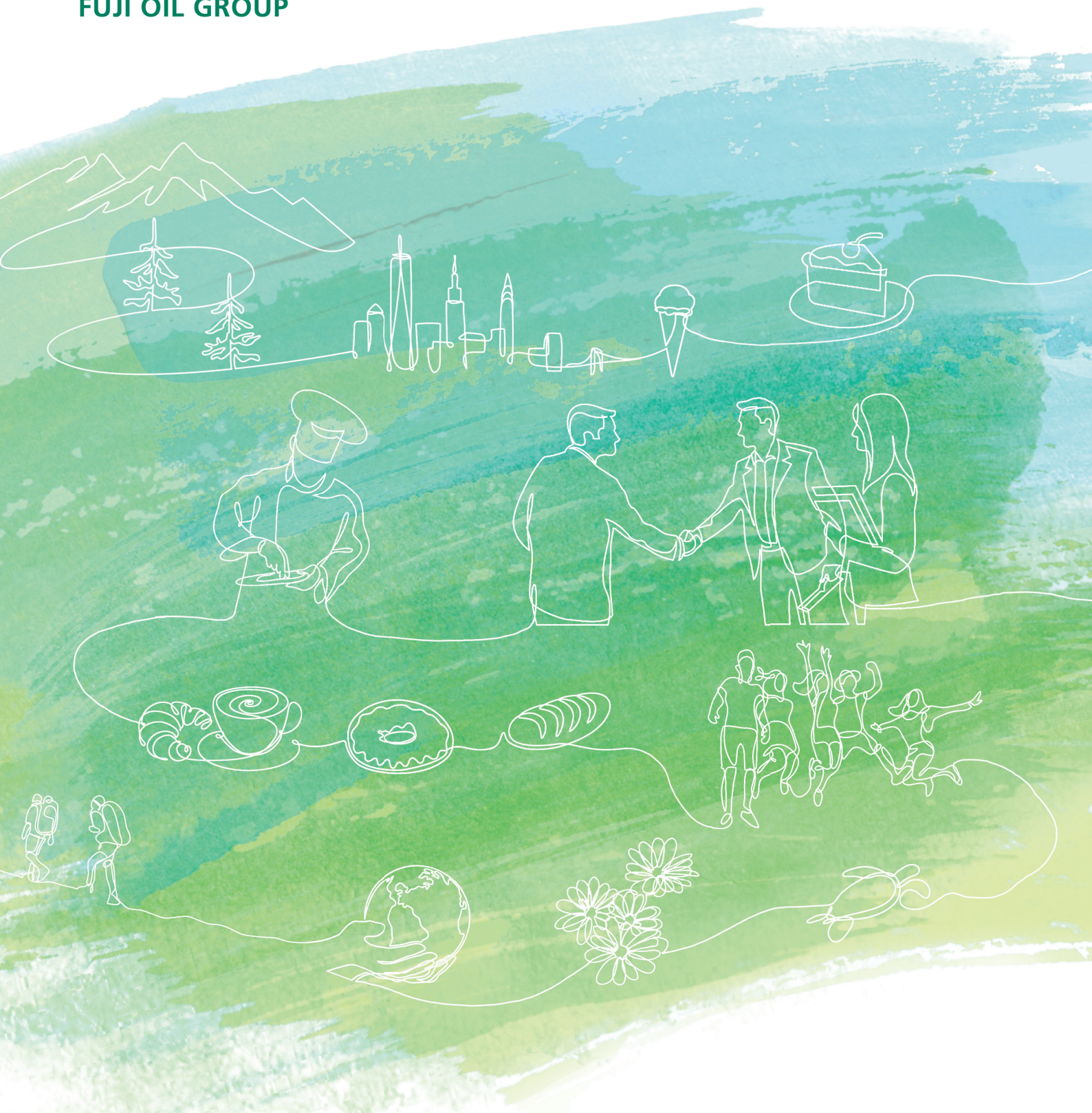


# Sustainability Report 2025

FUJI OIL GROUP

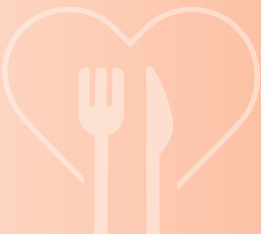








# Sustainability



## FY2024 Initiatives on Material ESG Issues

Food Safety and Health >	Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices) >	Sustainable Procurement >
<ul style="list-style-type: none"> <li>&gt; Ensuring Product Safety and Quality Control</li> <li>&gt; Reduction of Process Contaminants in Oils and Fats</li> <li>&gt; Solutions for Healthy and Well-being</li> <li>&gt; Creation of Diverse Plant-based Ingredients</li> </ul> 	<ul style="list-style-type: none"> <li>&gt; Environmental Management</li> <li>&gt; Reduction of Food Loss and Waste and Upcycling</li> <li>&gt; Establishment of Circular Food Systems</li> <li>&gt; CO<sub>2</sub> Emissions Reduction</li> <li>&gt; Water Use Reduction</li> <li>&gt; Waste Reduction</li> <li>&gt; Biodiversity Conservation and Restoration</li> </ul> <div data-bbox="596 1939 995 2105"> <u>Initiatives on Other Social Issues</u> <ul style="list-style-type: none"> <li>&gt; Plastic Use in Product Packaging</li> </ul> </div> 	<ul style="list-style-type: none"> <li>&gt; Sustainable Procurement Management</li> <li>&gt; <u>Sustainable Procurement of Palm Oil</u></li> <li>&gt; Sustainable Procurement of Cocoa</li> <li>&gt; Sustainable Procurement of Soybeans</li> <li>&gt; Sustainable Procurement of Shea Kernels</li> </ul>

Human Capital and Occupational Safety >	Information Security / Fair Business Conduct	Library
<ul style="list-style-type: none"> <li>&gt; Human Rights Management</li> <li>&gt; Promotion of DE&amp;I</li> <li>&gt; Securing and Developing Human Resources</li> <li>&gt; Reducing Occupational Accidents and Property Damage</li> </ul> <div> <u>Initiatives on Other Social Issues</u> <ul style="list-style-type: none"> <li>&gt; Employee Health (Health and Productivity Management)</li> <li>&gt; Co-existence with Local Communities</li> </ul> </div>	<ul style="list-style-type: none"> <li>&gt; Operation of a Trustworthy Whistleblowing System/ Promoting Fair Business Practices</li> <li>&gt; Information Security Management</li> </ul> <u>Related information</u> <ul style="list-style-type: none"> <li>&gt; Risk Management System</li> <li>&gt; Corporate Governance</li> <li>&gt; Group Governance</li> </ul>	<ul style="list-style-type: none"> <li> ESG Data Book (411KB)</li> <li> GRI Content Index (661KB)</li> <li> Greenhouse Gas Emissions Verification Statement (3323KB)</li> </ul>



External Recognition >

## Reports and Related Information

Sustainability Report >	Certification Information >
Integrated Report >	Fuji Oil Group Grievance Mechanism >
Sustainability Report Editorial Policy >	Supply Chain Database >
Policies and Principles >	

Contact us: Inquiries about Sustainability >




# Editorial Policy

GRI: 2-2, 3, 5, 6

The Fuji Oil Group publishes the Integrated Report and the Sustainability Report annually as tools for communicating with our stakeholders.

The Integrated Report provides a general overview of our Group business and outlines our medium- to long-term strategies. By communicating this information, we hope to encourage our stakeholders to continue engaging with us in enhancing our corporate value. The scope of the report focuses on consolidated subsidiaries and equity-method affiliates.

The Sustainability Report organizes and comprehensively and systematically reports our policies and approach, governance, strategies, risk management, metrics and targets, and specific initiatives on the Group's sustainability management and material ESG issues to a wide range of stakeholders. The report also complements the sustainability information in the Integrated Report and provides external recognition of our initiatives and detailed ESG data.

Scope of the report	<p>Fuji Oil Group (including the activities of the former Fuji Oil Holdings Inc. and its consolidated and affiliated companies located in Japan and abroad)</p> <p>For details, please refer to the list of group companies below.</p> <p>List of Group companies (PDF, 411KB) </p>
Period covered	<p>Report on FY2024 activities</p> <p>April 1, 2024 – March 31, 2025</p> <p>The contents on governance of this report are based on information as of June 2025.</p> <p>Some activities conducted outside the above-mentioned period are also included.</p>
Date of publication	<p>September 12, 2025 (Japanese version)</p> <p>October 31, 2025 (English and Chinese versions)</p>
Guidelines for reference	<p><b>GRI Standards</b></p> <p>This report complies with the GRI Standards.</p> <p><b>IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information</b></p> <p>Referring to the standards developed by the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation, this report consists of the “Governance,” “Strategy,” “Risk management,” and “Metrics and targets” sections for each priority action on ESG material issues.</p>
How to determine disclosure information based on GRI	<p>The Sustainability Report 2025 presents the themes in which the Fuji Oil Group is expected to contribute to the realization of a sustainable society, based on the following basic approaches.</p> <p>(1) Our material ESG issues* are those assessed through materiality mapping to have extremely high and high impact, which the Fuji Oil Group has on the society or the environment, or social or environmental issues have on the Fuji Oil Group. We examine these themes at the Group level and disclose information.</p> <p>(2) For other issues, we examine them at related companies and divisions and disclose information that may influence the decision making of stakeholders.</p> <p>* <a href="https://www.fujioil.co.jp/en/sustainability/sustainability_management/">https://www.fujioil.co.jp/en/sustainability/sustainability_management/</a></p>
Third-party verification	<p>More than 95% of the data on total Scope 1 and Scope 2 CO<sub>2</sub> emissions as well as data on Scope 3 category 1 CO<sub>2</sub> emissions have been verified by a third party to ensure that the information is correct.</p> <p>* Each image is linked to a PDF file.</p>



## Greenhouse gas emissions Verification Statement

23 July 2025

FUJI OIL CO., LTD.

Japan Management Association  
Sustainability Center  
Masahiko Maeda, Senior Executive

### 1. Objective and Scope of Verification

Japan Management Association Sustainability Center (JMASusC) was commissioned by FUJI OIL CO., LTD. (hereinafter, referred to as "the Organization") to conduct independent verification on a limited level of assurance. The scope of verification is the following greenhouse gas (GHG) emissions information within the organizational boundary\*1 in its fiscal year 2024 Monitoring Report (hereinafter, referred to as "the Report") from 1 April 2024 to 31 March 2025.

- SCOPE 1 GHG emissions;  
Direct CO<sub>2</sub> emissions within the organizational boundary by using natural gas, city gas, LPG, diesel oil, kerosene and gasoline
- SCOPE 2 GHG emissions;  
Indirect CO<sub>2</sub> emissions within the organizational boundary by using electricity and steam

The objective of this verification is to confirm that the monitoring data in the Organization's applicable scope have been correctly calculated and reported in line with the criteria of the monitoring procedure\*2, and to express our views as a third party. The Organization's responsibility is to prepare the Report and report the monitoring data, and JMASusC's responsibility is to express our views on the monitoring data of the Report as a third party.

### 2. Procedure of Verification

GHG emissions information in the Report was verified by JMASusC in accordance with the requirements of ISO14064-1:2019 (Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements), and following processes were implemented:

- Assessment regarding the information to specify the GHG emissions in the Report, monitoring procedure, monitoring system and related documents
- Interviews with persons in charge of preparing the Report
- Visiting FUJI OIL CO., LTD. Haman Business Operations Complex and HANNAN TANK TERMINAL CO., LTD. to confirm the monitoring boundary, the data collection processes, and to physically check monitoring points of energy supplied
- Verifying the evidence for confirmation of the accuracy of GHG emissions information by sampling

### 3. Conclusion of Verification

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's GHG emissions information\*3 in the Report of fiscal year 2024 was not calculated and reported in conformance with the criteria in all material respects.

#### NOTE:

#### \*1: Organizational boundary

Japan: FUJI OIL CO., LTD. Haman Business Operations Complex  
HANNAN TANK TERMINAL CO., LTD.  
FUJI OIL CO., LTD. Chubu Plant  
CHIBA VEGOIL TANK TERMINAL CO., LTD.  
FUJI OIL CO., LTD. Kanto Plant  
FUJI OIL CO., LTD. Osaka Plant  
FUJI OIL CO., LTD. Kobe Plant  
FUJI SUNNY FOODS CO., LTD.  
Overseas: FUJI OIL (SINGAPORE) PTE. LTD.  
WOODLANDS SUNNY FOODS PTE. LTD.  
PALMARU EDIBLE OIL SDN. BHD.  
FUJI OIL (THAILAND) CO., LTD.  
PT. FREYARADI INDONESIA  
FUJI GLOBAL CHOCOLATE (M) SDN. BHD.  
INDUSTRIAL FOOD SERVICES PVT. LTD.  
FUJI OIL (ZHANG JIA GANG) CO., LTD.  
FUJI OIL (ZHANG JIA GANG FREE TRADE ZONE) CO., LTD.  
FUJI OIL (ZHAOQING) CO., LTD.  
TIANJIN FUJI PROTEIN CO., LTD.  
BLONNER CHOCOLATE MANUFACTURING (SHANGHAI) CO., LTD.  
FUJI VEGETABLE OIL, INC.  
HARALD INDUSTRIA E COMERCIO DE ALIMENTOS LTDA.  
BLONNER CHOCOLATE COMPANY (East Greenville plant)  
BLONNER CHOCOLATE COMPANY (Lima City plant)  
BLONNER CHOCOLATE COMPANY (Campbellford plant)  
FUJI OIL LI ROPE  
FUJI OIL GHANA LTD.

#### \*2: Monitoring procedure

"Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.7)" and "monitoring procedures" prepared by the organization

#### \*3: Refer to the Attachment for the Verified GHG emissions of organizational boundary.

# Message from the CEO

GRI: 2-22

## From our roots to the future — Delivering solution-driven manufacturing with deliciousness, health, and sustainability

In April 2025, Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. merged to form a new Fuji Oil as an operating holding company. Since transitioning to a pure holding company in 2015, we have accelerated both our global business expansion and the localization of our business operations. However, changes in the global economy and rising geopolitical risks after the COVID-19 pandemic have brought environmental and social issues into sharper focus. To respond more quickly to changes in our business environment, we strengthened our business organizational structure by shifting from a regional headquarters model to one centered on business operations. Global management through our various business headquarters, Vegetable Oils and Fats, Chocolate, Emulsified and Fermented Ingredients, and Soy Ingredients, will optimize the allocation of human and other management resources and accelerate the execution of our business strategies.



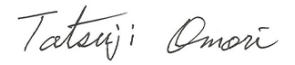
Since its founding, the Fuji Oil Group has been committed to plant-based ingredients — focusing on tropical oils and fats, and soy protein — and has built its business by continuously taking on challenges and pursuing technological innovation, based on a philosophy of not imitating others. By combining the unique technologies developed by each of our businesses over the course of our history, we deliver solution-driven business globally — creating safe, reliable, and highly functional food ingredients that help solve the challenges faced by society and our customers. Our commitment to this aim is deeply rooted in our DNA, reflecting our belief that it is the true source of sustainable profits. We recognize that addressing the social and environmental impacts across our entire value chain is essential to ensuring sustainable business operations and delivering value through our business. In particular, we were among the first to implement sustainable procurement of our major raw materials. Amid growing instability in raw material supplies due to increased frequency and intensity of extreme weather events, we have continued our sustainable procurement practices, acquired Provence Huiles S.A.S. and established a joint venture with Johor Plantations to secure high-quality, traceable raw materials for oils and fats and strengthen our supply chain. In research and development of sustainable food resources, we are also developing chocolate formulated without cocoa-derived raw materials, as well as palm oil substitutes created using oleaginous yeast toward commercialization. These initiatives mitigate nature-related and human rights risks in regions where our raw materials are produced, while also creating sustainable opportunities to meet future needs.

From the medium- to long-term perspective, society faces a number of interconnected challenges. Social issues are becoming increasingly complex, including increasing natural disaster risks driven by climate change and biodiversity loss, as well as food insecurity and economic disparities linked to population growth. In addition, as social values continue to diversify, the fundamental role of food in supporting health and well-being need to be reexamined. In this context, guided by the keywords “delicious,” “healthy,” and “sustainable” as we advance toward our next stage of growth, we are accelerating our medium- to long-term initiatives to solve the challenges facing people and the planet. Specifically, we are working on the development and wider adoption of sustainable food resources, such as alternative fats that replace animal-based ingredients, healthy oils and fats using our proprietary antioxidant technology, and great-tasting soy protein ingredients. We are also expanding into new markets by offering a variety of delicious options, including products that utilize MIRACORE®, a technology developed through our research in vegetable oils and fats and proteins.\*

To deliver our solution-driven business globally, we need to adopt an inclusive approach that is both flexible and innovative, grounded in adapting to local lifestyles and considering diverse stakeholders, including the Earth. The driving force behind this is our Group employees, who are active in 15 countries around the world. Each employee is a wellspring of creativity, fueling diverse innovation. We

are committed to cultivating globally capable personnel, and providing safe workplaces and growth opportunities where individuals with diverse skills and backgrounds can thrive.

With “delicious,” “healthy,” and “sustainable” as our guiding pillars, the members of the Fuji Oil Group stand united in addressing the challenges faced by society and our customers. Together, we will co-create value across the entire value chain of our manufacturing business, and help build a sustainable future for food.



Tatsuji Omori  
President and CEO  
Chairperson of the Sustainability Committee  
Fuji Oil Co., Ltd.

\* MIRACORE®: A Fuji Oil Group technology that uses plant-based ingredients to recreate the deliciousness unique to animal-based foods



# Message from the CFO and Information Disclosure Representative

GRI: 2-22

## Enhancing disclosure and co-creation for the pursuit of sustainable value

Fuji Oil Group has always valued continuous dialogue with its diverse stakeholders with the aim of value creation for a sustainable future for food.\*1 We believe that understanding the expectations of our employees, communities, customers, business partners, and investors to apply that understanding to our management and business operations is essential for the Group's sustainable growth. The input and suggestions we receive are incorporated into the process of identifying material ESG issues and are utilized to develop strategies and measures. In order to further strengthen the co-creation relationship based on mutual understanding and trust with stakeholders, we are working to enhance tools to communicate our policies and status of initiatives to our stakeholders in ways that are clear and accurate.



At present, standards and requirements for sustainability-related information disclosure are being established rapidly, both in and outside Japan. In March 2025, the Sustainability Standards Board of Japan (SSBJ) announced disclosure standards in accordance with IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2, Climate-related Disclosures, both of which are international frameworks. These are viewed as new standards for information disclosure based on the premise that companies are accountable for reporting both financial and sustainability information in an integrated approach. This trend shows a growing interest in how companies perceive environmental and social issues as risks and opportunities, and integrate them into their medium- to long-term growth strategies. I see this as a sign that we have entered a stage where the true value of our sustainability initiatives is put to the test.

We will voluntarily adopt International Financial Reporting Standards (IFRS) starting with our FY2025 financial reporting, noting that we have already been disclosing sustainability information in accordance with the GRI Standards, a set of international sustainability reporting standards.\*2 Since last fiscal year, we have also referred to IFRS S1 in systematically disclosing "governance," "strategy," "risk management," and "metrics and targets" related to our priority action to address material ESG issues. As a food ingredients manufacturer that relies heavily on natural capital, we report on the status of our initiatives taking into account environmental risks and opportunities in our business from the perspectives of climate-related risks and nature-related risks and opportunities, based on the TCFD and TNFD recommendations.

It is essential for us to build relationships of trust with consumers and other stakeholders for solving social issues related to food. Going forward, we will continue to enhance co-creation with our stakeholders toward the pursuit of new value, explain the processes and results in good faith, and strive to achieve highly transparent business operations and sustainable enhancement of corporate value.

Sunao Maeda

Director, Senior Executive Officer

Chief Financial Officer (CFO)

Head of Finance and Accounting Headquarters

Human Resources & Administration Headquarters

Legal/ Information Disclosure Representative

Fuji Oil Co., Ltd.

\*1 Stakeholder Engagement

[https://www.fujioil.co.jp/en/sustainability/stakeholder\\_engagement/](https://www.fujioil.co.jp/en/sustainability/stakeholder_engagement/)

\*2 Referenced since 2010, compliant since 2020.

# Message from the Head of Corporate Planning Headquarters

GRI: 2-22

## Enhancing our sustainability strategy integrated with management to build a sustainable future for food

In light of the continuous changes in the external environment marked by increasing uncertainty, we recognize that sustainability is also important for strengthening risk management. We are therefore stepping up our sustainability efforts while enhancing our business management as well as our management of organizational functions. From April 2025 we adopted a new structure as an operating holding company. As the officer in charge of promoting sustainability under this new structure, I would like to take this opportunity to provide an explanation about our initiatives.

In the Fuji Oil Group, we consider management strategy and sustainability strategy to be inseparable from each other. We position the promotion of sustainability at the core of management, not just as activities for corporate social responsibility, but as a means to continuously enhance corporate value.

In Reborn 2024, our medium-term management plan aim to achieve the vision of “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.” We have thus far sought to co-create both social value and economic value that balances the resolution of social issues with the growth of the Group. Reborn 2024 incorporates our strong desire to evolve into a corporate group that can generate new value, and we positioned the past three years as a period to strengthen the management foundation necessary for this transformation into a corporate group that truly creates new value.

One of the fundamental policies for strengthening this management foundation is enhancing sustainability — sustainability strategy integrated with management strategy. We aim to advance our efforts in sustainability by integrating them into our management strategy, thereby creating positive value for the environment and society, and enhancing our corporate value in the medium-to-long term. Our Sustainability Committee, an advisory body to the Board of Directors, has deepened its discussions while reinforcing the connections between material ESG issues and our business strategy. We have also set environmental, social and governance goals linked to the key policies of Reborn 2024 in the performance evaluations of directors and executive officers who are also responsible for the execution of business.

We are promoting three key themes under the policy of enhancing sustainability: (1) differentiation through sustainable procurement; (2) mitigating climate change and biodiversity risks; and (3) utilizing human resources. We believe these initiatives are indispensable to the provision of rapid and appropriate measures to address the social issues present in the food value chain.

The connection between our specific management strategy and sustainability strategy is reflected in the following key themes.

1. Differentiation through sustainable procurement: We aim to build a sustainable supply chain by tackling environmental and human rights issues in regions where our key raw materials such as palm oil and cocoa are produced, and by strengthening our collaboration with suppliers. This initiative not only mitigates risks but also enhances the added value and competitive advantage of the Group’s products. For example, our efforts in sustainable palm oil have led to numerous inquiries from customers and the creation of sales opportunities.
2. Mitigating climate change and biodiversity risks: As a company working to create plant-based food products, responding to climate change and engaging in biodiversity conservation and restoration is one of our key basic policies. We are working to reduce our





environmental impact across the entire value chain with the aim of achieving a nature positive and net zero transition by FY2050. We are introducing energy-efficient equipment in our manufacturing processes and adopting renewable energy sources, reducing our water usage, and upcycling by-products from plant-based protein ingredients. We are also working to prevent deforestation and promote reforestation in the value chain.

3. Utilizing human resources: Fostering a culture in which everyone in our diverse workforce can fully demonstrate their capabilities and drive innovation is essential for accelerating the provision of new value. We promote diversity and inclusion (DE&I) and we are committed to creating a safe workplace environment. We also take steps to improve employee health (health and productivity management). Human resource development is essential for sustainable growth, and we are focused on employees' further understanding of our vision, developing globally capable personnel and next-generation executive candidates, and providing a wide range of experiential opportunities. The empowerment of female employees is also an important issue that we continue to address.

Not only do we consider these initiatives to be our social responsibility, but we also incorporate them into our business. For example, in product development planning, we place importance on the sustainability of raw materials and manufacturing processes, in addition to the aspects of deliciousness and healthiness. We are also creating products that contribute to solving social issues, such as long-term storage technology that helps reduce food loss and waste and the development of functional food materials that address some of the health challenges of older people. In addition, we are engaged in the development of products that can contribute to solving issues such as labor shortages faced by our customers.

Our sustainability initiatives are pursued through a process of co-creation with our stakeholders. We recognize that collaborating and sharing insights with suppliers, customers, business partners, and various other stakeholders along the value chain is key to solving social issues and creating new value. Dialogue with stakeholders forms the basis of our sustainability management and also leads to improvements in our activities.

In this way, for the Fuji Oil Group, our sustainability strategy is integrated with the management strategy and has become a critical element in realizing our 2030 vision, strengthening competitiveness, and enhancing corporate value. Going forward, we will continue to challenge ourselves and improve on our efforts to build a sustainable food value chain under the core concept of creating plant-based food products that support the health of people and the planet. Together with our stakeholders, we will continue to co-create a sustainable future for food.

Taro Takahashi  
Executive Officer  
Head of Corporate Planning Headquarters  
Fuji Oil Co., Ltd.

# Governance, Strategy, Risk Management, Metrics and Targets

✓ Fuji Oil Group's sustainability management   ✓ Governance   ✓ Strategy and risk management   ✓ Metrics and targets

✓ Risk management

## Fuji Oil Group's sustainability management

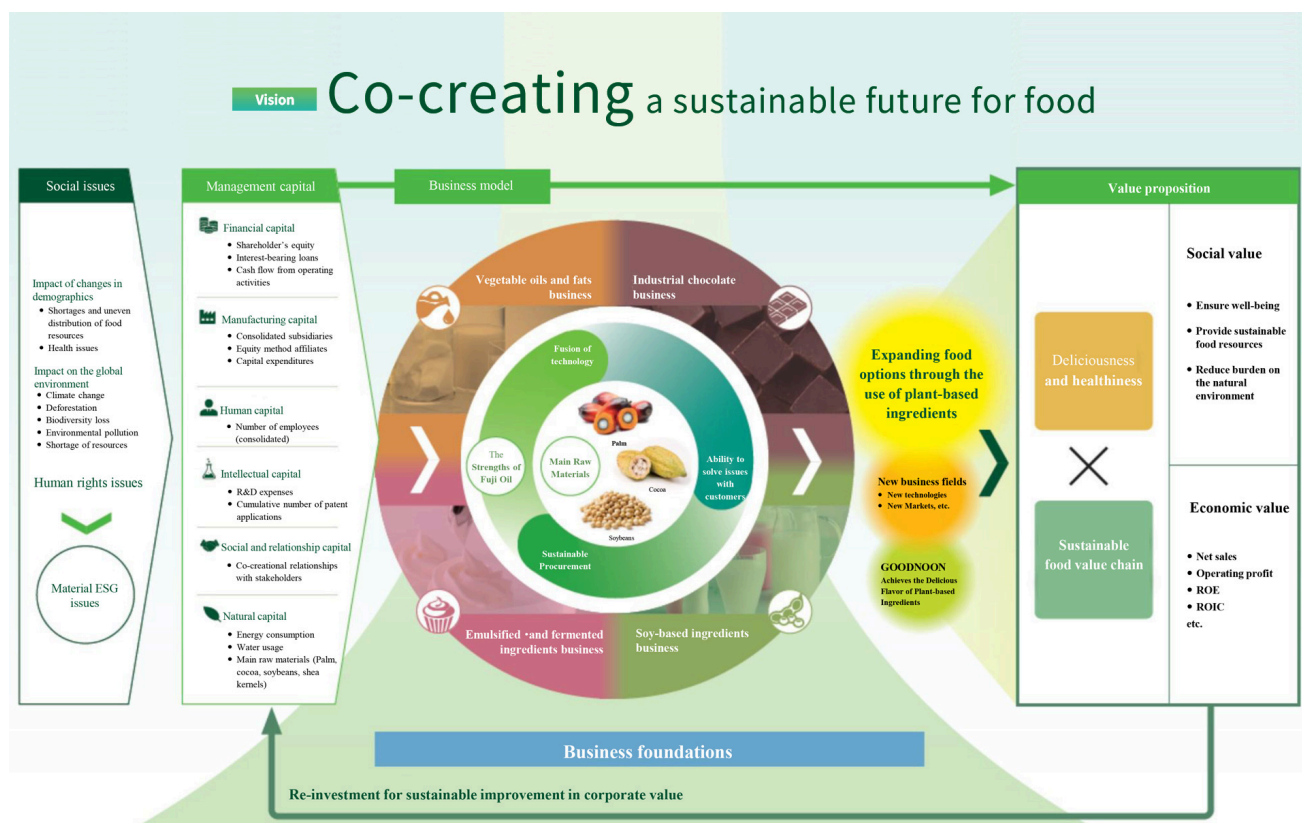
GRI: 2-23

The Fuji Oil Group practices sustainability management through the efforts of all its employees, and aims to contribute to developing a sustainable society together with stakeholders based on its vision shared in the Fuji Oil Group Management Philosophy: "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy." Before food reaches consumers, it passes through complex supply chains involving numerous stakeholders. Tackling food-related social issues requires collaboration across the entire value chain, from upstream production areas of raw materials to consumers. As a Group with a midstream function in the food value chain, all our employees strive to quickly identify social issues in the value chain, including personal well-being, global environmental issues, and human rights, working to create social value not only by reducing the risks associated with these issues, but also by providing solutions that meet the expectations of all our stakeholders. By doing so, we believe that we can create a sustainable future for food and enhance corporate value for the Group.

By generating profits through products that meet newly growing demands and help address global food issues, and reinvesting those profits to help build more sustainable food systems, we can create a fast-moving virtuous cycle that achieves both sustainable business growth and development in society.

### The Fuji Oil Group's value creation goals

Our Group aims to achieve a sustainable future for food by growing sustainably itself through a circular value creation process. Based on our management strategy, we utilize our management resources, combining the strengths of our four businesses to create plant-based ingredients that are unique to our Group. We believe that our Group delivers value through these plant-based ingredients that expand our food options and build delicious, healthy and sustainable food value chains. These value propositions become value for customers, and in turn value for consumers. Profits and cash flow are used to strengthen our financial base for sustainable growth, as well as reinvested in expanding our value propositions and creating new value, as we continue to help improve sustainability throughout the food value chain.



## Governance

### Board of Directors and Sustainability Committee

GRI: 2-9, 12, 13, 14, 16, 24, 26, 3-3

Our Group is a company with an Audit and Supervisory Committee, and has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors to monitor the risks and opportunities related to sustainability. The Board of Directors<sup>\*2</sup> receives recommendations and reports from the committee, and decides on the direction of the Group over the medium to long term. Based on our Sustainability Committee Rules, the committee meets at least twice a year to identify the material ESG issues from the medium- to long-term perspective of environmental and social sustainability and our sustainable corporate management. It also deliberates on and monitors the goals and strategies of material ESG issues from a multi-stakeholder perspective, and makes recommendations to the Board of Directors. Moreover, the committee is responsible for receiving progress and performance reports on priority actions for each material issue, and providing advice and monitoring progress.

The committee is chaired by the President and CEO, and is composed of the COO, CFO, the heads of each business headquarters and functional divisions, and the ESG Advisors (outside directors). It facilitates coordination between our management strategies and material ESG issues, incorporates outside perspectives, and conducts deliberations from a medium- to long-term perspective.

<sup>\*1</sup> Established in 2015, the ESG Committee was renamed in May 2022 to clarify its role in relation to the Board of Directors, which is responsible for corporate governance.

<sup>\*2</sup> Appointed directors with extensive knowledge on sustainability. Through executive training, the board is building the knowledge and expertise needed to ensure its monitoring function from an ESG perspective.

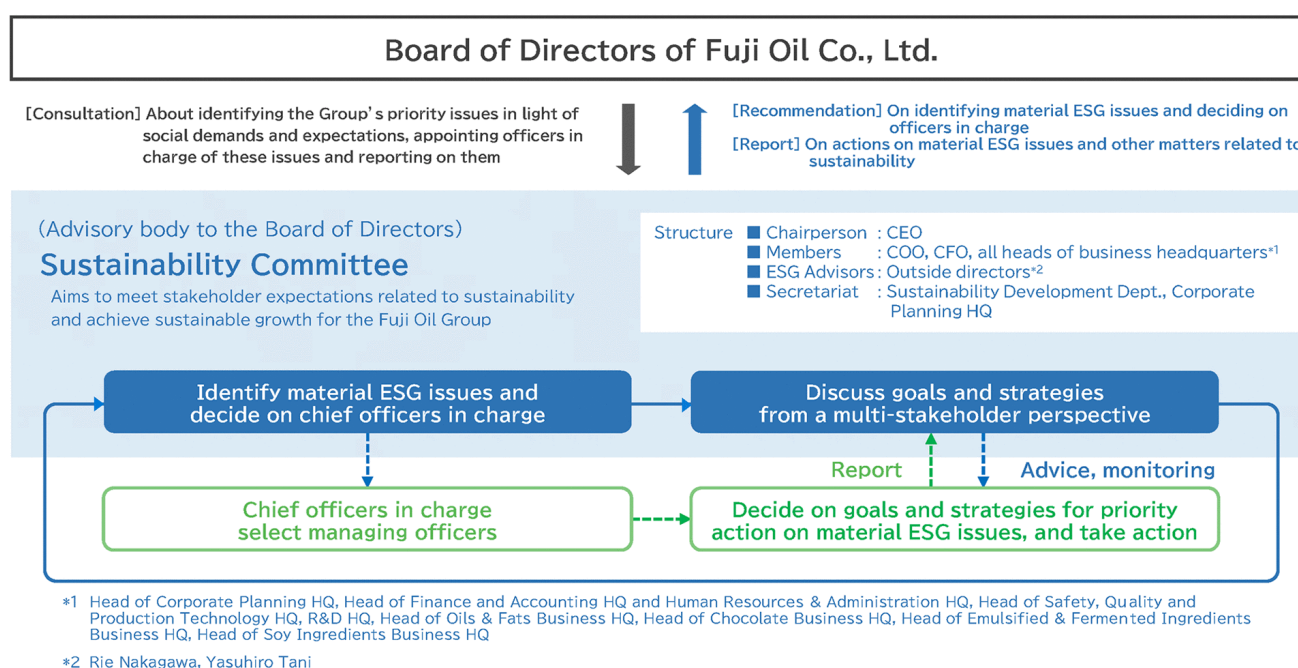
<https://www.fujioil.co.jp/en/about/governance/system/>



## Sustainability Committee: Matters deliberated in FY2024

Date of meeting	Matters for deliberation	Example discussions in recommendations and reports to the Board of Directors
First April 2024	<ul style="list-style-type: none"> <li>Review FY2023 results of ESG initiatives</li> <li>Decide FY2024 ESG action plans</li> </ul>	How to evaluate progress on material ESG issues in light of social conditions
Second October 2024	<ul style="list-style-type: none"> <li>Review progress on first half of FY2024 ESG initiatives and identify challenges to overcome</li> <li>Mandatory disclosure of sustainability-related information</li> </ul>	Consistently engage with material ESG issues and DE&I programs and other initiatives across the company after transitioning to a operating holding company structure
Third December 2024	<ul style="list-style-type: none"> <li>Determine FY2025 material ESG issues and chief officers in charge</li> </ul>	Political power shift in the United States and global trends in sustainability disclosure

## The function of the Sustainability Committee (FY2025)



## Incentives

GRI: 2-19

### Director remuneration (executive performance-linked remuneration) related to ESG

In FY2022, the Fuji Oil Group introduced an evaluation system pertaining to the executive performance of directors who concurrently serve executive roles (excluding the CEO). The purpose of this evaluation is to better clarify the executive responsibilities and achievements of individual directors and link their performance to compensation levels, considering that these directors are responsible for important and strategic business operations that impact the achievement of the Group's financial targets and improvements in our corporate value.

In this system, the final evaluation is carried out by the President and CEO, based on the degree of achievement across a set of specific metrics and targets. While separate numeric metrics may be set based broadly on the group-wide business performance, the performance of the division overseen by each internal director, as well as particular priority issues, in line with the key policy of enhancing sustainability (sustainability strategy aligned with our management strategy) in Reborn 2024, our medium-term management plan, the mandatory setting of ESG targets included in the executive evaluation are weighted at a fixed rate of 10% of the evaluation score. The same evaluation system is also applied to executive officers.

In FY2022, Fuji Oil Co., Ltd. established guidelines for setting targets within the managerial system that are in line with management

perspective. Following these guidelines, targets are set for not only short-term profits but also non-financial areas set forth in the medium-term management plan, such as human capital and other sustainability-related themes, and these performance targets are appropriately weighted and included in evaluations.

In April 2025, the Group transitioned its company structure from a pure holding company to a operating holding company. Under the new organizational structure, the Nomination and Compensation Advisory Committee held discussions to define the roles and responsibilities of directors and executive officers, as well as to restructure the remuneration system to provide incentives for contributing to company growth from their respective positions.

As a result, a new remuneration system for directors and executive officers has been introduced in July 2025. Under this system, non-financial common KPIs linked to material ESG issues have been set as performance-linked indicators for both directors and executive officers. This framework incentivizes actions that enhance corporate value while aligning more closely with stakeholders' expectations.

### Company awards: President's Award/ESG Award

In FY2017, the Fuji Oil Group established the ESG Award, presented annually by management to recognize Group companies and departments that have contributed to sustainability management. The ESG Award, along with other company awards, is decided by a selection committee composed of internal directors, and then approved by the Management Committee Meeting. The President's Award, the highest recognition among company awards, is granted to Group companies and divisions that have demonstrated outstanding efforts.

In FY2024, Fuji Oil Europe (Belgium) received the President's Award in recognition of its overall performance on contribution to sustainability management and profitability. The company achieved both cost reduction and resource circulation by selling all of the spent bleaching earth from its manufacturing process as raw material for biomass energy certified under ISCC EU.\* In addition to making a significant contribution to profitability, the company was recognized as a model for other Group companies and was honored with the President's Award.

The ESG Award for FY2024 went to Fuji Oil (Singapore) Pte. Ltd. The company contributed to resource circulation by providing added value to waste oil, which was previously sold as raw material for soap, and selling it as raw material for ISCC EU-certified\* biomass energy. Moreover, in terms of manufacturing, the company introduced a new filtration system to recycle wastewater, significantly reducing water use intensity compared to the previous fiscal year. The company was also highly commended for its environmental contribution, including a reduction in carbon dioxide emission intensity compared to the previous fiscal year.

\* The International Sustainability & Carbon Certification (ISCC) is a global certification system certifying businesses and organizations that manufacture products using biomass, recycled goods and other sustainable raw materials.

## Strategy and risk management

### Risks and opportunities in the value chain

GRI: 2-6, 3-1, 2, 3, 303-1, 304-2, 306-1

Our Group is a food ingredient manufacturer with operations in 15 countries and regions\* and with four business segments: Vegetable Oils and Fats Business, Industrial Chocolate Business, Emulsified and Fermented Ingredients Business, and Soy-based Ingredients Business. We develop, manufacture, and sell various food ingredients, and our customers range widely from food manufacturers to restaurants, convenience stores, and retail stores.

Our raw materials are involved in a number of environmental and human rights issues throughout the food value chain, which stretches from production to consumption and disposal. Priority issues in the value chain that are related to sustainability risks and opportunities are identified as Group material ESG issues, which are used as a management strategy tool to help solve issues through our business.


By addressing our material ESG issues to create a positive impact and reduce our negative impact, we aim to reduce risks and create opportunities for our business.

\* Consolidated subsidiaries, as of March 31, 2025. See ESG Databook p.14 for details.









<https://www.fujioil.co.jp/pdf/en/sustainability/download/esg2025.pdf#page=14> 

## Material ESG issues for FY2025

Our material ESG issues for FY2025 are listed below. Please refer to the relevant webpages for details on our basic approach, goals and the status of initiatives concerning each issue.

Theme	Material ESG issues		Impact	Our vision
	Area of sustainability matters	Priority action/Chief officer in charge		
Deliciousness and Healthiness	<p>Food Safety and Health</p>  <p>As a food manufacturer, placing top priority on ensuring safe and quality food products is a prerequisite in our business. Amid the growing concern about health issues, we help ensure that health and well-being remain balanced with the enjoyment of food. We do this by expanding the options for foods that help promote health and well-being and prevent cognitive decline in older people, and by minimizing the use of substances that do not comply with quality requirements.</p>	<p> Ensuring Product Safety and Quality Control [Chief officer in charge] Head of Safety, Quality and Production Technology Headquarters / Executive Officer</p>	<p><b><u>Negative impacts to be reduced</u></b></p> <p>Health damage, violation of food laws and regulations</p>	<p>Ensure that the Fuji Oil Group is never a cause for complaints for any of the products it manufactures</p>
		<p> Reduction of Process Contaminants*<sup>1</sup> in Oils and Fats [Chief officer in charge] Head of Oils &amp; Fats Business Headquarters / Senior Executive Officer</p>	<p><b><u>Positive impacts to be created</u></b></p> <ul style="list-style-type: none"> <li>• Achieve people's lifelong well-being</li> <li>• Achieve both deliciousness and healthiness</li> </ul>	<p>Reduce process contaminant levels in line with market expectations</p>
		<p> Solutions for Health and Well-being [Chief officer in charge] Head of R&amp;D Headquarters / Executive Officer</p>		<p>Clearly communicate the health value of our products that help build a society where people are mentally and physically healthy and lead purposeful lives. Expand the range of health values offered by our products</p>
Sustainable Food Value Chain	<p>Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)</p>  <p>Amid concerns about shortages of protein sources, increasing environmental impact, and uneven food distribution due to population growth, we are working to develop plant-based proteins with low environmental impact, reduce food loss and waste and promote upcycling, and build a circular food system. In order to ensure the sustainability of our business, which relies on agricultural products for most of its raw materials, we must urgently</p>	<p> Creation of Diverse Plant-based Ingredients [Chief officer in charge] Head of R&amp;D Headquarters / Executive Officer</p>	<p><b><u>Positive impacts to be created</u></b></p> <ul style="list-style-type: none"> <li>• Provide an abundance of food settings with diverse food options</li> <li>• Help eliminate uneven distribution of food resources and improve health through a sustainable supply of protein sources</li> <li>• Reduce environmental impact by increasing consumption of plant-based food ingredients (reduce CO<sub>2</sub> emissions and water consumption)</li> </ul>	<p>Make plant-based foods widely and readily available. Increase dietary choices to help address food supply problems, and broaden new business fields</p>
		<p> Reduction of Food Loss and Waste and Upcycling [Chief officer in charge] Head of R&amp;D Headquarters / Executive Officer</p>	<p><b><u>Negative impacts to be reduced</u></b></p> <p>Inefficient resource consumption and waste generation</p>	<p>Contribute to reducing food loss and waste across the value chain through technology innovation and reuse/upcycling of byproducts</p>



Theme	Material ESG issues		Impact	Our vision
	Area of sustainability matters	Priority action/Chief officer in charge		
Sustainable Food Value Chain	address environmental issues, including climate change. To this end, we are working to reduce CO <sub>2</sub> emissions, water consumption and waste, and to conserve biodiversity within our business operations and throughout our supply chain.	<div>  Establishment of Circular Food Systems  [Chief officer in charge] Head of R&amp;D Headquarters / Executive Officer </div>	<u><b>Negative impacts to be reduced</b></u>  CO <sub>2</sub> emissions across the supply chain	Develop soybean utilization technologies that contribute to a low-impact, sustainable circular economy that is resilient to the effects of climate change.
		<div>  CO<sub>2</sub>Emissions Reduction  [Chief officer in charge] Head of Safety, Quality and Production Technology Headquarters / Executive Officer </div>		<u>Environmental Vision 2030/2050</u> FY2050 target: Net zero for total scope 1, 2 and 3 GHG emissions FY2030 target: Total scopes 1 and 2 GHG emissions: 42% reduction Total scope 3 (Category 1) GHG emissions: 25% reduction Total FLAG-related GHG emissions: 30.3% reduction (base year: FY2020)
		<div>  Water Use Reduction  [Chief officer in charge] Head of Safety, Quality and Production Technology Headquarters / Executive Officer </div>	<u><b>Negative impacts to be reduced</b></u> <ul style="list-style-type: none"> <li>Water resource depletion</li> <li>Water resource pollution</li> </ul>	<u>Environmental Vision 2030/2050</u> FY2030 target: 20% reduction in water use volume per production volume (base year: FY2020)
		<div>  Waste Reduction  [Chief officer in charge] Head of Safety, Quality and Production Technology Headquarters / Executive Officer </div>	<u><b>Negative impacts to be reduced</b></u>  Inefficient resource consumption and waste generation	<u>Environmental Vision 2030/2050</u> FY2030 target: 10% reduction in waste volume per production volume (base year: FY2016) FY2030 target for Group companies in Japan: Maintain a recycling rate of 99.8% or higher
	Sustainable Procurement  <p>There are pressing issues that need to be addressed in the regions that produce the key and strategic raw materials used in our businesses. These are deforestation and destruction of natural ecosystems due to plantation developments, forced labor, and child labor. We conduct our business activities based on our Supplier Code of Conduct and responsible sourcing policies as part of securing sustainable procurement for the future.</p>	<div>  Biodiversity Conservation and Restoration  [Chief officer in charge] Head of Corporate Planning Headquarters / Executive Officer </div>	<u><b>Negative impacts to be reduced</b></u>  Loss of natural ecosystems	Build a nature-positive value chain
		<div>  Sustainable Procurement of Palm Oil  [Chief officer in charge] Head of Oils &amp; Fats Business Headquarters / Senior Executive Officer </div>	<u><b>Negative impacts to be reduced</b></u> <ul style="list-style-type: none"> <li>Human rights violations due to outdated labor practices</li> <li>Poverty of farmers</li> <li>Child labor, forced labor</li> <li>Exploitation of Indigenous Peoples, local residents and workers</li> <li>Destruction or loss of natural ecosystems</li> <li>Land use conversion</li> <li>Pollution from improper waste disposal</li> </ul>	<u>Medium- to long-term goal</u> No Deforestation, No Peatland Development, No Exploitation (NDPE)  <u>Sustainable procurement commitment</u> <ul style="list-style-type: none"> <li>Achieve 100% traceability to plantation (TTP) by 2030</li> <li>Implement the Labor Transformation Program (LTP) at all direct suppliers by 2030</li> </ul>
		<div>  Sustainable Procurement of Cocoa  [Chief officer in charge] Chief Operating Officer (COO) and Head of Chocolate Business Headquarters / Senior Executive Officer </div>		<u>Medium- to long-term goal</u> Reforestation, elimination of child labor  <u>Sustainable procurement commitment</u> <ul style="list-style-type: none"> <li>End child labor by 2030</li> <li>Plant one million trees in cocoa-growing regions by 2030</li> </ul>

Theme	Material ESG issues		Impact	Our vision
	Area of sustainability matters	Priority action/Chief officer in charge		
Sustainable Food Value Chain	Going forward, we will continue to work on reducing our environmental impact and addressing human rights issues in production regions.	 Sustainable Procurement of Soybeans [Chief officer in charge] Head of Soy Ingredients Business Headquarters / Executive Officer		<u>Medium- to long-term goal</u> No deforestation, no exploitation  <u>Sustainable procurement commitment</u> Ensure traceability to the community level by 2030, or 100% procurement of RTRS <sup>*2</sup> -certified products or products certified to equivalent standards
		 Sustainable Procurement of Shea Kernels [Chief officer in charge] Head of Oils & Fats Business Headquarters / Senior Executive Officer		<u>Medium- to long-term goal</u> Forest conservation, support for women's empowerment  <u>Sustainable procurement commitment</u> <ul style="list-style-type: none"> <li>• Deforestation prevention and parkland protection: Plant 6,000 trees/year until 2030</li> <li>• Traceability to the regional level: 75% by 2030</li> <li>• Procurement of shea kernels from Tebma-Kandu program: 50% by 2030</li> <li>• Percentage of shea kernels crushed and fractionated (separated) in West Africa: 100% by 2030</li> <li>• Non-fossil fuel energy<sup>*3</sup> used by Fuji Oil Ghana Ltd. (for steam generation): 100%</li> <li>• Percentage of Group-donated storage buildings being used to generate alternative income for Tebma-Kandu cooperatives: 80%<sup>*4</sup></li> </ul>
	Human Capital and Occupational Safety  Employee safety is the foundation of our business activities. We create a safe and secure workplace by ensuring the health and safety of our employees, based on the idea that safety comes first. In addition, creating a workplace that accepts diverse values and encourages individuality as well as acquiring and developing human resources is crucial for innovation and for responding to diversifying customer needs and values and enhancing our competence.	 Promotion of DE&I <sup>*5,6</sup> [Chief officer in charge] Chief Financial Officer (CFO) and Head of Human Resources & Administration Headquarters / Senior Executive Officer	<u>Positive impacts to be created</u> <ul style="list-style-type: none"> <li>• Provide equitable opportunities and fair evaluations</li> <li>• Promote decent work</li> <li>• Leverage the creativity of diverse and highly specialized teams</li> </ul> <u>Negative impacts to be reduced</u> Discrimination based on nationality, gender, race, age, sexual orientation, character, or disability.	<ul style="list-style-type: none"> <li>• Equity: Remove barriers experienced by people from disadvantaged communities, provide equitable opportunities and conduct fair evaluations</li> <li>• Inclusion: Build a corporate culture that fosters a feeling of belonging among all employees</li> <li>• Diversity: Harness diversity for our business model and value creation</li> </ul>
		 Securing and Developing Human Resources [Chief officer in charge] Chief Financial Officer (CFO) and Head of Human Resources & Administration Headquarters / Senior Executive Officer		

Theme	Material ESG issues		Impact	Our vision
	Area of sustainability matters	Priority action/Chief officer in charge		
Sustainable Food Value Chain	<p>To this end, we respect the diversity of our employees, foster an organizational culture that promotes employee autonomy and engagement, and practice our Fuji Oil Group Management Philosophy to “Work for people” so that all our employees can make the most of their abilities.</p>	<p>➡ Reducing Occupational Accidents and Property Damage [Chief officer in charge] Head of Safety, Quality and Production Technology Headquarters / Executive Officer</p>	<p><b><u>Negative impacts to be reduced</u></b></p> <ul style="list-style-type: none"> <li>Serious accidents or serious property damage accidents</li> <li>Work-related injury, illness, or poor health</li> <li>Outbreak of infectious disease in the workplace</li> </ul>	<p>Place top priority on safety and respect for employees. Keep all Group companies accident-free by creating safe and comfortable workplaces</p>
Business Conduct	<p>Information Security</p>  <p>In a highly uncertain business environment, building resilience and conducting risk-proof business management is vital. We aim to enhance corporate value by strengthening Group governance through initiatives to minimize chance of risk occurrence and impact in case of occurrence, such as by strengthening the Business Continuity Plan (BCP) and information security, and by conducting fair business practices.</p>	<p>➡ Information Security Management [Chief officer in charge] Chief Financial Officer (CFO) and Head of Finance and Accounting Headquarters / Senior Executive Officer</p>	<p><b><u>Negative impacts to be reduced</u></b></p> <ul style="list-style-type: none"> <li>Damage to society or human life</li> <li>Destruction or loss of natural ecosystems</li> </ul>	<p>Sustainably develop the Group through responsive systems and enhanced measures to counter IT security risks that have significant impacts on business management</p>
	<p>Fair Business Conduct</p>  <p>In a highly uncertain business environment, building resilience and conducting risk-proof business management is vital. We aim to enhance corporate value by strengthening Group governance through initiatives to minimize chance of risk occurrence and impact in case of occurrence, such as by strengthening the Business Continuity Plan (BCP) and information security, and by conducting fair business practices.</p>	<p>➡ Operation of a Trustworthy Whistleblowing System Promoting Fair Business Practices [Chief officer in charge] Chief Financial Officer (CFO) and Head of Legal Division / Senior Executive Officer</p>	<ul style="list-style-type: none"> <li>External damage or loss caused by information leaks</li> <li>Corruption, bribery, anti-competitive behavior, and other violations of laws and regulations</li> </ul>	<p>Earn the trust of all stakeholders by conducting business fairly, transparently, and with integrity</p>

\*1 Process contaminant: Trace elements that are introduced or formed during the production process.

