

Reduction of Process Contaminants in Oils and Fats



Material Issue
Health and Nutrition

Governance

The Group's Sustainability Committee^{*1} is an advisory body to the Board of Directors that is chaired by the President and CEO. It deliberates on and monitors the material ESG issue^{*2} of Health and Nutrition from a multi-stakeholder perspective, and reports the results to the Board. The Chief Strategy Officer (CSO) oversees the progress of initiatives for Reduction of Process Contaminants in Oils and Fats, a priority action within this material issue.

*1 Governance, Strategy, Metrics and Targets, Risk Management > Governance

https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*2 Governance, Strategy, Metrics and Targets, Risk Management > Strategy, metrics and targets

https://www.fujioilholdings.com/en/sustainability/sustainability_management/

Strategy

Process contaminants are substances that are incidentally formed from lipids originally present in raw materials through heating at high temperatures and other processes during food manufacturing (3-MCPDE^{*1}/GE^{*2}), as well as substances that are unintentionally introduced through the supply chain, including raw materials procurement, transportation, storage, and manufacturing (MOSH/MOAH^{*3}). Currently, these substances have not been conclusively proven to be harmless to human health, and are still under study by risk management agencies worldwide. Therefore, their concentrations in food must be reduced as much as possible to a reasonably achievable range.

Our Group has been working for some time to reduce various process contaminants according to our client's demands across our Group companies. For instance, we have developed and implemented a method at our manufacturing sites that reduces process contaminants with minimal impact on the quality of oils and fats, such as flavor and texture. We plan to further accelerate our efforts to meet rising market expectations in the coming years.

*1 3-MCPDE: Fatty acid esters. Formed during the refining process of oils and fats by their reaction with chlorine when heated at high temperatures (> 160-200°C)

*2 GE: Glycidyl fatty acid esters. Formed during the refining process of oils and fats when heated at high temperatures (> 200°C)

*3 Mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH). Types of mineral oil hydrocarbons comprising a wide range of chemical compounds obtained mainly from petroleum distillation and refining

Risk management

We regularly collect information from all Group companies on the latest laws and regulations, industry trends, and client demands related to the reduction of contaminants, and have developed a system that can respond to market needs well in advance. We also select suppliers who can supply raw materials with low risks of contaminants and work collaboratively with them to build a sustainable supply chain.

Metrics and targets

Next steps

To reduce process contaminants, it is essential for us to procure high-quality raw materials and maintain their quality during processing at our factories. To that end, we are working on building a system that can respond to market needs well in advance.

In FY2024, we aim to achieve a 100% supply rate for products that meet our clients' standards for maximum contaminant levels at the following seven Group companies.

- Fuji Oil Co., Ltd. (Japan)
- Fuji Oil (Singapore) Pte. Ltd.
- Palmaju Edible Oil Sdn. Bhd. (Malaysia)
- Fuji Oil (Zhang Jia Gang) Co., Ltd. (China)
- Fuji Oil Europe (Belgium)
- Fuji Oil Ghana Ltd.
- Fuji Oil (Thailand) Co., Ltd.

Specific initiatives

Reducing process contaminants

We have been working on initiatives to reduce process contaminants at various stages across the supply chain.

To reduce contaminants in the raw materials we use, we have selected suppliers who pose lower risks of contaminants and have begun collaborating with them. By managing upstream of the supply chain, we reduce the risk of contamination.

Furthermore, to reduce the formation of contaminants and limit their introduction during the manufacturing process, we have developed and implemented a method at our manufacturing sites that reduces contaminants with minimal impact on the quality of oils and fats, such as flavor and color. Through such efforts of leveraging our Group's patented methods, we work to meet the level of quality expected by the market and our customers. We will continue to enhance our initiatives in the coming years.