculations:

- **Electricity consumption (kWh)** Obtained from monthly electricity bills issued by the utility provider.
- **Emission factor (kg-CO₂/kWh)** Based on the annual emission factor published by the electricity provider in Japan.

5. Calculation Formula

Scope 2 emissions are calculated using the standard GHG Protocol formula:

$$\text{Scope 2 Emissions (kg-CO}_2\text{)} = \text{Electricity Consumption (kWh)} \times \text{Emission Factor (kg-CO}_2\text{/kWh)}$$

This formula is applied consistently across all reporting years.

6. Data Sources

- Monthly electricity invoices from the utility provider
- Annual emission factor published by the electricity provider
- GHG Protocol Corporate Standard (for methodology alignment)

7. Quality Assurance

To ensure accuracy and consistency:

- Activity data are crosschecked against utility billing records
- Emission factors are updated annually
- Calculations are reviewed internally before publication

8. Limitations

As a small enterprise, emissions may fluctuate due to:

- Changes in office occupancy
- Variations in remote-work adoption
- Seasonal electricity usage
- Updates to emission factors

These limitations are typical for SMEs and are transparently disclosed.

Appendix B: Electricity Emission Factors (Japan – TEPCO)

The following emission factor is used for calculating Scope 2 emissions for FY2025. This value is based on the official data reported by **Tokyo Electric Power Energy Partner, Inc. (TEPCO)** under Japan's *Greenhouse Gas Emissions Accounting, Reporting and Disclosure System*.

Electricity Emission Factor (FY2025 – Preliminary Value)

Electricity Provider	Fiscal Year	Emission Factor (kg-CO ₂ /kWh)	Notes
TEPCO Energy Partner	FY2025	0.418 kg-CO ₂ /kWh	Preliminary value reported to METI and MOE; includes adjustments for non-fossil value certificates

Notes

- The emission factor reflects adjustments based on:
 - Non-fossil value certificates
 - Surplus non-fossil value allocated under Japan's Feed-in Tariff (FIT) scheme
- The final confirmed value will be published by the Government of Japan after official verification.

Source

Tokyo Electric Power Energy Partner, Inc. "CO₂ Emission Factor for FY2025 (Preliminary Report)"
Published: August 7, 2026 (Original document in Japanese)

[2025 年度の CO2 排出係数について](#)

Appendix C: Data tables (electricity consumption)

Source: Internal electricity usage records of Erg Ventures Co., Ltd

Year	Month	Consumption of electricity (kWh)			CO2 emission factor (kg-CO2/kWh)	CO2 emission (kg-CO2)
		Lighting	Power for devices	Total		
2025	April	1,059	547	1,606	-	-
	May	1,039	499	1,538		
	June	1,038	500	1,538		
	July	1,069	1,100	2,169		
	August	1,033	1,107	2,140		
	September	1,047	998	2,045		
	October	1,035	884	1,919		
	November	1,079	876	1,955		
	December	1,056	975	2,031		
	January	1,047	804	1,851		
2026	February	1,036	1,054	2,090		
	March	1,032	679	1,711		
	TOTAL	12,570	10,023	22,593	0.418	9,444

Total Electricity Consumption (FY2025): **22,593 kWh**

Total CO₂ Emissions (FY2025): **9,444 kg-CO₂**