\*2 RTRS: Round Table on Responsible Soy Association

\*3 Shea olein created as a byproduct when fractionating shea butter is used as biomass fuel.

\*4 A new KPI set in FY2024 after achieving our KPI for regional value creation of “Permanent, direct employees at Fuji Oil Ghana Ltd.: 50% increase (base year: 2017)” as of FY2022. This is the percentage of shea kernel storage buildings donated by Fuji Oil Ghana Ltd. that are being used to generate income by storing other harvested products in vacant space or during periods outside of the shea season.

\*5 DE&I: Diversity, equity and inclusion

\*6 A term encapsulating the concepts and practices of providing equitable opportunities and evaluations and developing and leveraging diverse talent through inclusive management.



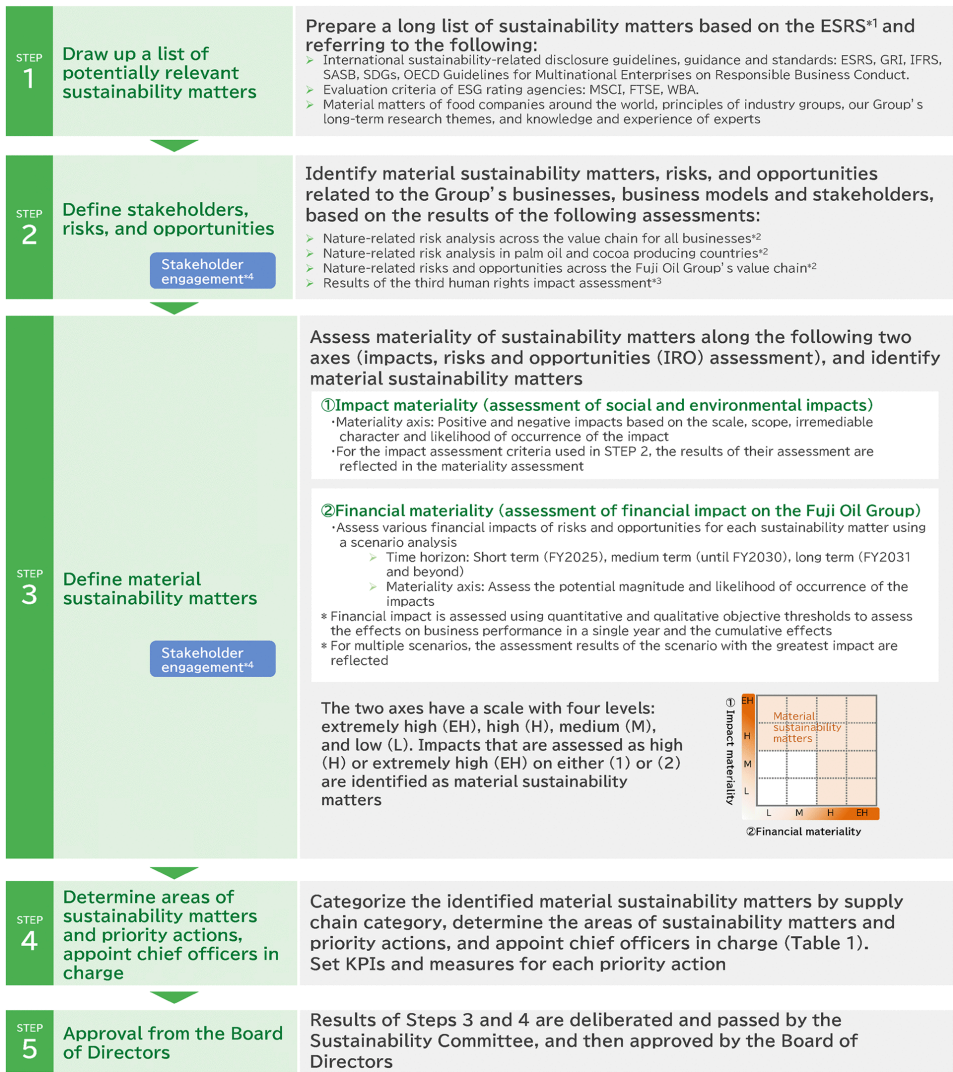
FY2025 material ESG issues and FY2024 targets and results (PDF, 2.64MB)

Material ESG issues assessment process for FY2025

Each year, the Fuji Oil Group conducts a review based on its assessment of new global issues and stakeholder engagement, and selects material ESG issues and priority actions for the following fiscal year. For these material issues, managing officers are appointed under the supervision of the chief officer in charge to decide on targets and measures for promoting initiatives.

In FY2024, we changed our identification and selection process to align with the European Sustainability Reporting Standards (ESRS). We identified our material ESG issues for FY2025 based on an assessment of materiality along two axes: (1) impact materiality (assessment of social and environmental impacts) and (2) financial materiality (assessment of financial impacts on the Fuji Oil Group).

Material ESG issues assessment process (conducted in FY2024)





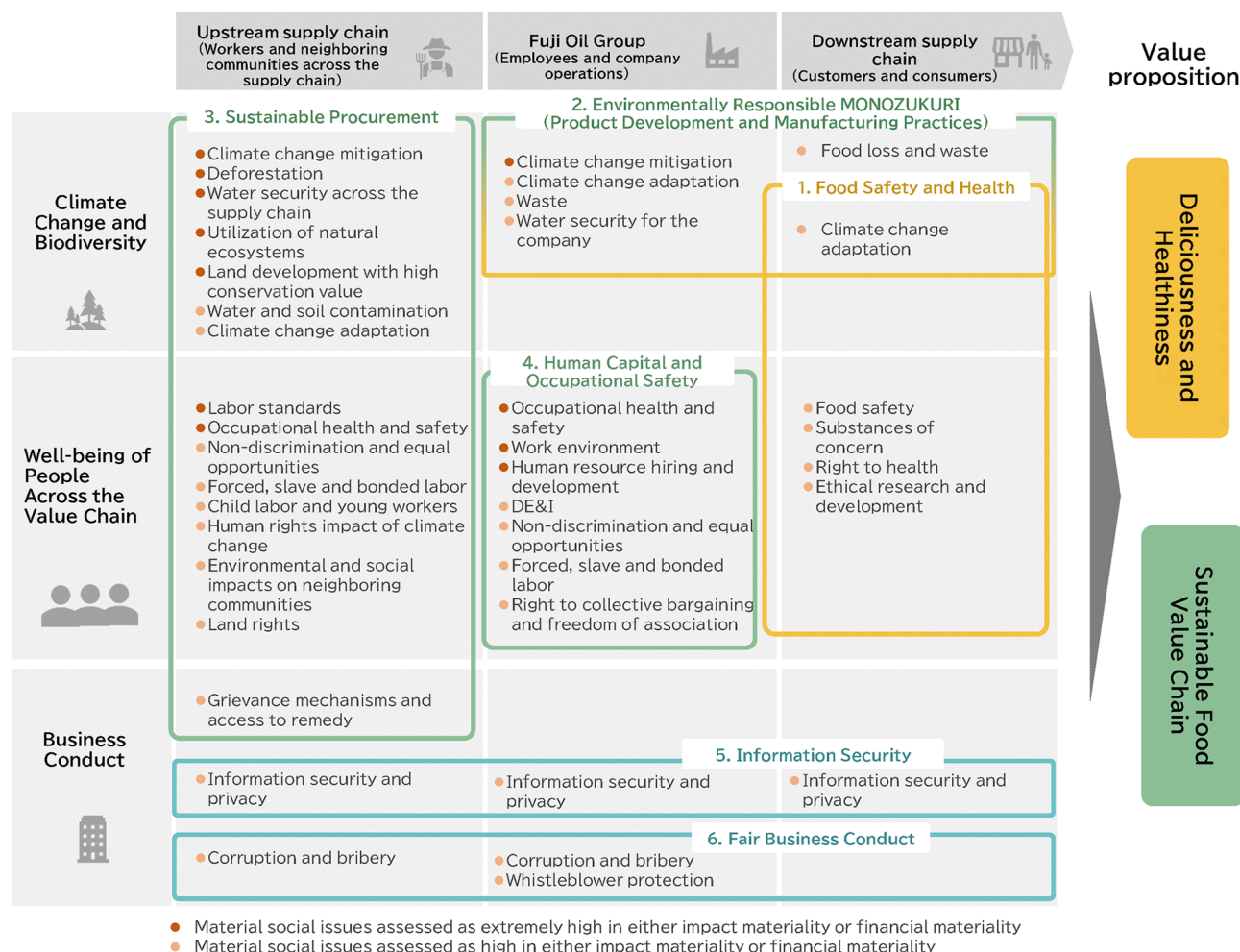
\*1 ESRS: European Sustainability Reporting Standards

\*2 [https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)

\*3 [https://www.fujioil.co.jp/en/sustainability/human\\_rights/](https://www.fujioil.co.jp/en/sustainability/human_rights/)

\*4 Experts in the process of selecting material ESG issues (sustainability management in general), experts on human rights and biodiversity, institutional investors, our Group officers, outside directors, business divisions, functional divisions, finance divisions, and research and development divisions

## Determine areas of sustainability matters and priority actions, appoint chief officers in charge (Table 1).



Theme	Material ESG issues			Chief officer in charge
	No.	Area of sustainability matters	Priority action	
Deliciousness and Healthiness	1	Food Safety and Health	① Ensuring Product Safety and Quality Control	Head of Safety, Quality and Production Technology Headquarters
			② Reduction of Process Contaminants in Oils and Fats	Head of Oils & Fats Business Headquarters
			③ Solutions for Health and Well-being	Head of R&D Headquarters
			④ Creation of Diverse Plant-based Ingredients	Head of R&D Headquarters
Sustainable Food Value Chain	2	Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)	⑤ Reduction and Upcycling of Food Loss and Waste	Head of R&D Headquarters
			⑥ Establishment of Circular Food Systems	Head of R&D Headquarters
			⑦ CO <sub>2</sub> Emissions Reduction	Head of Safety, Quality and Production Technology Headquarters
			⑧ Water Use Reduction	Head of Safety, Quality and Production Technology Headquarters
	3	Sustainable Procurement	⑨ Waste Reduction	Head of Safety, Quality and Production Technology Headquarters
			⑩ Biodiversity Conservation and Restoration	Head of Corporate Planning Headquarters
			⑪ Sustainable Procurement of Palm Oil	Head of Oils & Fats Business Headquarters
			⑫ Sustainable Procurement of Cocoa	Chief Operating Officer (COO) and Head of Chocolate Business Headquarters
Business Conduct	4	Human Capital and Occupational Safety	⑬ Sustainable Procurement of Soybeans	Head of Soy Ingredients Business Headquarters
			⑭ Sustainable Procurement of Shea Kernels	Head of Oils & Fats Business Headquarters
			⑮ Promotion of DE&I	Chief Financial Officer(CFO) and Head of Human Resources & Administration Headquarters
			⑯ Securing and Developing Human Resources	Head of Safety, Quality and Production Technology Headquarters
	5	Information Security	⑰ Reducing Occupational Accidents and Property Damage	Head of Safety, Quality and Production Technology Headquarters
			⑱ Information Security Management	Chief Financial Officer (CFO) and Head of Finance and Accounting Headquarters
	6	Fair Business Conduct	⑲ Operation of a Trustworthy Whistleblowing System	Chief Financial Officer (CFO) and Legal Division Officer
			⑳ Promoting Fair Business Practices	Chief Financial Officer (CFO) and Legal Division Officer



Risk management system

<https://www.fujioil.co.jp/en/sustainability/risk/>

## Education

GRI: 2-17

At our Group, we conduct educational and awareness-raising activities for officers and employees to inform them of external sustainability trends and about the Group's thinking and activities on sustainability in order to integrate sustainability management across the Group.

### FY2024 sustainability awareness training for officers and employees

Participants	Type	Topic	Purpose
Members of the Board of Directors	Briefing	Investor feedback on the Integrated Report 2024	Enact feedback from investors on the integrated report published that year in order to deepen discussions that serve to help management and raise corporate value through further stakeholder dialogue
Officers and employees at Group companies in and outside Japan	Posts on the company communications website Languages: Japanese, English, Chinese, Portuguese	Sustainability information from in and outside the Group	Deepen understanding of sustainability management and stay informed of sustainability actions at other Group companies
Sustainability Committee members: Directors, executive officers, outside directors, and related divisions	In-person study sessions Language: Japanese	Mandatory disclosure of sustainability-related information	Understand the need for sustainability-related information disclosure and recognize the actions that management should take
New employees	In-person study sessions Language: Japanese	Sustainability management at Fuji Oil Co., Ltd.	Gain an understanding of the sustainability-related issues and initiatives in Fuji Oil's businesses
Employees at Group companies in and outside Japan	Company communications website (Messages from our top management) Languages: Japanese, English, Chinese, Portuguese	Business and human rights, compliance, and other issues	Instill an understanding of business and human rights, and compliance

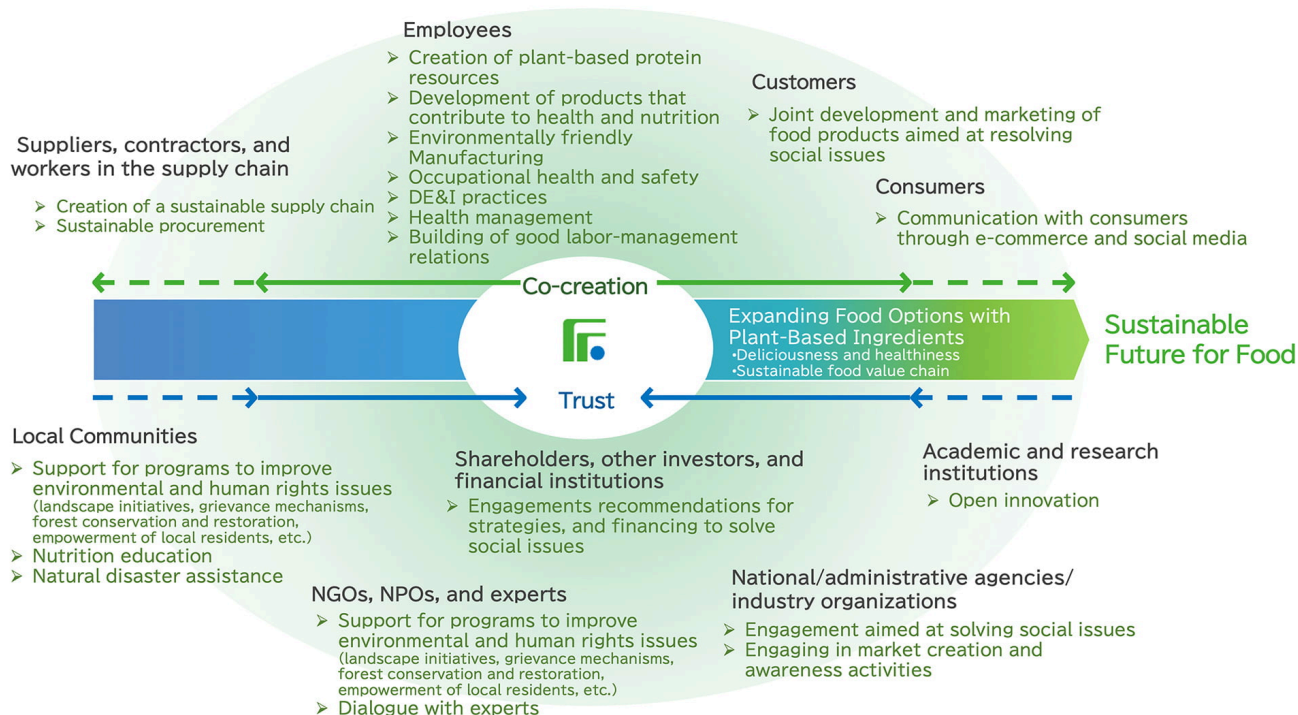
# Stakeholder Engagement

## The Fuji Oil Group's main stakeholders

GRI: 2-25, 29, 3-1

We set our vision in the Fuji Oil Group Management Philosophy as “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.” We are committed to engaging in co-creation with a variety of stakeholders in the value chain. We also see the relationship with stakeholders that supports these activities as one of the Group's key management resources.

### Co-Creation with Stakeholders



See: Governance, Strategy, Risk Management, Metrics and Targets > The Fuji Oil Group's Value Creation Goals (Value Creation Process)

In promoting sustainability management, the Group places great importance on fulfilling its responsibilities to a wide range of stakeholders. We also reflect the expectations and suggestions received from stakeholders in our analysis on material ESG issues and the process of identifying human rights and environmental risks, and utilize them in the formulation of our strategies and initiatives.



Dialogue with employees  
(the CEO and CFO delivering an in-house financial results briefing to employees)



Sustainable procurement of palm oil  
(face-to-face interviews with supplier management teams as part of the Supply Chain Transformation Program)



Sustainable procurement of cocoa  
(assessing the family circumstances of farmers as part of the Child Labor Monitoring and Remediation System, CLMRS)

## List of examples of stakeholder engagement

We have identified key stakeholders on whom our business activities can have positive or negative impacts, and engage with each of them, as described below.

Stakeholder engagement and objectives		Our responsibilities	FY2024 main engagement methods (frequency)	Related pages
Employees	Human resources are critical to the social and corporate value creation of the Group. We are committed to respecting the diversity of all employees, and creating workplaces where they can make the most of their abilities and work in a safe and secure environment.	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Promoting DE&amp;I</li> <li>Health and productivity management</li> <li>Building sound management-labor relations</li> </ul>	<ul style="list-style-type: none"> <li>Employee training (as needed)</li> <li>Internal compliance hotline (permanent)</li> <li>Engagement survey (in Japan: twice annually, outside Japan: annually)</li> <li>Intranet in Japan, internal communication website, social media (ongoing)</li> <li>Management policy briefing by the CEO (as needed)</li> <li>Discussions with labor union (Fuji Oil Co., Ltd., once per month)</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Career support system</a></li> <li><a href="#">Whistleblowing system</a></li> <li><a href="#">Engagement survey</a></li> <li><a href="#">Management-labor dialogue</a></li> <li><a href="#">Occupational health and safety audit</a></li> <li><a href="#">Promotion of DE&amp;I</a></li> <li><a href="#">Employee health (health and productivity management)</a></li> </ul>
Shareholders, investors and financial institutions	Gaining the understanding and support of our shareholders, investors and financial institutions is essential to increasing our corporate value. We are committed to timely, appropriate, and highly transparent information disclosure and dialogues. We will use the evaluations and feedback we receive to improve our sustainability management.	<ul style="list-style-type: none"> <li>Increasing corporate value</li> <li>Profit return</li> <li>Information disclosure</li> <li>Dialogues</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders (annually)</li> <li>Financial results briefings, teleconferences (four times annually)</li> <li>Small meetings, factory tours (10 times in FY2024)</li> <li>Individual meetings (313 times in FY2024)</li> <li>Financial Report, Integrated Report, Sustainability Report, shareholder news (annually)</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Dialogue with investors</a></li> <li><a href="#">Sustainability Report</a></li> </ul>
Customers	Customers are our key partners in building a sustainable food system. We will build lasting relationships with them and enhance co-creation by engaging in better communication and offering the unique value created by the Group.	<ul style="list-style-type: none"> <li>Stable supply</li> <li>Building trust</li> <li>Offering products that capture market needs</li> </ul>	<ul style="list-style-type: none"> <li>Proposals and exchange of ideas with customers on the development of products that address social issues (ongoing)</li> <li>Activities to promote communication of information to consumers through collaboration with customers (as needed)</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Creation of value through market proposals (major convenience stores, food service sector)</a></li> </ul>
Consumers	Consumers are both important beneficiaries of a sustainable future of food and the drivers of its achievement. We are committed to understanding consumer needs and promoting ethical consumption by raising	<ul style="list-style-type: none"> <li>Providing delicious, healthy, and sustainable food</li> <li>Food safety</li> </ul>	<ul style="list-style-type: none"> <li>Product sales via e-commerce channels; communication via social media (ongoing)</li> <li>Dissemination of information through mass media (as needed)</li> </ul>	Strengthening B2C channels to expand direct contact with consumers

Stakeholder engagement and objectives		Our responsibilities	FY2024 main engagement methods (frequency)	Related pages
	awareness and making products widely available, and will reflect the feedback we receive in our product development and service improvement.		<ul style="list-style-type: none"> <li>Awareness raising through industry organizations (ongoing)</li> </ul>	<a href="#">→ cotta tomorrow® (In Japanese)</a> <a href="#">→ Soya Farm Club (In Japanese)</a> <a href="#">→ Industry organization activity (P-LAB) (In Japanese)</a>
Business partners, outsourcing partners and supply chain workers	Our business partners, subcontractors, and supply chain workers are key partners in building a sustainable food system. We will promote understanding of the Fuji Oil Group's policies and build trust with our partners through fair and equitable transactions in order to grow sustainably together.	<ul style="list-style-type: none"> <li>Building a sustainable supply chain</li> <li>Sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>Daily purchasing activities and transactions (ongoing)</li> <li>Individual briefings on our sourcing policies (as needed)</li> <li>Supplier engagement (grievance mechanisms, supplier self-evaluation, Labor Transformation Program (LTP), support for smallholder farmers, CLMRS, landscape initiatives, deforestation prevention monitoring, proprietary sustainable procurement program) (ongoing)</li> </ul>	<a href="#">→ Promoting sustainable procurement</a> <a href="#">→ Identifying and remediate human rights risks</a>
Local communities	To ensure smooth business operations, it is important to live in harmony with local communities. We contribute to the development of local communities by engaging in environmental conservation, supporting safety, and providing food education and job training.	<ul style="list-style-type: none"> <li>Living in harmony with the community</li> <li>Community economic development</li> <li>Environmental conservation</li> </ul>	<ul style="list-style-type: none"> <li>Landscape initiatives (palm oil: Indonesia and Malaysia) (ongoing)</li> <li>Local community empowerment (regions that produce palm oil, cocoa, and shea kernels, and communities near our operational sites) (ongoing)</li> <li>Indigenous peoples and local communities rights protection (regions that produce palm oil, cocoa, soybeans, and shea kernels) (ongoing)</li> <li>Participation in and sponsorship of community events (operational sites) (as needed)</li> <li>Food education and food support projects (US, Brazil, and Japan) (as needed)</li> <li>Support in the event of natural disasters (Group companies) (as needed)</li> </ul>	<a href="#">→ Promoting sustainable procurement</a> <a href="#">→ Food education activities</a> <a href="#">→ Local cleanup volunteering</a> <a href="#">→ Entrepreneurial training for low-income residents</a>
NGOs/NPOs and experts	Cooperation with NGOs/NPOs and experts is essential in carrying out activities addressing	<ul style="list-style-type: none"> <li>Constructive dialogues and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Expert panel dialogues (as needed)</li> </ul>	Dialogues with NGOs/NPOs and experts

Stakeholder engagement and objectives		Our responsibilities	FY2024 main engagement methods (frequency)	Related pages
	global social issues. We will use their expert perspectives and dialogue to expand and strengthen our sustainability activities.	toward business operations that respect human rights and are responsible for the environment	<ul style="list-style-type: none"> <li>Grievance mechanism (permanent)</li> <li>Support for programs to improve environmental and human rights issues, promotion of joint projects (ongoing)</li> </ul>	<a href="#">→ Promoting sustainable procurement</a> <a href="#">→ Guidance in identifying material ESG issues</a>
Academic organizations	Expert knowledge and scientific evidence are needed to continue creating social value. We carry out open innovation in collaboration with academic organizations to strengthen our human capital and accelerate the creation of sustainable food resources.	<ul style="list-style-type: none"> <li>Building trust</li> <li>Sharing technology, knowledge, and human resources</li> <li>Confidentiality</li> <li>Sharing value</li> </ul>	<ul style="list-style-type: none"> <li>Joint research, open innovation (ongoing)</li> <li>Lectures (as needed)</li> </ul>	<a href="#">→ Industry-government-academia projects</a>
National/governmental agencies Industry organizations	We will deepen cooperation with national/governmental agencies and industry organizations, and accelerate our efforts to address social issues in order to contribute to the development of not only the industry, but also countries and regions.	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Industry revitalization through partnerships with various agencies and organizations</li> <li>Social and economic development</li> </ul>	<ul style="list-style-type: none"> <li>Liaison and discussion with government agencies (as needed)</li> <li>Participation in public-private projects and committees sponsored by public sector agencies (as needed)</li> <li>Promotion of industry organization activities (as needed)</li> <li>Participation in market creation and awareness-raising activities (as needed)</li> </ul>	<a href="#">→ Establishment of industry organizations (P-LAB) (In Japanese)</a> <a href="#">→ Ministry of the Environment Nature Positive Economy research group (In Japanese)</a> <a href="#">→ Endorsements of major external initiatives</a>

## External initiatives we support and participate in

GRI: 2-28

- July 2025 Task Force on Nature-related Financial Disclosures (TNFD) Adopter
- April 2021 Japan Business Initiative for Biodiversity (JBIB)
- June 2020 The Palm Oil Collaboration Group (POCG)
- May 2020 Approved by the Science Based Targets initiative (SBTi)
- May 2020 Round Table on Responsible Soy Association (RTRS)
- April 2020 Platform for Sustainable Cocoa in Developing Countries
- December 2019 European Cocoa Association (ECA)
- October 2019 Japan Sustainable Palm Oil Network (JaSPON)
- May 2019 Task Force on Climate-related Financial Disclosures (TCFD)
- March 2017 The Consumer Goods Forum
- December 2016 Male Leaders Coalition for Empowerment of Women by the Japan's Cabinet Office
- 2015 Shea Network Ghana
- January 2013 UN Global Compact (UNGC)



- 2013 Global Shea Alliance (GSA)
- December 2012 UN Global Compact Network Japan (GCNJ)
- 2012 World Cocoa Foundation (WCF)
- September 2004 Roundtable on Sustainable Palm Oil (RSPO)

## Endorsing the UN Global Compact

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In January 2013, Fuji Oil became a signatory to the United Nations Global Compact, a set of voluntary principles proposed by the UN in the areas of human rights, labor, environment, and anti-corruption. By implementing the 10 principles of the Global Compact, we aim to contribute to the improvement of sustainability in society as a whole.

Tatsuji Omori  
President and CEO



# Food Safety and Health



## Fuji Oil Group's Value Proposition

We believe that our Group's plant-based ingredients expand food choices and contribute to building "deliciousness and healthiness," which represents the value we provide in realizing a sustainable future for food.

Here, we present the FY2024 achievement highlights of our efforts for food safety and health, an area of sustainability matters that address the material ESG issues related to deliciousness and healthiness.

Visit the following links for details on the Fuji Oil Group's value proposition.

- Governance, Strategy, Risk Management, Metrics and Targets
- Integrated Report

### FY2024 Achievement Highlights



GOODNOON product lineup expanded



Event showcasing all-purpose menu held

## Initiatives on Material ESG Issues

### Priority action Ensuring Product Safety and Quality Control

- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets

### Priority action Reduction of Process Contaminants in Oils and Fats

- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

### Priority action Solutions for Health and Well-being

- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

### Priority action Creation of Diverse Plant-based Ingredients

- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

# Ensuring Product Safety and Quality Control



▼ Policy ▼ Governance ▼ Strategy ▼ Risk management ▼ Metrics and targets

## Policy

The Fuji Oil Group has established the Basic Policy of Safety, Quality, and Environment.\*

\* Fuji Oil Group Basic Policy of Safety, Quality and Environment

[https://www.fujioil.co.jp/en/sustainability/policy/basic\\_policy/](https://www.fujioil.co.jp/en/sustainability/policy/basic_policy/)

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee\*<sup>1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Ensuring Product Safety and Quality Control, a priority action to address material ESG issues,\*<sup>2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Safety, Quality and Production Technology Headquarters, the Executive Officer.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 3-3

As part of food supply chains, we have a potential impact on food safety. We believe that it is important for us to ensure food safety and quality control in full consideration of all processes of our products, from product design, through raw material procurement, manufacturing, and shipping, to consumers.

Failing in our duty to provide consumers with safe and reliable products may, for example, negatively impact consumer health and affect customer production plans and brand value, which could lead to decreased corporate value and profitability. Conversely, continuing to provide safe and high-quality products can boost customer and societal trust, leading to opportunities for stable revenue and increased corporate value.

We have established a quality assurance system that we continually work to improve. This system covers the processes ranging from product design to delivery to the customer (both B2B customers and end consumers), with the highest priority placed on product safety and quality consistency. We will further ensure food safety and quality control by improving management based on our Group-wide Quality Assurance Regulations, and by continuing to promote activities to raise employees' quality awareness.

The Fuji Oil Group systematically manages risks and opportunities related to Food Safety and Health, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Strategy/ Product/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

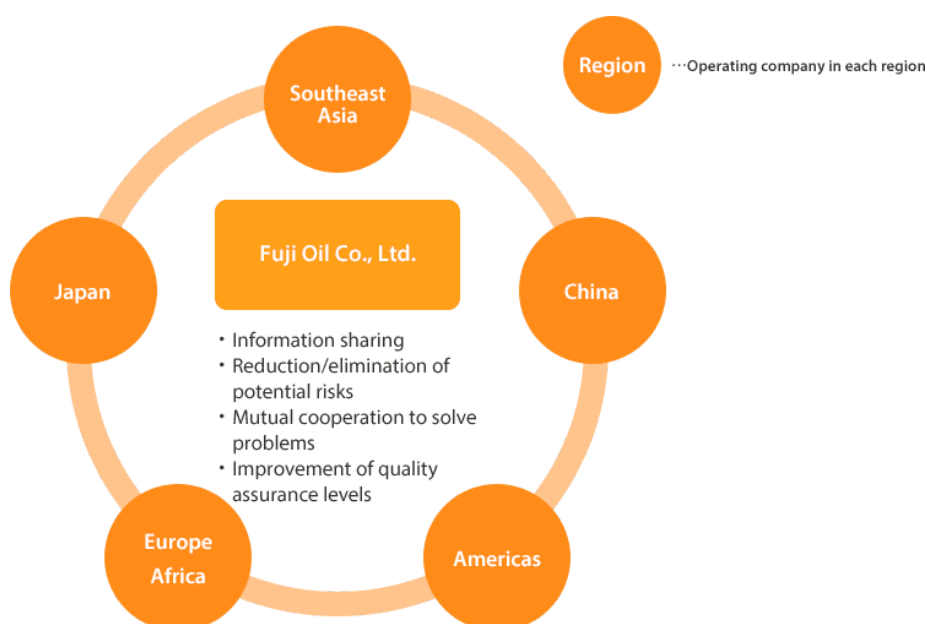
## Risk management and countermeasures

### Enhanced quality management system

To ensure that the Fuji Oil Group Basic Policy of Safety, Quality and Environment is applied to business activities, since the early 1990s, our Group companies have been building and strengthening quality management systems by acquiring ISO 9001 (the international standard for quality management systems), FSSC 22000 (the international standard for food safety management systems) or similar certifications. In addition, the Group follows its Quality Assurance Regulations to periodically monitor the management status of each Group company through safety, quality, and environmental audits.

Customer complaints and quality-related inquiries are received by the Group's sales division and customer service desks. This information is examined by the Quality Assurance Department or other teams responsible for quality assurance at each Group company and then further investigated by the relevant departments. From there, the department responsible for the quality-related issues carries out checks, and the sales division provides a response to the customer. Each Group company also collects and analyzes data on the customer complaints they receive. Fuji Oil Co., Ltd. aggregates and analyzes this data and reports it to the Management Committee Meeting for sharing across the entire Group.

Fuji Oil Co., Ltd. also works to build the Group's network of quality managers and share initiatives, best practices, and management know-how across organizational boundaries within the Group, with the aim of promoting holistic information sharing among quality managers and improving the quality assurance system. We are leveraging this network to share experiential insights across Group companies and update each Group company on the latest food regulations and international trends in food. This enables us to reduce and eliminate new issues and potential risks related to product safety and quality, and make continuous improvements toward higher standards of safety and customer trust. Furthermore, this allows us to resolve problems that do arise more quickly and collaboratively by sharing analytical methods and dispatching experts, avoiding any inconvenience to our customers.



### Acquisition of management certifications

Group companies' certification status

## Risk management methods for food safety

Our Group companies and their relevant organizational units manage and respond to food safety risks as part of the Group's overall risk management system.\*

\* Risk management system

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Food safety-related risks and countermeasures

In FY2024, the risk assessment once again identified food safety-related risks, including contamination with foreign matter, allergens and inappropriate raw materials. We have been working to reduce these risks by acquiring and maintaining certifications on food safety and quality management, conducting focused evaluations, providing guidance and implementing improvements on these risks through internal audits, and intensifying the implementation of 3S and 5S methodologies.

We are making every effort to ensure the effectiveness and validity of our frameworks and procedures by systematically conducting product recall training and traceability verification.

We have established a system to promptly communicate to management based on our crisis response regulations in the event of a significant quality incident, such as when our products pose (or have the potential to become) a health hazard to consumers, or when there is a violation (or potential violation) of food-related regulations in the country where our products are sold.

## Education

GRI: 403-5

Within the Group, the Quality Assurance Department or the department in charge of quality assurance at each Group company plans and provides appropriate training to employees to further raise quality awareness in accordance with local conditions. For example, Fuji Oil Co., Ltd. supports activities at each plant conducted in accordance with the action guidelines and holds lectures on hygiene and other matters.

Approximately 70 employees, primarily from production sites, physically attended a lecture on hygiene in FY2024. The lecture was also broadcasted online for the benefit of employees in remote locations. In addition, every November we participate in Quality Month, which is organized by the Union of Japanese Scientists and Engineers, the Japanese Standards Association, and other organizations. During Quality Month, we conduct various activities focusing on predefined themes to raise awareness on quality among our employees.

Group companies outside Japan also hold awareness-raising events, such as food safety culture activities implemented by Blommer Chocolate Manufacturing (Shanghai) Company Ltd., Quality and Food Safety Day implemented by Harald Indústria e Comércio de Alimentos Ltda (Brazil), and the Quality and Food Safety Culture Awareness Program run by PT. Freyabadi Indotama (Indonesia).



An educational session at PT. Freyabadi Indotama (Indonesia)

## Product labeling

GRI: 417-1

Product labeling requirements vary considerably depending on the country where the product is sold. The Quality Assurance Department or the department in charge of quality assurance at each Group company collects information to ensure that product labels comply with the laws and regulations of each country and region.

At Fuji Oil Co., Ltd., the Quality Assurance Department collects information daily on relevant laws and regulations, and issues updates on any revisions to the relevant departments on a daily basis, in order to ensure that these revisions are promptly and accurately reflected in product labels. We also have a system in place to ensure that the staff in the development, production, and quality



assurance departments check the content of product labels before printing to avoid any errors that would violate laws or regulations. We strive to enhance transparency by disclosing information to our customers in a timely manner through product specifications and the Fuji Oil Co., Ltd. website.

In FY2024, no serious labeling violations occurred at Group companies in or outside Japan.

## Metrics and targets

GRI: 416-2

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Improve employee quality awareness and food safety awareness to achieve no serious quality-related complaints*	No serious quality-related complaints received	○
Strengthen communication with quality managers at Group companies and promote a food safety culture and the sharing of quality-related information	Shared procedures and training records from product recall training at Group manufacturing companies. This included findings and best practices from internal audits, and food safety guidance	○

\* Incidents concerning food products that are harmful to health or violate the law, and require a recall.

## Analysis

There were no serious quality-related complaints (recalls) in FY2024 thanks to efforts to maintain hygiene at production sites. We have continued to implement corrective and preventive measures to eliminate non-conformities identified by safety and quality patrols, internal audits and audits by external organizations, as well as to prevent recurrence of previous customer complaints. Moreover, the quality-related information sharing platform we developed to improve quality assurance levels and share quality information across the Group has now made it possible to send and share quality information across companies and national borders. We also make efforts to raise quality assurance levels by creating opportunities for quality managers to learn from other companies by sharing examples from their own company on specific topics.

## Next steps

We are again aiming for no serious quality-related complaints in FY2025. To achieve this goal, our challenge is to reduce all quality-related complaints and improve the level of quality assurance in Group companies. To address these issues, we set the following goals for FY2025:

- Implement activities to further raise employee quality awareness and food safety awareness in order to achieve zero serious quality-related complaints
- Strengthen communication with quality managers at Group companies and promote a food safety culture and the sharing of quality-related information

## Related documents

ESG Data Book (PDF 411KB) 

# Reduction of Process Contaminants in Oils and Fats



✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets ✓ Specific initiatives

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. The committee has identified Reduction of Process Contaminants in Oils and Fats as a priority action to address material ESG issues,<sup>\*2</sup> deliberating on and monitoring from a multi-stakeholder perspective and making recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Oils and Fats Business Headquarters, the Senior Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

Process contaminants are substances that are incidentally formed during food manufacturing that have the potential to adversely affect human health. As the extent of their impact on human health is currently unclear, they are being studied by risk management agencies worldwide. Therefore, it is desirable to reduce their concentrations in food as much as reasonably achievable.

Our Group has been working for some time to reduce various process contaminants according to our clients demands across our Group companies. For instance, we have developed and implemented a method that reduces process contaminants in our manufacturing process 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.

## 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 process 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 process contaminants and work collaboratively with them to build a sustainable supply chain.

The Fuji Oil Group systematically manages risks and opportunities related to Food Safety and Health, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Strategy/ Product/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
<p>At seven Group companies, we aim to achieve a 100% supply rate of products that meet our clients' standards for maximum levels of the process contaminants 3-MCPDEs*1/GEs*2</p> <p>*1 3-MCPDEs: 3-MCPD fatty acid esters. Mainly formed by the reaction of neutral lipids with chlorine under high temperature conditions (&gt; 160-200°C)</p> <p>*2 GEs: Glycidyl fatty acid esters. Mainly formed from neutral lipids under high temperature conditions (&gt; 200°C)</p>	100%	○

## Analysis

In FY2024, with the establishment of a Group-wide system to facilitate the reduction of process contaminants, we successfully supplied products that meet client standards for maximum levels of 3-MCPDEs and GEs.

Specific initiatives related to reducing process contaminants:

- Regularly collect information from all Group companies on the latest laws and regulations, industry trends, and client requirements related to process contaminants, and develop a system that can proactively respond to market needs
- Conduct research and development on new methods for reducing 3-MCPDEs/GEs, and apply insights and results to our manufacturing process
- Select suppliers capable of supplying raw materials with low risks of process contaminants, and work collaboratively with them to build a sustainable supply chain

## Next steps

It is essential to reduce process contaminants while preserving the natural flavor and functionality of oil and fat products.

Over the years, we have developed reduction methods with minimal impact on the quality of oils and fats, such as flavor and texture, and implemented them across our Group companies.

Looking ahead, the Group will continue working together to reduce process contaminants, drawing on our long-standing expertise and experience while incorporating new knowledge gained through ongoing research and development.

## Specific initiatives

### Reducing process contaminants

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

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

Furthermore, to reduce the formation of process contaminants and limit their introduction during the manufacturing process, 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 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 and implement these initiatives in the coming years.

# Solutions for Health and Well-being



[▽ Governance](#)
[▽ Strategy](#)
[▽ Risk management](#)
[▽ Metrics and targets](#)
[▽ Specific initiatives](#)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Solutions for Health and Well-being, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of R&D Headquarters, the Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

As we transition into super-aging societies and face escalating healthcare costs and the potential collapse of social security systems, people have become more aware of the need for living healthy and fulfilling lives. We need solutions that balance physical health and mental well-being, leading to longer, healthy lives. The Fuji Oil Group provides food ingredients such as vegetable oils and fats, and plant-based proteins for delicious and healthy food. As such, our social mission as a company is to meet these needs.

Poor lifestyle habits, excessive sugar intake and salt intake, overeating or undereating, and lack of exercise can eventually lead to various mental and physical disorders.<sup>\*</sup> For example, excessive sugar intake carries the risk of developing lifestyle-related diseases such as diabetes and obesity, which in turn can lead to many serious diseases, as well as declining cognitive function.

Failing to respond to this growing health awareness would affect our brand image, undermine the trust of our stakeholders, and run the risk of damaging our corporate value and the reputation of our stakeholders.

We conduct research to create products aimed at restoring pre-disease states to health. In doing so, we believe that, even as they age, people will be able to achieve their ideal fitness and continue to maintain their social connections, with bodies that can move and do whatever it is they want.

With this concept of preventing pre-disease through food, our Group is helping address physical and mental health issues faced by people around the world. Furthermore, we believe that all our efforts will result in an increase in our corporate value as well.

<sup>\*</sup> Includes poor appetite, physical or mental pain and low mood. Also called mild disorder or pre-disease state.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Food Safety and Health, an area of sustainability matters that address material ESG issues, in alignment with group significant risks.

Group significant risks

Risk type: Strategy/ Products/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

The Group conducts human subjects research to prove the efficacy of foods, with the aim of contributing to solving physical and mental health issues. We recognize the risk of failing to consider subject safety and ethical concerns in this research involving human subjects. For this reason, we have established an Institutional Review Board (IRB) which reviews and approves clinical trials to ensure that research is conducted safely and ethically.

## Institutional Review Board for clinical trials involving human subjects

At our Group, we believe that in order to work on issues related to health and well-being through food, and conduct research to create products aimed at restoring pre-disease states to health, we need to prove their efficacy in humans. Research involving human subjects requires high ethical standards and privacy protection. To achieve this, we have established an Institutional Review Board (IRB) registered with Japan’s Ministry of Health, Labour and Welfare’s reporting system,<sup>\*1</sup> with doctors, experts, and ordinary people who have undergone research ethics training by the Association for the Promotion of Research Integrity (APRIN) as members. The IRB reviews all human clinical trials involving the Group and also conducts follow-up evaluations after the trials.

At our research and development centers, we focus on DHA/EPA<sup>\*2</sup> and soy peptides<sup>\*3</sup> among other various food ingredients that help to promote health. We carry out human trials as proofs of concept (PoC) to shed light on the benefits of consuming these ingredients in food. For example, we have been working on determining whether there are health benefits to making easily oxidized DHA extremely resistant to oxidation.

<sup>\*1</sup> MHLW’s Research Ethics Review Committee Reporting System (in Japanese) [📄](#)

<sup>\*2</sup> Docosahexaenoic acid (DHA)/ eicosapentaenoic acid (EPA). These are fatty acids that are recommended to be consumed from food because they are inefficiently synthesized by the body. Studies have shown that DHA/EPA have various health benefits, including preventing memory and concentration loss, and reducing triglyceride levels.

<sup>\*3</sup> Peptides are substances created in the process of breaking down proteins. Peptides formed by the enzymatic breakdown of soy proteins are called soy peptides.

## Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Expand the market for foods that help improve health and well-being	Soy milk ingredients like soy milk cream butter and fermented soy milk ingredients have been shown to improve flavor and texture as well as being healthy. Increased adoption and growing use of these ingredients in the bakery market	○
Establish superior health benefits of stabilized DHA/EPA	Testing of soft capsules containing PRORARE® (stabilized DHA) confirmed superior efficacy in terms of taste and health functions. We now need to find ways to utilize these findings.	△

## Analysis

### Expanding the market for foods contributing to health and well-being

- Enhanced protein  
High-protein foods can be an effective nutritional supplement for people who may not have time to cook and eat nutritionally



balanced meals every day. Our granular soy protein Proleena CP01 has been adopted in convenience stores' healthy bread products.

- Additive-free products

We have developed Grand Delica® Pure, an additive-free cooking cream that provides the emulsifying properties and milky taste required of cream without using additives. This has been adopted by users including convenience stores.

## Establishing the superior health benefits of stabilized DHA/EPA

We are researching PRORARE®, a stabilized DHA product with extremely low oxidative deterioration of DHA oil, focusing on the advantages of minimizing oxidation and the functionality of DHA. Our research has identified several effects indicating the superiority of PRORARE®. We now need to find ways to utilize these findings and communicate the benefits of PRORARE® to customers. We will continue to work on this, including publishing papers about our research findings, to expand the uptake of PRORARE®. (Please refer to "Specific initiatives" below for more details.)

## Next steps

To provide solutions to issues related to health and well-being through food, it is important to establish evidence of the health benefits and superiority of our food ingredients, and to create the motivation for consumers to want to consume these ingredients. With these in mind, we will work towards the following goals for FY2025:

- Publish evidence and obtain functional claims to support sales promotion by promoting the superior taste and health benefits of stabilized DHA

## Specific initiatives

### Benefits of taking DHA oil with extremely low oxidation

DHA oil is promising to be effective in preventing dementia, and is generally ingested in the form of a soft capsule containing the functional oil. However, currently available soft capsules containing DHA/EPA have a problem with the characteristic odor (fishy odor peculiar to oxidative deterioration of  $\omega$ -3 fatty acids) that accompanies oxidative deterioration of the oil. The odor of deteriorated oil experienced when burping after taking the capsule has also been cited as a reason for discontinuing their intake.

We believe that the stabilized DHA-rich oil PRORARE®, with its extremely low oxidative deterioration of DHA oil, would not cause any bad or unpleasant smell when burping, even when taken in soft capsule form. To test this, we asked volunteers to take soft capsules containing PRORARE® or general DHA oil. During the trial, a survey given to the subjects (conducted with the subjects not knowing whether they were taking PRORARE® or general DHA oil) showed that the group who took PRORARE®, with low oxidative deterioration of DHA oil, did not experience any bad or unpleasant smell when burping. In contrast, among subjects who took soft capsules containing general DHA oil, 67% of the respondents said they noticed a bad smell in their burp, and 93% said the odor was unpleasant, showing the superiority of PRORARE® in terms of eliminating odor.

We have also confirmed that taking low oxidation PRORARE® has a positive effect on intestinal flora (patent pending). Going forward, in addition to the physiological functions of DHA, we will also study the mechanism by which we sense the oxidation



of DHA oil and conduct an emotional analysis of what makes people prefer and want to consume DHA.

## Reduced-sugar and sugar-free chocolate

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Blommer Chocolate Company (U.S.) offers a range of sugar-free, low-sugar and reduced-sugar chocolate products.

Sales in Blommer's health and wellness segment are growing in North America. Blommer is working to expand sales of its Discovery brand of reduced-sugar chocolate.

The Discovery product range, which includes reduced-sugar coatings (milk, dark, white), inclusions, and ice cream coatings, has a wide range of applications from caramel to chocolate chip cookies.

As well as finding a balance between deliciousness and health, Blommer will continue to explore new sugar alternatives through ongoing research and development to fulfil our customers' needs.

# Creation of Diverse Plant-based Ingredients

Material Issue



Food Safety and Health/

Environmentally Responsible MONOZUKURI

(Product Development and Manufacturing Practices)

▼ Governance ▼ Strategy ▼ Risk management ▼ Metrics and targets ▼ Specific initiatives

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Creation of Diverse Plant-based Ingredients, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of R&D Headquarters, the Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

Since its early days, the Fuji Oil Group has been considering the future issues of food resources caused by the growing global population. We have explored the possibilities of soy and developed plant-based protein ingredients that can complement animal protein sources. With the world population expected to reach 9.7 billion by 2050, providing solutions to the problem of food scarcity by developing plant-based protein ingredients with lower impacts on the global environment has been our Group's mission since the company was founded. Our products are created from a variety of plant-based proteins, fats and oils, as well as combinations of these ingredients, and provide greater options to help create a world where everyone can truly enjoy their meal. We believe these activities not only help solve social issues, but also lead to improved corporate value.

On the other hand, if we do not actively address these issues, we face such risks as rising raw material costs, unstable supply of existing materials, tighter regulations in various countries and regions, and an inability to meet consumer needs.

In recent years, there has been growing global interest in social issues such as global environmental problems, food resource shortages, uneven distribution of food resources, and physical and mental health disorders. Instead of merely replacing animal-based food with plant-based ones, we aim to provide delicious plant-based ingredients that resonate with consumers and consider the health of people and the planet in order to help solve these social issues. By combining our plant-based ingredients with our many processing technologies, we will provide plant-based foods that cater to diverse dietary cultures worldwide.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Food Safety and Health and Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices), areas of sustainability matters that address material ESG issues, in alignment with Group significant risks.

The R&D Division also engages in the following in order to quickly gain understanding of the many social issues that are changing day by day, and create opportunities to address them:

- Exchange the latest information through a voluntary, cross-departmental discussion group
- Raise awareness of plant-based foods through industry-government-academia collaboration

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Develop new plant-based ingredients that cater to diversifying values	Pursued the commercialization of plant-based whipped cream and MIRACORE <sup>®</sup> *1 products	○
Provide sustainable plant-based protein sources	The quality of Prime Soy Meat*2 has been recognized, but its uptake in target markets has been slow	✕

\*1 MIRACORE<sup>®</sup> is a technology brand that delivers a feeling of satisfaction similar to animal-based foods using plant-based ingredients

\*2 Prime Soy Meat is a delicious soy-based meat alternative that offers both an authentic meat-like fibrous texture and a melt-in-the-mouth quality.

## Analysis

To realize our vision, “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy,” as stated in the Fuji Oil Group Management Philosophy, we have leveraged the technologies for combining flavors and textures that we have developed over many years to develop new plant-based ingredients with better quality than ever before.

## Next steps

It is important to create an enjoyable experience with food and to help keep people and the planet healthy, rather than simply offering plant-based ingredients as alternatives to animal-based products. To address this issue, we set the following goal for FY2025:

- Develop new plant-based ingredients that cater to diversifying values

## Specific initiatives

### GOODNOON brand: A flagship initiative for fulfilling our vision

In 2022, we launched the GOODNOON brand<sup>\*1</sup> to fulfill the vision outlined in the Fuji Oil Group Management Philosophy.<sup>\*2</sup> GOODNOON is a plant-based food product brand that offers a broad range of options that are always delicious, rather than just being an alternative food. With a focus on making amazingly delicious products a reality, we offer consumers a lineup of plant-based foods under the GOODNOON brand that meet four conditions: (1) unique; (2) easy to understand; (3) solves social issues; and (4) healthy for people and the planet. By exploring the equation for choosing plant-based ingredients, with the GOODNOON brand we will pave the way for a future of delicious food culture and continue to embrace the challenge of realizing a world where everyone can enjoy food.



<sup>\*1</sup> GOODNOON: <https://www.goodnoon.jp/> (in Japanese) 

<sup>\*2</sup> Fuji Oil Group Management Philosophy: Revised in April 2023 to: "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy."

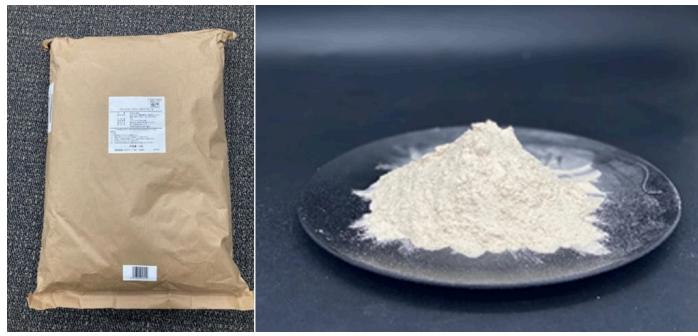
### Developing new plant-based ingredients that cater to diversifying values

Our Group strives to develop products that bring out the flavor of plant-based food ingredients to help solve food insecurity and global environmental challenges. These products harness the development technologies of oils and fats and soy protein ingredients we have cultivated over many years.

In FY2024, we developed KIWADATE Whip and Blend Top plant-based whipped cream specifically for blending to bring out the flavor of ingredients using emulsification technology. This product has been used in chilled products sold at convenience stores and other retailers, as well as in room-temperature bread. When cream containing dairy ingredients is combined with ingredients such as fruits and chocolate, the flavors can become blurred. We developed the Blend Top product to address this issue. We also developed plant-based ingredients that address social issues and meet customer needs, including a concentrated ramen soup using the MIRACORE<sup>®</sup> technology to express the feeling of satisfaction unique to animal-based foods, and UFURI<sup>®</sup>, a plant-based cake mix, which contains a soy protein mixture that functions as a replacement for eggs suitable for sponge cakes and similar baked foods. Furthermore, we introduced Prime Soy Meat to the market, which was launched last year, by developing products that meet the needs of the U.S. market with the aim of expanding internationally.



Fruit cream puffs made with our plant-based whipped cream



UFURI®, plant-based cake mix



Examples of using UFURI®: tea chiffon cake and coffee bouchée (egg-free)



Plant-based concentrated ramen soup (tonkotsu flavor)

## Proposing new value to the market

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The Fuji Oil Group has achieved amazing deliciousness with plant-based foods by leveraging the technologies it has honed thus far, and continues to provide consumers with a multitude of food choices. We are working with our customers to create new products with the aim of providing a wide range of options for delicious plant-based food products.

### **Delicious plant-based foods available to everyone**

#### **New Otani Co., Ltd.**

The Hotel New Otani, operated by New Otani Co., Ltd., offers several dishes on its restaurant menu using soy protein products and soy milk-related products made by Fuji Oil Group.



Dishes available at the hotel restaurant: Plant-based Meat and Tomato Stew, Healthy Soy Milk Pudding and Basque-style Soy Milk Cheesecake, from left to right (images from Hotel New Otani's website)



## cotta Inc.

We have entered into a capital and business alliance with cotta Inc., which operates one of the largest websites for confectionery and baking ingredients in Japan.

The cotta tomorrow®\* website was jointly launched in May 2023 to provide healthy products and information, and now it is one of Japan's largest e-commerce media platform focusing on plant-based ingredients. The website is visited by many people with one million monthly page views, and its Instagram account has over 200,000 followers.

\* cotta tomorrow®: <https://www.cotta.jp/tomorrow/> (in Japanese) 



cotta tomorrow website (2D code)



Products in the Soy lait Beurre series  
(image provided by cotta)

## FamilyMart Co., Ltd.

FamilyMart's Blue Green Project promotes the value of making incremental contributions to the global environment. It periodically features rice balls, desserts and other products made with plant-based ingredients and developed with taste in mind. These tasty plant-based products provide consumers with new choices.



Garlic rice balls with plant-based meat  
(images provided by FamilyMart)



Plant-based strawberry shortcake with strawberry  
whipped cream  
(images provided by FamilyMart)

\* The above products are currently not available.

## Joint development of Yasashii Tsuyu with venerable soba shop Sarashina Horii

In November 2024, Fuji Fresh Foods Co., Ltd. launched Yasashii Tsuyu, a soup base for household use, as a GOODNOON product. Leveraging the MIRACORE® technology, this product was jointly developed with Sarashina Horii, a long-standing soba noodles shop with a history of over 230 years. The opportunity for this joint development arose from President Horii's remarks about the difficulty in obtaining bonito flakes due to changes in the marine environment. We believed that by utilizing MIRACORE® to express the Edo-style flavor in a plant-based form, we could contribute to the preservation of



Yasashii Tsuyu

traditional tastes while also deepening understanding of marine environments and traditional ingredients. It was these ideas that led to the joint development of this product.

Currently, it is sold for home use on the Soya Farm Club and cotta tomorrow® websites, and at the Sarashina Horii stores.

Despite not using any animal products, Yasashii Tsuyu delivers a bonito-like flavor that stands up to soy sauce, allowing many consumers to enjoy an authentic Edo-style taste.

Product page on the website of Fuji Fresh Foods Co., Ltd.

<https://www.fujifresh.com/yasashii-tsuyu/> (in Japanese) 

## MIRACORE®: Technology behind plant-based foods with satisfaction

Primarily in the Fundamental Seasoning Business Division, we are addressing social issues through the business development of MIRACORE®, including the development of new products and the dissemination of solutions, focusing mainly on the challenges of the tourism industry.

Leveraging MIRACORE® technology, we launched a European-style curry in a retort pouch in August 2024, and in February 2025, we expanded our lineup with three different flavors of plant-based concentrated ramen soups: tonkotsu-, miso-, and seafood & salt-flavored types. These products have been served to customers at restaurants, ski resorts, and hotels where inbound tourism and labor shortages have led to challenges in their operations. The products have been favorably received, mainly because they can be easily utilized to provide delicious dishes for not only vegans, but also for the general public.

On January 23, 2025, we hosted an event for tourism service operators, including hotels and local governments, showcasing an all-purpose menu using MIRACORE® plant-based soup stock. The all-purpose menu is a selection of delicious dishes that everyone can enjoy, regardless of dietary restrictions, and which are tasty enough to make people want to eat them again. After sampling some buffet dishes prepared by four chefs active in various fields and listening to a talk session, the participants gained an understanding of how the all-purpose menu can contribute to solving issues in food and tourism.



European-style curry



Event in progress on January 23



MIRACORE® concentrated ramen soup (from left to right: tonkotsu, seafood & salt, and miso)

## Partnering with other companies on sustainable food

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As a founding member of the Plant Based Lifestyle Lab (P-LAB),\*<sup>1</sup> we are working to raise awareness of and promote plant-based food (PBF) in collaboration with companies from a range of business domains.

In FY2024, we participated in the World King of Chefs Summit held on Awaji Island (November 16–18, 2024, with special sponsorship from P-LAB). The PBF menu we provided in collaboration with member companies garnered significant interest from attendees.

Until now, the lack of indicators for consumers when choosing PBF was seen to be one of the challenges for its widespread adoption. P-LAB launched a certification system for PBF on March 1, 2025, initially for member companies. The standards for raw material selection and manufacturing processes for PBF have been clarified, and third-party certification by an independent secretariat within P-LAB has been carried out. Certified products can display the logo. The number of certified products will be expanded as a tool to clearly communicate the value and appeal of PBF to consumers.

Going forward, as well as stepping up activities to serve as a communication hub of PBF information, we will continue to promote value creation by collaborating with member companies to develop new PBF products and dishes.

\*<sup>1</sup> Founded in March 2021 with 15 member companies, and became a general incorporated association in October 2021. Currently has 51 member companies (as of July 2025)

<https://pbl-lab.net/> (in Japanese) 



P-LAB booth at the World King of Chefs Summit



Group work session at a P-LAB general meeting

# Environmentally Responsible MONOZUKURI

(Product Development and Manufacturing Practices)



## Fuji Oil Group's Value Proposition

We believe that our Group's plant-based ingredients expand food choices and contribute building a “sustainable food value chain” which represents the value we provide in realizing a sustainable future for food.

Here, we present the FY2024 achievement highlights of our efforts in Environmentally Responsible MONODUKURI (Product Development and Manufacturing Practices), an area of sustainability matters to address our material ESG issues related to a sustainable food value chain.

Visit the following links for details on the Fuji Oil Group's value proposition.

- Governance, Strategy, Risk Management, Metrics and Targets
- Integrated Report

### FY2024 Achievement Highlights

## Fuji Oil Group Environmental Vision 2030/2050

The Fuji Oil Group raised its medium- to long-term environmental targets, revising its Environmental Vision 2030 to Environmental Vision 2030/2050 with the aim of realizing a sustainable future for food.

### Fuji Oil Group Environmental Vision 2030/2050

[FY2050 target]

**GHG emissions reduction target** (base year: FY2020)

**Net zero** for Scopes 1, <sup>\*1</sup> 2<sup>\*2</sup> & 3<sup>\*3</sup> [new target]

[FY2030 targets]

#### GHG emissions reduction targets (base year: FY2020)

Scope 1 & 2:  
Reduce by  
**42%**  
[revised target]

Scope 3 (Category 1)  
:<sup>\*4</sup>  
Reduce by  
**25%**  
[revised target]

FLAG  
Reduce by  
**30.3%**  
[new target]

#### Water use reduction target (base year: FY2020)

Reduce water use per  
production volume<sup>\*5</sup>  
by  
**20%**  
[revised target]

#### Waste reduction target (base year: FY2016)

Reduce waste per  
production volume<sup>\*6</sup>  
by  
**10%**

#### Resource recycling (Group companies in Japan)

Maintain a recycling  
rate of  
**99.8%**  
or more



- \*1 Scope 1: Direct emissions of greenhouse gases from our own operations
- \*2 Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat and steam supplied by third parties
- \*3 Scope 3: Emissions from the activities of non-Group companies in our value chain
- \*4 Category 1: Indirect emissions from purchased goods and services
- \*5 Water use intensity: Volume of water use per production volume
- \*6 Waste intensity: Volume of waste generated per production volume

Registered as a TNFD Adopter

Fuji Oil Group has endorsed the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) and become a TNFD Adopter in July 2025.



Environmental Management

> Response to TCFD and TNFD Recommendations	> Policy	> Governance	> Strategy
> Risk management	> Metrics and targets		

Initiatives on Material ESG Issues

Priority action	Reduction of Food Loss and Waste and Upcycling				>
> Governance	> Strategy	> Risk management	> Metrics and targets	> Specific initiatives	

Priority action	Establishment of Circular Food Systems				>
> Governance	> Strategy	> Risk management	> Metrics and targets	> Specific initiatives	

Priority action	CO <sub>2</sub> Emissions Reduction				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					

Priority action	Water Use Reduction				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					

Priority action	Waste Reduction				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					

**Priority action** Biodiversity Conservation and Restoration



- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

## Initiatives on Other Social Issues

**Plastic Use in Product Packaging**



- > Governance
- > Basic approach
- > Specific initiatives



# Environmental Management


- ✓ Policy
- ✓ Governance
- ✓ Strategy
- ✓ Risk management
- ✓ Metrics and targets
- ✓ Assessment of climate change-related risks and opportunities and their financial impact
- ✓ Nature-related risks and opportunities across the value chain

## Managing climate- and nature-related impacts, risks and opportunities

GRI: 2-24, 27, 3-3, 101-1, 4, 201-2


	TCFD (Climate)	TNFD (Nature)	Relevant webpages												
Policy	<p>Fuji Oil Group's business operations are supported by natural capital: air, water, soil, forests, and plants. At the same time, our business activities may impact this natural capital through our supply chain. We also recognize that the adverse impacts of climate change on nature and biodiversity loss in recent years pose risks to our performance to operate our business sustainably.</p> <p>In light of our understanding of our dependencies and impacts on such natural capital, we announced a revision of our environmental vision to the Environmental Vision 2030/2050 in April 2025, building on the Basic Policy of Environmental Integrity established in 2015 and the Fuji Oil Group Policy on Biodiversity established in March 2023. This revision raises our CO<sub>2</sub> emissions and water consumption reduction targets set in the Environmental Vision 2030 formulated in 2018, with the goal of accelerating our initiatives toward a sustainable future for food across the Group.</p>		<div><div>→</div>Fuji Oil Group Basic Policy of Safety, Quality and Environment</div> <div><div>→</div>Fuji Oil Group Policy on Biodiversity</div>												
Governance	<p>From the perspective of climate- and nature-related impacts, as well other environmental and social impacts, and the Group's risks and opportunities, the Group identifies material ESG issues and assigns chief officers in charge to oversee them. The Sustainability Committee,<sup>*1</sup> an advisory body to the Board of Directors, deliberates on and monitors<sup>*2</sup> the targets and progress of each priority action. The committee then reports the results and makes recommendations to the Board. It meets at least twice a year and is chaired by the President and CEO. Its members include the COO (Director), CFO (Director), the heads of each business and functional divisions, and two outside directors who serve as ESG Advisors. The chief officers in charge of priority actions, who also oversee initiatives across divisions under Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices) and Sustainable Procurement,<sup>*3</sup> areas of sustainability matters that address material ESG issues, are as follows:</p> <table><tr><th colspan="2">Material ESG issues</th><th rowspan="2">Chief officer in charge</th></tr><tr><th>Area of sustainability matters</th><th>Priority action</th></tr><tr><td rowspan="3">Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)</td><td>Creation of Diverse Plant-based Ingredients</td><td>Head of R&amp;D Headquarters, the Executive Officer</td></tr><tr><td>Reduction and Upcycling of Food Loss and Waste</td><td>Head of R&amp;D Headquarters, the Executive Officer</td></tr><tr><td>Establishment of Circular Food Systems</td><td></td></tr></table>		Material ESG issues		Chief officer in charge	Area of sustainability matters	Priority action	Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)	Creation of Diverse Plant-based Ingredients	Head of R&D Headquarters, the Executive Officer	Reduction and Upcycling of Food Loss and Waste	Head of R&D Headquarters, the Executive Officer	Establishment of Circular Food Systems		<div><div>→</div>Fuji Oil Group Human Rights Policy</div> <div><div>→</div>Fuji Oil Group Policy on Biodiversity</div> <div><div>→</div>Fuji Oil Group Supplier Code of Conduct</div> <div><div>→</div>Responsible Palm Oil Sourcing Policy</div> <div><div>→</div>Responsible Cocoa Beans Sourcing Policy</div> <div><div>→</div>Responsible Soybeans and Soy Products Sourcing Policy</div> <div><div>→</div>Responsible Shea Kernel Sourcing Policy</div>
Material ESG issues		Chief officer in charge													
Area of sustainability matters	Priority action														
Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)	Creation of Diverse Plant-based Ingredients	Head of R&D Headquarters, the Executive Officer													
	Reduction and Upcycling of Food Loss and Waste	Head of R&D Headquarters, the Executive Officer													
	Establishment of Circular Food Systems														

	TCFD (Climate)		TNFD (Nature)	Relevant webpages
	Material ESG issues		Chief officer in charge	
	Area of sustainability matters	Priority action		
		CO <sub>2</sub> Emissions Reduction	Head of Safety, Quality and Production Technology Headquarters, the Executive Officer	
		Water Use Reduction		
		Waste Reduction		
		Biodiversity Conservation and Restoration	Head of Corporate Planning Headquarters, the Executive Officer	
	Sustainable Procurement	Biodiversity Conservation and Restoration	Head of Corporate Planning Headquarters, the Executive Officer	
		Sustainable Procurement of Palm Oil	Head of Oils & Fats Business Headquarters, the Senior Executive Officer	
		Sustainable Procurement of Cocoa	Chief Operating Officer (COO) Head of Chocolate Business Headquarters, the Senior Executive Officer	
		Sustainable Procurement of Soybeans	Head of Soy Ingredients Business Headquarters, the Executive Officer	
		Sustainable Procurement of Shea Kernels	Head of Oils & Fats Business Headquarters, the Senior Executive Officer	
<p>The Fuji Oil Group manages climate- and nature-related risks and opportunities as part of its internal control. These are discussed and managed by the Subcommittee on Group Significant Risks. Following deliberations by the newly established Fuji Oil Risk Management Committee, their results are reported and approved in the Management Committee Meeting and the Board of Directors meeting at least once a year.</p> <p>Moreover, in order to realize a sustainable future for food, we follow the relevant policies in responding to Indigenous Peoples, social minorities, local communities, and other groups who may be affected by our business operations, and strive to build a foundation for ongoing dialogue and collaboration with our stakeholders.</p> <p>Our Group also announced the endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019, and registered as a TNFD adopter<sup>*4</sup> in July 2025, endorsing the TNFD recommendations. Through disclosures aligned with the CFD and TNFD recommendations, we will contribute to the achievement of international goals such as carbon neutrality and a nature-positive world.</p> <p><a href="https://tnfd.global/engage/tnfd-adopters/">https://tnfd.global/engage/tnfd-adopters/</a></p> <p><sup>*1</sup> Governance, Strategy, Risk Management, Metrics and Targets &gt; Governance <a href="https://www.fujioil.co.jp/en/sustainability/sustainability_management/">https://www.fujioil.co.jp/en/sustainability/sustainability_management/</a></p> <p><sup>*2</sup> Skills matrix of the Directors <a href="https://www.fujioil.co.jp/en/about/governance/system/#topic03">https://www.fujioil.co.jp/en/about/governance/system/#topic03</a></p> <p><sup>*3</sup> Governance, Strategy, Risk Management, Metrics and Targets &gt; Strategy, Metrics and targets <a href="https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index">https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index</a></p>				

	TCFD (Climate)	TNFD (Nature)	Relevant webpages
	<p>*4 TNFD Adopters are organizations that commit to making public disclosures aligned with the TNFD recommendations in their corporate reporting for financial years 2024 (or earlier), or 2025.</p> <p><a href="https://tnfd.global/engage/tnfd-adopters/">https://tnfd.global/engage/tnfd-adopters/</a></p>		
Strategy GRI: 2-24	<p>In recent years, escalating climate change and biodiversity loss have led to a decline in the ecosystem services that society relies on and which underpin all economies. The global deterioration of the natural environment is seriously impacting corporate business operations and people's lives. Forest and soil degradation, biodiversity loss, higher water stress, and more frequent extreme weather events are interfering with the stable supply of the agricultural products we use as key raw materials to make our products, and are becoming a threat to our business operations.</p> <p>Our Group's businesses are benefitting from nature and ecosystem services while also affecting them through the global value chain, which includes raw material production, procurement, transportation, and product processing. We believe that changes in climate and nature are critical to our businesses in terms of both risks and opportunities. For these reasons, we strive to face these risks appropriately by working to reduce CO<sub>2</sub> emissions, conserve natural ecosystems, and use natural capital sustainably. At the same time, we have incorporated the concept of a nature-positive future*<sup>1</sup> in the development of our technologies and products. They are developed to have a positive impact on the natural environment to open up better business opportunities in the future.</p> <p>With the goal of reducing our negative impacts and creating positive impacts, we will accelerate our sustainability initiatives at each Group company based on material ESG issues*<sup>2</sup> and co-create the solutions with our stakeholders.</p> <p>*1 Nature Positive: A global goal defined as halting and reversing biodiversity loss in order to put nature on a path to recovery</p> <p>*2 Material ESG issues: Climate change, water resources, circular economy, biodiversity, sustainable procurement, and creation of sustainable food resources</p>		
	<p>We performed the climate change scenario analysis recommended by the Taskforce on Climate-related Financial Disclosures (TCFD) to select climate change risks and opportunities, and qualitatively assessed their financial impact for a major Group company in Japan in FY2019, and for eight major Group companies outside Japan in FY2020. In FY2022, we conducted a quantitative assessment of the financial impacts by conducting the scenario analysis based on 1.5°C/4°C climate scenarios instead of 2°C/4°C, with the goal of achieving a more aggressive climate intervention.</p>	<p><b>Identifying dependencies and impacts on nature:</b></p> <p>In FY2022, we classified how all of our Group's business activities relate to nature and biodiversity across the value chain. We then used ENCORE, a natural capital risk assessment tool, along with other resources to evaluate and identify key nature-related risks along two axes: (1) nature-related issues stakeholders expect the Group to address, and (2) nature-related issues that could significantly impact our business. As a result, we identified four risks as highly significant: land use conversion and soil use; impacts on ecosystems in areas surrounding farmland; GHG emissions and climate change; and water resource use and wastewater discharge. All of them are strongly linked to our palm oil and cocoa supply chains.</p> <p>In FY2023, based on the LEAP approach* developed by the Taskforce on Nature-related Financial Disclosures (TNFD), we conducted a nature-related risk analysis in</p>	<p> Biodiversity Conservation and Restoration</p>















	TCFD (Climate)	TNFD (Nature)	Relevant webpages
		<p>countries where the Group sources key raw materials, palm oil and cocoa. Through a literature review, and using location-based Geographic Information Systems (GIS), we analyzed farmlands through an integrated set of nature-related indicators to assess our dependencies and impacts on nature and ecosystem services. See “Biodiversity Conservation and Restoration” for details on the assessment results.</p> <p>Biodiversity Conservation and Restoration  <a href="https://www.fujiol.co.jp/en/sustainability/biodiversity/">https://www.fujiol.co.jp/en/sustainability/biodiversity/</a></p> <p>Palm oil and cocoa were selected for analysis based on the following points:</p> <ul style="list-style-type: none"> <li>• They are closely related to the biodiversity issues we identified in FY2022</li> <li>• They are the main raw materials for the Group’s main businesses, vegetable oils and fats and industrial chocolates, and have relatively high traceability</li> <li>• Oil palm and cocoa are included in the High Impact Commodity List of the Science Based Targets Network (SBTN)</li> </ul> <p>* LEAP approach: An integrated approach developed by the TNFD for assessing nature-related issues including interfaces with nature, nature-related dependencies, impacts, risks and opportunities</p> <p>We use WRI Aqueduct, a water-risk evaluation tool provided by the World Resources Institute (WRI), to identify catchment-level risks such as water stress or water quality and to assess water risks at our Group’s manufacturing sites. As the Aqueduct analysis conducted in FY2024 identified our production site in Belgium as being located in a basin at high risk of water stress, we continue to implement appropriate measures to reduce water withdrawal risks, including the use of canal water for industrial purposes and the recycling of wastewater. Moreover, while certain production sites in the United States, Japan, and Southeast Asia are located in areas with high risks of water pollution, all these sites comply with their respective national laws and regulations regarding wastewater discharge.</p>	

	TCFD (Climate)	TNFD (Nature)	Relevant webpages
Risk management GRI: 2-27	<p>The Group has positioned the Management Committee Meeting as its Group-wide risk management body. The committee uses information sources that reflect the Group — including risks identified by executive teams, our material ESG issues, and operational risks — to comprehensively determine the level of impact on Group business, likelihood of occurrence, and time of onset, and to select the risks that are significant to the entire Group (Group significant risks). We have developed a Group-wide risk management system aimed at managing these risks through a process of developing and implementing responsive measures, monitoring progress, evaluating results, and making improvements.</p> <p>Risks related to climate change, biodiversity and the natural environment are also identified as Group significant risks. These risks are managed through the Group-wide risk management system by assessing their degree of significance, assigning priorities to initiatives, and planning and implementing responsive measures, which are reported to the Board of Directors at least once a year.</p>		<p><a href="#">➡ Risk Management System &gt; Governance, Strategy</a></p> <p><a href="#">➡ Sustainable Procurement Management &gt; Risk management</a></p>
	Assessment of risks and opportunities		
	See the section “Assessment of climate change-related risks and opportunities and their financial impact on the Fuji Oil Group” for details.	<p>Based on materiality analyses of nature and biodiversity issues across all our business activities conducted in FY2022, we compiled potential nature-related risks<sup>*1</sup> and opportunities<sup>*2</sup> for the Group. Furthermore, in FY2023, through assessments of our dependencies and impacts using location-based analyses in palm oil and cocoa sourcing countries, we identified our nature-related risks<sup>*1</sup> and opportunities,<sup>*2</sup> and outlined countermeasures to address them.</p> <p>See the section “Nature-related risks and opportunities across the Fuji Oil Group’s value chain.”</p> <p><sup>*1</sup> Nature-related risks: Potential threats posed to an organization that arise from its and wider society’s dependencies and impacts on nature</p> <p><sup>*2</sup> Nature-related opportunities: Activities that create positive outcomes for organizations and nature through positive impacts or mitigation of negative impacts on nature</p>	
	Environmental monitoring		
	<p>Since FY2021, we have implemented environmental data collection and management systems to monitor energy efficiency, resource conservation, and the progress of reuse and recycling at each of our Group’s business locations. Environmental data are collected and analyzed monthly at our head office to track trends in GHG emissions, water use, and waste. We have also obtained third-party verification for our CO<sub>2</sub> emissions to ensure the reliability of our disclosed information.</p> <p>Third-party verification report on CO<sub>2</sub> emissions  <a href="https://www.fujioil.co.jp/en/sustainability/editorial_policy/#inspection">https://www.fujioil.co.jp/en/sustainability/editorial_policy/#inspection</a></p>		
	Environmental audits		

	TCFD (Climate)	TNFD (Nature)	Relevant webpages
	<p>The Fuji Oil Group has established environmental management systems that refer to or comply with the international standard ISO 14001, with the aim of reducing environmental risks and promoting environmental conservation efforts. Each year, ISO 14001-certified operating sites undergo verification through external audits by certification bodies and also conduct their own internal audits covering safety, quality, and environmental performance. In addition to checking for compliance with all relevant environmental laws, regulations and internal rules, internal audits also serve as opportunities to communicate to employees our initiatives to achieve Environmental Vision 2030/2050 goals and their importance, in order to foster deeper and widespread understanding. Through these overall efforts, we strengthen the foundation of our environmental conservation efforts and continuously advance, improve, and enhance our initiatives.</p> <p>At Group companies in Japan, external and internal audits in FY2024 identified a case of environmental non-compliance, which was addressed appropriately.</p> <p>Outside Japan, we conducted internal audits at four of our 18 production sites, providing guidance on areas requiring improvement to help raise compliance levels at each company. Moving forward, we will continue to work to develop our environmental management systems and enhance our auditing system.</p>		
	Acquisition of management certifications		
	<p>Group companies' achievement of ISO 14001/ ISO 50001 certifications</p> <p><a href="https://www.fujioil.co.jp/en/sustainability/authen/iso14001/">https://www.fujioil.co.jp/en/sustainability/authen/iso14001/</a></p>		
	Training		
	<p>Fuji Oil Co., Ltd. provides regular training on safety, quality, and the environment among management and staff in relevant departments of Fuji Oil Group companies outside Japan. In FY2024, the team held awareness-raising activities at four production sites of Group companies outside Japan. These activities are scheduled such that all sites are visited in a three- to four-year cycle. In Japan, we publish a monthly environment and energy newsletter on our internal messaging board and cafeteria display monitors to share updates on the progress of our environmental targets and other related information, which help raise employee awareness.</p>		
	Grievance mechanism		
	<p>The Fuji Oil Group accepts grievances from all stakeholders and takes remedial action on human rights, and other social and environmental issues through a grievance mechanism in line with our Responsible Palm Oil Sourcing Policy. We disclose all grievance cases and their progress on a quarterly basis via a publicly available grievance list on our corporate website. To comply with confidentiality obligations and unfair competition prevention laws, we ask that stakeholders contact the Group directly for more detailed information on specific cases. <a href="https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/">https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/</a></p>		
	Compliance with environmental laws and regulations		
	<p>We had one case of failure to disclose information to authorities within the required date. The case was promptly investigated, and we implemented corrective actions and measures to prevent recurrence.</p>		
Metrics and targets	Environmental Vision 2030/2050		
	<p>We revised the previous FY2030 targets and announced the Fuji Oil Group Environmental Vision 2030/2050 in April 2025.</p>		 CO <sub>2</sub> Emissions Reduction



	TCFD (Climate)	TNFD (Nature)	Relevant webpages																																							
	<p>Key revision points</p> <ul style="list-style-type: none"><li>• Set a new net zero GHG target for FY2050 across the entire value chain, including our own sites</li><li>• Revised our previous CO<sub>2</sub> emissions reduction targets for FY2030 (approved SBT of well below 2°C) to the SBT 1.5°C standard for all GHGs</li><li>• Set a new FLAG target for FY2030</li><li>• Raised our FY2030 target for water use</li></ul> <p>New targets (revised targets)</p> <table><tr><td></td><td>FY2050 target</td></tr><tr><td>GHG emissions (base year: FY2020)</td><td>Scopes 1, 2 &amp; 3: Net zero in total (All Group companies)</td></tr><tr><td></td><td>FY2030 targets</td></tr><tr><td rowspan="3">GHG emissions (base year: FY2020)</td><td>Scopes 1 &amp; 2*<sup>1</sup>: 42% reduction in total (All Group companies)</td></tr><tr><td>Scope 3 (Category 1*<sup>2</sup>): 25% reduction in total (All Group companies)</td></tr><tr><td>FLAG: 30.3% reduction in total emissions (All Group companies)</td></tr><tr><td>Water use (base year: FY2020)</td><td>20% reduction in water use intensity (All Group companies)</td></tr><tr><td>Waste (base year: FY2016)</td><td>10% reduction in waste intensity (All Group companies)</td></tr><tr><td>Resource recycling</td><td>Maintain a recycling rate of at least 99.8% (All Group companies in Japan)</td></tr></table> <p>*1 Scope 1: Direct emissions of greenhouse gases from our own operations Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat and steam supplied by third parties</p> <p>*2 Scope 3: Of emissions from the activities of non-Group companies, Category 1 refers to the indirect emissions from purchased goods and services</p> <p>Note that Sustainability Report 2025 reports on performance for the previous fiscal year compared to our previous targets. From Sustainability Report 2026, we will report on our progress relative to the revised targets.</p> <p>Performance on previous targets:</p> <table><tr><td></td><td>2030 targets*<sup>1</sup></td><td>FY2024 results</td><td>Progress</td></tr><tr><td rowspan="2">CO<sub>2</sub> emissions (base year: FY2016)</td><td>Scopes 1 &amp; 2: 40% reduction in total (All Group companies)</td><td>31% reduction</td><td>78%</td></tr><tr><td>Scope 3 (Category 1): 18% reduction in total CO<sub>2</sub> emissions (All Group companies*<sup>1</sup>)</td><td>16% increase</td><td>Not achieved</td></tr><tr><td>Water use (base year: FY2016)</td><td>20% reduction in water use intensity (All Group companies*<sup>2</sup>)</td><td>36% reduction</td><td>180%</td></tr><tr><td>Waste (base year: FY2016)</td><td>10% reduction in waste intensity (All Group companies*<sup>2</sup>)</td><td>23% reduction</td><td>230%</td></tr><tr><td>Resource recycling</td><td>Maintain a recycling rate of at least 99.8% (All Group companies in Japan)</td><td>99.84%</td><td>100%</td></tr></table>			FY2050 target	GHG emissions (base year: FY2020)	Scopes 1, 2 & 3: Net zero in total (All Group companies)		FY2030 targets	GHG emissions (base year: FY2020)	Scopes 1 & 2* <sup>1</sup> : 42% reduction in total (All Group companies)	Scope 3 (Category 1* <sup>2</sup> ): 25% reduction in total (All Group companies)	FLAG: 30.3% reduction in total emissions (All Group companies)	Water use (base year: FY2020)	20% reduction in water use intensity (All Group companies)	Waste (base year: FY2016)	10% reduction in waste intensity (All Group companies)	Resource recycling	Maintain a recycling rate of at least 99.8% (All Group companies in Japan)		2030 targets* <sup>1</sup>	FY2024 results	Progress	CO <sub>2</sub> emissions (base year: FY2016)	Scopes 1 & 2: 40% reduction in total (All Group companies)	31% reduction	78%	Scope 3 (Category 1): 18% reduction in total CO <sub>2</sub> emissions (All Group companies* <sup>1</sup> )	16% increase	Not achieved	Water use (base year: FY2016)	20% reduction in water use intensity (All Group companies* <sup>2</sup> )	36% reduction	180%	Waste (base year: FY2016)	10% reduction in waste intensity (All Group companies* <sup>2</sup> )	23% reduction	230%	Resource recycling	Maintain a recycling rate of at least 99.8% (All Group companies in Japan)	99.84%	100%	<div><a href="#">→</a> Water Use Reduction</div> <div><a href="#">→</a> Waste Reduction</div> <div><a href="#">→</a> Sustainable Procurement of Cocoa</div> <div><a href="#">→</a> Sustainable Procurement of Shea Kernels</div>
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	<p>*1 Calculated emissions for FY2016 using emissions factors of LCI database IDEA ver. 3.3. Recalculated emissions for FY2023 and FY2024 using emissions factors of LCI database IDEA ver. 3.4.</p> <p>*2 Excluding Fuji Brandenburg GmbH (Germany)</p> <p>NOTE: Scope of the Group is as of March 31, 2025. See the List of Fuji Oil Group Companies: <a href="https://www.fujioil.co.jp/pdf/en/sustainability/download/esg2025.pdf#page=14">https://www.fujioil.co.jp/pdf/en/sustainability/download/esg2025.pdf#page=14</a> </p>																						
	Nature-related targets in countries producing our major raw materials																						
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	<p>*1 NDPE: No Deforestation, No Peatland Development and No Exploitation</p> <p>*2 DCF: Deforestation and Conversion Free</p> <p>*3 RTRS: Round Table on Responsible Soy Association</p> <p>TNFD core global disclosure metrics  <a href="https://tnfd.global/publication/tnfd-v0-4-annex-4-3/">https://tnfd.global/publication/tnfd-v0-4-annex-4-3/</a></p>																						
	Analysis																						
	<p>The updated planetary boundaries* (2023) revealed that six of the nine planetary systems' boundaries have already been exceeded. Recognizing the growing urgency to mitigate climate change and prevent deforestation amid the planetary-scale risks posed by the degradation of our natural environment, we set new environmental goals in FY2024.</p> <p>We revised our existing FY2030 CO<sub>2</sub> emissions reduction targets, setting FY2030 targets for GHG emissions under Scope 1 &amp; 2 and Scope 3 in line with a net zero goal by FY2050 and the 1.5°C pathway defined by the SBTi. We also set a new FY2030 FLAG target to account for land-</p>																						

	TCFD (Climate)	TNFD (Nature)	Relevant webpages
	<p>related GHG emissions.</p> <p>Additionally, we set a goal of achieving zero deforestation and land conversion across our palm oil supply chain by 2025, in line with the Guidance on the Forest Positive PPP Roadmap established by the Accountability Framework Initiative (AFI) and the Consumer Goods Forum (CGF), a global consumer goods industry coalition.</p> <p>* Planetary boundaries: A framework that identifies the safe operating range for humanity for nine global change processes. Crossing these boundaries leads to irreversible environmental changes. Nine processes have been defined as indicators for determining the Earth's limits: climate change, stratospheric ozone depletion, ocean acidification, biosphere integrity, modification of biogeochemical flows, freshwater change, land-system change, novel entities, and atmospheric aerosol loading. In the latest update, boundaries have been exceeded for six processes: climate change, biosphere integrity, biogeochemical flows, freshwater change, land-system change, and novel entities.</p>		
	CO <sub>2</sub> emissions (Scope 1 & 2)		
	<p>Scope 1 and 2 emissions in FY2024 were 31% lower than the base year, an improvement of one percentage point from the previous fiscal year's 30% reduction. This represents a 78% achievement rate relative to our target by FY2030. In Japan, our operating sites have been switching to carbon-free electricity and working to reduce energy loss. Group companies outside Japan are also continuing to reduce energy use through activities such as power saving and facility maintenance.</p>		
	CO <sub>2</sub> emissions (Scope 3 Category 1)		
	<p>Scope 3 (category 1) emissions in FY2024 increased by 16% (base year: FY2016), an improvement of five percentage points from the previous fiscal year's 21% reduction. This represents a 0% achievement rate relative to our target by FY2030. We have engaged with suppliers in and outside Japan with the aim of achieving our reduction targets.</p>		
	Water use (intensity)		
	<p>Water use intensity in FY2024 was 36% lower than the base year (FY2016), an improvement of three percentage points from the previous fiscal year's 33% reduction. This represents a 180% achievement rate relative to our reduction target by FY2030. We reviewed our water use optimization at production lines in and outside Japan, and worked on initiatives to reuse water. All these actions contributed to the reduction in our water usage.</p>		
	Waste (intensity)		
	<p>Waste intensity in FY2024 was 23% lower than the base year (FY2016), an improvement of eight percentage points from the previous fiscal year's 15% reduction. This represents a 230% achievement rate relative to our target by FY2030. We lowered the minimum amount of bleaching earth added at Fuji Oil Co., Ltd., updated production line cleaning methods at production sites outside Japan, changed waste disposal contractors, and other measures, all of which contributed to the reduction in our volume of waste.</p>		
	Resource recycling		
	<p>The resource recycling rate in FY2024 was 99.84%, a decline of 0.01 percentage point from the previous fiscal year's 99.85%. However, this means that we achieved our target of 99.8% or higher. We will continue to promote recycling by sorting waste more thoroughly.</p>		
	Reforestation and forest protection & conservation		

	TCFD (Climate)	TNFD (Nature)	Relevant webpages
	Visit the following links for details on ensuring traceability of our raw materials and our progress in preventing deforestation and tree planting in countries producing these raw materials.		<a href="#">→ Sustainable Procurement of Palm Oil</a> <a href="#">→ Sustainable Procurement of Cocoa</a> <a href="#">→ Sustainable Procurement of Soybeans</a> <a href="#">→ Sustainable Procurement of Shea Kernels</a>
	External recognition		
	<ul style="list-style-type: none"> <li>• “A” rating from CDP in 2024 for water security, and “A-” rating for forests</li> <li>• Selected among the top 350 Asia-Pacific Climate Leaders 2024</li> </ul>		<a href="#">→ External Recognition</a>

## Assessment of climate change-related risks and opportunities and their financial impact on the Fuji Oil Group

GRI: 201-2

Level of impact

The level of impact categories — small, medium, and large — refers to the magnitude of financial impact that is projected to occur around the year 2050 based on estimates that assume a certain set of conditions, including but not limited to the Fuji Oil Group's current business portfolio, financial condition, and business performance. This financial impact assessment is based on these impact categories and therefore is subject to change.

- Large: Potential profit impact of 10 billion yen or more
- Medium: Potential profit impact of 2 billion yen to less than 10 billion yen
- Small: Potential profit impact of less than 2 billion yen

Risks

				Assessment of financial impact around 2050					
Item		Details	Financial impact	1.5°C scenario			4°C scenario		
				Details			Details		
Transition risks	Policy & regulations	Risk of increased cost of complying with environmental regulations	Increased cost due to adoption of carbon taxes	Environmental regulations around the world are tightened to address climate change, and costs increase due to the following factors. •Introduction of carbon taxes, carbon border adjustment mechanisms (CBAM), emissions trading systems (ETS) and other schemes in countries where Group companies are located.  •Capital investment and depreciation of existing assets for reducing greenhouse gas emissions, including replacing gasoline, diesel, and other fossil fuels used in logistics vehicles and fossil fuels used for electricity and for boiler operation in certain production processes with renewable energy sources.			Compared to the 1.5°C scenario, environmental regulations for addressing climate change are not tightened as much and carbon taxes are smaller. However, carbon taxes may be levied in countries where Group companies are located, resulting in increased costs.		
				Time of onset	Duration of impacts	Impact level	Time of onset	Duration of impacts	Impact level
				Within 5 years	Longer than 10 years	5.8 billion yen <sup>1)</sup>	Within 10 years	Longer than 10 years	0.9 billion yen <sup>2)</sup>
	<b>Response approach</b> <b>● Comply with greenhouse gas (GHG) emissions reduction targets by implementing Environmental Vision 2030/2050</b> •For GHG emissions reduction, we have set a 42% reduction of Scopes 1 <sup>3)</sup> and 2 <sup>4)</sup> emissions, a 25% reduction of Scope 3 <sup>3)</sup> (Category 1 <sup>3)</sup> ) emissions, and a 30.3% reduction of FLAG <sup>7)</sup> -related emissions as FY2030 targets (base year: FY2020). We aim to achieve net zero for Scopes 1, 2, and 3 emissions as our FY2050 target. •To achieve our Environmental Vision 2030/2050 and promote further reduction of GHG emissions throughout the Group, we will work on energy conservation initiatives, adopt new facilities that use less energy, and utilize renewable energy at production sites. We will also improve the accuracy of our Scope 3 emissions data, devise ways to reduce the large volume of Category 1 emissions, and conduct briefings and information campaigns within the Group. Furthermore, we will promote a shift from fossil fuels to non-fossil fuels in line with wider trends in infrastructure development. <b>● Introduce internal carbon pricing* to all Group companies</b> •We plan to incorporate internal carbon pricing into our investment planning, to incentivize energy-saving initiatives, and to guide investment decision-making.								
	Reputation	Risks associated with deforestation and parkland loss in our supply chain	Increased cost associated with enhanced supplier engagement and lost sales due to suspended transactions from major customers	Costs will increase and sales will decline due to the following risks associated with deforestation and loss of parkland in the supply chain of the Group's major raw materials (e.g., palm oil, cocoa, soybeans, shea kernels). •Increased cost associated with strengthening engagement with suppliers to ensure that deforestation and parkland loss, which increase atmospheric CO <sub>2</sub> concentrations and exacerbate climate change, do not occur. •As more and more people place greater priority on environmental problems, stricter environmental regulations are introduced and public awareness of the need for action to conserve the environment grows. The Group faces criticism and damage to its reputation when deforestation and parkland loss occur in its supply chain. Moreover, if such actions by suppliers are prohibited in a contract between the Group and its customer, the Group may be liable for damages and its business dealings may be terminated due to a breach of contract with the customer. •Under the EU Regulation on Deforestation Free Products (EUDR), violations on products traded within the EU are subject to penalties such as fines and confiscation of income and products. Moreover, if a contract with a customer requires compliance with the EUDR, the Group may be liable for damages, including the penalties imposed on the customer, and its business dealings may be terminated due to a breach of contract.			Compared to the 1.5°C scenario, increased costs associated with strengthening supplier engagement is limited. The Group makes advances as necessary in purchasing raw materials from suppliers that are implementing appropriate environmental conservation based on the Group's sustainable sourcing policies. On the other hand, as little progress has been made in raising public awareness around sustainability, society is left with no choice but to keep a high tolerance for climate change risks, which potentially reduces the Group's need to strengthen supplier engagement on its own.		
				Time of onset	Duration of impacts	Impact level	Time of onset	Duration of impacts	Impact level
				Within 5 years	Longer than 10 years	Medium	At least 11 years from now	Longer than 10 years	Small
	<b>Response approach</b> <b>● Strengthen efforts to prevent or mitigate environmental risks in the supply chain based on the Group's sourcing policies</b> •For palm oil, we will improve traceability with the aim of achieving 100% traceability to palm oil mills and 100% traceability to plantations, as well as promote efforts that improve the supply chain with the aim of solving environmental problems at palm oil production sites (plantations), based on our medium- to long-term goals for sustainable procurement of palm oil. Our aim is to achieve No Deforestation, No Peatland Development, and No Exploitation (NDPE) as stated in the Group's Responsible Palm Oil Sourcing Policy. •For cocoa, we will plant one million trees on cocoa-growing regions by 2030 to promote efforts that reduce the negative impact on forests, based on our medium- to long-term goals for sustainable procurement of cocoa. Our aim is to achieve sustainable cocoa procurement as stated in the Group's Responsible Cocoa Beans Sourcing Policy. •For soybeans, we are working to achieve traceability to the community level, No Deforestation and No Exploitation, and 100% procurement of RTRS (Round Table on Responsible Soy Association)-certified products or products certified to equivalent standards. •For shea kernels, we are working to plant 6,000 trees per year and achieve 75% traceability to the village level, with the goals of conserving forests and supporting women's empowerment. <b>● Fully disseminate the Supplier Code of Conduct</b> •We have developed a Supplier Code of Conduct to serve as a high-level policy to existing guidelines and policies for communicating the Group's overall approach to procurement to all suppliers. The code urges suppliers to comply with a list of basic principles (e.g., environmental conservation) and to devise preventive and remedial measures for identifying code violations and making improvements.								
Physical risks	Acute risks	Risk of more severe natural disasters due to extreme weather	Losses incurred by Group companies from storms and floods	More frequent and intense storms and floods cause damage and suspend operations at the Group, such as Fuji Oil Co., Ltd., with plants in Japan, which is prone to typhoon damage, and Fuji Vegetable Oil, with plants in Savannah, Georgia, U.S., which are prone to hurricane damage.			Storms and floods of even greater frequency and intensity than in the 1.5°C scenario cause greater devastation and suspend operations at the Group, such as Fuji Oil Co., Ltd. with plants in Japan, which is prone to typhoon damage, and Fuji Vegetable Oil, with plants in Savannah, Georgia, U.S., which are prone to hurricane damage.		
				Time of onset	Duration of impacts	Impact level	Time of onset	Duration of impacts	Impact level
				At least 11 years from now	Longer than 10 years	Medium	Within 10 years	Longer than 10 years	Large
	<b>Response approach</b> <b>● Formulate a BCP incorporating a mutually supportive framework between Group companies, prepare a response manual in the event of a crisis, and encourage risk transfer through the use of insurance</b>								
	Chronic risks	Risk of global shortages of major raw materials and soaring prices	Sales decline due to decrease in procurable volume of major raw materials	The following factors cause a decline in yields and supply shortages of major raw materials procured by the Group (e.g., palm oil, cocoa, soybeans, shea kernels), making it impossible to procure some of the raw materials needed, disrupting the manufacture of Group products, and causing a decline in sales. •Impacts from extreme weather events (e.g., heat waves, droughts, increased annual precipitation, rainstorms) and natural disasters •Increased demand caused by global population growth •With more people in society placing greater priority on environmental problems, greater restrictions on forest development and new agricultural methods such as regenerative agriculture are introduced, limiting the amount of farmland to a level that cannot meet the needs of a larger global population.			The following factors cause a major decline in yields and major supply shortages of major raw materials procured by the Group (e.g., palm oil, cocoa, soybeans, shea kernels), making it impossible to procure most of the raw materials needed, significantly disrupting the manufacture of Group products, and causing a dramatic decline in sales. •Impacts from extreme weather events (e.g., heat waves, droughts, increased annual precipitation, rainstorms) and natural disasters exceeding those in the 1.5°C scenario •The rise in the average global temperature shifts the location of arable lands and reduces the amount of land suitable for cultivating the Group's major raw materials. •Increased demand caused by global population growth		
				Time of onset	Duration of impacts	Impact level	Time of onset	Duration of impacts	Impact level
				Within 10 years	Longer than 10 years	Medium	At least 11 years from now	Longer than 10 years	Medium
	<b>Response approach</b> <b>● Improve sustainability of raw material procurement and strengthen supply sources</b> •Carry out our Group programs, including supplier engagement, agricultural support for farmers to improve farm yields and increase productivity, and farming guidance •Diversify our raw materials •Encourage boosting productivity through breeding research, in collaboration with academic institutions, governments, and industries								

\*8 Internal carbon pricing: An internal scheme for promoting low-carbon investment and initiatives by placing a price on carbon based on estimates conducted within the organization.

## Opportunities

[illegible]





\*1 One Health: A concept recognizing the fact that safeguarding the health of ecosystems and animals serves the health of humans as well, inviting everyone to think of and work to protect the health of people, animals and ecosystems as one living system.

\*2 PBF: Plant-based food

## Nature-related risks and opportunities across the Fuji Oil Group's value chain

GRI: 304-2


Type	No.	Risk/ Opportunity	Potential impacts	Risk reduction	Opportunity creation	Strategies (○: Risk reduction, ◎: Opportunity creation)
Transition risks	Policy & Regulations	1	Tougher enforcement of regulations, new regulations	●		○ Keep informed of the various regulations and share with everyone concerned ○ Cooperate with external stakeholders on laws and regulations (e.g., EUDR)
		2	Soaring raw material prices, unstable raw material supply	●	●	○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup> ◎ Increase suppliers' understanding of certification systems and strengthen supply system <sup>4,9</sup>
	Market	3	Exclusion from business dealings	●		○ Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor <sup>5,7</sup> ○ Promote initiatives to prevent deforestation and restore forests <sup>5,7,8</sup> ○ Reduce impact on ecosystems in farmlands and surrounding areas, reduce chemical use <sup>5,7,10</sup> ○ Raise awareness and conduct capacity building of stakeholders <sup>5,7,8</sup>
		4	Lower competitiveness due to inadequate response to change in consumer behavior and environmental concerns	●	●	○ Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor <sup>5,7</sup> ○ Implement measures to manage reputational risks in partnership with NGOs <sup>6</sup> ◎ Promote business strategies that take advantage of changes in social trends as opportunities ◎ Enhance initiatives to address food-related issues
	Technology	5	Development and spread of alternative biological resources	●	●	◎ Offer sustainable food using plant-based ingredients <sup>11</sup> ◎ Explore new alternative raw materials <sup>12</sup> ○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
	Reputation	6	Damage to reputation among consumers and society	●	●	○ Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor <sup>5,7</sup> ○ Implement measures to manage reputational risks in partnership with NGOs <sup>6</sup> ○ Promote initiatives to prevent deforestation and restore forests <sup>5,7,8</sup> ○ Reduce impact on ecosystems in farmlands and surrounding areas, reduce chemical use <sup>5,7,10</sup> ○ Raise awareness and conduct capacity building of stakeholders <sup>5,7,8</sup> ◎ Disclosure of high-quality information on nature-related risks and opportunities
		7	Damage to reputation among investors			
Physical risks	Acute risks	8	Unintentional introduction of invasive species and GMO crops	●	●	○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup> ◎ Explore new alternative raw materials <sup>12</sup> ◎ Reduce number and distance of transportation
		9	Increase in flooding and storm surges	●		○ Enhance the resilience of our business sites ○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
	Physical risks	10	Biological resource depletion	●	●	◎ Promote initiatives to conserve and restore biological resources <sup>7,8</sup> ○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
		11	Water resource depletion, pollution from wastewater	●	●	◎ Promote initiatives to conserve and restore water resources <sup>7,8</sup> ○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
		12	Lower farmland productivity	●	●	◎ Promote initiatives to conserve and restore farmland productivity <sup>7,8</sup> ○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
		13	Dairy cattle grazing and excrement	●		○ Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies <sup>3</sup>
		14	Decline in raw material harvest due to decrease in pollinators	●		
Systemic risks		15	Ecosystem destabilization	●		

- \*1 Potential regulations on land use, water use, pesticides, chemical substances, plastics, waste, greenhouse gas (GHG) emissions, water/soil/air pollution, mandatory due diligence on raw materials, other new regulations, among others
- \*2 Potential regulations on land use, water use, pesticides, chemical substances, plastics, waste, greenhouse gas (GHG) emissions, water/soil/air pollution, among others
- \*3 Sustainable Procurement Management  
<https://www.fujioil.co.jp/en/sustainability/procurement/>
- \*4 Notice of Establishment of Joint Venture Company by Consolidated Subsidiary  
[https://www.fujioil.co.jp/en/pdf/news/2024/240125\\_en.pdf](https://www.fujioil.co.jp/en/pdf/news/2024/240125_en.pdf) 
- \*5 Sustainable Procurement of Palm Oil  
[https://www.fujioil.co.jp/en/sustainability/palm\\_oil/](https://www.fujioil.co.jp/en/sustainability/palm_oil/)
- \*6 FUJI OIL GROUP Grievance Mechanism  
[https://www.fujioil.co.jp/en/sustainability/grievance\\_mechanism/](https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/)
- \*7 Sustainable Procurement of Cocoa  
<https://www.fujioil.co.jp/en/sustainability/cocoa/>
- \*8 Sustainable Procurement of Shea Kernels  
[https://www.fujioil.co.jp/en/sustainability/she\\_kernel/](https://www.fujioil.co.jp/en/sustainability/she_kernel/)
- \*9 Sustainable Procurement of Soybeans  
<https://www.fujioil.co.jp/en/sustainability/soy/>
- \*10 Reduction and Upcycling of Food Loss and Waste > Expanding the use of upcycled product SoyBio MA to treat polluted soil  
[https://www.fujioil.co.jp/en/sustainability/food\\_loss/#attempt](https://www.fujioil.co.jp/en/sustainability/food_loss/#attempt)
- \*11 Creation of Diverse Plant-based Ingredients  
[https://www.fujioil.co.jp/en/sustainability/food\\_resources/](https://www.fujioil.co.jp/en/sustainability/food_resources/)
- \*12 Palm oil substitute derived from oleaginous yeast achieved world-leading production volume (98 g/l) (in Japanese)  
<https://www.fujioil.co.jp/pdf/news/2022/20221004Newsrelease.pdf> 

## Related documents

ESG Data Book (PDF 411KB) 

# Reduction of Food Loss and Waste and Upcycling

 Material Issue  
Environmentally Responsible MONOZUKURI  
(Product Development and Manufacturing Practices)

✓ Governance   ✓ Strategy   ✓ Risk management   ✓ Metrics and targets   ✓ Specific initiatives

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Reduction of Food Loss and Waste and Upcycling, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of R&D Headquarters, the Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

As a manufacturer of food materials and ingredients, the Fuji Oil Group recognizes the efficient use of limited food resources as a material issue, given the concerns over future food supply posed by global population growth, climate change, and biodiversity loss. Food loss and waste reduction is an explicitly defined target of Goal 12 of the SDGs, and we view them as significant challenges for global society. It is the responsibilities of companies to respond to these challenges, and failure to do so will increase the risk of a decline in social reputation. We believe that successfully addressing food loss and waste will be economically beneficial, leading to a reduction in product cost including the cost of waste processing.

As a manufacturer of intermediate food materials, our Group provides products that help extend the best-before date of our customers' products to in turn reduce end consumers' food waste, and also aims to effectively use resources through upcycling.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices), an area of sustainability matters that address the material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Strategy/ Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

We are working on the following research and development initiatives in order to keep up with ever-changing social needs and address issues:

- Offer customers product concepts and application formulas in a single package that helps resolve social issues

## Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Develop technologies and products to maintain food quality longer and extend best-before dates	Ten products launched using technologies including advances in cream freezing/thawing techniques, and a unique fermentation technique to improve the flavor of cheese	○
Seek new functions and value through proactive and effective use of waste	Development and initial adoption of applications for soybean fiber and soy polysaccharides	○

## Analysis

Our new types of cream, which help extend best-before dates of customers' products, have been adopted by several companies as a result of customers' better knowledge and cooperation in maintaining product quality. A customer has also obtained new sales opportunities by expanding the food product lineup.

## Next steps

We will focus our efforts on developing ingredients and technologies that maintain the "freshly made" quality of foods. We will also search for ways to make good use of what is typically discarded as waste. In FY2025, we will continue working on the following goals set in FY2024:

- Develop technologies and products to maintain food quality longer and extend best-before dates
- Seek new functions and value through proactive and effective use of waste

## Specific initiatives

### Developing ingredients that sustain food quality

Extending the best-before dates of products is one of the key measures promoted by the Japanese government to reduce food waste. By providing technologies and materials that maintain quality, Fuji Oil Co., Ltd. makes retort pouch foods and other non-perishable food products more delicious and varied, which also helps reduce food waste.

With recent labor shortages and measures against food waste, there is rising demand for chilled desserts (Western-style confectionaries) that are pre-frozen for storage and thawed before sale. This has led to a requirement for whipped cream that can withstand frozen storage. In response to this demand, by combining multiple vegetable oil and fats ingredients with our own emulsifying technology, in FY2024 we successfully developed a whipped cream with frozen storage resistance, which is rapidly being adopted in the market.

Wishing to make the delicious taste of mature cheese accessible to more people, we have developed our own fermentation process, which has taken over a decade of research. Using this process, we have created Honjuku® Fromage P, an easy-to-handle product providing a similar flavor profile to aged cheese together with a natural Parmigiano Reggiano-like aroma without relying on flavorings. Honjuku® Fromage P is highly rated by customers for its ability to create an intense cheese taste using only a small amount.



Honjuku® Fromage P



Example dishes: Pasta with cheese  
sauce



Cheesecake

## Expanding the use of upcycled product SoyBio MA to treat polluted soil

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Fuji Oil Co., Ltd. has been providing nutritious food ingredients like soy meat, soy proteins and soy peptides for many years. The processing of these food ingredients produces soy whey as a by-product, which is rich in natural nutrients and produced after separating and heat-concentrating the proteins from soybeans. We have upcycled this soy whey to produce and market SoyBio MA, a resource-recycling bioremediation\* agent for detoxifying polluted soils (Distributor: Shoei Yakuhin Co., Ltd.). SoyBio MA works by serving as a source of nutrition for microorganisms that break down toxic substances. The product is especially effective in bioremediation of industrial brownfield sites that have been polluted by volatile organic compounds (VOCs) and oil. SoyBio MA also has a lower price than other soil amendments in the market, helping to reduce project costs. It is being steadily adopted in several projects per year, such as in the purification of contaminated groundwater.


The VOC purification method using SoyBio MA has been recognized by Tokyo Metropolitan Government as a technology to prevent the spread of groundwater contamination (FY2024). We aim to use this as an opportunity to promote more widespread use of this purification method.



SoyBio MA

\* Bioremediation: A process of harnessing the natural activity of microorganisms to remediate polluted soil

# Establishment of Circular Food Systems

 Material Issue  
Environmentally Responsible MONOZUKURI  
(Product Development and Manufacturing Practices)

✓ Governance   ✓ Strategy   ✓ Risk management   ✓ Metrics and targets   ✓ Specific initiatives

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Establishment of Circular Food Systems, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of R&D Headquarters, the Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

A circular food system refers to a mechanism that reduces environmental impact by circulating and utilizing limited resources at all stages, from the production of raw materials to food manufacturing, processing, distribution, consumption and disposal.

The mass consumption and disposal of food hinders the effective use of resources and increases the burden of waste management. This exacerbates climate change and can also have a damaging impact on nature.

Our Group is aiming to reduce the environmental impact across our product supply chain. We believe it is vital to evaluate and effectively reduce the environmental impact not only in raw material procurement and our own manufacturing processes, but throughout the entire product supply chain including at the stage at which customers process our products. As part of our efforts to minimize our environmental footprint, we are cognizant of the fact that utilizing CO<sub>2</sub> emissions during the raw material cultivation process contributes to reducing CO<sub>2</sub> emissions in the product manufacturing process when we implement such initiatives continuously. Failure to address these issues will increase risk in all areas, including in raw material procurement, logistics, and manufacturing, as well as resulting in biodiversity loss caused by climate change-driven extreme weather events. Conversely, responding to these issues will become an opportunity to achieve a sustainable raw material supply through environmental conservation, reduce costs by streamlining production processes, and cultivate trust among stakeholders.

Starting from our own manufacturing processes, we will work to develop processing technologies with a low environmental impact and that help us achieve our reduction targets of GHG emissions, water usage, and waste outlined in our Environmental Vision 2030/2050.\* We also conduct assessments of all our business activities from a wider point of view, such as on environmental conservation during the production process of raw materials, and aim to reduce environmental impacts throughout the entire product lifecycle by leveraging technological innovation.

\* Environmental Vision 2030/2050

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)



## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices), an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Strategy/ Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

We are aware of the risk associated with the changes in the market environment owing to the creation of innovative new technologies by other organizations. Those changes may erode the Group's technological superiority in establishing circular food systems, and lead to the loss of our market competitiveness. As a countermeasure, we will strengthen our ability to respond to the changing market environment by expanding our business and research areas through technology development in collaboration with various external organizations.

## Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Select soybean varieties suitable for increasing yields with CO <sub>2</sub> fertilization	Identified high-yield soybean varieties that demonstrated the potential to fix (recycle) more CO <sub>2</sub>	○
Investigate cultivation conditions at medium-scale facilities	Conducted cultivation tests using the plant factory facilities owned by Kyushu Electric Power Co., Inc., and obtained cultivation data from multi-layer hydroponics under controlled environments	○

## Analysis

With the aim of establishing a circular food system targeting the soybeans used as a raw material in our products, we are undertaking a project that involves capturing CO<sub>2</sub> emitted from a waste incineration facility and using it as fertilizer for soybeans cultivated in plant factories, thereby promoting soybean growth and making effective use of CO<sub>2</sub> emissions. In the future, we plan to utilize the carbon dioxide separation and capture equipment already installed at a waste incineration facility in Saga City to develop technology for cultivating soybeans using the captured CO<sub>2</sub>. Using the Group's processing technology, we hope to make the soybeans grown widely available in the market as a sustainable product. In this project, establishing the underlying cultivation technology will be front of mind as we press ahead with research and development.

Achieving soybean cultivation in a plant factory requires a higher level of productivity compared to outdoor cultivation. We ran tests in a plant factory facility where we expect actual cultivation to take place and collected data on the impact of the cultivation environment on soybean growth. In doing so, we have acquired the data we need to ensure optimal environmental control for plant factory cultivation. In the future, we will conduct cultivation tests using the selected optimal soybean varieties and examine the cultivation conditions to improve productivity.

## Next steps

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We aim to reduce our environmental impact by utilizing CO<sub>2</sub> emissions. Our present challenge is to improve soybean productivity for commercialization. To address this issue, we set the following goals for FY2025:

- Verify cultivation in a medium-scale plant factory under CO<sub>2</sub> fertilization conditions

### Specific initiatives

## Research project on soybean cultivation in Japan utilizing carbon emissions from a waste incineration facility

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Developing technology that helps address shortages in food resources caused by climate change and population growth is an important issue for our Group. To counter the recent price increases in food and energy resources, and from the standpoint of food security, we believe that providing delicious, healthy, and sustainable foods that use domestic crops is indispensable.

To that end, in May 2022, we launched a joint research project with Saga City, Saga University, and ITOCHU ENEX Co., Ltd. to utilize CO<sub>2</sub> in the production of soybeans in Japan. So far, we have conducted research on improving soybean growth speed and quality with CO<sub>2</sub> fertilization, as well as the selection of suitable varieties and the development of cultivation techniques to enhance growth. As a result of these research activities, we achieved an increase of up to approximately three times<sup>\*1</sup> the average yield of soybeans in Japan in 2023, which is 169 kg per 1,000 m<sup>2</sup> (according to Japan's Ministry of Agriculture, Forestry and Fisheries crop statistics).

Based on our research results so far, we will continue to undertake research aimed at further boosting yields by implementing more precise environmental controls<sup>\*2</sup> with the cooperation of Kyushu Electric Power Co., Inc. at their research facilities, in addition to the testing facilities established at the Saga University campus.

<sup>\*1</sup> Assuming a full harvest based on the conversion of the testing area to 1,000 m<sup>2</sup>.

<sup>\*2</sup> Environmental controls refer to the control of various factors that make up the environment, such as temperature, humidity, and oxygen and carbon dioxide concentrations.



Exterior of the Kyushu Electric Power Co., Inc. research facility  
(Saga City)



Cultivation inside the plant factory

# CO<sub>2</sub> Emissions Reduction



Material Issue

Environmentally Responsible MONOZUKURI  
(Product Development and Manufacturing Practices)

✓ Policy   ✓ Governance   ✓ Strategy   ✓ Risk management   ✓ Metrics and targets   ✓ Specific initiatives

## Policy

The Fuji Oil Group established the Basic Policy of Environmental Integrity in 2015.

Fuji Oil Group Basic Policy of Safety, Quality and Environment

[https://www.fujioil.co.jp/en/sustainability/policy/basic\\_policy/](https://www.fujioil.co.jp/en/sustainability/policy/basic_policy/)

## Governance

The Fuji Oil Group has established the Sustainability Committee as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors CO<sub>2</sub> Emissions Reduction, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. Under the oversight of the Head of Safety, Quality and Production Technology Headquarters, the Executive Officer, the Group implements related initiatives to achieve the Environmental Vision 2030/2050.<sup>\*3</sup>

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

\*3 Environmental Management > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#index](https://www.fujioil.co.jp/en/sustainability/environmental_management/#index)

## Strategy

While global efforts on decarbonization are gaining momentum, the 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change called for improved effectiveness and transparency of mitigation and adaptation measures by each country and region in reducing CO<sub>2</sub> emissions. On the other hand, there are concerns about revisions to environmental regulations in some regions and a retreat in attitudes toward climate change measures. Even under such circumstances, we recognize that it is indispensable for the Group to work on greenhouse gas (GHG) emissions reduction and tackle climate change, as we operate benefitting from nature in the use of agricultural products as primary raw materials, and use energy at production sites around the world. Without progressive climate change mitigation, our Group will face greater risk of exposure to natural disasters as well as other increased risks such as reduced raw material yield impacting stable procurement, carbon taxes, and other environmental regulations restricting our business activities. At the same time, stronger initiatives to help bring about a decarbonized world can create opportunities for lowering energy costs and encouraging sustainable corporate growth.

In recognizing this, we have revised our environmental vision targets related to CO<sub>2</sub> Emissions Reduction, a priority action to address material ESG issues. As a long-term target, we aim to achieve net-zero GHG emissions from our business activities by FY2050. As for our

short-term targets by FY2030, we have set reduction targets aligned with the 1.5°C target recommended by the Intergovernmental Panel on Climate Change (IPCC). In addition, we are also focused on emissions stemming from forest, land and agriculture (FLAG)<sup>\*1</sup> sectors. We have established new reduction targets in these areas as well. By working to reduce emissions related to raw material procurement and land use, we aim to lower our environmental impact across the entire supply chain in an effort to realize a more comprehensive net-zero emissions strategy. Given these considerations, the Environmental Vision 2030/2050<sup>\*2</sup> has become the new guideline for the entire Group to follow as we take steps to reduce our GHG emissions.

The entire Group works together to achieve these targets through continued efforts to conserve energy, installing new energy-efficient equipment, and using renewable energy at production sites. In Japan, we also aim to shift to purchasing only carbon-free electricity<sup>\*3</sup> by 2030.

Environmental Management > Strategy

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#strategy](https://www.fujioil.co.jp/en/sustainability/environmental_management/#strategy)

\*1 FLAG-related emissions: Greenhouse gas emissions related to land-use change, land management, and carbon removal.

\*2 Environmental Management > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)

\*3 Carbon-free electricity: Electricity from energy providers that is generated from renewable energy sources and is carbon-free as an added value. CO<sub>2</sub> emission factor can be taken as zero.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices), an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Strategy/ Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Environmental Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/environmental_management/#risk_management)

## Metrics and targets

GRI: 305-5

FY2030 targets <sup>*1</sup>	FY2024 results <sup>*1</sup>	Progress on FY2030 targets
Scopes 1 <sup>*2</sup> & 2 <sup>*3</sup> : 40% reduction in total CO <sub>2</sub> emissions (All Group companies)	31% reduction	78%
Scope 3 <sup>*4</sup> (Category 1 <sup>*5</sup> ): 18% reduction in total CO <sub>2</sub> emissions (All Group companies <sup>*6</sup> )	16% increase	Not achieved

\*1 Base year: FY2016

\*2 Scope 1: Direct emissions of greenhouse gases from our own operations


\*3 Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat and steam supplied by third parties

\*4 Scope 3: Emissions from the activities of non-Group companies in our value chain (Categories 1-15)  
Recalculated emissions for FY2016 using emission factors of LCI database AIST-IDEA ver. 3.3. Recalculated emissions for FY2023 and FY2024 using emissions factors of LCI database AIST-IDEA ver. 3.4.

\*5 Category 1: Indirect emissions from purchased goods and services

\*6 Excluding Fuji Brandenburg GmbH (Germany)

NOTE: Scope of the Group is as of March 31, 2025.

See the List of Fuji Oil Group Companies:  
<https://www.fujioil.co.jp/pdf/en/sustainability/download/esg2025.pdf#page=14> 

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals		FY2024 Results	Self-assessment
Formulate new targets for reducing CO <sub>2</sub> emissions		<ul style="list-style-type: none"><li>New targets formulated. From FY2025, activities aimed at achieving the new reduction targets will be carried out (NOTE: Results reported in this sustainability report are based on the previous targets)</li></ul> FY2030: 42% reduction in total Scope 1 and 2 GHG emissions 25% reduction in total Scope 3 (Category 1) GHG emissions 30.3% reduction in total GHG emissions in the FLAG sectors FY2050: Net-zero GHG emissions overall in Scopes 1, 2, and 3	○
Improve the level of Scope 1 and 2 emission reductions	Continuously promote energy-saving activities and the introduction of renewable energy	<ul style="list-style-type: none"><li>Conducted internal awareness activities through environmental audits at four Group companies</li><li>Initiated energy-saving patrols at Fuji Oil Co., Ltd. aimed at boosting energy-saving activities and making them more independent</li></ul>	○
	Promote the introduction of an internal carbon pricing system at Group companies outside Japan	Started trial adoption of internal carbon pricing at five Group companies outside Japan	○
Improve the level of Scope 3 emission reductions	Continuously implement supplier engagement practices	Conducted engagement with 20 suppliers in and outside Japan through online meetings and surveys	○

## Analysis

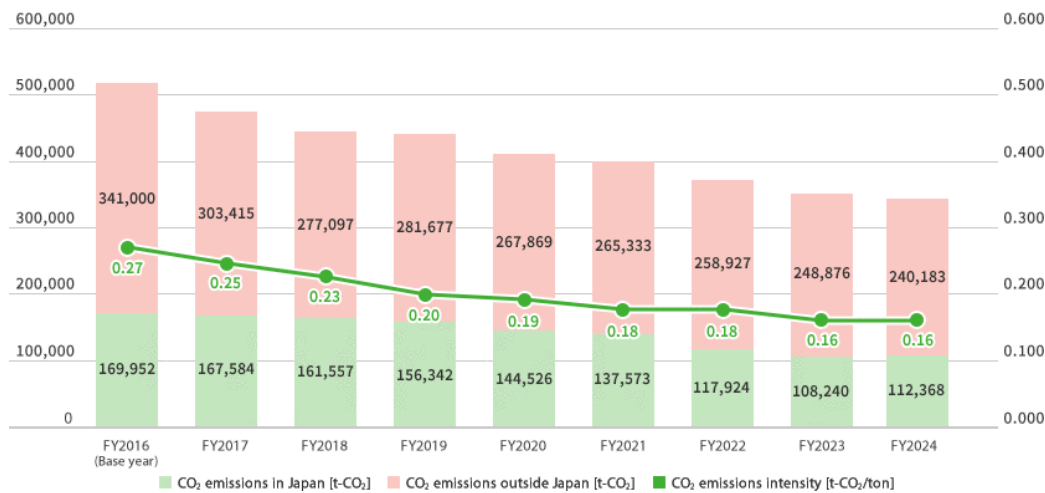
Scope 1 and 2 emissions in FY2024 were 31% lower than the base year (FY2016), an additional improvement of one percentage points from the previous fiscal year's 30% reduction. This represents a 78% achievement rate relative to our target by FY2030. At business sites in Japan, approximately 50% of purchased energy is now carbon free. Outside Japan, Group companies worked on electricity conservation, equipment maintenance and other energy-saving efforts, along with introducing renewable energy, which contributed to reduced CO<sub>2</sub> emissions. We also aimed to improve environmental management through environmental audits. In addition, we have started the trial introduction of the internal carbon pricing system. (ICP unit price: 10,000 yen/t-CO<sub>2</sub>) at several Group companies outside Japan in order to promote environmentally responsible investments.

Scope 3 (category 1) emissions in FY2024 were 16% higher than the base year (FY2016), but resulted in an improvement of five percentage points from the 21% increase in FY2023. With the increase in production volume, CO<sub>2</sub> emissions in Scope 3 (Category 1) have also increased, and FY2024 did not yield any tangible advancement toward achieving our target by FY2030. In order to reduce

emissions, we conducted interviews and surveys with 20 suppliers in and outside Japan as our engagement activities. We shared our reduction targets, and now we are collecting information about CO<sub>2</sub> emission intensity related to the products supplied to us.

In FY2024, in response to the growing interest in decarbonization from society as a whole and heightened expectations from customers and stakeholders, we revised the Group's environmental vision targets for CO<sub>2</sub> reduction. Our new long-term target is to achieve net-zero greenhouse gas emissions from our business activities by FY2050, while for our short-term targets by FY2030, we have set reduction targets aligned with the 1.5°C climate change target. In addition, we have established new reduction targets related to FLAG sectors.

**Total annual CO<sub>2</sub> emissions (Scopes 1 & 2) and CO<sub>2</sub> emissions intensity**



**Next steps**

Our Group has been successfully reducing CO<sub>2</sub> emissions since the base year (FY2016). Starting in FY2025, we will undertake the following activities to achieve the new targets, as we work towards a decarbonized society.

- Further reduce Scope 1 and 2 emissions
  - Continue energy conservation and introduction of renewable energy
  - Investigate energy management initiatives at Group companies in Japan
  - Further introduce the internal carbon pricing system at Group companies outside Japan
- Further reduce Scope 3 emissions
  - Continue conducting supplier engagement
- Collect information on reduction methods regarding the FLAG sectors

**Specific initiatives**

**Energy management in Japan**

Group companies in Japan, excluding the former Fuji Oil Holdings Inc., continue to implement energy management and improvement activities as part of our Environmental Vision 2030 efforts. More specifically, the Energy Management Delegate Committee, which is attended by energy management supervisors from each site, has shared updates on the outlook for CO<sub>2</sub> emissions reduction, plans for making purchased electricity carbon-free, and topics related to the environment in and outside Japan, such as amendments to Japan's Energy Conservation Act\*1 and COP29. In addition, through the energy-saving patrols that were started in FY2023 and continuously implemented, we are actively improving energy losses such as air leaks detected during the patrols. With the aim of raising the overall level of energy savings, these initiatives have been expanded to other factories. Owing to these activities, we have also achieved the objectives\*2 under Japan's Energy Conservation Act in terms of data reported in FY2024 (FY2023 results).



To achieve the targets of the Environmental Vision 2030/2050, we plan to upgrade the cogeneration equipment<sup>\*3</sup> at the Hannan Business Operations Complex<sup>\*4</sup> in 2025 as a measure to further reduce CO<sub>2</sub> emissions significantly. This equipment has been modified so that it is capable of hydrogen co-firing. We are keeping a close eye on developments in the hydrogen supply chain and aim to utilize hydrogen at the appropriate time for fuel conversion.

\*1 The Revised Energy Conservation Act refers to the Act on Rationalization of Energy Use and Shift to Non-fossil Energy, which came into effect in April 2023.

\*2 These objectives aim to reduce the average energy intensity by more than 1% over five years.

\*3 Cogeneration equipment is a system that generates electricity from turbines and other methods using fuels such as natural gas and oil, while simultaneously recovering the waste heat produced during the process (partially modified description from Japan's Ministry of Economy, Trade and Industry website).

\*4 This project was selected for a subsidy in the FY2022 to support project costs for promoting energy efficiency investment and demand structure transformation.

## Enhancing the energy efficiency of production equipment

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We implemented the following initiatives in FY2024 to enhance energy efficiency:

- At Fuji Oil Co., Ltd., we reused waste heat recovered from production processes as a heating source for other processes in an effort to conserve energy use.
- At the Hannan Business Operations Complex of Fuji Oil Co., Ltd. (Japan) and at Omu Milk Products Co., Ltd. (Japan), we installed new IoT-based air conditioning automatic control technology to conserve energy use while still maintaining a comfortable indoor environment.
- At Tianjin Fuji Protein Co., Ltd. (China), we improved energy efficiency by replacing steam traps and upgrading drying equipment.
- At Fuji Oil (Zhang Jia Gang) Co., Ltd. (China), we saved energy use by effectively utilizing waste heat as a heat source for tank tracing.
- At Blommer Chocolate Company (U.S.), we saved energy use by introducing waste heat recovery units at air compressors and improving lighting efficiency.

## Introducing renewable energy

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GRI: 302-4

Of the Group's 20 production sites, 12 are now equipped with solar power generation. In FY2024, we began utilizing solar power generation at Fuji Oil Ghana Ltd. At Blommer Chocolate Company (U.S.), we partially use renewable energy in accordance with the laws of Pennsylvania and California where our production sites are located, and we also purchase Renewable Energy Certificates (RECs). At the Hannan Business Operations Complex and Chiba Plant of Fuji Oil Co., Ltd, as well as at Fuji Oil Ghana Ltd., we have installed biomass boilers that utilize byproduct oil generated during manufacturing processes as fuel, thereby contributing to the reduction of CO<sub>2</sub> and waste. And to make further use of this kind of fuel, we have kicked off an initiative to separate oil from oily wastewater. At our Tokyo Regional Office, we have purchased so-called Green Power Certificates<sup>\*1</sup> equivalent to the amount of electricity used. As a result, the corresponding amount of electricity is considered to be derived from natural energy that does not emit CO<sub>2</sub>, which means we achieved a reduction of approximately 30 tons of CO<sub>2</sub>-equivalent emissions at this location in FY2024. As a result of these efforts, the share of renewable energy in our electricity usage has reached 6%.



PV panels installed at Fuji Oil Ghana Ltd.

\*1 Green Power Certificates: A certificate issued to indicate the added environmental value of renewable energy

## Activities to reduce Scope 3 emissions

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To reduce Scope 3 CO<sub>2</sub> emissions, we have conducted interviews and surveys to engage with 20 supplier companies around the world, which make up approximately 9% of our Scope 3 (Category 1) emissions. Along with encouraging understanding of the importance of reducing CO<sub>2</sub> emissions, and our Group policies, environmental targets and reduction activities, we had them share with us their own CO<sub>2</sub> reduction targets and initiatives.

We will continue to engage with suppliers so that the effects of their CO<sub>2</sub> reduction efforts can be reflected in our Group Scope 3 calculations, in efforts to reduce CO<sub>2</sub> emissions throughout the supply chain.

### **Fighting climate change with energy-saving air conditioning systems: Harald's Mundo Plant wins award for innovation**

The Mundo Plant of Harald Indústria e Comércio de Alimentos Ltda (Brazil) received a Climate Innovation Award from SMACNA<sup>\*1</sup> and ABRAVA<sup>\*2</sup> in October 2024. This award recognizes the outstanding performance of the company's new energy-saving air conditioning system. Jointly developed between Harald and the air conditioning contractor, The system has improved not only energy efficiency but also workplace comfort, productivity and sustainability.

<sup>\*1</sup> SMACNA (Sheet Metal and Air Conditioning Contractors' National Association) is an international industry organization representing sheet metal and air conditioning contractors based in the U.S.

<sup>\*2</sup> ABRAVA (Associação Brasileira de Refrigeração, Ar Condicionado, Ventilação e Aquecimento) is the leading industry organization in Brazil for refrigeration, air conditioning, ventilation, and heating.

## Related documents

ESG Data Book (PDF 411KB) 

# Water Use Reduction



Material Issue

Environmentally Responsible MONOZUKURI  
(Product Development and Manufacturing Practices)

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets ✓ Specific initiatives

## Policy

The Fuji Oil Group established the Basic Policy of Environmental Integrity in 2015.

Fuji Oil Group Basic Policy of Safety, Quality and Environment

[https://www.fujioil.co.jp/en/sustainability/policy/basic\\_policy/](https://www.fujioil.co.jp/en/sustainability/policy/basic_policy/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Water Use Reduction, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Safety, Quality and Production Technology Headquarters, the Executive Officer, to achieve the Environmental Vision 2030/2050.<sup>\*3</sup>

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

\*3 Environmental Management

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#index](https://www.fujioil.co.jp/en/sustainability/environmental_management/#index)

## Strategy


GRI: 303-1, 2

Water resources are one of the most important resources in fulfilling our Group's social mission to develop the potential of food ingredients and contribute to the happiness and well-being of the people by offering delicious and healthy food. Proper management of water resources is an important issue in the production of agricultural products, which serve as our main raw materials, and in the manufacturing and processing of our products.<sup>\*1</sup> In recent years, droughts and floods have been increasing due to climate change, adversely affecting agricultural production. In 2022, 2.2 billion people around the world lacked stable access to safe water.<sup>\*2</sup> An estimated 5 billion people will face water scarcity by 2050 due to the rising global population and intensification of climate change.<sup>\*3</sup> Inadequate or delayed responses to water resource issues can increase the risk of constraints on business activities. At the same time, efforts to promote the efficient use of water resources and introduce recycling technologies can help reduce environmental impacts and achieve a sustainable society.

With this understanding, we reviewed our environmental vision target for water use reduction and set a new FY2030 target of reducing water consumption intensity by 20% from the base year (FY2020). The entire Group is working based on the Environmental Vision 2030/2050 to reduce the amount of water use. We evaluate water-related risks at each business site and will take appropriate

measures. In addition, to reduce negative impacts associated with water withdrawal and wastewater, we work as a Group to adjust management practices based on our own independent indicators established to exceed national and regional regulations and standards, with the aim of achieving our targets.

Environmental Management > Strategy  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#strategy](https://www.fujioil.co.jp/en/sustainability/environmental_management/#strategy)

\*1 See ESG Data Book for total water withdrawal, breakdown by water source, total water withdrawal from regions with water risk, and other information.  
\*2 UNICEF  
<https://data.unicef.org/sdgs/goal-6-clean-water-sanitation/>   
\*3 “State of the Global Climate 2021,” World Meteorological Organization (WMO), (2021)

## Risk management

GRI: 303-1, 2

Fuji Oil Group manages water-related risks as a Group significant risk. This includes water withdrawal, impact on water quality, storms, floods, and violations of wastewater regulations. To manage these risks, each Group company follows a Plan-Do-Check-Action (PDCA) cycle, which includes identifying material risks, planning and implementing a management strategy, evaluating results, and making improvements.

For water-related risks at Group sites, we refer to Aqueduct<sup>\*1</sup> and risk maps to assess water risks in regions where Group companies have operations. As a result of these assessment, we implement measures for improvement, and monitor them regularly. The FY2024 Aqueduct analysis identified that a production site in Belgium is in a water basin with high water stress risk, so we have continued taking appropriate measures to reduce water withdrawal risks by using canal water for industrial use and recycling wastewater. The analysis also identified that some production sites in the U.S., Japan, and Southeast Asia are located in high-risk areas with regard to water pollution, but all production sites comply with the laws and regulations related to wastewater in each country. We have already taken measures to address previously identified compliance risks relating to wastewater regulations at a Group company in China and flooding risk at a Group company in Indonesia.

For water risks related to our raw material production, we assessed risks associated with water stress, drought, water quality, flood, and water pollution in our nature-related risk analyses for palm oil- and cocoa-producing countries in FY2023.<sup>\*2</sup>

Group significant risks  
Risk type: Strategy/ Environment and human rights/ Procurement  
[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Environmental Management > Risk Management  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/environmental_management/#risk_management)

\*1 Aqueduct: A global water-risk mapping tool provided by the World Resources Institute (WRI)  
\*2 Biodiversity Conservation and Restoration > Risk management > Analysis results of nature-related risks connected with palm oil and cocoa  
[https://www.fujioil.co.jp/en/sustainability/biodiversity/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/biodiversity/#risk_management)

## Metrics and targets

FY2030 targets <sup>*1</sup>	FY2024 results <sup>*1</sup>	Progress on FY2030 targets
20% reduction in water intensity <sup>*2</sup> (All Group companies)	36% reduction	180%

\*1 Base year: FY2016

\*2 Water use per unit of production

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

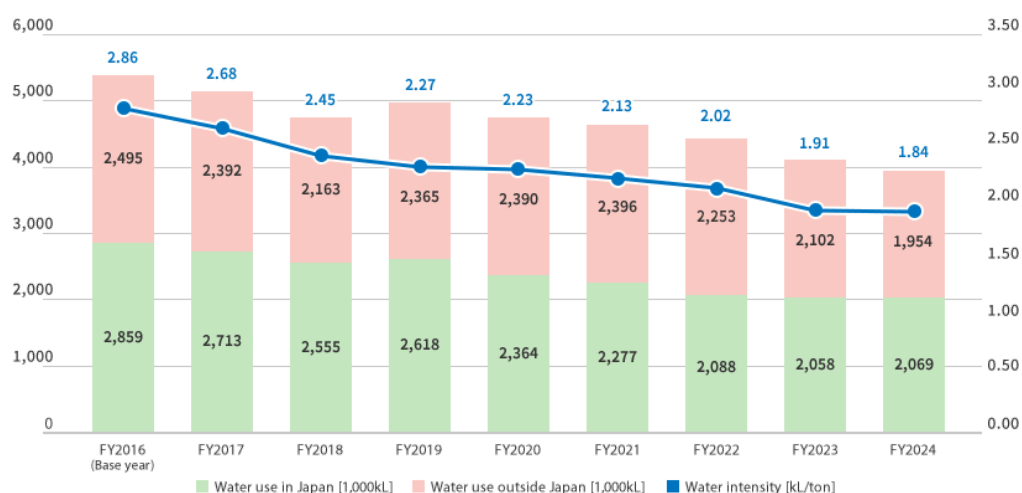
FY2024 Goals	FY2024 Results	Self-assessment
Set new water use reduction targets	<ul style="list-style-type: none"> <li>Established new targets. Starting in FY2025, we will promote activities to achieve new reduction targets (NOTE: This Sustainability Report covers the previous targets.) FY2030 (base year FY2020): 20% reduction in water use (intensity)</li> </ul>	○
Promote ongoing efforts to reduce water usage and raise employee awareness	<ul style="list-style-type: none"> <li>Implemented internal awareness-raising through environmental audits at four Group companies</li> <li>Broad deployment of successful examples of water use reductions among Group companies</li> </ul>	○

## Analysis

Water use intensity in FY2024 was 36% lower than the base year (FY2016), an improvement of three percentage points from the previous fiscal year's 33 % reduction. This represents a 180% achievement rate relative to our target by FY2030. We reviewed the most appropriate conditions of our water use optimization at production lines in Japan. We also improved water recycling systems and revised the cleaning frequency of production facilities at Group companies outside Japan. All these actions contributed to a reduction in our water usage. For better environmental management, we aimed to make improvements through efforts such as environmental audits and spreading successful examples, and shared our approach to water conservation and water resource efficiency. Through environmental data collection systems, we also collect and analyze water data in a timely manner at each company to improve our reduction rates at the company level.

In FY2024, we established a new target with an upward revision of the water use reduction target set in FY2018. In setting the new target, we took into account the results of water risk assessments at each Group company based on Aqueduct and the status of each company's response, as well as the results of water-related risk analysis in palm oil- and cocoa-producing countries. We will continue working to improve water use efficiency while paying close attention to water risks and environmental regulations.

### Annual water use and water intensity



## Next steps

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Through the efforts of all our production sites, we were able to achieve reductions that exceeded our water reduction target. To make more effective use of precious water resources, we will work on the following initiatives from FY2025 onward to achieve our new target.

- Broad deployment of successful examples of reduction efforts
- Work to continuously reduce water usage (and usage intensity) including by implementing the PDCA cycle through the implementation of environmental audits.

## Specific initiatives

### Water conservation efforts at Group companies

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Examples of water conservation activities in FY2024 are as follows:

- At Blommer Chocolate Manufacturing (Shanghai) Company Ltd. (China), rain water and cooling tower discharge was reused for cleaning around buildings.
- At Palmaju Edible Oil Sdn. Bhd. (Malaysia), we improved production efficiency by reducing downtime, repaired leaks, and reused steam condensate as hot water.
- At Tianjin Fuji Protein Co., Ltd., we reduced water consumption by adjusting water supply valves.

## Related documents

ESG Data Book (PDF 411KB) 



# Waste Reduction



Material Issue

Environmentally Responsible MONOZUKURI  
(Product Development and Manufacturing Practices)

✓ Policy   ✓ Governance   ✓ Strategy   ✓ Risk management   ✓ Metrics and targets   ✓ Specific initiatives

## Policy

The Fuji Oil Group established the Basic Policy of Environmental Integrity in 2015.

Fuji Oil Group Basic Policy of Safety, Quality and Environment

[https://www.fujioil.co.jp/en/sustainability/policy/basic\\_policy/](https://www.fujioil.co.jp/en/sustainability/policy/basic_policy/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Waste Reduction, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Safety, Quality and Production Technology Headquarters, the Executive Officer, to achieve the Environmental Vision 2030/2050.<sup>\*3</sup>

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

\*3 Environmental Management > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#index](https://www.fujioil.co.jp/en/sustainability/environmental_management/#index)

## Strategy

In the face of challenges arising from the depletion of natural resources, environmental pollution due to waste, and climate change caused by greenhouse gas emissions, the transition from a conventional linear economy based on mass production, mass consumption, and mass disposal to a circular economy that utilizes resources in a sustainable manner has become an urgent global issue. Our Group has incorporated the concept of upcycling into our technological development since our founding, starting with our soy protein business using defatted soybeans as a raw material, and has been working proactively to achieve effective resource use and value creation. However, besides sludge in factory wastewater and spent bleaching earth (SBE) generated in oils and fats refining processes, food loss also results from the manufacturing stage, and there is also food waste from disposal of products after their expiration dates. To address these issues, the entire Group is working to reduce the amount of waste generated, based on our Environmental Vision 2030/2050. We have set targets for reducing waste intensity, and are working to recycle waste<sup>\*1</sup> and increase the value-added of byproducts, working as a Group to achieve these targets. Our efforts to promote the effective use of resources and innovation in recycling technologies will lead to reduced waste disposal costs and environmental impacts, and to new business opportunities. For example, the development of new food ingredients and biofuels using food byproducts, and the expansion of a

circular business model by improving waste recycling technology, are expected to strengthen competitiveness to achieve sustainable growth. We are also promoting initiatives to reduce food loss and upcycle<sup>\*2</sup> food waste through technological innovation at the development stage as well as through other proactive efforts to find effective uses of waste.

Environmental Management > Strategy  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#strategy](https://www.fujioil.co.jp/en/sustainability/environmental_management/#strategy)

\*1 See ESG Data Book.  
\*2 Reduction of Food Loss and Waste and Upcycling  
[https://www.fujioil.co.jp/en/sustainability/food\\_loss/](https://www.fujioil.co.jp/en/sustainability/food_loss/)

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices), an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks  
Risk type: Strategy/ Environment and human rights/ Procurement  
[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Environmental Management > Risk management  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/environmental_management/#risk_management)

## Metrics and targets

GRI: 306-3

FY2030 targets <sup>*1</sup>	FY2024 results <sup>*1</sup>	Progress on FY2030 targets
10% reduction in waste intensity <sup>*2</sup> (All Group companies <sup>*3</sup> )	23%	230%
Maintain a recycling rate of at least 99.8% (All Group companies in Japan)	99.84%	100%

\*1 Base year: FY2016  
\*2 Waste intensity: Amount of waste per unit of production  
\*3 Excluding waste volume generated at Industrial Food Services (Australia) and Fuji Brandenburg GmbH (Germany)

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Promote ongoing waste reduction and raise employee awareness	<ul style="list-style-type: none"><li>Implemented internal awareness-raising through environmental audits at four Group companies</li><li>Shared case studies of improvements related to waste reduction among Group companies.</li></ul>	○

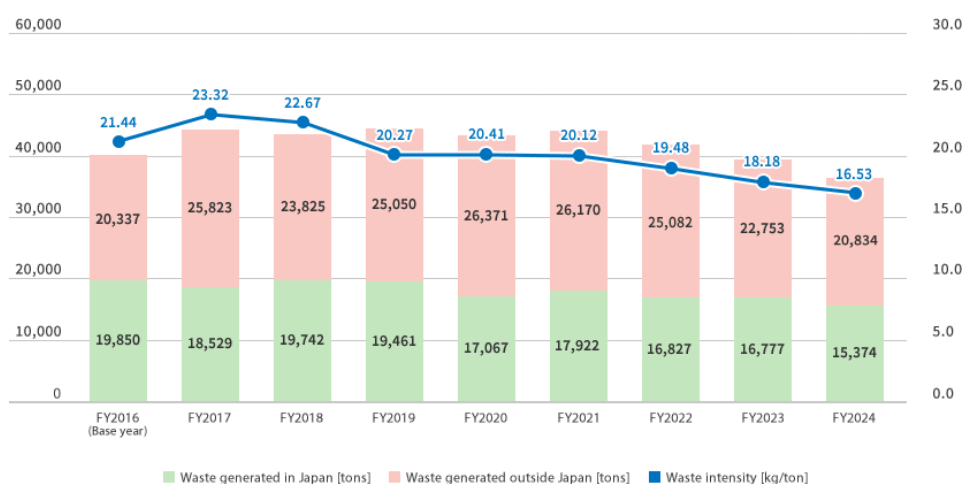
## Analysis

Waste intensity in FY2024 was 23% lower than the base year (FY2016), an improvement of eight percentage points from the previous fiscal year's 15% reduction. This represents a 230% achievement rate, compared to our target for FY2030. Efforts included adjusting the amounts of bleaching earth added by Fuji Oil Co., Ltd., reviewing cleaning methods at production lines outside Japan, and reviewing waste disposal contractors, contributing to waste volume reductions.

At Group companies in Japan, the resource recycling rate in FY2024 was 99.84%, a decrease of 0.01 percentage point from the previous fiscal year's 99.85%. Going forward, we will promote recycling by sorting waste more thoroughly.

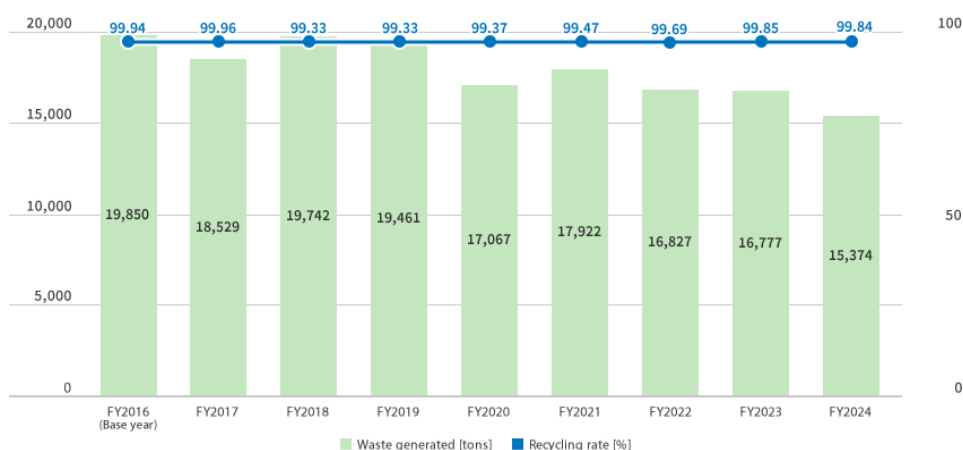
In environmental management, we aimed to make improvements through environmental audits and shared our approach to resource recycling with Group companies. Through the environmental data collection systems we also collect and analyze waste-related data in a timely manner at each company, in order to improve our reduction rates at the company level.

### Annual waste generation and waste intensity



\* For FY2016 onward we have revised total emissions outside Japan, and recalculated waste intensity.

### Annual waste generation and recycling rate at Fuji Oil Group companies in Japan



## Next steps

As a natural consequence of the characteristics of our business, sludge and SBE account for a large share of the waste we produce, and reducing these types of waste is a challenge. In recent years, these wastes are being increasingly viewed as sources of bioenergy, and their use in clean energy creation has grown. As we explore ways to recycle and effectively use waste, we will work on the following goal for FY2025:

- Broadly deploy successful examples of waste reduction efforts

- Work to continuously reduce waste volume and waste intensity by implementing the Plan-Do-Check-Action (PDCA) cycle through environmental audits and other measures

## Specific initiatives

### Waste reduction initiatives

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In FY2024, we carried out the following initiatives to reduce waste.

- Fuji Oil Co., Ltd. has reviewed the amounts of bleaching earth added.
- PT. Freyabadi Indotama (Indonesia) reduced product spillage and raw material loss through a unique improvement program.
- Harald Indústria e Comércio de Alimentos Ltda (Brazil) selected a new waste disposal company and recycled sludge.
- Fuji Oil Europe sold all SBE as ISCC EU certified\* biofuel to methane gas manufacturing companies for use in biogas power generation.

\* The International Sustainability and Carbon Certification (ISCC) is a global certification system for certifying businesses and organizations that manufacture products using sustainable raw materials such as biomass and recycled products.

### Reducing food loss and waste in manufacturing processes

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Referencing definitions of food loss and waste from the Food and Agriculture Organization of the United Nations and each country and region, the Group has created our own definition that suits our business structure, which has been used to monitor food loss and waste since FY2023.

In FY2024, we carried out the following initiatives to reduce food loss and waste.

- PT. Freyabadi Indotama (Indonesia) reduced product spillage and raw material loss through a unique improvement program.
- Woodlands Sunny Foods Pte. Ltd. has reduced food loss associated with product changeovers.

#### **The Fuji Oil Group definition of food loss and waste**

Items that were produced or processed for human consumption but no longer have a purpose as food (including as animal feed).

## Related documents

ESG Data Book (PDF 411KB) 

# Biodiversity Conservation and Restoration



Material Issue

Environmentally Responsible MONOZUKURI

(Product Development and Manufacturing Practices)/ Sustainable Procurement

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets ✓ Specific initiatives

## Policy

GRI: 101-1

The Fuji Oil Group published the Fuji Oil Group Policy on Biodiversity<sup>\*1</sup> in March 2023, setting out our basic approach to biodiversity and action guidelines. Based on this policy, we will avoid or reduce negative impacts on biodiversity throughout the value chain, and work to conserve and restore natural ecosystems with nature-based solutions. Through ongoing co-creation with our stakeholders, we aim to put biodiversity on a path to recovery by 2030 in order to help achieve a world living in harmony with nature by 2050.<sup>\*2</sup>

Environmental Management > Policy

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)

\*1 Fuji Oil Group Policy on Biodiversity

<https://www.fujioil.co.jp/en/sustainability/policy/biodiversity/>

\*2 The Kunming-Montreal Global Biodiversity Framework (GBF), adopted at the 15th Conference of the Parties to the United Nations Convention on Biological Diversity (COP15), sets out on a mission “to take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery” with targets to be achieved by 2030, and reach the vision of “a world living in harmony with nature” by 2050. This 2030 mission aligns with the G7’s commitment to become “nature positive.”

## Governance

GRI: 101-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. Under the oversight of the Head of Corporate Planning Headquarters, the Executive Officer, the committee promotes Biodiversity Conservation and Restoration, a priority action to address material ESG issues<sup>\*2</sup> across all divisions. Identifying Sustainable Procurement and Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices) as areas of sustainability matters<sup>\*2</sup> that are related to Biodiversity Conservation and Restoration, the committee deliberates on and monitors relevant matters from a multi-stakeholder perspective, and makes recommendations to the Board.

Furthermore, in order to minimize the impact on stakeholders such as Indigenous Peoples, social minorities, and local communities and to appropriately address any impact that does arise, we adhere to the policies listed below and strive to build a foundation for ongoing dialogue and collaboration with stakeholders toward a sustainable future for food. The Group requires its suppliers to comply with the Supplier Code of Conduct. This ensures that suppliers adhere to the principles of free, prior and informed consent (FPIC) and obtain FPIC from relevant stakeholders, as well as that our suppliers engage in responsible actions and negotiations in our value chain, even at plantations we do not own.

The Group also endorses the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and registered as a TNFD Adopter<sup>\*3</sup> in July 2025. Through disclosures aligned with the TNFD recommendations, we will work to help achieve international goals such as those are supported by the Kunming-Montreal Global Biodiversity Framework, which aims for a nature-positive world.

<https://tnfd.global/engage/tnfd-adopters/>

Fuji Oil Group Human Rights Policy

[https://www.fujioil.co.jp/en/sustainability/policy/human\\_right/](https://www.fujioil.co.jp/en/sustainability/policy/human_right/)

Fuji Oil Group Policy on Biodiversity

<https://www.fujioil.co.jp/en/sustainability/policy/biodiversity/>

Fuji Oil Group Supplier Code of Conduct

<https://www.fujioil.co.jp/en/sustainability/policy/supplier/>

Responsible Palm Oil Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/palm\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/palm_procurement/)

Responsible Cocoa Beans Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/cocoa\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/cocoa_procurement/)

Responsible Soybeans and Soy Products Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/soy\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/soy_procurement/)

Responsible Shea Kernel Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/shear\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/shear_procurement/)

Environmental Management > Governance

[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

\*3 TNFD Adopters are organizations that commit to making public disclosures aligned with the TNFD recommendations in their corporate reporting for financial years 2024 (or earlier), or 2025.

<https://tnfd.global/engage/tnfd-adopters/>

## Strategy

As the Group manufactures and sells food products using plant-based raw materials and water resources produced by nature, we rely heavily on nature and ecosystem services. The harvest volumes, product quality and other aspects of some raw materials can also be significantly affected by factors such as climate change and soil degradation. We also have impacts on natural ecosystems through our business activities. In FY2022, after identifying our dependencies and impacts on nature, we used assessment tools such as ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) to assess nature-related issues that are both material to the Group's operations and of concern to stakeholders. Based on this analysis, we identified and defined the Group's critical nature-related risks. "Land use conversion and soil use," "impacts on ecosystems adjacent to farmland," "GHG emissions and climate change," and "water use and wastewater discharge" were found to be particularly significant, and they are highly correlated to our palm oil and cocoa supply chains.

In FY2023, we conducted a nature-related risk analysis in palm oil- and cocoa-producing countries based on the LEAP approach<sup>\*1</sup> recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). As a result of detailed location-based analysis using geographic information systems (GIS), we found that palm oil- and cocoa-producing countries had high flood risk and high impact on nature by converting ecologically important land such as primary forests, peatlands, mangroves and wetlands into plantations. Although the degree of correlation with impacts on biodiversity and nature may vary from region to region, we recognize that our principal raw materials such as palm oil and cocoa are produced thanks to nature and ecosystem services, and that their production may be associated with environmental impacts such as forest and ecosystem loss. In particular, we recognize that the destruction of forests and parkland that function as carbon sinks that absorb and store atmospheric CO<sub>2</sub> and to recharge groundwater can increase the risks of flooding, soil erosion, and impacts on biodiversity. Thus, we have been working with local stakeholders on deforestation prevention, reforestation, and greening activities in areas where our main raw materials are produced.

As a food company with significant dependencies and impacts on natural capital, understanding and addressing nature-related risks<sup>\*2</sup> and opportunities<sup>\*3</sup> across our value chain is essential to the resilience and long-term viability of our business. See the section "Nature-



related risks and opportunities across the Fuji Oil Group's value chain" on the Environmental Management page for the risks and opportunities we identified, and our strategic responses.

In accordance with the seven-point code of conduct set forth in the Fuji Oil Group Policy on Biodiversity, the Fuji Oil Group will not only strive to avoid and reduce negative impacts on nature, but also promote the development of technologies and products that support a nature-positive transition, aiming for a future in harmony with nature.

Environmental Management > Strategy  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/#strategy](https://www.fujioil.co.jp/en/sustainability/environmental_management/#strategy)

- \*1 LEAP approach: An integrated approach developed by the TNFD for assessing nature-related issues including interfaces with nature, nature-related dependencies, impacts, risks, opportunities, and other issues
- \*2 Nature-related risks: Potential threats posed to an organization that arise from its and wider society's dependencies and impacts on nature
- \*3 Nature-related opportunities: Activities that create positive outcomes for organizations and nature through positive impacts or mitigation of negative impacts on nature

## Risk management

GRI: 101-2, 4, 5, 304-2, 3

Environmental Management > Risk management, Nature-related risks and opportunities across the Fuji Oil Group's value chain  
[https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)  
Sustainable Procurement Management > Risk management  
[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Analysis results of nature-related risks connected with palm oil and cocoa

We assessed our interfaces with nature, as well as our dependencies and impacts on nature and ecosystem services in palm oil- and cocoa-producing countries, and identified our priority locations and sensitive points, in line with the LEAP approach\* recommended by TNFD (corresponding to L3, L4, E2, E3, and E4 of the LEAP approach). The "significance" in the table of analysis results indicates the degree of significance of typical dependencies and impacts on nature of palm oil or cocoa in the countries producing them, measured using several analytical indicators. The nature-related risks identified by this analysis are typical risks in the country of production, rather than specific to the Group's value chain. Note that for corporate strategic reasons, we do not disclose specific regions or the names of locations.

\* LEAP approach: An integrated approach developed by the TNFD for assessing nature-related issues including interfaces with nature, nature-related dependencies, impacts, risks, opportunities, and other issues

### Analysis steps

Step 1	Preparation of farmland spatial data	Collect and prepare farmland spatial data on a global scale and in countries where the Group procures
Step 2	Literature review	Review reports, papers, and other documents and literature from international organizations, and then identify impact drivers, the state of nature, and ecosystem services that are closely related to the palm oil and cocoa under study. Select corresponding GIS data based on these results
Step 3	Analysis using farmland spatial data	Analyze farmlands in palm oil- and cocoa-producing countries using GIS data based on nature-related analysis tools*

Step 4	Creation of spatial data images	Generate images of the analysis results from Step 3
Step 5	Summary of results	Identify priority regions (in terms of level of dependency on and impact to nature), and clarify key issues (in terms of monitoring and sustainable procurement)

\* Nature-related analysis tools and indicators: IBAT, KBA (Key Biodiversity Areas), Global Forest Watch, NASA (earth data), The World Agroforestry Centre (ICRAF), EarthStat, Aqeduct, Indigenous & Community Land Map, etc.

## Analysis results on nature-related risk in palm oil producing countries

◎ High significance ○ Medium significance △ Low significance × Insufficient data, etc.

	Dependency									Impact driver			
	Provisioning services			Regulating and maintenance services									
TNFD category	Water resources		Soil and water purification, air filtration, solid waste remediation	Water flow regulation	Soil and sediment retention	Soil quality regulation	Pollination	Land / freshwater / ocean use			Pollution (soil, water, air pollution)		
Analytical indicators	Water stress	Water shortage risk	Water purification, nitrogen distribution	PM2.5	Flood risk	Soil erosion distribution	Soil thickness	Soil organic carbon density	—	Primary forest / peatland / mangrove / wetland distribution, etc.	BOD	PM2.5	Pesticide use
Significance	○	△	○	○	◎	△	○	△	×	◎	○	○	×

\* The image is linked to a PDF file.

## Dependencies

Upon analyzing the materiality of dependencies and impacts in palm oil producing countries for dependencies on nature, the analysis revealed a high significance of flood risk. We also found that some regions in Thailand and Indonesia have high water stress, and that nitrogen-induced water pollution may potentially exceed the capacity of the ecosystem service for water purification in some regions of Indonesia.

## Impacts

For impacts on nature, the analysis revealed the highly significant impact of converting land that is important for ecosystems, such as old-growth forests, peatlands, mangroves, and wetlands, into plantations. We also found that developing peatlands and other areas has a large impact on greenhouse gas (GHG) emissions and air pollution. Moreover, we identified sensitive locations in some parts of Indonesia from a broad perspective that includes peatlands, mangroves, wetlands, and forest fires, as well as found a high possibility of overlap with primary forests, peatlands, and wetlands in other parts of Indonesia.

For conservation priority and protected areas, the southern part of Thailand and the northern part of East Malaysia are particularly important. In the event of pollution, the impact on surrounding ecosystems is expected to be significant. The results of the location analysis have shown once again that the northern part of East Malaysia, which our Group has been supporting in collaboration with social enterprise Wild Asia since 2016, is a high conservation priority area, reaffirming the significance of supporting the introduction of regenerative agriculture to local smallholders.

In recent years, deforestation has been conspicuous in some regions of Indonesia and Malaysia. The area in the Indonesian island of Sumatra, where we have been carrying out our landscape initiative since 2018, encompasses various types of land including nature reserves and sensitive regions inhabited by many Indigenous Peoples and is home to species that fall under IUCN Protected Area Management Categories I or II. We ascertained that tree cover loss in this area has been limited even in Sumatra. On the other hand, the area of the Southern Central Forest Spine Landscape program in Malaysia, in which we have been participating since 2022, was found to have a high-percent tree cover loss despite being highly important for biodiversity. We will continue to work on these landscape initiatives so that we can create a positive impact on the sustainability of our production regions as a whole.

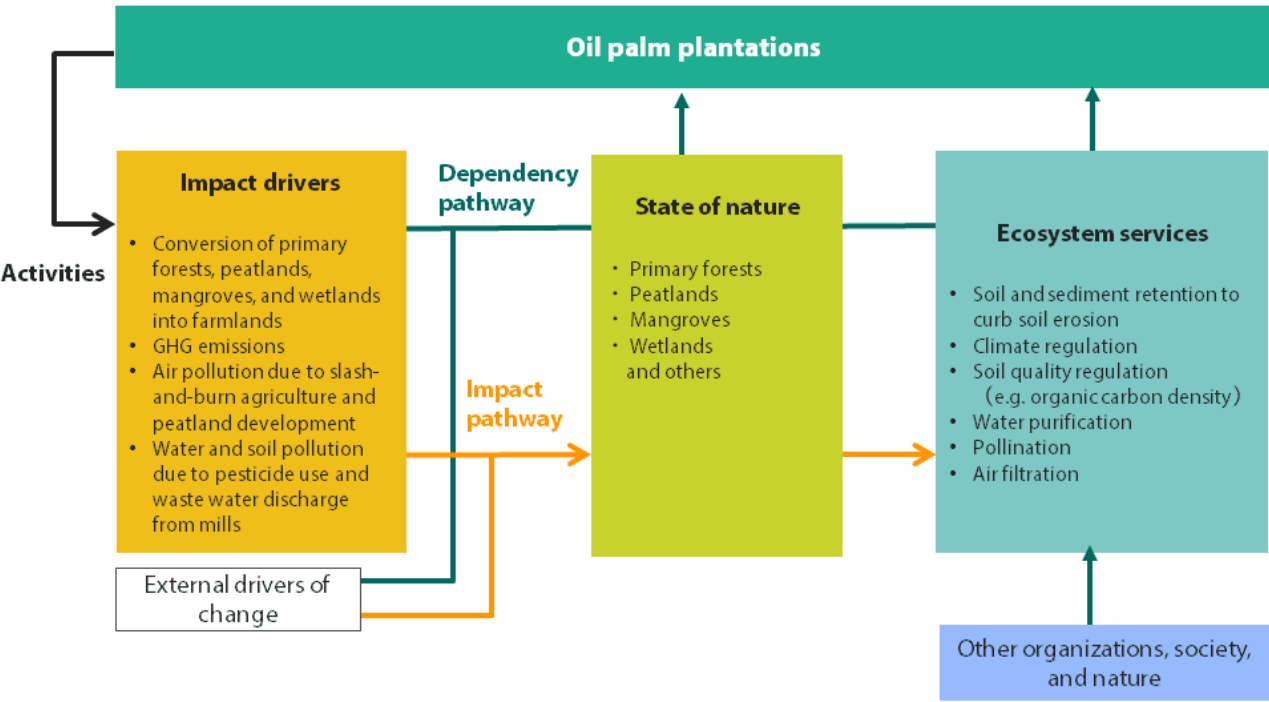
In terms of Indigenous Peoples and local communities, we found that some areas in Indonesia require attention.

\* For our specific initiatives in Malaysia and Indonesia, see:

Sustainable Procurement of Palm Oil

[https://www.fujiOil.co.jp/en/sustainability/palm\\_oil/](https://www.fujiOil.co.jp/en/sustainability/palm_oil/)

Connections between main dependencies and impacts for palm oil



Analysis results of nature-related risk in cocoa producing countries

◎ High significance ○ Medium significance △ Low significance × Insufficient data, etc.

	Dependency								Impact driver					
	Provisioning services		Regulating and maintenance services											
TNFD category	Water resources		Soil and water purification, air filtration, solid waste remediation		Water flow regulation	Soil and sediment retention		Soil quality regulation	Pollination	Land / freshwater / ocean use		Pollution (soil, water, air pollution)		
Analytical indicators	Water stress	Water shortage risk	Water purification, nitrogen distribution	PM2.5	Flood risk	Soil erosion distribution	Soil thickness	Soil organic carbon density	—	Primary forest / peatland / mangrove / wetland distribution, etc.		BOD	PM2.5	Pesticide use
Significance	△		○	○	⊙	⊙			×	⊙		○	×	

\* The image is linked to a PDF file.

Dependencies

Upon analyzing the materiality of dependencies and impacts in cocoa producer countries, for dependencies on nature, the analysis revealed the high significance of flood risk, soil and sediment retention as well as soil quality regulation. Soil erosion may further increase flood risk, and if floods or soil erosion occurs in areas with a thin soil layer, soil quality may also be seriously affected. Levels of these nature-related indicators are high in some regions of Côte d'Ivoire, and we found that there is a possibility that this could lead to procurement risks in terms of disaster risk and soil fertility.

Impacts

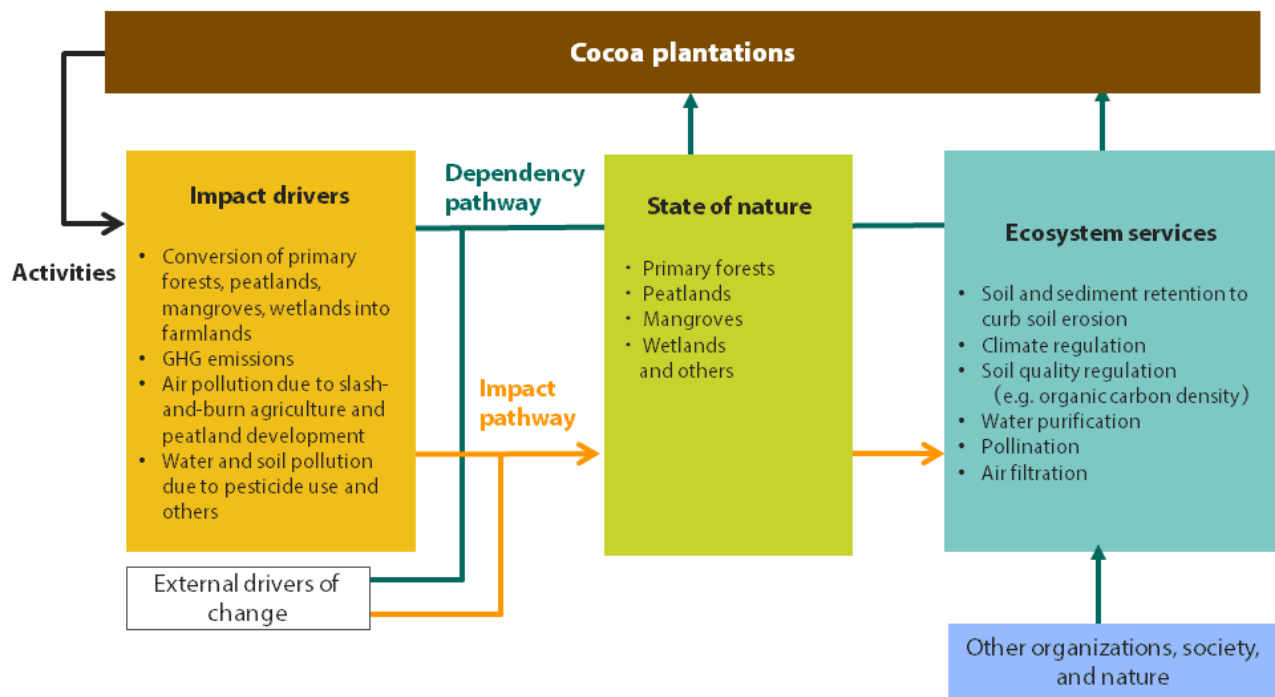
For impacts on nature, the analysis revealed the highly significant impact of converting land that is important for ecosystems, such as old-growth forests, peatlands, and wetlands, into farmlands in West Africa. We also found that developing peatlands and other areas has a significant impact on GHG emissions and air pollution, requiring caution when there is overlap. Moreover, we found that there is a possibility that some farmlands in Côte d'Ivoire overlap with protected areas under IUCN Protected Area Management Category II. The results of the location analysis have reaffirmed the importance of forest monitoring and our initiatives to plant trees in Ghana and Côte d'Ivoire for ecosystem integrity.

\* For our specific initiatives in Ghana and Côte d'Ivoire, see:

Sustainable Procurement of Cocoa

<https://www.fujiol.co.jp/en/sustainability/cocoa/>

## Connections between main dependencies and impacts for cocoa



## Initiatives to address biodiversity issues

We are working to address the following biodiversity issues throughout the value chain, in terms of both reducing negative impacts and creating positive impacts.

### Preventing deforestation and promoting reforestation

- Palm oil production areas: Satellite monitoring of forests,<sup>\*1</sup> identification and protection of high conservation value (HCV) forests and high carbon stock (HCS) forests<sup>\*2</sup>
- Cocoa production areas: Tree planting and forest monitoring<sup>\*3</sup>
- Shea kernel production areas: Parkland conservation<sup>\*4</sup>

### Impact on farmland and surrounding ecosystems; reducing the use of chemicals

- Palm oil production areas: Good Agricultural Practices (GAP); Unifuji (Malaysia): harnessing ecosystems for pest control, expansion of certified palm oil, and support for smallholders to introduce regenerative agriculture<sup>\*1</sup>
- Cocoa production areas: Support for introduction of agroforestry and GAP<sup>\*3</sup>
- Development and promotion of soil conditioners made by upcycling soy whey (a byproduct of the production process)<sup>\*5</sup>

### Climate change (CO<sub>2</sub> emissions reduction, waste reduction)

- Shea kernel production areas: Using byproducts after oil extraction (e.g. shea kernel meal) as fuel<sup>\*4</sup>
- Reducing CO<sub>2</sub> emissions by saving energy and introducing renewable energy at Group sites; reducing waste by improving processes and reducing water content of sludge<sup>\*6</sup>
- Research into soybean cultivation using CO<sub>2</sub> captured from a waste incineration facility (carbon capture and utilization: CCU)<sup>\*7</sup>
- Development of functional food ingredients by making effective use of pea fiber
- Development of technologies and products to maintain food quality longer<sup>\*8</sup>
- Development of palm oil alternatives using oleaginous yeast

### Use of water resources

- Analysis of water risk at Group sites using Aqueduct, water use reduction (water conservation, water recycling)<sup>\*9</sup>

## Stakeholder engagement & capacity building

- Raw material production areas/farms: Landscape initiative, <sup>\*1</sup> empowerment of female farmers, <sup>\*3,4</sup> parkland management training for female farmers<sup>\*4</sup>
- Suppliers: Engagement toward NDPE, introduction of Labor Transformation Program (LTP)<sup>\*1</sup>
- Employees: Raising awareness through internal communication sites (Japanese, English, Chinese, Portuguese) and sustainability training (Group companies in Japan and other countries)

\*1 [https://www.fujioil.co.jp/en/sustainability/palm\\_oil/](https://www.fujioil.co.jp/en/sustainability/palm_oil/)

\*2 [https://www.fujioil.co.jp/en/pdf/news/2025/20250325\\_progressreport\\_en.pdf](https://www.fujioil.co.jp/en/pdf/news/2025/20250325_progressreport_en.pdf) 

\*3 <https://www.fujioil.co.jp/en/sustainability/cocoa/>

\*4 [https://www.fujioil.co.jp/en/sustainability/shear\\_kernel/](https://www.fujioil.co.jp/en/sustainability/shear_kernel/)

\*5 [https://www.fujioil.co.jp/news/2021/\\_icsFiles/afiedfile/2021/10/04/211012.pdf](https://www.fujioil.co.jp/news/2021/_icsFiles/afiedfile/2021/10/04/211012.pdf)  (in Japanese)

\*6 [https://www.fujioil.co.jp/en/sustainability/environmental\\_management/](https://www.fujioil.co.jp/en/sustainability/environmental_management/)

\*7 [https://www.fujioil.co.jp/en/sustainability/research\\_and\\_development/](https://www.fujioil.co.jp/en/sustainability/research_and_development/)

\*8 [https://www.fujioil.co.jp/en/sustainability/food\\_loss/](https://www.fujioil.co.jp/en/sustainability/food_loss/)

\*9 <https://www.fujioil.co.jp/en/sustainability/water/>

## Metrics and targets

GRI: 101-1

### Environmental Vision 2030/2050

Medium- and long-term commitment	Base year	FY2030 target	FY2050 target	FY2024 results
Reduce GHG emissions	FY2020	Scope 1+2 <sup>*1</sup> 42% reduction	Net zero <sup>*4</sup>	CO <sub>2</sub> Emissions Reduction
		Scope 3, category 1 <sup>*2</sup> 25% reduction		
		FLAG <sup>*3</sup> -related 30.3% reduction		—
Reduce water use	FY2020	Water use intensity <sup>*5</sup> 20% reduction	—	Water Use Reduction
Reduce waste volume	FY2016	Waste intensity <sup>*6</sup> 10% reduction	—	Waste Reduction
Recycle resources (Group companies in Japan)	—	Resource recycling rate Maintain 99.8% or higher	—	

\*1 Scope 1: Direct emissions of greenhouse gas (GHG) by business operators themselves. Scope 2: Indirect emissions resulting from the use of electricity, heat and steam supplied by other entities

\*2 Scope 3: Indirect emissions from other entities in business operator's value chain (Categories 1 to 15). Category 1: Indirect emissions from purchased products and services

\*3 FLAG-related: GHG emissions from land conversion, land management, and carbon removals. FLAG: Forest, Land and Agriculture

\*4 Net zero: A state in which emissions and removals are balanced and GHG emissions into the atmosphere are net zero

\*5 Water use intensity: Water use per unit of production

\*6 Waste intensity: Waste volume per unit of production

Nature-related targets in major raw material producer countries

Medium- and long-term commitment	FY2025 target	FY2030 target	FY2024 results
NDPE*1 in palm oil supply chain	Deforestation and Conversion Free (DCF): 100% Traceability to Mill (TTM):100%	Traceability to Plantation (TTP) 100%	Sustainable Procurement of Palm Oil
Deforestation prevention and forest conservation in cocoa supply chain, improvement of farmers' living environment	500,000 trees planted	One million trees planted	Sustainable Procurement of Cocoa
Zero deforestation and zero exploitation in soybean supply chain	Ensure traceability to primary collection points, or 100% procurement rate of RTRS-certified products or products certified under equivalent standards	Ensure traceability to community level, or 100% procurement rate of RTRS*2- certified products or products certified under equivalent standards	Sustainable Procurement of Soybeans
Conservation of parkland and zero deforestation in shea kernel supply chain	—	6,000 trees per year planted at shea kernel production sites	Sustainable Procurement of Shea Kernels

\*1 NDPE: No Deforestation, No Peat, and No Exploitation

\*2 RTRS: Round Table on Responsible Soy Association

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Consider additional goals and monitoring metrics	<ul style="list-style-type: none"><li>Developed Environmental Vision 2030/2050<ul style="list-style-type: none"><li>GHG emission reductions: Established FY2050 net zero target, FY2030 1.5°C targets, FLAG target</li><li>Water use reduction: Revised FY2030 target upward</li></ul></li><li>Developed 2025 zero deforestation goal in the palm oil supply chain</li></ul>	○

Analysis

Revised planetary boundaries (2023)\* indicate that limits on six of nine indicators for planetary systems have already been exceeded. In light of the growing global risks associated with nature degradation, we have reconfirmed the urgent need to address climate change and prevent deforestation, establishing new environmental targets in FY2024. The Group revised its existing CO<sub>2</sub> emission reduction targets for FY2030, and established a net zero GHG emissions reduction target for FY2050, as well as Scope 1+2 and Scope 3 GHG emissions reduction targets for FY2030 that are consistent with the 1.5°C standard of the Science Based Targets initiative (SBTi). We have also set a new target to reduce FLAG (Forest, Land and Agriculture)-related GHG emissions for FY2030, taking into account land-based GHG emissions.

Referring to the Forest Positive Guidance developed by the Accountability Framework initiative (AFi) and the Consumer Goods Forum (CGF), we also established a goal of zero deforestation and land conversion by 2025 for the palm oil supply chain.



\*Planetary boundaries: The safe operating space for humanity. Crossing thresholds in nine key Earth systems may trigger irreversible environmental changes. The nine categories are climate change, stratospheric ozone depletion, ocean acidification, biosphere integrity, biogeochemical flows, freshwater use, land-system change, introduction of novel entities (chemicals, etc.), and atmospheric aerosol loading. According to the recent update, limits have been exceeded in six categories: Climate change, biosphere integrity, biogeochemical flows, freshwater use, land-system change, and introduction of novel entities.

## Next steps

Discuss additional measures related to nature-related risks, define targets and monitoring indicators

## Specific initiatives

### Landscape Initiative (Aceh, Indonesia)

The Group has been participating in landscape initiatives through the Earthworm Foundation since 2018 in Aceh, the northernmost province of Indonesia, an important palm oil supplier. The program covers approximately 3.9 million hectares, covering about 70% of Aceh. Central to the activities lies the Leuser Ecosystem, one of the most important rainforests in the world. The program involves working together with local governments, NGOs, and companies to reduce deforestation and conserve biodiversity in the target areas, as well as to design improvements in labor practices at palm oil plantations, and comprehensively monitor the natural environment and human activities.

KPI Dashboard				
		2024 KPI	Progress as of Dec 2024	Progress rate of KPI
Stakeholders' support	Collective action plans (CAPs) implemeted in 2 districts	4	3	75%
	Regulations/Policies related with NDPE/Land Use updates for 2 districts	-	-	0%
Forest Protection & Restoration	Companies that identified 100% HCV/HCS*1	8	8	100%
	Hectares remaining HCV/HCS under protection through local regulations	41,857	26,224	63%
Resilient Farmers	Farmers trained on palm oil GAP*2	2,000	1,273	64%
	Farmers Business Units supported on implementing alternative livelihood activities	4	3	75%
Workers & Families	Workers directly & indirectly engaged via activities with companies & government	4,000	2,928	73%
Community Rights	Villages engaged through Participatory Mapping & Land Tenure Studies (PM-LTS)	22	8	36%
	Conflicts are managaged through conflict resolution process	8	5	63%

\*1 HCV/HCS: High Conservation Value, High Carbon Stock

\*2 GAP: Good Agricultural Practices

### Landscape Initiative (Southern Central Forest Spine: SCFS) in peninsular Malaysia)

The Group has been participating since 2022 in the Southern Central Forest Spine (SCFS) landscape initiative through the Earthworm Foundation in peninsular Malaysia, a key source of palm oil. We work with multiple stakeholders to promote forest conservation and the coexistence of humans and wildlife.

KPI Dashboard				
		2024 KPI	Progress as of Dec 2024	Progress rate of KPI
Supply Chain Transformation	Mills are making progress to achieve 100% traceability to plantations	90	38	42%
	Mills are engaged to progress on social and/environmental commitments	17	24	100%
Forest Protection & Restoration	Hectares covered by engagement leading to protection of remaining forest area	7,500	10,000	100%
	Hectars covered by human-elephant coexistence program	5,000	8,433	100%
Resilient Farmers	Smallholder farmers engaged	625	235	38%
	Capacity building sessions for smallholder farmers implemented	-	-	0%
	Hectares of indigenous customary land to be mapped, documented & submitted for formal land title application	1,214	1,338	100%
	Village engaged in community mapping trainings	-	-	0%
Workers & Families	Workers impacted directly & indirectly through the Social & Human Rights programme	6,525	5,385	83%
	Companies engaged for labor awareness & capacity building	43	29	67%

Related documents

ESG Data Book (PDF 411KB)



# Plastic Use in Product Packaging

✓ Governance   ✓ Basic approach   ✓ Specific initiatives

## Governance

The Fuji Oil Group is working to reduce our use of packaging at each Group company. We are gathering details on individual companies' activities and sharing information within the Group.

## Basic approach

There has been progress in intergovernmental negotiations to regulate plastic. In response to the serious problem of plastic pollution, at the 2023 G7 Summit in Hiroshima and the 2024 G7 Summit in Apulia, leaders of the Group of Seven (G7) nations pledged to “reduce additional plastic pollution to zero by 2040.” Many countries are strongly calling for the formation of an agreement aimed at developing a fundamental solution to plastic pollution, so future developments in negotiations will bear watching.

Due to the fact that our customers are manufacturers, many of our products, such as oils and fats, are shipped in bulk via tank trucks, one-ton containers, and steel drums. These distribution methods use relatively little plastic. On the other hand, for some products like chocolate, whipping cream, and solid fats, we use cardboard boxes for the outer packaging and plastic packaging materials for the inner packaging. While these packaging materials maintain important functions such as keeping food safe to eat, maintaining food quality, and communicating product information, we recognize that we need to reduce the amount of plastic used. Amid growing concerns about resource depletion and marine pollution, we are promoting the use of thinner and lighter packaging materials and the transition to renewable or recyclable materials.

## Specific initiatives

### Reducing plastic use

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Some examples of initiatives to reduce product packaging and plastic in FY2024 are as follows:

- Fuji Oil (Singapore) Pte. Ltd. minimized the use of packaging materials and adopted cardboard boxes made from recycled paper.
- Harald Indústria e Comércio de Alimentos Ltda (Brazil) introduced a system to collect and reuse used containers and intermediate bulk containers (IBCs), aiming to reduce single-use plastic used in transportation. Packaging sizes were also reviewed to suppress excessive packaging and improve transport efficiency.
- Fuji Oil (Zhang Jia Gang Free Trade Zone) (China) revised its packaging methods to reduce excessive packaging.
- Tianjin Fuji Protein Co., Ltd. (China) adopted pallets made from recycled plastic.
- Woodlands Sunny Foods Pte. Ltd. (Singapore) reduced packaging materials and plastic waste by reviewing and revising the standard operating procedures (SOPs) for starting and stopping the automatic bagging machine.

# Sustainable Procurement



## Fuji Oil Group's Value Proposition

We believe that our Group's plant-based ingredients expand food choices and contribute to building "sustainable food value chain" which represents the value we provide in realizing a sustainable future for food.

Here, we present the FY2024 achievement highlights of our efforts in Sustainable Procurement, an area of sustainability matters to address our material ESG issues related to sustainable food value chain.

Visit the following links for details on the Fuji Oil Group's value proposition.

- Governance, Strategy, Risk Management, Metrics and Targets
- Integrated Report

### FY2024 Achievement Highlights

#### Commitments to Sustainable Procurement

##### Palm Oil

**95%**

Traceability to plantation (TTP)

FY2024 Goals: 85%

##### Cocoa

**100%**

Of farmer groups across our direct supply chain covered by CLMRS\*  
(Côte d'Ivoire, Ghana)

FY2024 Goals: 100%

##### Soybeans

**92.8%**

Traceability to primary collection points

FY2024 Goals: 90% or more

##### Shea Kernels

**91%**

Traceability to the regional level

FY2024 Goals: 70%

\* CLMRS: Child Labor Monitoring and Remediation System

## Sustainable Procurement Management

- Policy
- Governance
- Strategy
- Risk management
- Metrics and targets
- Specific initiatives

# Initiatives on Material ESG Issues

Priority action	Sustainable Procurement of Palm Oil				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					
Priority action	Sustainable Procurement of Cocoa				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					
Priority action	Sustainable Procurement of Soybeans				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					
Priority action	Sustainable Procurement of Shea Kernels				>
> Policy	> Governance	> Strategy	> Risk management	> Metrics and targets	
> Specific initiatives					







# Sustainable Procurement Management

[Policy](#)
[Governance](#)
[Strategy](#)
[Risk management](#)
[Metrics and targets](#)
[Specific initiatives](#)

## Policy

The Fuji Oil Group first formulated the Fuji Oil Co., Ltd. CSR Procurement Guidelines in 2012, and then revised it in 2016 and 2021. We subsequently established our sourcing policies for key raw materials, through the Responsible Palm Oil Sourcing Policy in 2016 and the Responsible Cocoa Beans Sourcing Policy in 2018. In addition, we enacted the Supplier Code of Conduct, and established our Responsible Soybeans and Soy Products Sourcing Policy and Responsible Shea Kernels Sourcing Policy in 2021.

### Group policies on sustainable procurement

	Policy name	Scope	Year enacted
Groupwide	 Supplier Code of Conduct	All suppliers of products and services to the Group	2021
Specific raw materials	 Responsible Palm Oil Sourcing Policy	All suppliers of palm oil, palm kernel oil, and palm-derived materials purchased, traded, processed, and sold by the Group	2016
	 Responsible Cocoa Beans Sourcing Policy	All suppliers of cocoa beans purchased, traded, processed, and sold by the Group	2018
	 Responsible Soybeans and Soy Products Sourcing Policy	All suppliers of whole soybeans and soybean protein products procured by the Group	2021
	 Responsible Shea Kernel Sourcing Policy	All suppliers of shea kernels procured by the Group	2021
Specific companies	 CSR Procurement Guidelines (3rd Edition)	Suppliers to Fuji Oil Co., Ltd.	First published in 2012

## Governance

GRI: 3-3

The Group's Sustainability Committee,<sup>\*1</sup> an advisory body to the Board of Directors, deliberates on and monitors the Group's response to environmental and social issues including climate change and human rights, reports the results and makes recommendations to the Board. Chaired by the President and CEO, the committee is composed of the COO, CFO, the heads of each business headquarters and functional divisions, and the ESG Advisors (outside directors). Initiatives to address the material ESG issue<sup>\*2</sup> of Sustainable Procurement are promoted by the chief officer in charge of each commodity.

Under this committee, the Subcommittee on Group Significant Risks discusses and manages Group-wide risks and opportunities across



the supply chain, and reports the results to the Management Committee Meeting and Board of Directors for approval at least once a year.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-24

Collaboration with our suppliers is essential to resolving the social issues involving the Group. We set our vision in the Fuji Oil Group Management Philosophy\* as “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.” A sustainable supply chain is essential to achieve this vision and for which we continue to advance our efforts. We foster relationships of trust with suppliers to address environmental and social issues in the supply chain, and engage in environmental conservation, respect for human rights, fair business practices, risk management and other initiatives with the aim of achieving sustainable growth for all three parties: suppliers, the Group and society.

\* Fuji Oil Group Management Philosophy

<https://www.fujioil.co.jp/en/about/constitution/>

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Engagement with suppliers

### Group-wide engagement with suppliers

Suppliers are our Group's key partners in creating a sustainable society. Through co-creation with our suppliers, we aim for sustainable growth of all three parties: suppliers, the Fuji Oil Group, and society. This approach is also stipulated in the Fuji Oil Group Supplier Code of Conduct formulated in April 2021. We ask our suppliers in all countries and regions where we do business to comply with the Code and follow other applicable procurement policies of the Group. As of January 31, 2025, we received the signatures of 79% of our suppliers. Going forward, the Group will continue to walk in step with suppliers who have agreed to work with us toward realizing a sustainable society. On the other hand, we will keep reaching out to suppliers who have not yet declared their alignment.

### Engagement with suppliers in Japan

In FY2024, as in the previous year, we prepared our supplier evaluation table, which serves as a basis for evaluating suppliers. Besides assessing financial status, quality, price, and delivery time, we also incorporated risk management and environmental responsibility, where in the past we found significant differences among suppliers. We confirmed the current status of about 70 companies and used our findings in supplier evaluations.

To improve the efficiency and rationalization of logistics operations in accordance with the Voluntary Action Plan for Logistics Optimization and Productivity Improvement, adopted in January 2024, we also conducted questionnaire surveys on the current status and points to improve regarding time spent at delivery sites for truck waiting, unloading, and other cargo handling activities. The surveys were done for each product category, by supplier.

With responses from 344 companies (96% response rate), we looked closely at cases where receiving operations took longer than two

hours. After discussing how to make improvements where that was occurring regularly, we were able to shorten receiving times in some cases. Starting next fiscal year, we will build a continuous monitoring system and work with suppliers to achieve more efficient supply logistics in response to the driver shortage.

## Metrics and targets

### Commitments to sustainable procurement

GRI: 408-1

The Fuji Oil Group set medium- to long-term goals and KPIs for the sustainable procurement of palm oil and cocoa in June 2020, and of soybeans and shea kernels in June 2021.

Raw material	Social issues in the supply chain		Our vision, medium- to long-term goals	KPIs		FY2024 results	Solution-based approach
				2030	2025		
Palm oil	Global environment	Climate change, deforestation, peatland development, biodiversity loss	No Deforestation, No Peatland Development and No Exploitation (NDPE)	Traceability to plantation (TTP <sup>*1</sup> ): 100%	TTP: 85%	95%	<ul style="list-style-type: none"> <li>Trace supply chain to plantations</li> <li>Monitor deforestation by satellite images</li> <li>Implement a supply chain transformation program</li> <li>Improve supply chain (reduce environmental/human rights risks) by collaborating with NGOs and oil mills, and engaging direct suppliers</li> <li>Operate a grievance mechanism</li> <li>Participate in landscape initiatives<sup>*3</sup></li> <li>Procure RSPO-certified oil<sup>*4</sup></li> </ul>
	Human rights	Forced labor; child labor; exploitation of Indigenous Peoples, local residents and workers		Labour Transformation Programme (LTP) implementation rate: 100% (of all direct suppliers)	LTP implementation rate: 100% (of all suppliers of Palmaju Edible Oil Sdn. Bhd. (Malaysia) <sup>*5</sup> )	83%	
Cocoa	Global environment	Deforestation, climate impacts on producing regions, biodiversity loss	Reforestation, elimination of child labor	One million trees planted <sup>*6</sup>	500,000 trees planted	Planted 70,023 trees in Côte d'Ivoire with partner AGRO-MAP (total: 385,771)	<ul style="list-style-type: none"> <li>Map out boundary lines (polygon) of supplier farms</li> <li>Conserve and restore forests</li> <li>Protect children (promote implementation of CLMRS)</li> <li>Implement community support programs (Ghana, Côte d'Ivoire)</li> </ul>
	Human rights	Child labor, poverty among farming families		Elimination of child labor	No worst forms of child labor <sup>*6</sup>	100% of farmer groups across our Group's direct supply chain covered by CLMRS <sup>*7</sup>	
Soybeans	Global environment	Deforestation, biodiversity loss	No deforestation, no exploitation	Traceability achieved to the community level, or 100% procurement of RTRS <sup>*8</sup> -certified products or products certified to equivalent standards	Traceability achieved to primary collection points, or 100% procurement of RTRS-certified products or products certified to equivalent standards	Traceability achieved to primary collection points: 92.8%	Promote continuous direct dialogue with suppliers in China
	Human rights	Exploitation of Indigenous Peoples, local residents and workers					
Shea kernels	Global environment	Loss of parkland	Forest conservation, support to women's empowerment	6,000 trees planted/year <sup>*9</sup>	6,000 trees planted/year	7,018 trees	<ul style="list-style-type: none"> <li>Implement Tebma-Kandu program</li> <li>Conserve parkland in habitat of shea trees</li> <li>Reduce environmental impact by shifting energy sources</li> </ul>
				Traceability to the regional level, including procurement from Tebma-Kandu cooperatives <sup>*10</sup> : 75%	70%	91%	
				Procurement of shea kernels from the Tebma-Kandu program <sup>*11</sup> : 50%	30% <sup>*12</sup>	15%	
				Percentage of shea kernels crushed and fractionated (separated) in West Africa: 100%	100%	100%	
				Non-fossil fuel energy <sup>*13</sup> used by Fuji Oil Ghana Ltd. (for steam generation): 100%	100%	70%	
				Utilization rate of storage buildings donated by our Group that generate alternative income for Tebma-Kandu cooperatives: 80% <sup>*14</sup>	20%	—	
	Human rights	Poverty among farming families					

\*1 TTP: Traceability to plantation

\*2 Palmaju Edible Oil Sdn. Bhd. (Malaysia): An oils and fats manufacturer wholly owned by the Fuji Oil Co., Ltd.

\*3 Landscape initiative: An approach to making improvements at the regional level with the participation of not only palm plantations but also multiple stakeholders, including NGOs, local communities, and the government, in identified regions

\*4 RSPO: Roundtable on Sustainable Palm Oil

\*5 We plan to plant a variety of shade tree saplings, totaling one million trees over a 10-year period from 2021 through 2030.

\*6 The International Labour Organization (ILO) Convention No. 182, known as the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, prohibits hazardous work that may harm the health, safety, or morals of children. This includes the sale and trafficking of children, debt bondage, forced or compulsory labor, prostitution and pornography, illegal activities such as crime, and recruitment of children for use in armed conflict.

\*7 CLMRS: Child Labor Monitoring & Remediation System

\*8 RTRS: Round Table on Responsible Soy Association

\*9 We plan to plant mainly shea tree saplings at a pace of 6,000 trees per year starting in 2021.

\*10 Tebma-Kandu cooperatives: Cooperatives that have joined the Tebma-Kandu program.

\*11 The KPI was changed from "direct procurement of shea kernels from Tebma-Kandu cooperatives" to "procurement of shea kernels from the Tebma-Kandu program." This includes procurement volumes from new partners who have aligned with the aims of Tebma-Kandu, in addition to the cooperatives that have been active from the outset based on the concept of the Tebma-Kandu program.

\*12 Our KPIs for years 2021, 2022 and 2023 are 10%, 10% and 15%, respectively.

\*13 We use shea olein, a byproduct obtained when fractionating shea butter, as biomass fuel.

\*14 Because the KPI for value creation in local communities, "permanent, direct employees at Fuji Oil Ghana Ltd.: 50% increase (base year: 2017)," was achieved as of FY2022, we set a new KPI to replace it from FY2024. Percentage of storage buildings for shea kernel storage donated by Fuji Oil Ghana Ltd. that are generating income through the use of vacant space or periods outside the shea season to store harvests other than shea.

## Specific initiatives

### Sustainable procurement information by raw material

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Follow the links below to learn more about our Group's sustainable procurement initiatives for our main raw materials — palm oil, cocoa, and soybeans — and our strategic raw material, shea kernels.

Sustainable Procurement of Palm Oil

[https://www.fujioil.co.jp/en/sustainability/palm\\_oil/](https://www.fujioil.co.jp/en/sustainability/palm_oil/)

Sustainable Procurement of Cocoa

<https://www.fujioil.co.jp/en/sustainability/cocoa/>

Sustainable Procurement of Soybeans

<https://www.fujioil.co.jp/en/sustainability/soy/>

Sustainable Procurement of Shea Kernels

[https://www.fujioil.co.jp/en/sustainability/she\\_kernel/](https://www.fujioil.co.jp/en/sustainability/she_kernel/)

## Related documents

ESG Data Book (PDF 411KB) 

# Sustainable Procurement of Palm Oil

[Policy](#)
[Governance](#)
[Strategy](#)
[Risk management](#)
[Metrics and targets](#)
[Specific initiatives](#)

## Policy

In March 2016, we formulated the Fuji Oil Group's Responsible Palm Oil Sourcing Policy. In this Policy, we stated our commitment to No Deforestation, No Peatland Development and No Exploitation (NDPE) in our palm oil supply chain. We are procuring palm oil produced in a responsible manner from suppliers who respect people and the global environment.

Responsible Palm Oil Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/palm\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/palm_procurement/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Sustainable Procurement of Palm Oil, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of Head of Oils and Fats Business Headquarters, the Senior Executive Officer.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

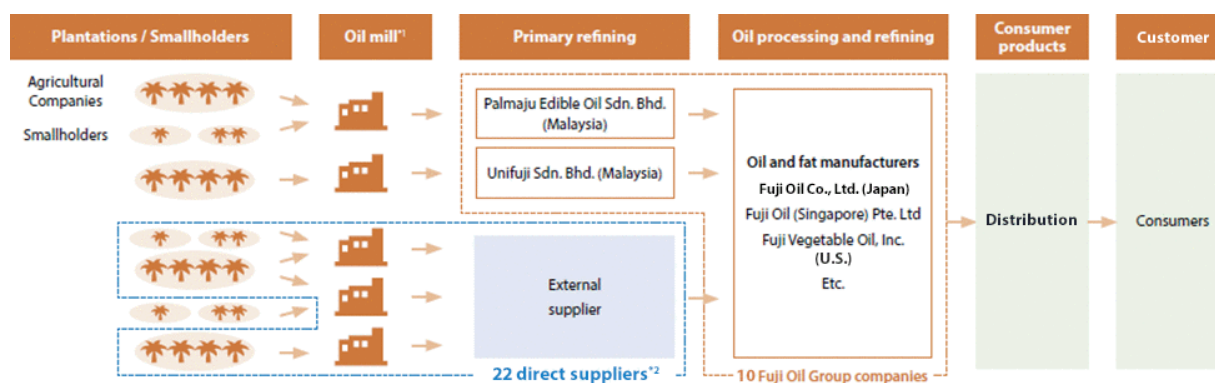
[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-6

Palm oil is extracted from the fruit of the oil palm, which grows in tropical regions such as Southeast Asia. Our Group procures palm oil, mainly from Malaysia and Indonesia, as the key raw material for our businesses like the Vegetable Oils and Fats Business. Palm oil is easier to process and has a higher yield per unit area than other vegetable oils and fats. For this reason, palm oil is used in a wide range of applications, from foods to chemical products, and has the largest production volume among vegetable oil and fat materials in the world. On the other hand, there have been concerns over environmental and social impacts tied to plantation development, such as deforestation and human rights violations, including child labor and forced labor.

Under the Responsible Palm Oil Sourcing Policy, our Group has set medium- to long-term goals in order to work on improving various issues through efforts such as strengthening traceability, monitoring and responding to deforestation using satellite imagery, implementing working environment improvement programs to protect human rights, and establishing grievance mechanisms. These commitments stated in the policy apply not only to our operations, but also to our entire palm oil supply chain. By achieving our commitments, we fulfill our environmental and social responsibilities, thereby enhancing our corporate reputation and creating greater business opportunities.



\*1 Our mill list (July to December 2024)

[https://www.fujioil.co.jp/pdf/en/sustainability/supplychain\\_database/h2\\_2024\\_mill\\_list.pdf](https://www.fujioil.co.jp/pdf/en/sustainability/supplychain_database/h2_2024_mill_list.pdf)

For the latest mill list, please refer to our supply chain database.

\*2 As of September 2024

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Sustainable Procurement Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Traceability

We need to foster better supply chain transparency in our journey toward achieving sustainable procurement. To this end, our Group is working on monitoring and assessing our traceability, which enables us to prevent, minimize, mitigate, and manage the environmental and social risks associated with palm oil production in our supply chain. The Oils and Fats Business Headquarters collects and verifies the traceability data of our palm oil supply chain once every six months to confirm that the raw materials we purchase are being produced responsibly.

As of December 2024, we achieved 100% traceability to mill (TTM) and 95% traceability to plantation (TTP) .

## Satellite-based monitoring (Location/scope: Indonesia, Malaysia, Papua New Guinea)

Since FY2020, our Group has been working with the non-profit Earthqualizer to use satellite technology to identify, monitor, and verify the risk of deforestation in the Group's palm oil supply chain. Satellite images of plantations and surrounding areas are extremely useful in identifying, mitigating, and preventing deforestation. Based on the reports we receive twice a month from Earthqualizer, we manage all allegations related to deforestation submitted to the Group through our grievance mechanism in order to begin our investigations.

When identifying whether an allegation made through our grievance mechanism is relevant to the Group's supply chain, traceability data is essential. If an allegation is found to be relevant through the results of matching our traceability data with the satellite images, we further investigate the actual situation with the related direct supplier(s). We work closely with Earthqualizer to address cases of deforestation in the Group's supply chain, including handling grievances, establishing solutions with suppliers, and communicating with NGOs and other stakeholders. We incorporate the investigation results and update the information in our grievance list at least once a quarter.\*

## Supply Chain Transformation Program (Location/scope: Malaysia)

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In 2017, the Fuji Oil Group launched a Labor Transformation Program (LTP) at Palmaju Edible Oil Sdn. Bhd. (Malaysia), a Group subsidiary, in collaboration with the non-profit Earthworm Foundation. This program provides tailored support for addressing human rights-related issues to all of the company's suppliers. LTP has been introduced to the company's direct suppliers, and is now being expanded to all indirect suppliers. The scope of the program includes the following eight elements.

1. Freedom of movement
2. Contract management
3. Ethical employment
4. Grievance management (through grievance mechanism)
5. Wages and working hours
6. Freedom of association
7. Health and safety
8. Accommodation



Interviewing workers through the program  
(September 2024)

Under this program, we provide the following support to our suppliers, to reduce human rights risks at their business and supply locations.

- Provide information and documents to support suppliers to ensure compliance
- Conduct practical training of dedicated staff and departments
- Raise suppliers' awareness of industry requirements
- Help suppliers apply international standards to their labor management
- Help suppliers obtain certification and meet customer requirements

To maximize the impact and effectiveness of our engagement, these activities are typically done face-to-face with local factory and plantation managers individually. As of March 2025, 83% of Palmaju Edible Oil Sdn. Bhd. (Malaysia) suppliers are covered by the program.

The program helps the company's suppliers build and develop better management systems, enabling them to improve labor management and address labor-related issues raised by stakeholders.

Because reorganization of the company's supply chain is expected to affect progress with these efforts, we recognize the need to review the KPIs and plan to update them at the appropriate time in the future. The Group will continue working toward our goal of 100% LTP implementation across the supply chain to achieve zero exploitation — an urgent issue from the perspective of stakeholders.

## Self-assessment tools (Location/scope: The Group's palm oil supply chain)

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In cooperation with the non-profit Earthworm Foundation, the Group works on encouraging Palmaju Edible Oil Sdn. Bhd. (Malaysia) suppliers to conduct self-assessments. Using self-assessment tools, suppliers are able to assess and monitor their situation and sustainability performance. These are critical tools in the supply chain due diligence process, making it possible for us to reach out to suppliers more extensively and efficiently.

The following shows our progress in FY2024.



## Rate of self-assessment questionnaire and action plan submission in FY2024

Palmaju Edible Oil Sdn. Bhd. (Malaysia)

- Direct suppliers: 43%
- Indirect suppliers: 64%
- Plantations: From 24 plantations

The rate of submission has decreased compared to 2023. This is due to a transition to a new platform and delays in launching the system.

This initiative enables us to make recommendations and provide support to help suppliers improve their business operations in line with the Group's policies. It also allows suppliers to share information about their own sustainability efforts and report on how well they are doing in meeting the requirements of the Group's Responsible Palm Oil Sourcing Policy.

To further support our suppliers, we are currently developing an easier-to-use due diligence system that enables us to obtain more accurate information.

Moving forward, we will continue to strengthen our due diligence system by reporting progress on NDPE in our supply chain.

## Engagement toward zero deforestation (Location/scope: The Group's palm oil supply chain)

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The Group proactively engages with our suppliers to identify the most effective approach to achieving zero deforestation together. Currently, we are taking the following approach:

- Continue working with industry stakeholders to develop a framework aiming for traceability to plantation (TTP)
- Verify and report that there is no deforestation within the Group's supply area, by matching TTP and satellite data through a third-party organization
- Assist direct suppliers in obtaining TTP data
- Increase the volume of palm oil procurement that can be verified under RSPO or other certification system
- Report potential deforestation risks to suppliers, develop countermeasures and monitor the status of its implementation

The Group is working toward zero deforestation, removing suppliers who do not actively engage with zero deforestation initiatives or who show insufficient progress on initiatives. Moving forward, we will continue to manage and maintain the supply chain to achieve this commitment.

## Grievance mechanism (Location/scope: The Group's palm oil supply chain)

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GRI: 2-25, 26

We established a grievance mechanism\* in May 2018 in order to enhance the transparency and effectiveness of our Responsible Palm Oil Sourcing Policy.

In FY2025, we will consult with industry stakeholders and experts, and plan to make updates to further enhance its effectiveness. The grievance mechanism allows any stakeholder to raise concerns — through the Fuji Oil Group Grievance Mechanism webpage (in English) — regarding environmental, human rights, or other issues related to the Fuji Oil Group and our supply chain, without fear of retaliation or negative consequences.

This enables us to effectively involve stakeholders and appropriately take corrective actions in accordance with our Responsible Palm Oil Sourcing Policy.

Every quarter we report all the grievances we receive and our progress in addressing them via the grievance list posted on the Fuji Oil Co., Ltd. website. In FY2024, we registered 79 grievance cases\*<sup>1</sup> (76 environmental and three social). Of these, 19 have been resolved, 31 are under monitoring, and 29 have been found to be invalid.

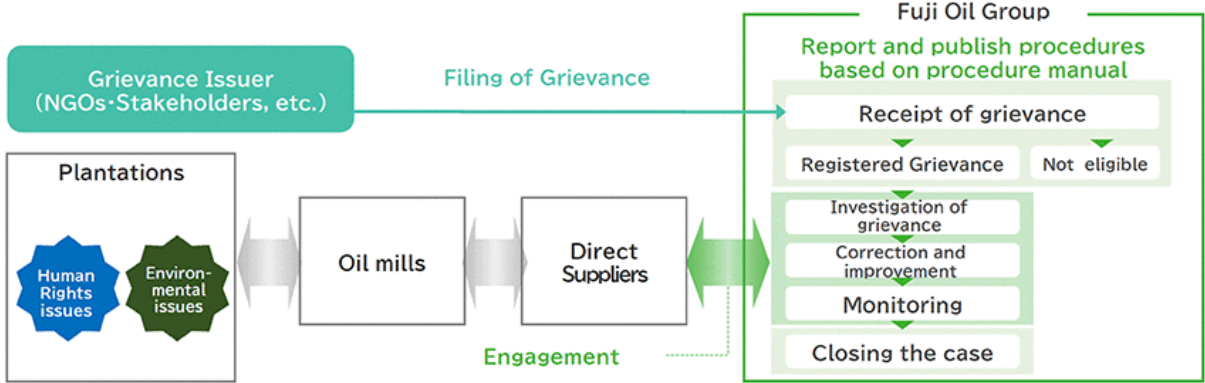
We regularly review our grievance mechanism with the help of experts, and are striving to obtain the necessary and vital information to address the concerns of all stakeholders.

We strongly believe these efforts will lead to a fair, just and transparent resolution of activities suspected of violating our Responsible Palm Oil Sourcing Policy.

\*1 The number of grievances that were determined to be directly or indirectly related to the Group's palm oil supply chain in accordance with the Group's grievance procedures and do not conform to the Group's Responsible Palm Oil Sourcing Policy.

\* [https://www.fujioil.co.jp/en/sustainability/grievance\\_mechanism/](https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/)

Overview of the Grievance Mechanism



APT Landscape Initiative

GRI: 304-3

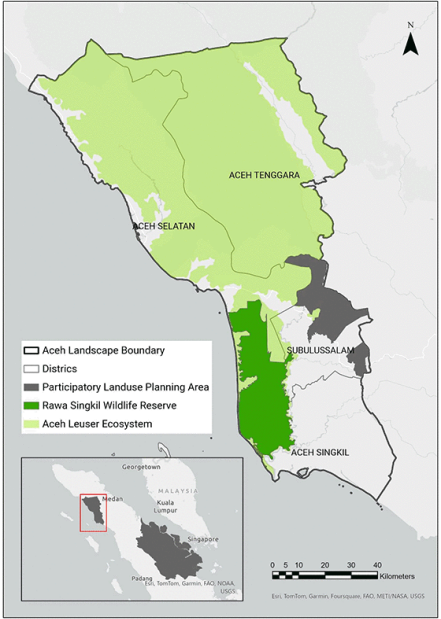
Indonesia: Aceh Landscape Initiative (Location/scope: Aceh, Indonesia)

Since 2018, our Group has been supporting a landscape initiative in the Aceh province of Indonesia, in cooperation with the non-profit Earthworm Foundation. The program strives to maintain a balance within the region in terms of palm oil production, forest conservation and good social and labor practices. Aceh is home to the Leuser Ecosystem, which is considered by many scientists and conservation activists to be one of the most biologically diverse places on Earth. However, deforestation has been continuing in this region due to oil palm plantation development and other activities. Even today, it is still at risk of deforestation. The program requires collaboration among key stakeholders within the landscape, including the private sector, the public sector, farmer cooperatives, local communities, and civil society. The landscape also covers approximately 2.3 million hectares of land across Aceh Selatan, Aceh Tenggara, Aceh Singkil and Subulussalam.



The following are the program's actions in 2024:

- The district government authorities of Subulussalam (2023), Aceh Singkil (2024) and Aceh Selatan (2024) formally adopted a regional action plan for sustainable palm oil (RAD-KSB).
- Ordinances were enacted by 12 villages to protect a total of 26,244 hectares of forests.
- Local organizations reforested 274 hectares.
- Six companies successfully acquired Indonesia Sustainable Palm Oil (ISPO) certification. There were positive impacts for 2,248 employees by providing childcare facilities, issuing pay slips, improving housing, providing personal protective equipment (PPE) and introducing a waste management system.

As we enter the final year of the five-year plan (2020-2025), we are discussing the second phase (2026-2030).



Areas of landscape initiative

\* <https://www.earthworm.org/our-work/projects/aceh-indonesia>   
<https://youtu.be/8fvj20TWaUQ> 

Malaysia: Southern Central Forest Spine (SCFS) Landscape program(Location/scope: SCFC, Malaysia)

From 2022, in collaboration with the non-profit Earthworm Foundation, our Group has also been participating in a landscape initiative in the Southern Central Forest Spine (SCFS), our primary palm oil procurement region located in Penninsular Malaysia. Palm oil companies operating in the SCFS landscape\*<sup>1</sup> are located adjacent to remaining fragmented forest areas within the SCFS that serve as critical wildlife corridors. By working with various stakeholders in SCFS, this initiative aims to promote sustainable practices within the landscape crucial to palm oil industries, including achieving 100% TTP in collaboration with intermediaries in the supply chain known as FFB dealers,\*<sup>2</sup> improving labor practices, and supporting human–wildlife coexistence in and around oil palm plantations.

Below is our progress in FY2024:

- We engaged with key government agencies and industry associations to improve TTP data flow efficiency through the platform in Malaysia. The rate of deforestation by companies and local communities decreased by 75%.
- Sungai Ara Plantation Cooperative (KPSA) and Federal Land Consolidation and Rehabilitation Authority (FELCRA) installed eight early warning system units to detect elephant intrusions onto small plantations, enabling patrol teams to respond quickly and guide elephants back to their habitats.
- A total of 5,834 workers were engaged in various work initiatives focused on ethical employment and the transformation of labor practices.

In FY2025, as we enter the final year of the five-year plan (2020-2025), we are discussing the second phase (2026-2030).



Photo: Bejay Yapp/Earthworm Foundation  
Prototype early warning system installed with electric fence of Sungai Ara Plantation Cooperative (KPSA)

\*1 <https://www.earthworm.org/our-work/projects/scfs-malaysia>

\*2 FFB dealers: Companies that act as intermediaries between smallholders and oil mills, providing land management support to smallholders and selling fresh fruits bunches (FFB) to oil mills

Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
No Deforestation, No Peatland Development and No Exploitation (NDPE)	Traceability to mill (TTM): 100%	TTM : 100%	TTM : 100%	TTM: 100% achieved	○
	Traceability to plantation (TTP): 100%	TTP : 85%	TTP : 85%	TTP: 95% achieved	○
	N/A	N/A	Continue conducting constant monitoring using satellite images to identify, observe, verify and eliminate deforestation in the palm oil supply chain	Continued partnership with satellite monitoring company to monitor deforestation in the palm oil supply chain	○

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
	Deforestation and Conversion Free (DCF)	100%	N/A	93.65%	N/A
	Labor Transformation Program (LTP) implementation rate: 100% (all direct suppliers)	LTP implementation rate: 100% (all suppliers of Palmaju Edible Oil Sdn. Bhd. (Malaysia))*	Implement LTP at suppliers of Palmaju Edible Oil Sdn. Bhd. (Malaysia): 80%	83%	○

\* An oils and fats manufacturer wholly owned by the Fuji Oil Co., Ltd.

## Analysis

Based on our Responsible Palm Oil Sourcing Policy, the Group set a target in 2016 to realize 100% TTM by 2030. We achieved this target in 2019, and continued to maintain it throughout FY2023.

We also implemented a procedure to ensure TTP across our entire supply chain. While there are various challenges such as information confidentiality and supply chain complexities, including procurement from FFB dealers, we are working with a number of experts and consultants to enhance our strategies for improving our Group's TTP performance and achieve 100% TTP.

For the Labor Transformation Program (LTP), we were able to start conducting site visits again, which had been temporarily suspended due to COVID-19. We exceeded our target as a result of resuming in-person visits and consultations with suppliers. Going forward, we plan to change the name of the program to the Supply Chain Transformation Program and carry out a wide range of initiatives that include improvements in other areas aside from working environment.

The challenge for smallholders, who account for around 30-40% of the entire palm oil production, is that they lack information on sustainable farming techniques and environmental considerations, as well as the funds to implement sustainable practices.

To support these smallholder farmers, since January 2016 we have been participating in the Wild Asia Group Scheme (WAGS)\* under Wild Asia, a Malaysian social enterprise, and have been supporting a certification program and WAGS BIO (regenerative farming) programs in Sabah (eastern Malaysia). Through participation in WAGS, we help smallholders improve their farming practices and comply with RSPO and MSPO to address the challenges faced by smallholder palm oil farmers. There are still many issues left to address, including deforestation, land rights, and workers' rights. It is vital for us to increase our momentum and enhance public awareness of these issues as we work as a Group to strengthen our procurement strategy and improve our supply chain practices.

## Next steps

Continued efforts toward NDPE are crucial for realizing sustainable procurement of palm oil. To address this issue, we set the following goals for FY2025 as a continuation of the previous year:

- TTM: 100%
- TTP: Over 95%
- Continue constant monitoring using satellite images to identify, observe, verify and eliminate deforestation in the palm oil supply chain
- Supply Chain Transformation Program at suppliers of Palmaju Edible Oil Sdn. Bhd. (Malaysia): 90%

### Promoting certified palm oil (Location/scope: The Group's palm oil supply chain)

In 2024, 63% of the palm oil procured by the Group was RSPO-certified.\*<sup>1</sup> The growing demand for sustainable palm oil has been a major contributing factor to the increase in the Group's procurement volume of certified palm oil.

The Unifuji (Malaysia), a joint venture with United Plantations Berhad, a Malaysia-based oil palm plantation company, has maintained its production capacity, enabling us to secure enough palm oil supply to meet the demand in this growing market. In addition, JPG Fuji Sdn. Bhd., a joint venture between our Group company Fuji Oil Asia Pte. Ltd. (Singapore) and Johor Plantations Group Berhad (Malaysia), a palm oil and palm kernel manufacturer, is scheduled to start operation in FY2026. JPG Fuji Sdn. Bhd. is expected to be fully RSPO-certified, with a simple and traceable system that will enable it to serve markets such as Europe that demand high-quality raw materials. Our Group has implemented the RSPO's new Shared Responsibility (SR) rules and expanded the volume of certified palm oil we procure every year. However, we have been facing challenges in recent years, such as the fact that certified palm oil supply exceeds demand, and that acquiring certification is difficult for smallholders. Increasingly stringent sustainability requirements limit palm oil expansion and increase the reliance of smallholder farmers on RSPO certification. In this context, we are proactively supporting smallholder farmers to obtain RSPO certification, especially those in our palm oil supply chain. Since 2021, we have been actively participating in RSPO working groups to discuss these issues and reflect them in the development of solutions.

Going forward, we plan to step up efforts to meet even more customer requests, particularly in the European market where demand is increasing, by deepening our partnership with Johor Plantations Group Berhad in Malaysia,\*<sup>2</sup> a strategic supplier of Palmaju Edible Oil Sdn. Bhd. (Malaysia).<sup>\*3</sup>



\*1 Roundtable on Sustainable Palm Oil (RSPO)

\*2 [https://www.fujioil.co.jp/en/pdf/news/2024/240125\\_en.pdf](https://www.fujioil.co.jp/en/pdf/news/2024/240125_en.pdf)

\*3 For RSPO's progress, see:

<https://rspo.org/>

#### What is RSPO certification?

RSPO certification is a widely-recognized international certification system in the palm oil industry. The Group has been a member of Roundtable on Sustainable Palm Oil (RSPO) since 2004, supporting the establishment of a certification system for the sustainable production and consumption of palm oil. RSPO is a non-profit organization that brings together stakeholders from seven sectors of the palm oil industry to develop and implement global standards for sustainable palm oil. They include a set of environmental and social standards that member companies must comply with in order to produce certified palm oil. When properly applied, these standards can minimize the negative impacts of palm cultivation on the environment and communities in palm oil-producing regions.

#### What is Shared Responsibility (SR)?

SR is the set of responsibilities adopted by RSPO members to achieve RSPO's vision, a global partnership to make palm oil sustainable. The supply of RSPO-certified sustainable palm oil accounts for only about 19% of the global supply. All RSPO members — including supply chain stakeholders, investors, and NGOs — have a role to play in increasing both the production and uptake of certified



sustainable palm oil, and in making it the preferred choice. The Fuji Oil Group is committed to increasing the share of RSPO-certified palm oil in its supply chain by 2% each year, as sought by RSPO.

## Collaboration with NGOs and industry

GRI: 304-3

### (1) Supporting smallholders in Sabah, Malaysia

Since January 2016, our Group has joined the Wild Asia Group Scheme (WAGS),\*<sup>1</sup> managed by the Malaysian social enterprise Wild Asia, and supported its certification program and WAGS BIO regenerative agriculture program being conducted in the state of Sabah in eastern Malaysia. Small and medium-sized operations account for the majority of oil palm plantations. Low productivity of plantation management by some operations at this scale has been identified as one factor behind environmental and human rights issues related to the procurement of palm oil. Through its participation in WAGS, the Group is working to address challenges faced by palm oil smallholders, by helping them improve their farming practices and comply with standards such as those of RSPO and MSPO.

The certification support program provides smallholders with the technical support and training for acquiring RSPO certifications. Since we joined the program in January 2016, the Group has helped a total of 1,633 smallholders to obtain the certification through WAGS (as of March 2025).

The WAGS BIO program supports farmers to introduce regenerative agriculture with the goal of raising smallholders' income, mitigating their adverse impact on biodiversity, and conserving and restoring natural ecosystems around plantations. In FY2024, we continued to conduct training on regenerative farming methods and intercropping of ginger and other cash crops. The total number of plantations that meet the BIO farm standard through pesticide-free farming and other methods has reached 94 (as of March 2025). In another initiative, we provided training to farmers on producing biochar from oil palm leaves. The application of biochar is expected to improve soil quality, and the carbon stored in the soil should have a mitigation effect on climate change.



Engagement with new BIO farmers



Planting medicinal trees (Mas Cotek\*<sup>2</sup>) in a plantation



Harvesting chili peppers in a BIO plantation

\*<sup>1</sup> Wild Asia Groups Scheme (WAGS): A program aimed at smallholders and independent producers in Malaysia to support sustainable palm oil production.

\*<sup>2</sup> Mas Cotek: A medicinal plant that grows in Malaysia. In English often referred to as mistletoe fig.

### (2) The Palm Oil Working Group, the Japan Sustainability Local Group of the Consumer Goods Forum

Our Group has been a member of the Consumer Goods Forum (CGF), an international industry organization for consumer goods distribution, and we have participated in the Japan Sustainability Local Group since its inception in November 2017. We have been active in its steering committee and Palm Oil Working Group.

### (3) Japan Sustainable Palm Oil Network

Fuji Oil Co. Ltd. has been a full member of the Japan Sustainable Palm Oil Network since October 2019, in support of its aim of promoting sustainable palm oil procurement and consumption throughout the Japanese industry.



#### (4) Palm Oil Collaboration Group

Since June 2020, Fuji Oil Group has been participating in the Palm Oil Collaboration Group (POCG),\* which brings together companies from every stage of the palm oil supply chain with the aim of accelerating effective action toward NDPE commitments. Currently, we are an active member of the Social Issues Working Group, which discusses and resolves human rights issues. We will continue participating in and contributing to the Working Group to develop effective solutions to achieve NDPE, with a focus on the following priorities:

- Human rights due diligence in management systems
- Responsible recruitment in Malaysia's palm oil industry, which is predominantly made up of migrant workers
- Protecting the rights of Indigenous Peoples and local communities

\* <https://palmoilcollaborationgroup.net/> 

#### Related documents

ESG Data Book (PDF 411KB) 

# Sustainable Procurement of Cocoa



Material Issue  
Sustainable Procurement

[Policy](#)
[Governance](#)
[Strategy](#)
[Risk management](#)
[Metrics and targets](#)
[Specific initiatives](#)

## Policy

In August 2018, the Fuji Oil Group established the Responsible Cocoa Beans Sourcing Policy.

Responsible Cocoa Beans Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/cocoa\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/cocoa_procurement/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Sustainable Procurement of Cocoa, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Chocolate Business Headquarters, the Chief Operating Officer (COO), the Senior Executive Officer.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-6

Our Group's industrial chocolate business purchases cocoa-derived raw materials such as cocoa beans, cocoa liquor,<sup>\*1</sup> cocoa butter,<sup>\*2</sup> and cocoa powder<sup>\*3</sup> as key raw materials, and uses them to produce chocolate products. Smallholder farmers make up the majority of producers in Côte d'Ivoire and Ghana, the two major cocoa-producing countries, giving rise to a complex web of social and environmental issues. These include poverty and, linked to this, the challenges of children's education and child labor as well as low agricultural productivity, deforestation and climate change impacts. Addressing these issues requires a multifaceted approach, which includes environmental restoration, such as restoring deteriorated soil fertility, empowering women and ensuring children's education. We recognize that it is our role and responsibility to respect human rights, conserve natural resources, help farmers lift themselves out of poverty, and build resilient cocoa supply chains that ensure the future of cocoa production.

Failure to address these issues with integrity could result in business disruptions and damage to the Group's reputation. It also increases the risk of negatively affecting the Group's financial position by losing investor confidence, as well as customer and consumer trust, resulting in a shift in demand toward more sustainable brands and a decline in our market share. On the other hand, taking a proactive approach to these issues helps us improve our operational efficiency, strengthen our relationships with established customers, and build new customer relationships. This may also be an opportunity for the Group to take the lead in solving issues as an industry leader, by developing new markets and customers through sustainably produced products that provide a strong competitive advantage. In addition to avoiding risks, we will strengthen our Group brand through respecting human rights, conserving natural

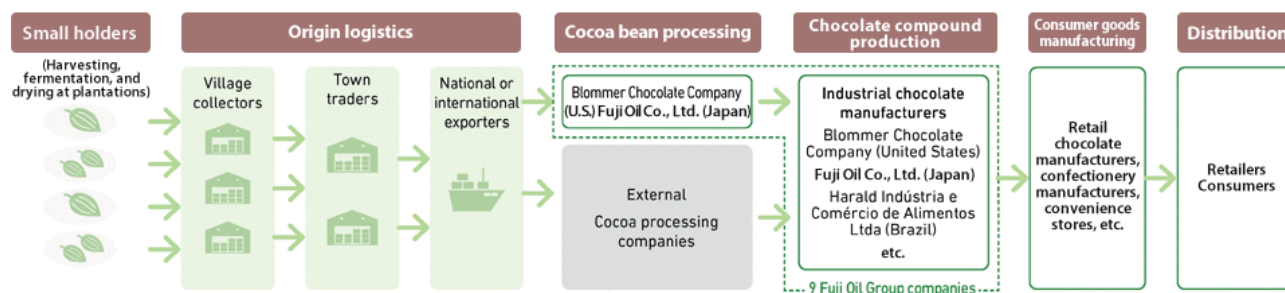
resources, and further improving cocoa supply chains, while at the same time we will bring positive changes to society and ensure the future of people.

In 2020, our Group set medium- to long-term goals and KPIs to realize the sustainable procurement of cocoa beans and track its progress. We continuously work on raising household income of farmers, ending child labor, and restoring forests by improving supply chain transparency and strengthening traceability.

\*1 Made by removing the shells of cocoa beans and grinding the nibs (inside the cocoa beans) into a smooth, liquid state

\*2 Vegetable oil obtained by pressing cocoa beans

\*3 Dry powder made by grinding what is left after the cocoa butter has been removed from the cocoa beans



## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Sustainable Procurement Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Traceability

Improving traceability across the supply chain is critical to addressing social and environmental issues in the cocoa supply chain. In our direct supply chain,<sup>\*1</sup> we are working with our suppliers to map out the boundary lines (polygons) of farms. The process, called polygon mapping, is used as the basis for establishing compliance regarding protected areas. Plantation polygons can also be used to assess deforestation related to the supply chain using satellite imagery.

Every year, Blommer Chocolate Company (U.S.), our subsidiary, publishes a map of farmer communities in its direct supply chain of farms on its website.<sup>\*2</sup> Farmer groups that supply raw materials to Blommer also undergo annual audits by certification bodies or third-party auditors.

Blommer's sustainability team working in Côte d'Ivoire plays a major role in overseeing and implementing the program, as well as checking its effectiveness and assessing its impacts. The team's findings play a role in verifying data reported by suppliers and in enhancing alignment with the program.

\*1 Supply chain where cocoa beans are purchased directly from farmers or agricultural cooperatives, or where the source is traceable through intermediaries.

\*2 <https://www.blommer.com/sustainability/strategy/traceability.php> 


Our Group is working to end child labor — a significant human rights issue in the cocoa industry.

In major cocoa-producing countries, farmers are facing challenges including poverty, child labor, lack of community infrastructure such as schools and health centers, shortage of farm workers, and lack of capital to invest in improving agricultural technology, each of which has to be addressed appropriately. The Group focuses on creating an environment to prevent child labor and on developing a mechanism to remediate any violations of children’s rights in the supply chain.

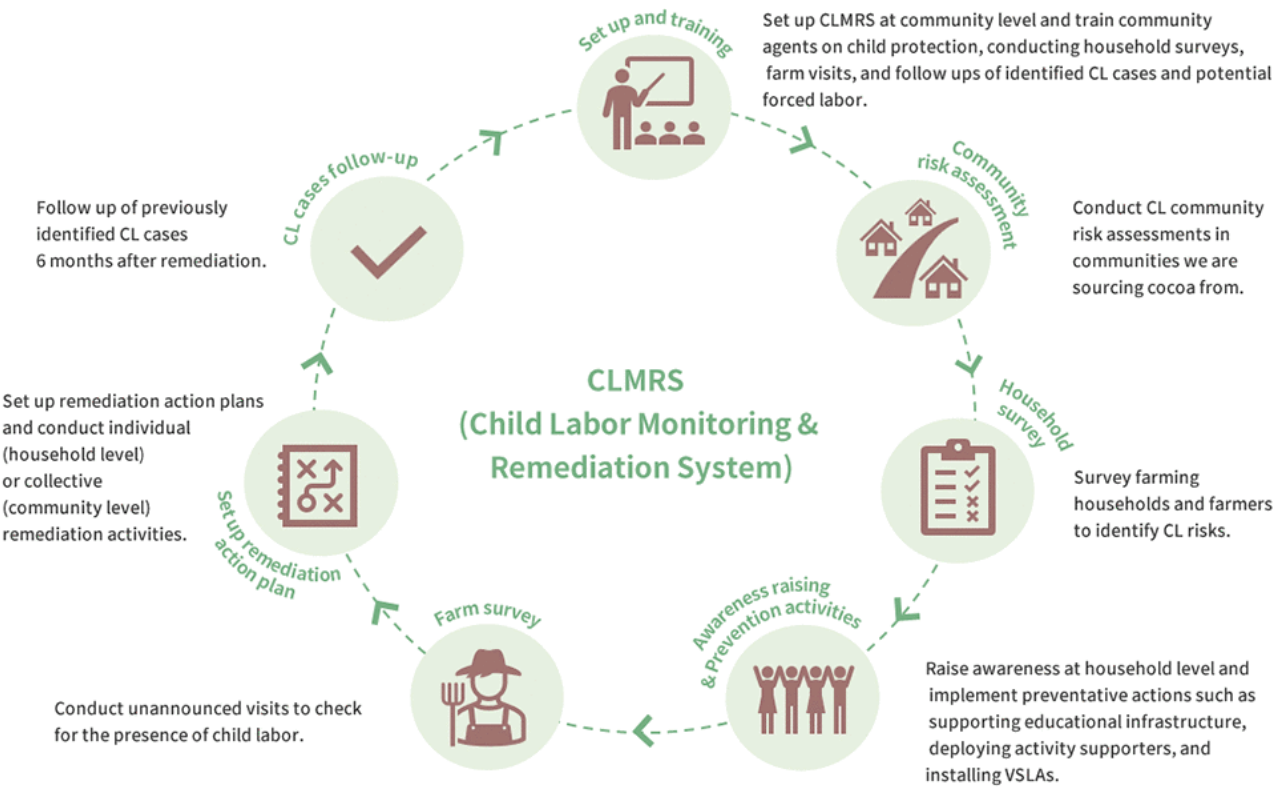
To identify the root causes of child labor and raise awareness of potential violations, community agents and farmer groups are working together to set up the Child Labor Monitoring and Remediation System (CLMRS) at all villages in our direct cocoa supply chain in West Africa. Community agents who monitor and carry out remediation measures are trained on child protection and conduct household surveys regularly. The Group focuses on high-risk communities and community agents to identify children at risk of or engaged in child labor and propose action plans to their families and communities. We also support cocoa farmers by providing pruning guidance, promote women’s empowerment through village savings and loans associations (VSLAs), and implement environmental conservation<sup>\*1</sup> and other preventive measures in communities.

We also work with other stakeholders in the cocoa industry on industry-wide initiatives. In 2022, the Group joined the Child Learning and Education Facility (CLEF)<sup>\*2</sup> and the Early Learning and Nutrition Facility (ELAN). CLEF is a coalition that aims to reach 5 million children and 10 million parents in cocoa-growing regions in Côte d'Ivoire and beyond. It focuses on access to quality primary education by constructing school infrastructure, training teachers in effective pedagogical practices, and engaging parents in their children’s learning. The ELAN Initiative aims to provide quality services and training in early childhood development and nutrition to 1.3 million children below the age of five and their caregivers.

\*1 See the section “Conserving and restoring forests” below.

\*2 <https://www.clefcoalition.com/en/our-mission/> 

CLMRS (Child Labor Monitoring & Remediation System)



## Community development and women's empowerment

(Location/scope: West Africa (Côte d'Ivoire, Ghana))

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Our Group believes that to realize sustainable procurement, it is important to meet the needs, not only of cocoa farmers, but also of the local communities in the sourcing regions. We facilitate the construction of social infrastructure, such as schools, health centers, maternity hospitals, and access to safe water in cocoa-producing communities.

Women play a huge role in ensuring food security and access to nutrition, education and health in cocoa-producing communities and their families. Our community development projects in Côte d'Ivoire and Ghana aim to empower women by creating economic opportunities for them. As part of these efforts, we offer literacy training courses for women and established village savings and loans associations (VSLAs). The VSLAs are women-led self-managed groups that offer access to savings and loans to their members for investing in existing or new micro-businesses, funding children's education and other urgent family needs. These initiatives have made a significant impact, leading to growth of activities with similar concepts.

## Conserving and restoring forests (Location/scope: Mainly Ghana and Côte d'Ivoire)


GRI: 304-3

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Our Group is committed to ensuring long-term benefits for cocoa farmers and their communities, reducing our carbon footprint, achieving a supply chain free of deforestation, and conserving and restoring ecosystems. To achieve these commitments, we focus on promoting agroforestry.

### Setting goals under our sustainable procurement commitment

Our Group has committed to planting one million trees in cocoa growing regions affected by deforestation by 2030. We have distributed over 371,000 saplings since 2020. In Ghana, we planted 160,000 trees between 2020 and 2022. And in 2023, we started a three-year project in Côte d'Ivoire in partnership with AgroMap,\* an Ivorian company specializing in nature-based solutions. Through this partnership, we have planted more than 211,000 forest and fruit trees in total in Blommer's direct cocoa supply chain since 2023. The project promotes cocoa agroforestry and community reforestation, while also focusing on diversifying the income of cocoa farming households through initiatives to increase their income. Additionally, the project aims to build the resilience of producers and communities affected by climate change and help in carbon sequestration and protecting biodiversity.

\*<https://agro-map.com/> 

### Curbing deforestation through the Cocoa & Forests Initiative (CFI)

Blommer has been proactively participating in the Cocoa & Forests Initiative (CFI) since 2017. CFI's 35 participating companies, which account for 85% of global cocoa use, are working with the governments of Côte d'Ivoire and Ghana to end deforestation and promote the protection and restoration of forests in cocoa supply chains.

In 2023, Blommer renewed its commitment, pledging to support the second phase of CFI (CFI 2.0 2023-2025) focused on accelerating and scaling impacts through building collective action and co-investment in priority landscapes. The CFI 2.0 Action Plan\* expresses the ambition to introduce the most impactful solutions in Phase 1, and innovative tools and interventions to curb deforestation, focusing on the detailed information we gained in Phase 1 for making the ambition a reality.

Since 2018, Blommer has distributed 1,587,981 shade trees and completed mapping of 90% of farm plots in our direct supply chain as part of CFI.

\* Blommer publishes a CFI report annually on their website:


<https://www.blommer.com/sustainability/strategy/safeguarding-the-environment.php> 

### Assessing and addressing deforestation risks

Since 2022, the Group has teamed up with Satelligence,\* the world leader in geospatial forest monitoring, to assess and address deforestation risks in Côte d'Ivoire, Ghana, and Ecuador. We leverage satellite imagery to gain landscape- and farm-level insights that include canopy cover change, carbon loss/gain on and around cocoa farms, deforestation risk assessments, identification of shade

cocoa areas, and carbon sequestration monitoring. A real-time risk alert system also enhances Blommer's capacity to swiftly address the drivers of deforestation and forest degradation.

In 2024 we monitored a total of over 130,407 hectares in Côte d'Ivoire, Ghana, and Ecuador. No deforestation was confirmed during the 2023-2024 cocoa season.

\* <https://satelligence.com/news/satelligence-and-blommer-partner-to-fight-deforestation-in-cocoa-areas> 

### Deforestation assessment and carbon reduction with the World Cocoa Foundation (WCF)

Blommer has continued to develop cooperative arrangements with WCF,\* Satelligence and other industry partners. In 2023, the company contributed to the development of standardized deforestation risk assessment (DRA) methodologies. They provide step-by-step technical guidance for WCF member companies to comply with the EU Regulation on Deforestation-free Products (EUDR). The methodologies are now integrated into the company's evaluation processes.

Blommer has also teamed up with WCF member companies on a project to streamline carbon accounting for cocoa since 2023. This resulted in the release of an official guidance on carbon accounting methodology as well as carbon reduction and carbon avoidance interventions, such as promoting shade-grown cocoa. Informed by this guidance and Satelligence data, Blommer will review its calculation of Scope 3 emissions for cocoa and continue to promote agricultural practices with low climate impact to deliver on Group's Scope 3 emissions reduction goals.

GHG Accounting Manual for Cocoa

<https://worldcocoafoundation.org/storage/files/wcf-quantis-ghg-accounting-for-cocoa-20250131.pdf> 

\* <https://www.worldcocoafoundation.org/initiative/cocoa-forests-initiative/> 

## Handling of certified cocoa-derived raw materials

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### Fairtrade

The following Group companies have obtained the Fairtrade International certification, which aims to promote sustainable development of smallholders and workers in developing countries. These two companies offer Fairtrade certified products in response to our customers' requests.

- Fuji Oil Europe (Belgium)
- Blommer Chocolate Company (U.S.)



The FAIRTRADE Mark

### Fair Trade USA

Blommer Chocolate Company (U.S.) has obtained the Fair Trade USA certification since 2015.





## Rainforest Alliance Certification

The following Group companies are certified in accordance with the supply chain requirements of the Rainforest Alliance\* Sustainable Agriculture Standard, which is an international certification program aiming to create a better future for people and nature. Going forward, we will continue to work to meet the demands of our customers for responsible cocoa sourcing.



- The Fuji Oil Hannan Business Operations Complex and Kanto Plant (Japan)
- Industrial Food Services (Australia)
- PT. Freyabadi Indotama (Indonesia)
- Freyabadi (Thailand) Co., Ltd.
- Fuji Global Chocolate (M) Sdn. Bhd. (Malaysia)
- Fuji Oil Europe (Belgium)
- Harald Indústria e Comércio de Alimentos Ltda (Brazil)
- Blommer Chocolate Company (U.S.)
- Blommer Chocolate Manufacturing (Shanghai) Company Ltd. (China)
- Fuji Oil (Zhang Jia Gang) Co., Ltd. (China)

\* <https://www.rainforest-alliance.org/> 

## Sustainable Origins

Sustainable Origins\* is our Group's sustainability program.

The program promotes sustainable cocoa and chocolate production by ensuring transparency, accountability, and ethical practices throughout the supply chain. This program aims to build a resilient cocoa supply chain so that farmers and local communities can thrive, human rights are protected, and natural capital is protected for future generations, based on the Fuji Oil Group's vision: "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy."



### Companies implementing the program:


- Fuji Oil Co., Ltd.
- Blommer Chocolate Company (U.S.)

\* <https://fujioil-sustainableorigins.jp/>  (Japanese)

## Initiatives in Japan (Membership in the Platform for Sustainable Cocoa in Developing Countries)

Fuji Oil Co., Ltd. joined the Platform for Sustainable Cocoa in Developing Countries,\* an initiative with the Japan International Cooperation Agency (JICA) acting as Secretariat. We have endorsed the Action Plan to Eliminate Child Labor in the Cocoa Industry, which was released by the platform.



\* <https://www.jica.go.jp/activities/issues/governance/platform/index.html>  (in Japanese)

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
One million trees planted <sup>*1</sup>	One million trees planted	500,000 trees planted	Plant 62,000 trees across our direct supply chain to progress toward the Group goal of one million trees (Côte d'Ivoire)	Planted 70,023 trees in Côte d'Ivoire with partner AGRO-MAP	○
Increase traceability and transparency			Maintain GPS mapping for 90% of farmers to improve direct supply chain and traceability systems	Completed mapping of 90% of direct supply chain	○
Support farmers and improve farm resilience			Continue GAP <sup>*3</sup> trainings for farmers across our Group's direct supply chain	24,281 farmers participated in GAP trainings	○
			As part of CFI commitment, Blommer to distribute approx. 165,000 shade trees saplings to plantations and vicinity (Côte d'Ivoire, Ghana)	Total 224,927 saplings distributed, including 58,348 by Blommer <ul style="list-style-type: none"> <li>• Côte d'Ivoire: 46,952</li> <li>• Ghana: 11,396</li> </ul>	○
Conserve forests			Assess deforestation related to the supply chain using data provided by Satelligence <sup>*4</sup> and conduct deforestation risk assessment for over 131,000 hectares of land	Conducted deforestation risk assessment for 130,407 hectares in Côte d'Ivoire, Ghana, Ecuador	○
End child labor	End child labor	No worst forms of child labor <sup>*2</sup>	Continue implementing Child Labor Monitoring and Remediation System (CLMRS) in farmer communities across our direct supply chain <sup>*5</sup>	100% of farmer groups across our direct supply chain are covered by CLMRS	○
			Provide support for women's empowerment in 110 communities across our direct supply	458 VSLAs <sup>*6</sup> are active in 114 communities related to our supply chain	○

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
			chain (Côte d'Ivoire, Ghana)		

\*1 We plan to plant a variety of shade tree saplings, totaling one million trees over a ten-year period from 2021 through 2030.

\*2 The International Labour Organization (ILO) Convention No. 182, known as the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, prohibits hazardous work that may harm the health, safety, or morals of children. This includes the sale and trafficking of children, debt bondage, forced or compulsory labor, prostitution and pornography, illegal activities such as crime, and recruitment of children for use in armed conflict.

\*3 Good Agricultural Practices

\*4 See the section “Conserving and restoring forests”

\*5 In West Africa

\*6 See “Community development and women’s empowerment”

## Analysis

To implement the Responsible Cocoa Beans Sourcing Policy formulated in August 2018, we set KPIs in June 2020 and determined a direction for our efforts over the next ten years. Since Blommer became a part of our Group in 2019, the company has been leading our initiatives and playing a major role in the sustainable procurement of cocoa.

Going forward, we will continue collaborating closely with our customers, suppliers, certification bodies and international organizations to develop programs and initiatives in line with the Group’s sourcing policy.

## Next steps

Crucial elements of our initiatives include raising the income of farming households, protecting children, providing educational opportunities to cocoa farming families, empowering women, and conserving and restoring forests. To address these issues, we set the following goals for FY2025:

- Maintain GPS mapping of 90% of farms in direct supply chain and improve traceability system
- Continue introducing the Child Labor Monitoring and Remediation System (CLMRS) in farmer communities across our direct supply chain
- Provide support for women’s empowerment in 78 communities across our supply chain (Côte d’Ivoire, Ghana)
- Continue GAP training to farms across our direct supply chain
- Plant 65,000 trees across our direct supply chain to continue our initiative to plant one million trees (Côte d’Ivoire)
- Assess deforestation related to the supply chain using data provided by Satelligence and conduct deforestation risk assessment for over 19,000 hectares of land
- Distribute around 38,000 saplings for a wide variety of shade trees in and around plantations conducted by Blommer as part of our CFI commitments (Côte d’Ivoire, Ghana)

## Specific initiatives

### Participation in the World Cocoa Foundation (WCF)

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The Fuji Oil Group has been a member of the World Cocoa Foundation (WCF)\* since 2012. The WCF is a non-profit international membership organization whose mission is to foster collaboration among its members and beyond, in order to build a more sustainable cocoa sector and improve the lives of cocoa farmers and cocoa-growing communities.



Blommer is a founding member of the WCF and currently holds a seat on the WCF Board. The company has demonstrated a leadership role through participation in WCF flagship programs, such as the African Cocoa Initiative, the Cocoa Livelihoods Program, Cocoa Action, and the CFI.


Blommer delivered on the Group's CFI commitment: 224,927 multipurpose trees were distributed for off-farm and on-farm planting (Côte d'Ivoire, Ghana).

\* <https://www.worldcocoafoundation.org/> 

### Participation in the European Cocoa Association (ECA)

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Fuji Oil Europe (Belgium) is a member of the European Cocoa Association\* and has been participating in the ECA Sustainability Working Group since 2019.

\* <https://www.eurococoa.com/en/> 

### Supporting cocoa farmers

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Our Group directly supports cocoa farms in Côte d'Ivoire (since 2004), Ghana (since 2014) and Ecuador (since 2013). By providing tools and training based on established agricultural technologies, we encourage farmers to adopt Good Agricultural Practices (GAP) and climate-smart cocoa practices.\* Pruning is particularly important in GAP, so we launched service groups focused on pruning at the community level in order to provide willing farmers with paid labor services. Although there are major challenges such as pests, diseases, and changes in climate patterns (particularly rainfall), we hope that the adoption of GAP will ultimately improve the resilience of farms.

Farmers and farmer groups that participate in the program receive a premium for the cocoa covered by this initiative. Premiums are paid as compensation for the additional work required to comply with the Group's internal and third-party standards, and supply traceable and sustainable cocoa beans. The premiums paid to farmers also directly contribute to improving their household income. Farmer groups are also encouraged to reinvest a percentage of their premiums into social initiatives that benefit all cocoa farmers, such as the construction and repair of classrooms, school cafeterias, and water pumps.

\* Climate-smart cocoa practices: A sustainable agricultural approach aimed at mitigating and adapting to climate change impacts in growing cocoa. The focus is on improving the resilience of cocoa cultivation, reducing greenhouse gas emissions and promoting sustainable farming practices.

# Sustainable Procurement of Soybeans

[Policy](#)
[Governance](#)
[Strategy](#)
[Risk management](#)
[Metrics and targets](#)
[Specific initiatives](#)

## Policy

The Fuji Oil Group formulated the Responsible Soybeans and Soy Products Sourcing Policy in June 2021. (The policy was partially revised in April 2025.)

Responsible Soybeans and Soy Products Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/soy\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/soy_procurement/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Sustainable Procurement of Soybeans, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Soy Ingredients Business Headquarters, the Executive Officer.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-6

Soybeans are cultivated in a wide range of regions, from cool temperate zones to the tropics, and are one of the most widely used raw materials for food products in the world. Soy meat, soymilk and other soy products have recently attracted attention as plant-based alternatives to address global food issues as the world's population continues to grow. They are also increasingly associated with the rising global interest in health.

With the conviction that soybeans could be one of the answers to future global food shortages, The Fuji Oil Group has been at the forefront of companies pursuing the potential of soybeans as a food ingredient since 1957, growing our soy ingredients business with soy meat as a typical ingredient. In this business, we procure raw materials soybean-derived ingredients, such as defatted soybeans and soy protein made from defatted soybeans, and whole soybeans. We also procure soybean oil in our vegetable oils and fats business at several percent of the total weight of ingredients we procure.

We are aware of the social and environmental problems in some soybean-producing regions, such as the infringement of human rights of Indigenous Peoples and local communities, destruction of forests and ecosystems, and soil contamination of farmlands due to pesticides, and we recognize them as challenges for our corporate management. Failure to address these issues could affect the sustainable procurement of raw materials, posing a risk of damaging the Group's reputation and reducing profits. Conversely, working to address these issues could foster greater trust from our stakeholders, opening up opportunities for profit growth from new transactions and enhancing our corporate value.

The Fuji Oil Group set medium- to long-term goals and KPIs to achieve sustainable procurement of soybeans in June 2021 in order to meet customers' expectations amid the growing needs for soy products, while addressing the issues in soy-producing areas. We procure soybeans and soy products produced in a responsible manner from suppliers that take human rights and the environment into account, and continue to strive to identify problems and provide solutions across the supply chain through continuous engagement with our suppliers of raw materials.

#### Soy ingredients procured by Fuji Oil Group and our products

Ingredients		Related Products	Major Sources
Defatted soybean	Made from whole soybeans with oil extracted	Raw materials for soy protein ingredients	North America, China, Japan
Soy protein	Protein ingredient extracted from defatted soybeans	Soy protein foods Textured soy protein products	
Whole soybeans	Soy in its whole bean form	Soy protein foods Products using the USS manufacturing method	
Soybean oil	Oil extracted from whole soybeans	Soy protein foods Oil-based products	

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Sustainable Procurement Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Improving traceability of the supply chain to primary collection points

(Location/scope: The US., Canada, China)

Our Group has been engaging with suppliers based on the Responsible Soybeans and Soy Products Sourcing Policy.

For raw materials produced in North America and China, we are working to further improve traceability of the supply chain to primary collection points, where the soybeans are collected from the farm and stored.

Our progress in understanding the supply chain and improving traceability varies for each region, but in cooperation with our suppliers, we will continue to assess the risks involved in procurement in more detail and improve traceability. From 2025, we plan to conduct more extensive tracing further upstream to the community level.

## Gathering information through RTRS (Location/scope: The US, Canada, China)

In 2020, our Group joined the Round Table on Responsible Soy Association (RTRS), a global platform for sustainable soybean production, and received their support to gather information and to formulate the Responsible Soybeans and Soy Products Sourcing



Policy in June 2021. We will continue to collect information on global trends related to the sustainable procurement of soybeans.

## Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
No deforestation, no exploitation	Traceability achieved to the community level, or 100% procurement of RTRS*-certified products or products certified to equivalent standards	Traceability achieved to primary collection points, or 100% procurement of RTRS-certified products or products certified to equivalent standards	Better engage with suppliers through direct dialogues	Direct dialogues with suppliers in North America and China conducted, and understanding of traceability status improved	○
			Achieve at least 90% traceability to primary collection points	92.8% traceability achieved to primary collection points	○

## Analysis

In FY2024, we determined our progress in traceability through dialogues with suppliers. In North America, we deepened our relationships with suppliers through concrete dialogues on current issues and future directions, fostering a shared understanding of the importance of sustainability. In China, we were able to gain a more detailed understanding of the situation, including the extent of traceability in the upstream supply chain.

## Next steps

Enhancing traceability is the key to understanding the problems in each producing region. Companies are also expected to make positive impacts on the environment, so to address these issues, we have set the following goals for FY2025:

- Achieve 100% traceability to primary collection points
- Discuss actions to achieve Scope 3 reductions by implementing regenerative agriculture programs

## Specific initiatives

### Ensuring procurement of non-genetically modified soybeans

To meet our stakeholders’ demands, our Group’s soy ingredients business procures soybean raw materials from North America, China, and Japan, all of which are non-genetically modified (non-GM) soybeans. In North America, both GM soybeans\* and non-GM soybeans are distributed in large quantities. Therefore, we place strict controls on soybeans produced in North America to ensure that non-GM

soybeans shipped to us are cultivated, transported, and stored separately from GM soybeans.

In China, which is a major source of soybeans for our soy ingredients business, the cultivation of GM soybeans is prohibited. In recent years, however, GM soybeans have been imported to China as raw materials for oil extraction. Therefore, it becomes increasingly important to manage non-GM soybeans through the strict separation from GM soybeans. Regarding the procurement of soybeans from China, we continue to respond to strict management requirements in the market through close cooperation among our Group companies while adopting management know-how from Fuji Oil Co., Ltd.

\* Genetically modified (GM) soybeans: Soybeans that have been engineered through gene recombination to produce a more stable yield by adding functions such as herbicide resistance

# Sustainable Procurement of Shea Kernels



Material Issue  
Sustainable Procurement

[Policy](#)
[Governance](#)
[Strategy](#)
[Risk management](#)
[Metrics and targets](#)
[Specific initiatives](#)

## Policy

The Fuji Oil Group formulated the Responsible Shea Kernel Sourcing Policy in July 2021, and set medium- to long-term goals and KPIs. We will work toward a sustainable future by fulfilling the following three commitments set forth in the policy.

- Conserve parkland where shea trees grow: Plant 6,000 saplings of shea trees and other native trees every year in the region
- Encourage rural development and environmental initiatives: Empower the women involved in the shea kernel industry and improve production capacity of their cooperatives
- Local value creation: Create employment, including training on operational skills, quality and safety, and create high value-added products in the communities

Responsible Shea Kernel Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/shea\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/shea_procurement/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors the Sustainable Procurement of Shea Kernels, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. Fuji Oil Ghana Ltd. cooperates with business divisions of Fuji Oil Co., Ltd. and implements related initiatives under the oversight of the Head of Oils and Fats Business Headquarters, the Senior Executive Officer.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-6

Shea trees grow naturally in the Sahel region of sub-Saharan West Africa (Burkina Faso, Mali, Ghana, Côte d'Ivoire, Benin, Togo, and Nigeria). The shea butter extracted from shea kernels (embryos in the seed) is an important raw material in the Group's vegetable oils and fats business. Shea butter is a very versatile oil suitable for various uses including foods, confectionery, and skin care, and is widely used as a cocoa butter equivalent (CBE). From May to June shea nuts are harvested by women in rural districts in Western Africa, who also carry out the primary processing (boiling, shelling, and drying).

Local concerns include the loss of natural habitat for shea due to land clearing for farming, and heavy labor being performed by hand in shea harvesting and primary



Shea fruits growing naturally in West Africa

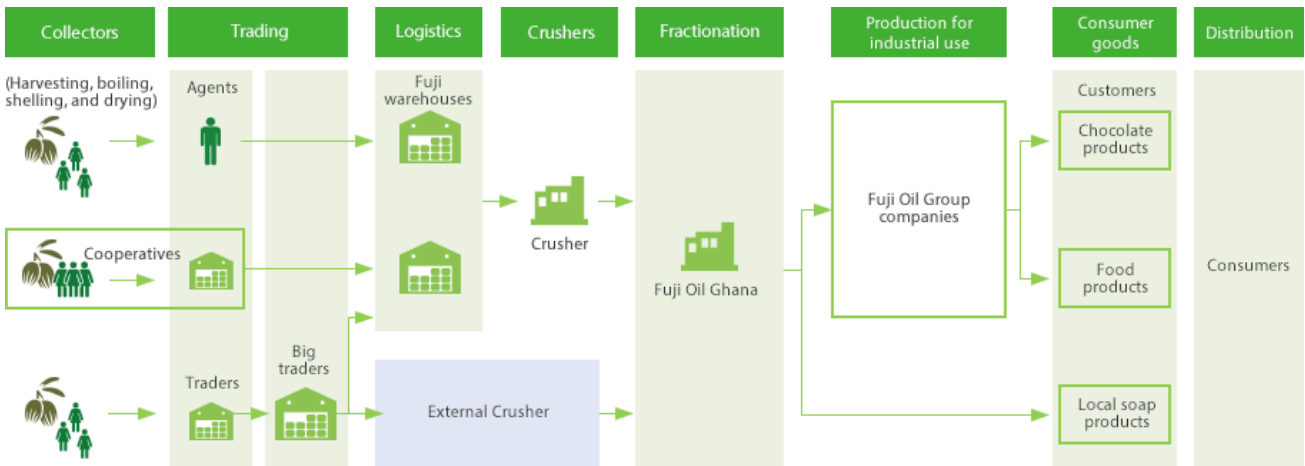
processing, as well as occupational health and safety risks.

We are working to realize a sustainable supply chain by boosting skills and empowering women in West Africa and promoting their involvement in the supply of shea kernels through close collaboration with Tebma-Kandu cooperatives.\*1 The Tebma-Kandu program offers farmer training and provides work-efficiency-proven hardware. Specifically, we are promoting the following initiatives based on our Responsible Shea Kernel Sourcing Policy.

- Continually improve traceability to the regional level
- Continually increase the amount of shea kernels procured from women’s cooperatives we have partnered with through the Tebma-Kandu program\*1
- Contribute to conserving parkland by planting saplings and promoting sapling management training in regions with Tebma-Kandu cooperatives
- Create value, employment, and worker training opportunities in West African regions through local processing of shea kernels and butter
- Improve our environmental footprint by switching to non-fossil fuels\*2 for energy at the Fuji Oil Ghana Ltd. Factory

\*1 Tebma-Kandu cooperatives, Tebma-Kandu program: See the “Tebma-Kandu program” below for details.

\*2 Using non-fossil fuel sources such as shea kernel meal.



## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Sustainable Procurement Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## The Tebma-Kandu program (Location/scope: Ghana)

Tebma-Kandu\* is a shea kernel sustainability program launched in 2021 with 23 women’s cooperatives in northern Ghana in an effort to implement the Responsible Shea Kernel Sourcing Policy. Now in its fifth year, it is seeing a growing number of women’s cooperatives interested in participating. By providing pre-financing as well as training on business skills, cooperative management, and quality control to members of the steadily rising number of registered cooperatives, Tebma-Kandu is working to improve capacity and help create value for local communities. The program is also using storage buildings built to store harvested shea kernels, in order to start generating alternative income during the off-season.

Using its own production facility in West Africa, Fuji Oil Ghana Ltd. processes shea kernels to extract shea butter, and in an effort to create value and employment in local communities, it conducts training for local employees on plant operation, quality control, and safety.

By 2024, memorandums of understanding were signed with 75 women’s cooperatives in the Tebma-Kandu program. The program also funds the construction of storage buildings and provides hardware that enables women to supply large quantities of shea kernels of specified quality through cooperatives.

Before the harvest season begins, Tebma-Kandu provides pre-financing, without any special conditions or restrictions, to help the shea harvesters avoid having to sell shea kernels to intermediaries at unreasonably low prices.

This program includes capacity building for members as well as reforestation projects and actions to reduce environmental footprints. To date, this initiative has empowered approximately 40,000 women working in northern Ghana, and has supported the productivity of the cooperatives. For FY2025, there are plans to increase the number of women’s cooperatives participating in this program to 100.

\* [https://www.fujioil.co.jp/en/news/2021/\\_icsFiles/afieldfile/2021/03/11/20210311\\_news\\_e\\_Tebma-Kando.pdf](https://www.fujioil.co.jp/en/news/2021/_icsFiles/afieldfile/2021/03/11/20210311_news_e_Tebma-Kando.pdf) 

For more information about Tebma-Kandu please visit this page.

<https://www.fujioileurope.com/en/sustainability/welcome-to-our-sustainable-shea-journey#p-section--1392> 

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
Forest conservation, support to women's empowerment	6,000 trees planted/year	6,000 trees planted/year	6,000 trees planted/year	7,018 trees planted	○
	Traceability to the regional level, including procurement from Tebma-Kandu cooperatives*1: 75%	70%	70%	91% achieved	○
	Procurement of shea kernels from Tebma-Kandu program*2: 50%	30%	20%	15% achieved	△
	Percentage of shea kernels crushed and fractionated	100%	100%	100% achieved	○

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
	(separated) in West Africa: 100%				
	Non-fossil fuel energy* <sup>3</sup> used by Fuji Oil Ghana Ltd. (for steam generation): 100%	100%	100%	70% achieved	○
	Percentage of Group-donated storage buildings being used to generate alternative income for Tebma-Kandu cooperatives: 80%* <sup>4</sup>	20%	—	—	—

\*1 Cooperatives registered in the Tebma-Kandu program and partners that are operating in accordance with Tebma-Kandu principles.

\*2 The KPI was changed from “direct procurement of shea kernels from Tebma-Kandu cooperatives” to “procurement of shea kernels from the Tebma-Kandu program.” This includes procurement volumes from new partners who have aligned with the aims of Tebma-Kandu, in addition to the cooperatives that have been active from the outset based on the concept of the Tebma-Kandu program.

\*3 We use shea olein, a byproduct obtained when fractionating shea butter, as biomass fuel.

\*4 Because the KPI for value creation in local communities, “permanent, direct employees at Fuji Oil Ghana Ltd.: 50% increase (base year: 2017),” was achieved as of FY2022, we set a new KPI to replace it from FY2024. Percentage of storage buildings for shea kernel storage donated by Fuji Oil Ghana Ltd. that are generating income through the use of vacant space or periods outside the shea season to store harvests other than shea.

## Analysis

In FY2024, a number of external factors affected the shea kernel supply chain. The crop of shea fruits was generally quite inferior, and several West African countries had banned the export of shea kernels (only permitting exports of shea butter). With shea prices soaring at historical levels and cocoa prices also high, demand for shea butter, cocoa butter equivalent (CBE) used for chocolate, was strong.

We maintained a high traceability level at 91%, but due to low harvest volumes could not confirm the total coming from Tebma-Kandu cooperatives and partners operating in accordance with Tebma-Kandu principles.

In FY2024 we introduced new KPIs. For cooperatives, storage buildings are made freely available for other distribution business opportunities, as shea harvests and activities are seasonal. For this reason, we have added the KPI of having a utilization rate of 80% by FY2030 for storage buildings donated by the Fuji Oil Group to promote alternative income for Tebma-Kandu cooperatives.

We have close and positive relationships with the cooperatives registered with the Tebma-Kandu program. We are discussing future possibilities, visions, and better roles of the cooperatives, and a growing number of women’s groups are showing an interest in participating in this program.



## Next steps

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For FY2025, we aim to expand the Tebma-Kandu program to 100 cooperatives, and have set the following goals:

- Plant 6,000 trees/year
- Traceability to the regional level: 70% by FY2025
- Procurement rate of shea kernels from Tebma-Kandu program and partners operating in accordance with its principles: 30%

The Washington-based International Food Policy Research Institute (IFPRI) has also recognized the activities of the Tebma-Kandu program and decided to engage with Tebma-Kandu cooperatives for a certain period of time to innovate, providing tools and distribution means to improve efficiency and add value, with the aim of improving community welfare in various ways.



Discussions with women's cooperatives, Tebma-Kandu program

## Specific initiatives

### Collaboration with external organizations

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Fuji Oil Ghana Ltd. joined the Global Shea Alliance (GSA) in 2013, and the Shea Network Ghana in 2015. The primary activities of these organizations are:

- Providing storage buildings to store shea kernels and create other sources of income
- Business training for women
- International development of shea products
- Occupational health and safety initiatives
- Training on the management of parkland conservation
- Research and development of afforestation materials
- Pilot projects for parkland conservation

Fuji Europe Africa B.V. is participating as a consortium member in the Child Labor Due Diligence Project in the Shea Supply Chain funded by the Dutch government. Working with other industry stakeholders, the company aims to reduce the risk of child labor in the shea kernel supply chain through this project.

\* Global Shea Alliance (GSA): A non-profit organization made up of companies, members of civil society, research institutions, governments, and other groups involved in the shea industry.

<https://globalshea.com/>

## Conserving parkland where shea trees grow (Location/scope: Ghana)

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In northern Ghana, shea trees are being felled at a critical pace in order to clear land, and are also increasingly cut down for use as charcoal.

In FY2024, we worked with local company Eco Restore to plant 7,018 saplings of shea and other native trees.

Training in appropriate cultivation techniques is important to improve the survival rate of the saplings. In FY2025 we plan to plant 6,000 saplings, and also to provide training. We have confirmed the sapling survival rate has been very high to date.



Trainees in a sapling nursery

## Reducing environmental impact by shifting energy sources (Location/scope: Ghana)

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Fuji Oil Ghana Ltd. is shifting its production energy use from mineral oils to non-fossil fuels, such as by converting a portion of shea kernel meal and other byproducts of the shea butter production process into fuel, in order to reduce CO2 emissions and waste during shea kernel and shea butter processing. Using fuel from byproducts also reduces the use of firewood, leading to less deforestation, water savings, and reduced energy costs. Fuji Oil Ghana’s ultimate goal is to use 100% non-fossil fuel energy.

# Human Capital and Occupational Safety



## Fuji Oil Group's Value Proposition

We believe that building a “sustainable food value chain” by providing solutions to social issues across the value chain — such as physical and mental health, environmental challenges, and human rights — which are swiftly identified by all employees of the Fuji Oil Group, in our pursuit of a sustainable future for food.

Here, we present the FY2024 achievement highlights of our efforts in Human Capital and Occupational Safety, an area of sustainability matters to address our material ESG issues related to a sustainable food value chain.

Visit the following links for details on the Fuji Oil Group's value proposition.

- Governance, Strategy, Risk Management, Metrics and Targets
- Integrated Report

### FY2024 Achievement Highlights



Human Rights Management  
Third human rights impact assessment conducted



Human Resources Strategy  
Focusing on improving employees' job satisfaction through global engagement surveys

## Human Rights Management

- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets

## Initiatives on Material ESG Issues

### Priority action Promotion of DE&I



- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

**Priority action** **Securing and Developing Human Resources**



- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets
- > Specific initiatives

**Priority action** **Reducing Occupational Accidents and Property Damage**



- > Policy
- > Governance
- > Strategy
- > Risk management
- > Metrics and targets

## Initiatives on Other Social Issues

**Employee Health (Health and Productivity Management)**



- > Policy
- > Governance
- > Basic approach
- > Risk management
- > Metrics and targets

**Co-existence with Local Communities**



- > Policy
- > Management system
- > Basic approach
- > Specific initiatives

# Human Rights Management

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets

## Policy

In the values that inform our actions in the Fuji Oil Group Management Philosophy, we express our commitment to work for people — the many people who form the backbone of the Fuji Oil Group. In April 2017 we established the Fuji Oil Group Human Rights Policy, which lays out our basic approach to human rights.

We require our suppliers to respect human rights in the Fuji Oil Group Supplier Code of Conduct, formulated in April 2021, and in the sourcing policies for our main raw materials. In March 2023, we established the Fuji Oil Group Human Rights Guidelines to serve as specific principles that guide the shared recognition for respect for human rights among all employees to fulfill our responsibility in our business operations.

Fuji Oil Group Management Philosophy

Fuji Oil Group Human Rights Policy

## Fuji Oil Group Supplier Code of Conduct

In April 2021, we established the Fuji Oil Group Supplier Code of Conduct.\* This Code outlines the requirements for respecting human rights (non-discrimination, occupational safety and health, labor standards, freedom of association and collective bargaining, forced labor, child labor, and local communities), as well as product safety and quality, the impact of environmental pollution on local communities, and information security and privacy. It also requires suppliers to implement remediation mechanisms. We strive to engage with our suppliers based on this Code of Conduct and to ensure that products and services we procure are provided in a manner that respects human rights and the environment.

\* Fuji Oil Group Supplier Code of Conduct

<https://www.fujioil.co.jp/en/sustainability/policy/supplier/>

\* Engagement with suppliers

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Fuji Oil Group Human Rights Guidelines

Based on the Fuji Oil Group Human Rights Policy, we established the Fuji Oil Group Human Rights Guidelines in March 2023 to address human rights issues related to Group workplaces and employees. The guidelines have been translated into nine languages so that all employees can understand them.

The Guidelines are a part of our response to the “human rights in the workplace (harassment, forced labor)” risks identified in our second human rights impact assessment, and aim to ensure that human rights are respected consistently across all Group companies, in our efforts to establish a comprehensive human rights management system. This was a point raised in our dialogue with BSR in FY2021.

Fuji Oil Group Human Rights Guidelines

[https://www.fujioil.co.jp/en/sustainability/policy/human\\_rights\\_guideline/](https://www.fujioil.co.jp/en/sustainability/policy/human_rights_guideline/)

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. The committee identifies material ESG issues related to human rights based on feedback from diverse standpoints, including customers, human rights experts, and employees. It also deliberates on and monitors these issues from a multi-stakeholder perspective, and makes recommendations to the Board. We carry out our initiatives to reduce human rights risks under the oversight of chief officers in charge of priority actions that address the relevant material ESG issues.

The Sustainability Development Department oversees relevant divisions and identifies human rights risks across the Group. We reflect those identified significant human rights risks in priority actions that address material ESG issues, including human rights issues in the Group.

Additionally, we discuss and manage business risks and opportunities related to human rights issues in the Fuji Oil Group risk management structure.<sup>\*2</sup>

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Fuji Oil Group risk management structure

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Strategy

GRI: 2-24

Human rights are the rights that all people are born with to live freely and with dignity. With a global supply chain, the Fuji Oil Group is directly or indirectly involved in the human rights issues of various stakeholders across the value chain of our business. In the Fuji Oil Group Management Philosophy, we set forth the following vision: Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy. Based on this vision, we have pursued sustainability-driven corporate management, striving to fulfill our responsibility to respect human rights across the Group's entire value chain. Failure to take action to respect human rights may increase human rights risks such as discrimination, harassment, forced labor, and child labor. In a business environment where human rights in business are gaining importance and human rights regulations are becoming more stringent worldwide, this could also lead to business risks, including the termination of business relationships with customers. Conversely, carefully addressing human rights issues throughout the Group can create opportunities to build trust with customers and stakeholders, while also enhancing employee engagement. In line with the Fuji Oil Group Human Rights Policy, as well as other international human rights policies and regulations, the Group identifies human rights issues across our value chain and manages our initiatives based on material ESG issues and Group significant risks.

## Risk management

The Fuji Oil Group manages human rights risks and opportunities through addressing the following material ESG issues and managing Group significant risks.

### Material ESG issues

Ensuring Product Safety and Quality Control, Reduction of Process Contaminants in Oils and Fats, Solutions for Healthy and Well-being, Creation of Diverse Plant-based Ingredients, Biodiversity Conservation and Restoration, Sustainable Procurement of Palm Oil, Sustainable Procurement of Cocoa, Sustainable Procurement of Soybeans, Sustainable Procurement of Shea Kernels, Promotion of DE&I, Securing and Developing Human Resources, Reducing Occupational Accidents and Property Damage, Information Security Management, Operation of a Trustworthy Whistleblowing System, Promoting Fair Business Practices



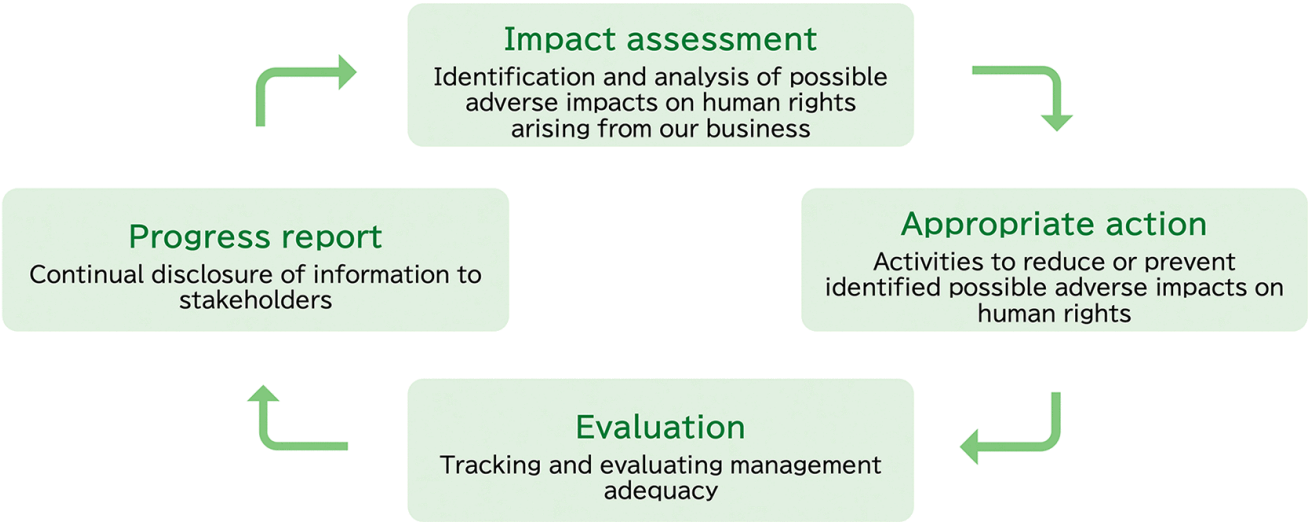
## Human rights due diligence

### Overview

The UN Guiding Principles on Business and Human Rights\*<sup>1</sup> clearly state that businesses also have the responsibility to respect human rights. The principles require that businesses understand the social and moral significance of respecting human rights in fulfilling this responsibility, and doing so consists of three components: policy commitment, conducting human rights due diligence,\*<sup>2</sup> and establishing a process that enables remediation. Our Group conducts human rights due diligence as part of the “implementation of the responsibility to respect human rights” specified in the Group’s Human Rights Policy.

\*1 Guiding Principles on Business and Human Rights: A set of international standards unanimously endorsed by the UN Human Rights Council in 2011.

\*2 Human rights due diligence: The act of identifying human rights risks in a company’s business throughout the supply chain, and explaining and disclosing information on the effectiveness of initiatives and approaches towards preventing and reducing those risks.



### Human rights impact assessment

Our Group conducts human rights impact assessments following the process advocated by the UN Guiding Principles on Business and Human Rights with guidance from outside experts in order to identify and evaluate the possible adverse impacts of our business activities on human rights and to identify priority issues.

#### First and second human rights impact assessments and addressing human rights risks

We conducted our first assessment in FY2016 and our second in FY2020.

In the second assessment, we received third-party guidance from Business for Social Responsibility (BSR), a U.S.-based non-profit organization with expertise in business and human rights, and identified our human rights risks using the following procedure.

#### Second human rights impact assessment process

First stage	With BSR’s expertise, identified human rights risks based on the nature of the Group’s business activities and our operating locations
Second stage	Conducted interviews with internal stakeholders in collaboration with BSR to incorporate as much information from our actual operations as possible. Identified six categories where our business activities may impact human rights: 1) Occupational health and safety, 2) Human rights of supply chain workers, 3) Diversity and inclusion (D&I) and human rights in the workplace, 4) Food safety, 5) Governance, risk, and compliance, and 6) Climate impact on human rights

Third stage	Based on expert guidance, selected three categories of human rights risks to address as priority issues: 1) Occupational health and safety, 2) Human rights of supply chain workers, and 3) D&I and human rights in the workplace. Reported these identified risks to our executive team
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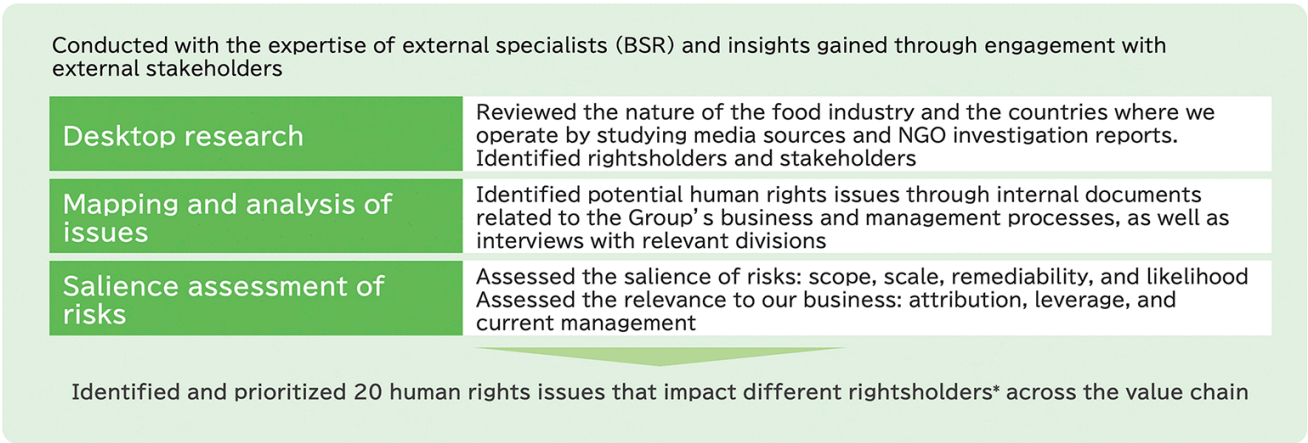


See the “Metrics and targets” section for our progress on the categories identified as priority risks.

### Third human rights impact assessment

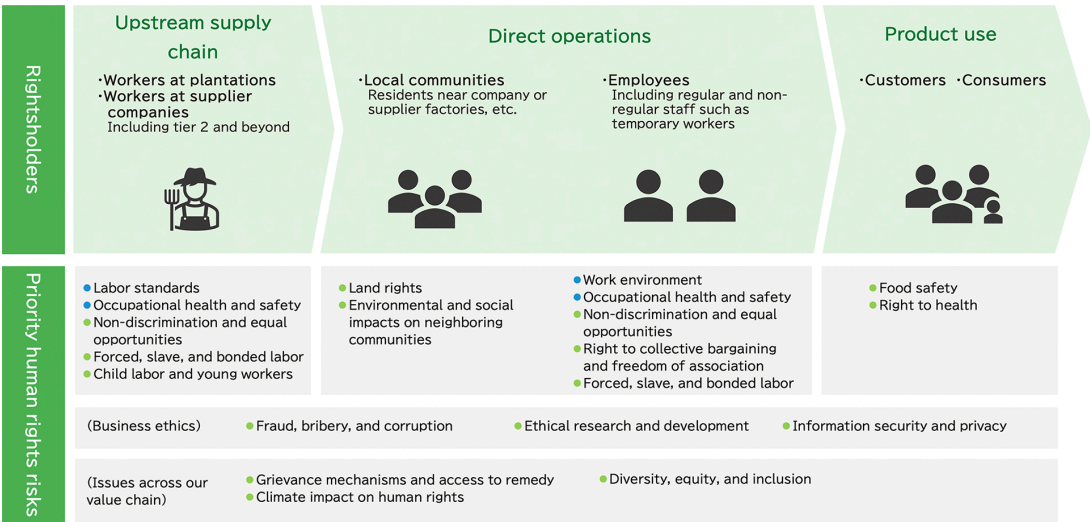
In FY2024, we conducted our third human rights impact assessment under the guidance of BSR to re-identify priority human rights risks to address.

### Third human rights impact assessment process



\* Rightsholders: Individuals or groups whose human rights could be impacted or have been impacted by the company’s business, products, or services

### Rightsholders and priority human rights risks across the Fuji Oil Group value chain identified in the third human rights impact assessment



● Risks that should be addressed with the highest priority ● Risks that need to be addressed but are relatively low priority

In FY2024, along with our regular human rights impact assessment, we conducted a gap analysis of our human rights due diligence practices against the UN Guiding Principles on Business and Human Rights and current initiatives in the food industry. The results, in particular, highlighted the need to strengthen our human rights governance and implement more robust due diligence initiatives in areas and issues identified as high risk.

## **Human rights risk management system**

Since our first human rights impact assessment in FY2016, we have been working to understand expectations for the Group and gather input from stakeholders through ongoing dialogues that include experts in the field of business and human rights, industry groups, and NGOs active in regions where our key raw materials are produced. We have also been working to address the human rights issues we identified through initiatives to reduce negative impacts and create positive impacts.

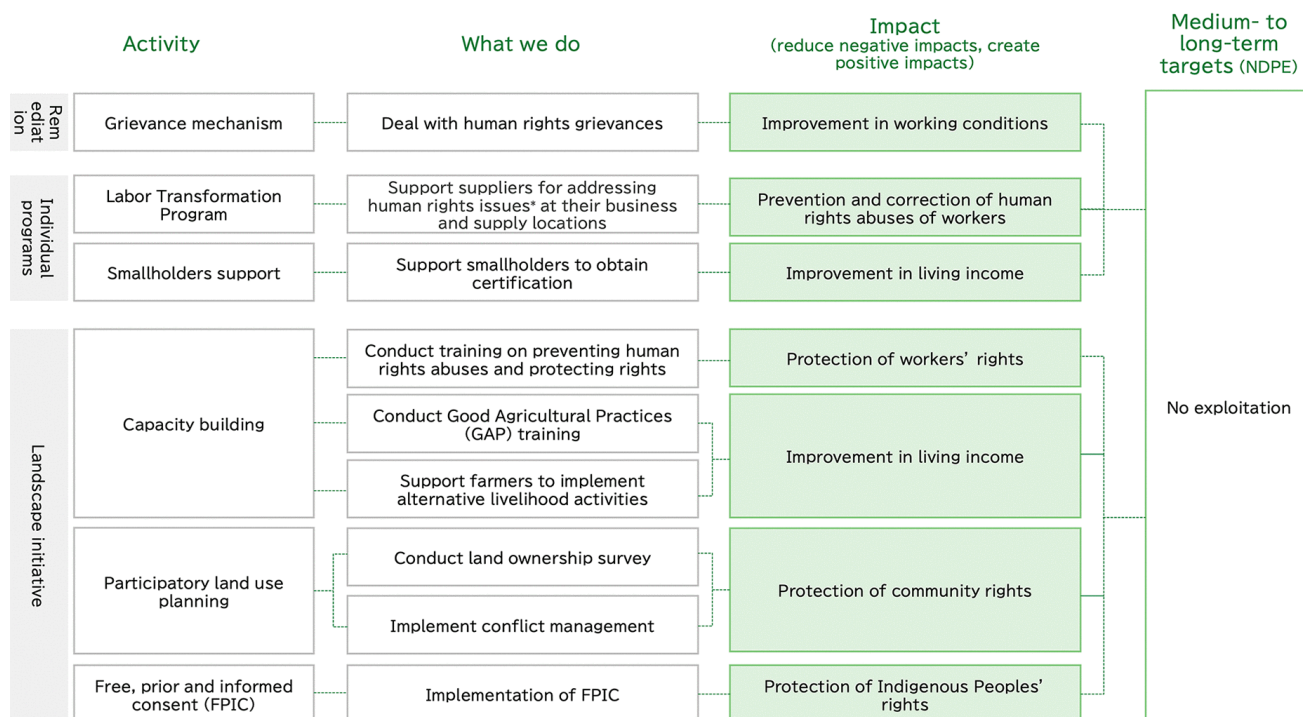
### **Identification of human rights risks based on expert dialogues and guidance**

- Dialogue on human rights (September 2016)
- First human rights impact assessment (FY2016)
- Dialogue with experts on business and human rights (June 2019)
- Second human rights impact assessment (FY2020)
- Third human rights impact assessment (FY2024)

### **Initiatives for supply chain worker human rights based on stakeholder dialogues**

- Established the Responsible Palm Oil Sourcing Policy (March 2016)
- Launched the palm oil Labor Transformation Program (FY2017)
- Established the Fuji Oil Group Human Rights Policy and began conducting human rights due diligence (April 2017)
- Established and announced a palm oil grievance mechanism (May 2018)
- Published the Palm Oil Mill List (June 2018)
- Participated in the palm oil landscape initiative (FY2018)
- Established the Responsible Cocoa Beans Sourcing Policy (August 2018)
- Revised the palm oil grievance procedures (April 2020)
- Published the Fuji Oil Group Supplier Code of Conduct (April 2021)
- Established the Responsible Soybeans and Soy Products Sourcing Policy (June 2021)
- Established the Responsible Shea Kernels Sourcing Policy (June 2021)
- Launched the Tebma-Kandu program for shea kernels (FY2021)
- Revised the Fuji Oil Co., Ltd. CSR Procurement Guidelines (3rd Edition) (November 2021)
- Established the Fuji Oil Group Policy on Biodiversity (March 2023)
- Established the Fuji Oil Group Human Rights Guidelines (March 2023)

## Creating impact on stakeholder human rights issues (examples in the palm oil supply chain)



\* The scope of the Labor Transformation Program covers the following eight areas and works to identify and correct human rights issues: (1) employment contract management, (2) wages and working hours, (3) employee grievance management, (4) freedom of movement, (5) freedom of association, (6) ethical employment, (7) worker accommodation, (8) health and safety

(Related information) Stakeholder engagement

[https://www.fujioil.co.jp/en/sustainability/stakeholder\\_engagement/](https://www.fujioil.co.jp/en/sustainability/stakeholder_engagement/)

## Grievance mechanisms

GRI: 2-25, 26

### Whistleblowing system

The Fuji Oil Group has established a whistleblowing system to report violations of laws and regulations or misconduct, as well as acts that may violate or potentially violate laws, regulations, or the Group's Code of Conduct or policies, including harassment, discrimination, and other human rights violations by the officers and employees. This system is available to employees (including former employees) of Group companies and business partners worldwide.

\* Operation of a Trustworthy Whistleblowing System > Whistleblowing system

<https://www.fujioil.co.jp/en/about/governance/compliance/>

\* Governance

<https://www.fujioil.co.jp/en/about/governance/>

### Grievance mechanism for our supply chains

In May 2018, we established a grievance mechanism<sup>\*1</sup> based on our Responsible Palm Oil Sourcing Policy. This mechanism provides a way for stakeholders and other concerned parties to raise concerns about environmental or human rights issues within the Group's palm oil supply chain. We set up a grievance mechanism webpage in English<sup>\*2</sup> on our Group website to announce the mechanism and its progress.

\*1 Fuji Oil Group Grievance Mechanism

[https://www.fujioil.co.jp/en/sustainability/grievance\\_mechanism/](https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/)

\*2 Sustainable Procurement of Palm Oil > Grievance mechanism

[https://www.fujioil.co.jp/en/sustainability/palm\\_oil/](https://www.fujioil.co.jp/en/sustainability/palm_oil/)

## Education, awareness raising

We designated the week of December 10, International Human Rights Day, as Fuji Oil Group Human Rights Week. During this period, leadership statements on business and human rights are shared with all Group employees, and e-mail messages are sent to draw attention to the event.



A leadership statement posted on our internal communication site (Japanese, English, Chinese, and Portuguese)

## Metrics and targets

GRI: 408-1, 409-1

Priority risk areas identified in 2nd human rights impact assessment in FY2020	Special points to confirm/consider (recommended by experts)	Objectives	Major initiatives (FY2020 – FY2024)
<p>Occupational health and safety</p> <p>Relevant stakeholder group: Employees</p> <p>➡ Reducing Occupational Accidents and Property Damage</p>	<ul style="list-style-type: none"> <li>Prevent spread of infection during COVID-19 pandemic</li> <li>Strengthen management system by third-party assessment</li> </ul>	<ul style="list-style-type: none"> <li>Continue applying strict measures to prevent infection in the workplace</li> <li>Continue to improve our occupational health and safety management system by incorporating perspectives of third-party organizations</li> </ul>	<ul style="list-style-type: none"> <li>Strict preventive measures against infection (during COVID-19 pandemic)</li> <li>Implementation of staggered working hours, remote work, flextime system</li> <li>Joint onsite audits of individual Group companies which included the global safety officers from regional headquarters</li> <li>Enhance measures to raise employee awareness of occupational safety</li> </ul>
<p>Human rights of supply chain workers (focusing on working environment, occupational health and safety, non-discrimination, and equal opportunity, forced and child labor, and land rights at plantations)</p> <p>Relevant stakeholder group: Supply chain workers</p> <p>➡ Sustainable Procurement Management</p>	<ul style="list-style-type: none"> <li>Establish supplier code of conduct that applies to all suppliers and expand grievance mechanisms</li> <li>Palm oil and cocoa: Implement measures based on sourcing policies and medium-to-long-term targets</li> <li>Soybeans: Formulate sourcing policy and establish monitoring system</li> </ul>	<ul style="list-style-type: none"> <li>Ensure suppliers are well informed of supplier code of conduct</li> <li>Evaluate effectiveness of revised palm oil grievance mechanism</li> <li>Monitor human rights due diligence trends in the EU and apply to the supply chain in a timely manner</li> <li>For child labor risks in West Africa, conduct traceability and mapping, promote the Child Labor Monitoring and Remediation System (CLMRS),</li> </ul>	<ul style="list-style-type: none"> <li>Development of medium- to long-term targets and KPIs for sustainable procurement of palm oil and cocoa</li> <li>Formulation of Responsible Soybeans and Soy Products Sourcing Policy, and Responsible Shea Kernels Sourcing Policy, and setting of KPIs</li> <li>Formulation and publication of the Fuji Oil Group Supplier Code of Conduct, and distribution to suppliers, collection of consent forms</li> <li>Palm oil: Dealing with the increase in number of grievances, and implementation of Labor</li> </ul>



Priority risk areas identified in 2nd human rights impact assessment in FY2020	Special points to confirm/consider (recommended by experts)	Objectives	Major initiatives (FY2020 – FY2024)
		and participate in educational assistance program <ul style="list-style-type: none"> <li>Establish and disclose responsible sourcing policy and KPIs for soybeans and soy products</li> <li>Establish and disclose responsible sourcing policy and KPIs (especially to empower women) for West African shea kernels</li> </ul>	Transformation Program (LTP) to suppliers <ul style="list-style-type: none"> <li>Cocoa: CLMRS coverage for 100% of farmer groups in our direct supply chain</li> <li>Shea kernels: Implementation of Tebma-Kandu program for shea kernel sustainability</li> <li>Establishment of a Sustainable Development Team within Group companies in Europe to serve as a hub for sustainability information</li> </ul>
D&I and human rights in the workplace (harassment, forced labor)  Relevant stakeholder group: Employees  <div>  Promotion of DE&amp;I              Securing and Developing Human Resources           </div>	<ul style="list-style-type: none"> <li>Strengthen system for promoting D&amp;I globally</li> <li>Strengthen harassment prevention measures</li> <li>Identify and reduce forced labor risks</li> </ul>	<ul style="list-style-type: none"> <li>Promote diversity, equity and inclusion (DE&amp;I) globally</li> <li>Consider possible mechanisms/ systems for identifying and addressing human rights issues in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of the Fuji Oil Group Human Rights Guidelines</li> <li>For DE&amp;I, a material ESG issue, identification of issues for each region and implementation of measures to address priority issues</li> <li>Implementation of Human Rights Week at Fuji Oil Group and division training for harassment prevention</li> <li>Implementation of measures based on engagement survey results</li> </ul>

## Related documents

ESG Data Book (PDF 411KB) 



# Promotion of DE&I



Material Issue

Human Capital and Occupational Safety

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets ✓ Specific initiatives

## Policy

The Fuji Oil Group formulated the Fuji Oil Group Diversity Vision in May 2020. As a forerunner to this vision, Fuji Oil Co., Ltd. established its Basic Diversity Policy in FY2015.

### Fuji Oil Group Diversity Vision (established in May 2020)

#### Enjoy diversity

Diverse human resources are a source of inspiration and innovation. We will contribute to society by “work for people” and enjoying the synergy among us. In doing so, we will provide diverse people worldwide with deliciousness and health in a variety of food products.



#### Focus areas to promote diversity

In the Diversity Vision, the Fuji Oil Group defined gender, nationality, generation, expertise and experience as focus areas to promote diversity. We are working to reform our systems and mindset to enable all our employees to use their diverse backgrounds and individuality as their strengths.



### Fuji Oil Basic Diversity Policy

We will accelerate the creation and delivery of new value to society by seeking talented individuals from diverse backgrounds and by fostering a corporate culture where everyone can demonstrate their abilities to the fullest.

1. Pay attention to diversity in personnel composition at all stages of employment, including: recruitment, training and job assignment/promotion.
2. Implement flexible personnel systems so that diverse human resources can fully demonstrate their abilities.
3. Use diverse human resources in a strategic manner, thereby contributing to society and company growth.

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Promotion of DE&I, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Human Resources & Administration Headquarters, the Chief Financial Officer (CFO), the Senior Executive Officer.

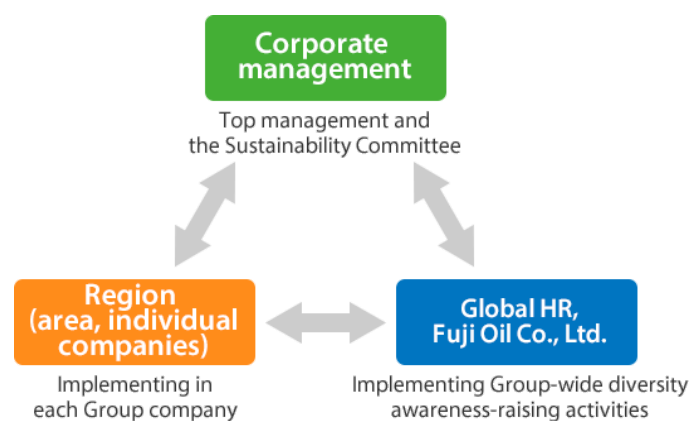
\*1 Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

### Management system



## Strategy

One of the principles in the Fuji Oil Group Management Philosophy is that “we will respect the diversity and individuality of Fuji Oil Group employees.” This exemplifies our efforts to create fulfilling workplaces that are free from discrimination and harassment, to respect the basic human rights, diversity, personality and individuality of everyone who works with us, and our approach to proper and fair evaluation of employee efforts and achievements. The Fuji Oil Group Diversity Vision was formulated based on this principle, and it guides us as we open up opportunities for positions and projects widely, regardless of nationality, gender or age, and objectively evaluate performance and potential to make the most of our diverse human resources. In recent years, the variety of work style choices has been increasing, and as the ways to contribute to the company diversify, we strive to remove the barriers experienced by people from disadvantaged communities and to provide the opportunities and conditions that empower everyone to succeed.

As a corporate group operating globally, our Group has a significant social responsibility to respect the diversity of our employees’ values and attributes. Moreover, harnessing the diverse strengths of our employees into organizational strength is vital for fusing technologies and working with customers to solve issues, which are key ways to achieve our vision that “we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy” as outlined in the Fuji Oil Group Management Philosophy. Failing to address issues from a DE&I perspective would lead to business risks such as negatively affecting employee turnover that could lead to lower productivity, reputational risk that could lead to losing investors and customer contracts, as well as the risk of losing the ability to create new value for the future. Conversely, responding in a way that fully leverages all employees’ individuality and abilities could bring opportunities to create new value to help our Group grow.

Moving forward, we will continue to promote diversity, equity and inclusion (DE&I) in the management of our business so that we can harness the power of diverse human resources and build a corporate culture where everyone feels that they belong and that their voice is valuable.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Human Capital and Occupational Safety, an area of sustainability matters that address the material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Disasters and accidents/ Environment and human rights/ Procurement/ Labor and human resources

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Employee engagement

At the Fuji Oil Group, we began conducting employee engagement surveys in FY2023.

For employees of Fuji Oil Co., Ltd., surveys are conducted twice annually, numerically visualizing nine key drivers measuring employees' job satisfaction in order to identify and assess company-wide and organization-specific issues. The four surveys conducted to date have indicated that the company's strengths are "interpersonal relationships" (represented by "interdepartmental cooperation," one of the elements of "organizational culture") and "a culture of delegation" (as indicated by the high scores for "decision-making authority," one of the elements of "work"). We believe these strengths form the foundations for team-driven results and co-creation which are two of the goals of the new system, showing that we have a strong culture on which to base our efforts to create value through fusing technologies and working with customers to solve issues. Meanwhile, one company-wide issue that has been identified is the low score for "philosophy and strategy." Although the overall score is improving each time, this trend has not changed.

We also conduct an annual global engagement survey for employees of Group companies outside Japan. Based on the survey results, each Group company creates an action plan for improvements, aiming to boost HATARAKIGAI or job satisfaction. The results of the two surveys conducted to date have indicated strengths including collaboration and teamwork which show our solid foundation for team-driven results, which is a strength of our Group as a whole, including Japan.

On the other hand, Group-wide results indicate that at management level, there is a lack of skills and attitudes required of new leaders today, such as respecting individuals and supporting their growth. The ability of leaders to communicate our mission, vision, policies and strategies also appears to be insufficient — a trend which is seen throughout the Group. We understand that changing our culture through leadership training is a major challenge for our Group as a whole.

These results led us to recognize that the challenge of respect for the individual ties in closely with promoting diversity, and deepening understanding and acceptance of management policies and business strategies contributes to inclusion. This is why we have linked promotion of DE&I with improving employees' job satisfaction, working on these two themes together through a cycle of identifying issues, taking action, and checking the progress of improvements. In particular, we are aware that sharing our mission and vision, and deepening understanding and acceptance of management policies and business strategies are priority issues where management must take the lead. To this end, we have taken steps such as creating opportunities for direct dialogue between management and employees. We will work on this further as a material ESG issue in the next medium-term management plan.

Using the engagement survey results, we will step up our efforts to promote DE&I and build a working environment that improves employees' job satisfaction so that our employees can find value in being a part of the Fuji Oil Group and take pride in their work, enabling both individuals and the Group to grow and develop.

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Increase diversity on executive teams	[Group-wide] <ul style="list-style-type: none"><li>Diversity in Management Committee Meeting members (foreign nationals and women) : 46% (as of April 1, 2025).</li></ul>	○

FY2024 Goals	FY2024 Results	Self-assessment
	<p>→Improved by 4 percentage points from the initial 42% in FY2022 during the medium-term management plan period.</p> <p>→ This is mainly due to appointments in Southeast Asia.</p> <p>The biggest challenge is improving diversity at decision-making levels at Fuji Oil Co., Ltd.</p>	
Share messages from top management about our management policy and expectations for employees	<p>[Group-wide]</p> <ul style="list-style-type: none"> <li>Created opportunities for direct dialogue between management and employees</li> <li>Held briefings on business results and projects</li> <li>Conducted information transmission and two-way communication via our Group internal online communication tool FUJI Connect</li> </ul>	○
	<p>[Former Fuji Oil Co. Ltd.]</p> <ul style="list-style-type: none"> <li>Launched a two-way communication video program in 2023 in which the President communicates messages and answers questions from employees, and continues to appear regularly.</li> </ul>	○
	<p>[Blommer Chocolate Company (U.S.)]</p> <ul style="list-style-type: none"> <li>Built camaraderie and trust through regular communication. Created programs to strengthen collaboration. Held company-wide town hall meetings, sent video messages from top management, and launched an information sharing site.</li> </ul> <p>KPI: 10% Improvement in retention rate</p>	○
	<p>[China]</p> <ul style="list-style-type: none"> <li>Held senior management roundtable meetings and general manager dialogue meetings</li> <li>Held awards ceremony (for sales and technical staff)</li> </ul> <p>KPI: 1 senior management roundtable meeting, messages from managers (1 for each company, 4 in total)</p>	○
Respect minority groups and create a pleasant workplace for all	<p>[Fuji Oil Co. Ltd.]</p> <ul style="list-style-type: none"> <li>Continued measures to improve retention rate (consultations about workplace and tasks, follow-up interviews, etc.)</li> </ul> <p>Opened a farm in 2024 and signed a contract with another farm in May 2024 to expand employment opportunities for people with disabilities.</p> <p>KPI: 1:1 ratio of male to female new graduate hires (excluding production roles)</p>	○
	Did not reach the statutory employment rate of people with disabilities (1.85%)	△
	<ul style="list-style-type: none"> <li>Promoted health and productivity management through smoking ban to improve health and physical fitness sessions to raise health awareness</li> </ul> <p>KPI: 8th consecutive year of White 500 certification and improvement on the 2023 evaluation result of 62.2.</p> <p>→Made progress on various initiatives, such as introducing</p>	×

FY2024 Goals	FY2024 Results	Self-assessment
	a total smoking ban on company premises in Japan and during working hours from April 2025, but did not obtain White 500 certification	
	[Harald Indústria e Comércio de Alimentos Ltda (Brazil)] <ul style="list-style-type: none"> <li>Improved representation of minority groups to create an inclusive workplace for all. Achieved targets for female employees, LGBTQIAPN+ employees, and employees with disabilities.</li> </ul> KPI: 5% increase in female employees, 20% increase in LGBTQIAPN+ employees, 5% increase in employees with disabilities	○
	[Fuji Vegetable Oil (U.S.)] <ul style="list-style-type: none"> <li>Employed high school students from local career academy</li> </ul> KPI: Employment of 5 students from local career academy	△
Improve evaluation systems and promote understanding among managers to create fair working environments	[China] <p>Improved evaluation systems and promoted understanding among managers to create fair working environments.</p> KPI: Improvement of evaluation sheets and process	○
	[Southeast Asia] <p>Provided career development for local employees posted to new roles</p> KPI: Completion level of assignment system	○
	[Europe] <p>Created an employee handbook to raise awareness of the grievance mechanism and other initiatives. Distributed it to all employees, obtained their signatures and ensured its use</p> KPI: Level of awareness among employees	○

## Analysis

Since FY2022, we have appointed a person responsible for DE&I in each region or company, aiming to reduce business risks for the Group and improve returns by creating new value through local DE&I initiatives. Because they each have their own unique background and business characteristics, we did not set targets that apply uniformly to all Group companies. Instead, since FY2024 each region and company has set its own targets and implemented actions based on the results of the previous year's engagement survey.

## External recognition

By the end of June 2025, we received the following external recognition for our diversity initiatives:

Fuji Oil Co., Ltd.

- August 2017: Obtained Platinum Kurumin certification from Japan's Ministry of Health, Labour and Welfare
- November 2022: Maintained accreditation from the Osaka City Mayor as a Leading Company in Women's Participation in Osaka City

Harald Indústria e Comércio de Alimentos Ltda (Brazil)

Received the following two accreditations at the company ranking for best workplaces by the Great Place to Work Institute

- March 2025: Certified as a Great Place to Work (eighth consecutive year)
- May 2025: Named as one of the top 20 mid-size companies to work for in the Brazilian agricultural sector

In May 2025, the company also received the Mental Health Award from the Great People Mental Health.

\* External Recognition

<https://www.fujioil.co.jp/en/sustainability/evaluation/>

## Next steps

With our transition to an operating holding company structure, one of our key management strategies for the new medium-term management plan period starting from FY2025 is the group-wide integration. We have been integrating the former Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd., which have merged, as well as strengthening the links between Group companies in Japan and other countries. Promoting DE&I and building a working environment that improves employees' job satisfaction are the leading areas for the integration. We will work on the following measures, aiming to achieve the KPI set for each.

### Group-wide

- Ensure diversity at decision-making levels
- Formulate and raise awareness of DE&I policies
- Establish a Cross-Border Engagement Team to implement measures to improve employee engagement

### Japan

- Encourage diverse ways of working
- Support long-term, meaningful employment of people with disabilities

## Specific initiatives

### Initiatives at Fuji Oil Co., Ltd.

GRI: 404-2

#### Supporting continued active career development

##### Active careers for older employees

As one of the main pillars of our DE&I management for the current fiscal year, we focused on drawing out the potential of the older employees, a group which all employees will eventually belong to. In FY2021, we reviewed our contracted reemployment program to offer more choices to our employees. The revised system went into effect in April 2022. In line with the philosophy of the new system, we also expanded our career development education for employees approaching the retirement age of 60 to facilitate continued active career development.

##### Career continuity through life events

At Fuji Oil Co., Ltd., the number of female employees taking parental leave has increased since the Act on Childcare Leave came into effect in 1992. However, there were challenges in terms of career development after returning from parental leave. In FY2014 we drastically changed our approach to supporting employees returning from leave. In addition to the existing systems that focused on continued employment, we introduced various programs to support employees who aim to continue actively developing their careers after life events.

In FY2014, we started conducting an interview with three parties: the parenting employee, their supervisor and their partner. It has



helped form circles of supporters for parenting employees at home and in the workplace, and has been instrumental in changing the awareness of parenting employees themselves. At present, we offer the following assistance programs.

[Pregnancy]

- Consultation service for physical health issues during pregnancy
- Interview before parental leave

[Maternity and parental leave]

- Guaranteed bonus (20%)
- Parental leave (can be taken until the end of the first April after the child turns two)
- Support for returning to work through a parenting concierge service
- Continued subsidy for distance learning

[Returning to work]

- Provision of short hours of work for parenting employees taking care of a child up to the first grade of elementary school
- Babysitter subsidy
- Use of telework system or flextime system without core time

We also make efforts to encourage male employees to participate in childrearing. For example, we distribute materials explaining the parental leave system to male employees when their partner has given birth. This has resulted in 67.5% of eligible male employees taking parental leave (averaging 29 days) in FY2024. The length of leave taken has also increased in recent years, with 13 in 27 employees taking more than a month off in FY2024. We will work on promoting understanding of the program among managers and strive to improve the work environment, in order to further encourage all our employees to make use of the parental leave regardless of employment status or gender.

## Promotion of personnel diversity

### Support for the active participation of women

In FY1999, the top management of the Fuji Oil Co., Ltd. adopted the policy of supporting the active participation of women. Full-scale initiatives were launched to pursue the policy under the newly established Committee for Women's Empowerment. As of March 2025, the percentage of women in managerial positions at former Fuji Oil Co., Ltd. and former Fuji Oil Holdings Inc. was 15.9%. Moving forward, we recognize the need for a greater focus on equal opportunity in recruitment and training.

In FY2016, the CEO of former Fuji Oil Holdings Inc. endorsed the Declaration on Action by Male Leaders Coalition for Empowerment of Women, which was formed under the initiative of Japan's Cabinet Office. The CEO has since been sending out messages to employees and society, regarding the importance of diversity in management.



### Support for the active participation of people with disabilities

As of April 1, 2025, Fuji Oil Co., Ltd. has 29 persons with disabilities under our employment, which does not meet the statutory employment rate. We have been collaborating with local schools, offering hands-on work experience programs, and exchanging information with leading companies in this field. Since FY2015, we have been focusing on creating workplaces where they can take active roles. Since FY2022, we have also provided regular consultations with occupational physicians in an effort to create comfortable workplaces with an eye toward long-term employment. Going back to the fundamental principle of providing employees with opportunities to play an active role while taking into consideration their characteristics has also changed the attitude of managers in charge of training.

Past efforts have shown that workplaces mainly for people without disabilities are not necessarily comfortable working environments for people with disabilities, so from FY2024 we have begun employing people with disabilities on external farms. The openness of farms

and farm work provide an environment where many people with disabilities can continue working long-term, promoting their active participation.

### Promoting non-regular employees to regular employees

The Group conducts a test once a year for highly motivated non-regular employees wishing to become regular employees. In FY2024, 13 non-regular employees have passed the test. We will continue to actively promote talented and highly motivated individuals to regular employee status through this system.

### Work style reform

At Fuji Oil Co., Ltd., in FY2016 we launched the Creative Work Project to promote work style reform, which is essential for achieving diversity. Aiming to reduce the total work hours by raising productivity and improve work-life balance, we have implemented four reform initiatives over the roughly five years through April 2022: attitude reform, operational reform, system reform, and workplace reform.

As part of these reforms, we have been exploring new work style possibilities. For example, since FY2017 we have been gradually expanding our telework system and introduced a satellite office. We also facilitated active communication and promoted paperless operations by introducing robotic process automation (RPA), digitizing application procedures, and actively using video conference systems. In FY2024, around 40% of all direct employees used our telework system.

We will use IT effectively to firmly establish a system that allows employees to produce results regardless of time and place of work.

## Global DE&I management

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Each company in the Fuji Oil Group operates within a unique regional context and has a unique history and business characteristics. For this reason, in FY2022 we appointed a person to be in charge of advancing DE&I in each region or company. They identify DE&I-related issues in their locale and set targets and propose measures to address them. We also set up a process in which the measures they propose are reviewed and monitored by the Sustainability Committee. Rather than setting targets that apply uniformly to all Group companies, we work to strengthen DE&I management across the Group by empowering each region or company to carry out their own DE&I initiatives in the spirit of the Fuji Oil Group Management Philosophy.

In order to implement a more effective engagement cycle based on the results of the employee engagement surveys conducted since FY2023, we brought in a new system in FY2024. In the new system, managers participate in results briefings for each area or company, survey results are shared within each company, and the HR department of Fuji Oil Co., Ltd. monitors the cycle of creating action plans while identifying strengths and issues from the survey results and setting out improvement measures and putting these plans into action. From FY2025 onwards, we will establish a Cross-Border Engagement Team to further focus our efforts to build a working environment that improves employees' job satisfaction and promote DE&I based on the survey results.

## Related documents

ESG Data Book (PDF 411KB) 

# Securing and Developing Human Resources



Material Issue

Human Capital and Occupational Safety

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets ✓ Specific initiatives

## Policy

In line with the Fuji Oil Group Management Philosophy<sup>\*1</sup> and the Fuji Oil Group Human Rights Guidelines formulated in March 2023,<sup>\*2</sup> we established new Human Resource Strategy Management Policies<sup>\*3</sup> in FY2023. The goal of our human resource strategy is to achieve sustainable growth for our employees as well as for the Group, and thereby enhance our corporate value as a global food manufacturer.

<sup>\*1</sup> Fuji Oil Group Management Philosophy

<https://www.fujioil.co.jp/en/about/constitution/>

<sup>\*2</sup> Fuji Oil Group Human Rights Guidelines

[https://www.fujioil.co.jp/en/sustainability/policy/human\\_rights\\_guideline/](https://www.fujioil.co.jp/en/sustainability/policy/human_rights_guideline/)

<sup>\*3</sup> See "Strategy" below.

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Securing and Developing Human Resources, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Human Resources & Administration Headquarters, the Chief Financial Officer (CFO), the Senior Executive Officer.

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

As a result of business expansion through large-scale mergers and acquisitions in recent years, around 70% of our Group's total consolidated employees are now employed outside of Japan.

In light of these changes, we created the Fuji Oil Group Human Resource Strategy in FY2023, in the belief that the key to achieving the vision outlined in the Fuji Oil Group Management Philosophy, and to sustainably growing the Group, lies in harnessing the abilities and growth of each member of the Group. We need to foster a healthy corporate culture, which includes improving the work environment, and to provide equitable opportunities for growth (human resource development and information sharing through employee relations), so that our diverse human resources can bring out their individual strengths, actively pursue challenges, and work as a team

to enhance our corporate value. We also need to create an environment that encourages taking on challenges and a culture that ensures DE&I as the foundation of our organization.

As a company whose business contributes to people's well-being, it is essential that our own employees also have a high sense of well-being. Providing growth opportunities through experience within the Group enhances workplace attractiveness, which can help create an organization full of talents over the long term.

The Group operates four different businesses in the manufacturing industry, requiring a wide range of skills and types of work for corporate growth. Given the increasing global mobility of human resources and declining interest in working in the manufacturing industry, failing to create an attractive workplace for diverse talents could pose a risk to our business continuity and hinder the realization of our vision. Accordingly, we added Securing and Developing Human Resources to our material ESG issues in FY2023, and began intensifying Group-wide initiatives.

Fuji Oil Co., Ltd. continues to implement the Next-Generation Management Talent Development Committee, launched by the former Fuji Oil Holdings in FY2020, to develop candidates for global management positions. Concurrently, we hold Post Management Committee meetings that follow this committee to define the requirements for management posts and select potential successors. Training programs are available to eligible employees regardless of their employment status, based on the following three concepts.

1. Provide opportunities for acquiring a diverse range of expertise
2. Support self-directed career development
3. Foster a culture in which supervisors seriously consider their subordinates' careers and support them

### Fuji Oil Group's Human Resource Strategy



## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Human Capital and Occupational Safety, an area of sustainability matters that address the material ESG issues, in alignment with group significant risks.

Group significant risks

Risk type: Disasters and accidents/ Environment and human rights/ Procurement/ Labor and human resources

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Employee engagement

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At the Fuji Oil Group, we began conducting employee engagement surveys in FY2023.

For employees of Fuji Oil Co., Ltd., surveys are conducted twice annually, numerically visualizing nine key drivers measuring employees' job satisfaction in order to identify and assess company-wide and organization-specific issues. The four surveys conducted to date have indicated that the company's strengths are "interpersonal relationships" (represented by "interdepartmental cooperation," one of the elements of "organizational culture") and "a culture of delegation" (as indicated by the high scores for "decision-making authority," one of the elements of "work"). We believe these strengths form the foundations for "team-driven results" and "co-creation" which are two of the goals of the new system, showing that we have a strong culture on which to base our efforts to create value through fusing technologies and working with customers to solve issues. Meanwhile, one company-wide issue that has been identified is the low score for "philosophy and strategy." Additionally, our FY2023 scores for "culture of challenge" and "providing career opportunities" (two elements of "organizational culture") were lower than average for the food industry. This indicates that the spirit of challenge, which should be part of our DNA, may not be fully ingrained in our company culture. We recognize this as an issue that needs to be addressed as a priority.

We also conduct an annual global engagement survey for employees of Group companies outside Japan. Based on the survey results, each Group company creates an action plan for improvements, aiming to boost HATARAKIGAI or job satisfaction. The results of the two surveys conducted to date have indicated strengths including collaboration and teamwork which show that our solid foundation for team-driven results, which is a strength of our Group as a whole, including Japan.

On the other hand, Group-wide results indicate that at management level, there is a lack of the skills and attitudes required of new leaders today, such as respecting individuals and supporting their growth. The ability of leaders to communicate our mission, vision, policies and strategies also appears to be insufficient — a trend which is seen throughout the Group. We understand that changing our culture through leadership training is a major challenge for our Group as a whole.

Using the engagement survey results, we will step up our efforts to promote DE&I and build a working environment that improves employees' job satisfaction so that our employees can find value in being a part of the Fuji Oil Group and take pride in their work, enabling both individuals and the Group to grow and develop.

\* For details, see the Integrated Report 2025.

Integrated Report

## Dialogue between labor and management

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GRI: 2-30, 407-1

The dialogue between labor and management is important for Fuji Oil Co., Ltd. since employees and the company should support each other. The Human Resources Division serves as the company's contact point for dialogue with the Fuji Oil Workers Union, which represents the employees. The workers union was established at the same time as the company. Both entities have worked hard for 75 years to create a comfortable work environment for employees. The dialogue between labor and management takes place in a monthly forum consisting of representatives of the Human Resource and Administration Division of the Company and the executive committee members of the workers union. The aim of this forum is to encourage employees to maximize their potential, improve themselves and play active roles. In FY2024, we introduced a system that allows non-employment-based side jobs through discussions in response to the union's demands.

The Fuji Oil Workers Union adopted a union shop system, and the participation rate of the Company's regular employees other than managers and executive officers is 100%.

## Metrics and targets

○ : At least 90% complete △ : At least 60% complete ✕ : Less than 60% complete

FY2024 Goals		FY2024 Results	Self-assessment
Securing human resources	[Fuji Oil Co., Ltd.] Review hiring methods for new graduates	<ul style="list-style-type: none"> <li>Secured new employees by hiring for separate courses</li> </ul> KPI: System course: 2 people, (Result) 2 people KPI: Sales course: 4 people, (Result) 7 people KPI: Staff course: 5 people, (Result) 4 people	○
	[Fuji Oil Co., Ltd.] Improve retention rates of new full-time employees	<ul style="list-style-type: none"> <li>Maintained a 94.9% retention rate for new full-time employees (including new graduates and mid-career hires) hired in the last 3 years, exceeding of 91.5% target</li> </ul>	○
	[Group-wide] Manage posts for employees posted to Group companies outside Japan	<ul style="list-style-type: none"> <li>Temporarily suspended post management due to organizational and systems changes following the business integration</li> <li>Confirmed status of employees posted to Group companies outside Japan and conducted questionnaires and individual interviews for candidates interested in international postings</li> </ul>	△
Developing human resources	[Group-wide] Develop the next generation of management talent	<ul style="list-style-type: none"> <li>Achieved mid-term target for the size of the next-generation management talent pool</li> </ul>	○
	[Fuji Oil Co., Ltd.] Develop management personnel (manage posts for department and section managers)	<ul style="list-style-type: none"> <li>Temporarily suspended post management due to organizational and systems changes following the business integration</li> </ul>	—
	[Fuji Oil Co., Ltd.] Develop global talent (develop candidates for posts outside Japan, select and develop executive candidates for Group companies outside Japan)	<ul style="list-style-type: none"> <li>Selected the second batch of trainees and started the International Human Resource Development Training Program</li> </ul>	○
		<ul style="list-style-type: none"> <li>Dispatched new global trainees</li> </ul>	△
		<ul style="list-style-type: none"> <li>Selected and developed executive candidates for Group companies outside Japan</li> </ul>	✕
	[Outside Japan] Invest in employee skills development and career development	[Blommer Chocolate Company (U.S.)] <ul style="list-style-type: none"> <li>Introduced new training content allowing employees to gain relevant and important skills</li> <li>Implemented manager training for effective performance evaluation</li> </ul> KPI: Career development progress	○
		[Southeast Asia]	○



FY2024 Goals		FY2024 Results	Self-assessment
		<ul style="list-style-type: none"> <li>Implemented training recommended by local labor authorities</li> </ul> KPI: Participation rate in training programs	
		[China] <ul style="list-style-type: none"> <li>Invested in employee skills development and career advancement</li> </ul> KPI: Implementation of management training	○

## Analysis

For securing human resources, we have reviewed our hiring methods for new graduates in Japan to avoid mismatches between job expectations and actual assignments. In light of the recent tendency for students to be more career-oriented, we have changed from the previous unified screening process for general administrative career-track positions to a system where candidates are informed of their prospective initial assignments — systems course, sales course, or staff course — from the screening stage. Additionally, for both new graduates and mid-career hires, job details are explained fully at the screening stage. As well as avoiding hiring mismatches, this will help to improve retention rates.

For developing human resources, we have gradually introduced new programs in Japan in line with the three basic concepts established in FY2021. We are enhancing our global trainee program, including an expanded range of language training opportunities and a training program based in Japan for those planning to take on international positions in future, to develop human resources who can perform globally.

We have also enhanced the FUJI Learning Café, a cafeteria-style educational program launched in FY2023 to stimulate employees' ambitions to grow and develop. This system encourages employees to take ownership of their own learning. The internal recruitment system launched in FY2023 and the system that allows non-employment-based side jobs introduced in FY2024 both apply to all directly employed employees. Through such initiatives, we provide equal opportunities for employees to think about their own career paths, challenge themselves, grow and develop.

Outside of Japan, Group companies in the U.S., Southeast Asia and China have implemented management training. Acting on the results of employee engagement surveys, more leadership training is planned for FY2025 onwards. Based on our group-wide policy, we will support each Group company to continuously provide high-quality training opportunities.

We will continue to implement timely initiatives aligned with our business strategies, in order to ensure that our diverse workforce can make the most of their skills, grow, and actively work together on the global stage. We are also committed to securing and developing the human resources who will lead the Fuji Oil Group's sustainable growth.

## Next steps

As we transition to an operating holding company structure, we will work on initiatives more closely aligned with our management strategy and business strategy.

### Stronger links with management strategy

- Stronger governance by the Nomination and Compensation Advisory Committee
- Develop management talent within the Group

### Stronger links with business strategy

- Assign human resources business partners (HRBP) from Fuji Oil Co., Ltd. to Business Headquarters
- Appropriate placement of employees posted to Group companies outside Japan
- Develop global talent within the Group

### Development of human resources to support global business management

GRI: 404-2

To keep up with the accelerating pace of our global strategies, we conduct initiatives to recruit, promote, and develop human resources that can demonstrate their capabilities globally.

#### Cultivating management personnel

With the goal of fostering diverse leadership talent, Fuji Oil Co., Ltd. continues to implement the Next-Generation Management Talent Development Committee established by the former Fuji Oil Holdings Inc in FY2020. This committee defines the qualities required of future managers and discusses the global and strategic development of executive candidates from various perspectives. By selecting candidates from the entire Group regardless of their nationality, gender or background, we aim to develop diverse executive managers who can move the Group forward.

Since FY2021, Fuji Oil Co., Ltd. has also implemented the Post Management Committee, which defines the requirements for the posts of division manager, department manager, and section manager, and discusses potential successors from various perspectives.

In addition, aiming to develop candidates for future management positions at an early stage, our Group has been conducting a training program since FY2016. This program incorporates performance assessments and aims at helping candidates to grasp their behavior trends in group and individual situations through group discussions and interview exercises. The program is designed to help the candidates understand what a manager should be like, and objectively identify their own strengths and weaknesses. Moreover, it involves post-training feedback meetings with their supervisors and Human Resources Department staff, and on-the-job training (from planning to review). We aim to achieve candidates' steady growth by ensuring close involvement of supervisors and other relevant people in the training.

#### Human resource development to support globalization

We place great importance on developing personnel who will lead our Group's global management, as well as personnel who will manage and lead business operations at corporations outside Japan. We consider them as the core management resource for continued growth and development of our business globally. We are boosting our efforts to develop these human resources, starting in Japan.

We support employees' self-development and conduct group training programs to improve language skills. We also work to develop their global mindset and have them gain business experience from a global perspective through postings at Group companies outside Japan according to their area of expertise.

Fuji Oil Co., Ltd.'s global trainee program, which has been in full operation since FY2021, includes six months of language study, followed by on-the-job training and other business training at a Group company outside Japan. In FY2023, we also started offering International Human Resource Development Training based in Japan to develop human resources who will play leading roles in our growing international business. Ten candidates were selected to take part in the second round of this training program in FY2024. We seek to encourage trainees to develop practical skills for identifying and solving problems as well as the capacity to be immersed in, and adapt to a different cultural environment. We thus work on early-stage development of candidates for future management positions at Group companies outside Japan.

### Career support system

GRI: 404-2

For employees working at Fuji Oil Co., Ltd., we provide upskilling support through a wide range of training opportunities including job-level-specific training, selective and voluntary training courses and a cafeteria-style training program, as well as financial assistance for distance learning courses. Employees are encouraged and supported to gain qualifications appropriate to their job. We also provide employees with the opportunity to share their strengths and areas for improvement they want to work on with their supervisors during their evaluation feedback. Individual employees also have a meeting with their supervisors once a year based on the Career Advancement Communication Sheet for reviewing the progress made toward their goals and their career aspirations. We endeavor to

provide opportunities to foster career development, where employees flourish through suitable job assignments. Going forward, we will maintain a culture in which employees develop the direction of their own careers with the support of their supervisors.

Fuji Oil Co., Ltd. (Japan) FY2024 training system

Class	Job-level-specific training	Management philosophy	Management program	Global Program		Business college (business skills)	DX, IT	Communication and mental skills	Cafeteria	Career design	Finance
	Mandatory		Selective	Selective or voluntary		Mandatory		Optional			
Managerial position	Department manager training New manager training	Business knowledge seminar for mid-career hires On-the-job training Division training	EMP, MMP	English speaking training (advanced class) English conversation app GTEC test	Pre-departure training and follow-up after international assignments Global selective program Global trainee training English speaking training	Logical thinking training III Financial accounting I: Management Game Logical thinking training II Logical thinking training I	One-on-one DX and IT mindset Selective business skills training	One-on-one Assertive communication training Resilience training	Active listening, line-care training for supervisors FUJI Learning Café Distance learning	Senior career Career in 40s Career in 30s Career in 20s	Financial planning for older employees Financial planning by life stage Investment education for DC plans Basic and practical training on investments
BO/CO course : 3rd grade	BO/CO3 promotion training		Training to develop management skills								
BO/CO course : 2nd grade	BO/CO2 promotion training										
BO/CO course : 1st grade	New employee training Follow-up training										

Related documents

ESG Data Book (PDF 411KB) 

# Reducing Occupational Accidents and Property Damage



Material Issue

Human Capital and Occupational Safety

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets

## Policy

The Fuji Oil Group has set out the Basic Policy of Safety and Health.\*

\* Fuji Oil Group Basic Policy of Safety, Quality and Environment

[https://www.fujioil.co.jp/en/sustainability/policy/basic\\_policy/](https://www.fujioil.co.jp/en/sustainability/policy/basic_policy/)

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee\*<sup>1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Reducing Occupational Accidents and Property Damage, a priority action to address material ESG issues,\*<sup>2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Safety, Quality and Production Technology Headquarters, the Executive Officer.

\*<sup>1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

\*<sup>2</sup> Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

Ensuring the safety of our employees is our social responsibility as a corporate group and is essential to the Group's sustainable management. Our initiatives to promote occupational health and safety in a rigorous manner directly contribute to the health of our employees.

Failure to take appropriate measures increases the risks of shutdowns due to serious accidents, loss of social credibility, and other unfavorable outcomes. On the other hand, working on these initiatives provides a safe workplace and more opportunities for stable employment and production.

In the Fuji Oil Group Management Philosophy, the first of our values that inform our actions is "safety, quality, and the environment." Among these three, the Group places top priority on "occupational safety" to achieve continuous growth. Based on the Basic Policy of Safety and Health, we strive to protect the lives and health of our employees and all the people working at our business sites, and eliminating work-related accidents.

The Fuji Oil Group systemically manages risks and opportunities related to Human Capital and Occupational Safety, an area of sustainability matters that address the material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Disasters and accidents/ Environment and human rights/ Procurement/ Labor and human resources

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Occupational health and safety audits

We work to eliminate accidents and raise the level of health and safety management. This is accomplished by conducting occupational health and safety audits at each production site to assess risks.

Planned audits are conducted each year at Group companies in and outside Japan. In FY2024, eight production sites in Japan were audited by the Safety, Quality, and Environment Audit Team of the Safety, Quality, and Environment Audit Office at Fuji Oil Co., Ltd., the regional headquarters in Japan. For Group companies outside Japan, the next occupational health and safety audits are planned based on the results of their previous audits. In FY2024, the Production Productivity Management Group conducted audits of eight production sites. At production sites where audits have been conducted, progress checks and follow-up checks are carried out after improvements have been made in response to the issues identified. We aim to eliminate work-related accidents at our sites through this ongoing cycle of audits, improvements, and follow-up.



Audit conducted at Fuji Global Chocolate (M) Sdn. Bhd. (Malaysia)

## Multilingual reminders

At Group companies outside Japan, we display safety-related reminders in multiple languages so that employees who use different languages can also carry out their work safely.



Example of a sign at Fuji Global Chocolate (M) Sdn. Bhd. (Malaysia)

## Dialogue between labor and management

To evaluate and improve our risk management and countermeasures related to occupational health and safety, we attach greater importance on creating a dialogue between employees and management. For example, Fuji Oil Co., Ltd. holds a monthly Safety and Health Committee meeting in accordance with the collective bargaining agreement, in order to discuss employees' expectations and concerns regarding occupational health and safety.

## Acquisition of Management Certifications

Management certification status

<https://www.fujioil.co.jp/en/sustainability/authen/>



## Supplier safety and health


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The provision of safe and hygienic workplaces for all workers, legal compliance and risk management are stipulated in the Occupational Safety and Health section of the Fuji Oil Group Supplier Code of Conduct<sup>\*1</sup> published in April 2021. We ask all our suppliers to agree to this policy and submit a consent form. The third edition of the CSR Procurement Guidelines<sup>\*2</sup> (revised in November 2021) applies to suppliers of Group companies in Japan. In the section regarding Respect for Human Rights and Consideration for Occupational Safety and Health, we ask that suppliers maintain and improve a safe and healthy work environment, and we confirm through a questionnaire that the products and services procured by Group companies in Japan are in line with these procurement guidelines.

<sup>\*1</sup> Fuji Oil Group Supplier Code of Conduct

<https://www.fujioil.co.jp/en/sustainability/policy/supplier/>

<sup>\*2</sup> CSR Procurement Guidelines (3rd Edition) (PDF, 223KB)

[https://www.fujioil.co.jp/pdf/en/sustainability/policy/csr\\_guidelines\\_03.pdf](https://www.fujioil.co.jp/pdf/en/sustainability/policy/csr_guidelines_03.pdf) 

## Education

GRI: 403-3, 5

Our Group implements measures based on the belief that the prevention of labor accidents at manufacturing sites is one of our most important responsibilities. We conduct checks to identify dangerous operations and situations that could lead to accidents and take necessary measures. We also promote the Plan-Do-Check-Action (PDCA) cycle for risk management, work to identify near-miss incidents, and implement the use of safety observation cards to suggest potential hazards and areas with safety concerns. Through these and other initiatives, the whole Group is committed to working together to prevent occupational accidents.

### Disseminating safety-related information

In recognition of the importance of raising safety awareness among employees throughout the Group, we share warnings and information about occupational accidents that have occurred within the Group. Group companies give employees daily safety warnings using electric bulletin boards or information boards.

### Education to improve safety awareness

We believe that heightening our employees' sensitivity to danger leads to improved safety awareness. We set up experience rooms at Fuji Oil Co., Ltd. and Fuji Oil (Zhang Jia Gang) Co., Ltd. (China), and let employees at Group companies outside Japan experience simulated dangerous conditions through VR devices. VR devices are permanently installed at Fuji Oil Co., Ltd. and Fuji Oil (Zhaoqing) Co., Ltd. (China). Group companies in Japan are aiming to improve safety awareness through simulation classes and safety education that enable employees to learn from past incidents. In this way, rules are observed and mistakes from the past are avoided. We are also working to create a safe and secure work environment by conducting emergency drills for natural disasters and installing motion sensor lights that are also useful when evacuating during a power outage.

Group companies outside Japan are also engaged in various safety initiatives, including emergency drills, education on the effectiveness of risk prediction training, safety communication activities,<sup>\*1</sup> and safety meetings.<sup>\*2</sup>

<sup>\*1</sup> Safety communication activities: Activities to raise employees' safety awareness by handing down knowledge of past labor accidents and countermeasures to younger generations.

<sup>\*2</sup> Safety meeting: Meetings held before the day's work to inform workers about safety matters that require special attention that day.



VR simulator experience (loaned unit) at  
Fuji Oil (Thailand) Co., Ltd.



## Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Zero serious accidents*1	Zero serious accidents occurred	○
Zero serious property damage accidents*2	Zero serious property damage accidents occurred	○

\*1 Serious accident: An accident resulting in death, permanent disability to limbs or other body parts, or long-term hospitalization (60 days or more).

\*2 Serious property damage accident: Explosions, fires, or physical accidents resulting in an order from a public authority to shut down the entire site.

## Analysis

We safeguard against similar accidents by sharing information on occupational accidents and property damage that occurred within the Group to raise safety awareness. We also believe that using VR helps improve safety awareness by simulating danger for our employees. We will continue to work on enhancing safety awareness through safety experience training using VR at Group companies outside Japan.

## Next steps

Our goal for FY2025 is once again to eliminate the occurrence of serious accidents and serious property damage accidents. We believe that improving the safety awareness of employees is the key to achieving this goal. To address this issue, we will also work on the following measures in FY2025:

- Safeguard against similar accidents by sharing information on occupational accidents and property damage that occurred within the Group
- Encourage sharing of safety information between Group companies
- Continue initiatives that help raise safety awareness, such as adopting safety VR simulators

## Related documents

ESG Data Book (PDF 411KB) 

# Employee Health (Health and Productivity Management)

✓ Policy   ✓ Governance   ✓ Basic approach   ✓ Risk management   ✓ Metrics and targets

## Policy

In January 2017, the Fuji Oil Group announced the Fuji Oil Group Health and Productivity Management Declaration,<sup>\*</sup> which states that we will proactively engage in health and productivity management.

<sup>\*</sup> Fuji Oil Group Health and Productivity Management Declaration (in Japanese)

<https://www.fujioil.co.jp/about/health/>

## Governance

Initiatives for employee health and productivity management at Fuji Oil Co., Ltd. are promoted by the Health Management Section of the Human Resources Department. We work to improve the health of our employees and create a rewarding workplace in collaboration with occupational physicians, public health nurses, nurses, occupational counselors and other specialists, as well as the Health Insurance Society.

## Basic approach

The Fuji Oil Group recognizes that the health and well-being of employees are important management measures also from the perspective of enhancing the quality of human capital. We believe that managing our employees' health and productivity improves employee satisfaction, and could also potentially help extend healthy life expectancies throughout society by engaging local communities and wider society. Conversely, failing to provide an environment where employees can thrive may lead to lower work motivation and productivity, resulting in higher employee turnover and other outcomes that could affect business continuity. Based on the Health and Productivity Management Declaration, Fuji Oil Co., Ltd. has been implementing various measures to enhance employee health. Enhancing employee vitality fosters a thriving organization and leads to growth. We aim to make the greatest possible contribution to the health of all people and the planet by first helping our employees live healthy lives.

## Risk Management

GRI: 403-3, 6

### Better mental and physical health management system

Fuji Oil Co., Ltd. aims to be a company where employees have long, happy and healthy working lives. To make this a reality, we have all employees undergo regular health examinations, and 100% of employees have had a regular health examination and 94.9% of eligible employees have had a secondary health examination (as of March 31, 2025). We aim for a target of 100% of eligible employees undergoing the secondary health examination. We are also working to enhance our health guidance provided by industrial health staff,

so that employees can use the results of these checkups to maintain lifelong health.

We have also published the FUJI OIL Health and Wellbeing Report to clearly present our health and productivity management guidelines to employees. Based on the guidelines, we hold health talks to communicate essential information. In the first half of FY2024, an occupational health physician gave a talk on blood pressure. In the second half of the year, an external expert gave a talk on the basics of fertility treatment. These talks were attended by over 100 participants, helping them to deepen their knowledge of these topics. Some comments from participants included: “I wanted to know what blood pressure even means, plus my parents are getting older so I wanted to find out about conditions caused by high blood pressure. I learned a lot.” “I found out what fertility treatment involves, how difficult it is, and the mental and physical burden on people undergoing treatment.”

To prevent mental health problems, we have employees respond to a stress check questionnaire (94.4% response rate in FY2024; with 9.0% of respondents under high stress), and support each workplace’s efforts to solve issues identified there and improve the working environment by conducting psychological assessments. All managers at our Hannan Business Operation Complex took part in a practical mental health training where they looked at real-life case studies and considered the best way to respond. We also have full-time in-house counselors offering consultations on career concerns, as well as holding open seminars that teach self-care, line-care by supervisors, active listening, and communication skills. Affiliated external counsellors also provide support for employees suffering from mental health problems. In order to respond to employees’ mental health problems at an early stage, we provide a favorable environment for all employees to use counseling services without hesitation.

If employees need to take a long leave of absence due to an illness or injury, the health staff will help them manage their health while they are on leave so that they can concentrate on treatment without worry. We have also formed a system for smooth reinstatement of employees by continuing to provide health-related support in the about three-month transitional period after returning to work, and are creating an organization where both returning employees and their coworkers can continue to enjoy their work.

As part of our information sharing that uses our Japan-wide intranet, we publish a column on health using a monthly topic. Our occupational health staff also provide detailed explanations and information at the monthly Safety and Health Committee meetings held at each business site to develop health awareness. The column is also shared with Group companies in Japan for an even more widespread promotion of health.

## Measures to prevent lifestyle-related diseases

At Fuji Oil Co., Ltd., occupational physicians and health staff further enhance measures to help employees prevent serious diseases. We are committed to improving the health literacy of all employees by enhancing our health guidance as well as providing constant interventions, ranging from treatment recommendations to advice on healthier lifestyles.

To further safeguard the health of our employees and prevent illness, we have completely banned smoking on our premises and during working hours from FY2025. We have also updated our health management system to provide an easy way for employees to take an interest in health management, with features like an AI-powered body age calculator and ranking displays based on health examination results and lifestyle factors like diet, steps and sleep.

Program	Content
Offering healthy meals at our company cafeterias	Offer meals using our own soy meat products (F-lunch)
	Offer meals using local seasonal vegetables
	Offer balanced meals designed to reduce stress, aid fatigue recovery, and provide other health benefits
Providing health information	Provide seasonal and trend-based information on food ingredients and health columns using digital signage
	Provide health information on drinking and smoking through the Japan-wide intranet and the Safety and Health Committee

Program	Content
Preventing smoking	Completely ban smoking on our premises and during working hours
	Implement a smoking cessation program led by occupational health staff for smokers who want to quit
	Provide a smoking cessation program in partnership with the Health Insurance Society
Supporting exercise	Conduct stretches for lower back pain and morning exercise routines at the beginning of the workday
	Visualize changes in personal health indicators by using InBody, a body composition analyzing device installed in our health room
	Hold the Health Check Competition: Know Your Body semi-annually in collaboration with Osaka Kawasaki Rehabilitation University
	Provide a walking campaign and online exercise program in partnership with the Health Insurance Society
	Cover the costs of exercise-related services as part of the welfare program
Supporting sleep	Provide a silent room for napping
	Loan out sleep trackers to employees who are not getting enough sleep

## Metrics and targets

At Fuji Oil Co. Ltd., we have set priority measures to achieve health and productivity management, and specified targets for each of these measures.

Please refer to the page below for details.

> Fuji Oil Co., Ltd. Health and Productivity Management (in Japanese)

<https://www.fujioil.co.jp/about/health/>

## External recognition

### **Named in the large enterprises category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi**

- Fuji Oil Co., Ltd. (eighth consecutive year)
- Fuji Sunny Foods Co., Ltd. (seventh consecutive year)

### **Named in the SME category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi**

- Omu Milk Products Co., Ltd. (seventh consecutive year)

\* Other external recognitions

<https://www.fujioil.co.jp/en/sustainability/evaluation/>

### Creating a positive workplace culture: Harald (Brazil) named as a Great Place to Work for eight years running

Harald Indústria e Comércio de Alimentos Ltda (Brazil) has been certified as a Great Place To Work in Brazil for the eighth consecutive year. Great Place To Work® is a workplace culture institute which investigates and analyzes employee experience in around 150 countries worldwide, certifying and ranking companies that meet the criteria as a company that provides a sense of fulfillment.

#### Related documents

ESG Data Book (PDF 411KB) 

# Co-existence with Local Communities

✓ Policy   ✓ Management system   ✓ Basic approach   ✓ Specific initiatives

## Policy

A principle of our Group's business is to “engage in corporate activities rooted in our communities and actively contribute to society,” as expressed in the Fuji Oil Group Management Philosophy.\*

\* <https://www.fujioil.co.jp/en/about/constitution/>

## Management system

Each company in our Group carries out community development activities specific to the country and region in which they operate. Group-wide and interregional activities are led by Fuji Oil Co., Ltd.

## Basic approach

With key operating sites in 15 countries, our Group aims to contribute to the development of local communities by carrying out social development initiatives that are in line with local needs. We engage in community-based corporate activities and dialogues, and use the perspectives gained from these activities in our management. We also believe that participating in such initiatives enables Group employees to find greater job satisfaction and raise their awareness of sustainability.

To learn more about our engagement with communities and other main stakeholders, refer to our initiatives for each material ESG issue and the link below.

Stakeholder Engagement

\* [https://www.fujioil.co.jp/en/sustainability/stakeholder\\_engagement/](https://www.fujioil.co.jp/en/sustainability/stakeholder_engagement/)



## Specific initiatives

### Food education using our main raw materials (soybeans, palm oil and cocoa)

We at Fuji Oil Co., Ltd. implement food education project for children, encouraging the next generation to consider the health of people and the planet. Since FY2014, we have been conducting the project in Japan in cooperation with the nonprofit Houkago NPO After-School.

In FY2024, we once again ran four visiting lecture programs: two on soybeans (“The Global Environment and Our Food” and “Food Education Bingo”), one on palm oil (“Food Detectives, Discover the Secrets of Food!”) and one on cocoa (“Choco Action for the Future”), with twenty of our employees acting as lecturers. In the new cocoa program, added in FY2024, we encouraged students to learn about the issues surrounding chocolate and consider what actions they can take. Both children and teachers have commented on how much they learned from this program.

Through the programs, we held 38 sessions in-person on soy, palm oil, and cocoa for 1,041 students at 20 elementary schools. A total of 7,020 children have participated in the food education project since it began.

Aside from the food education project, we also held food education sessions for university students, school teachers, and community events, exploring the topic of global sustainability through familiar foods, using our main ingredients as subject matter. In FY2024, we delivered these sessions to more than 250 people across six locations.

We also teamed up with students to give a presentation titled “Bringing global issues closer to home: enjoy learning about food sustainability” at the Food Education Promotion Forum hosted by Japan’s Ministry of Agriculture, Forestry and Fisheries. Our presentation was awarded the judges’ special award.



Food Education Bingo, food education lecture on soybeans



Food Education Promotion Forum

#### Comments from participants:

- I found out how chocolate is made and how the situation is bad right now. I want to tell people about it and make chocolate sustainable. (6th grader)
- From now on, I want to eat soybeans, make my body strong, and try to make the world’s problems a little better. (3 grader)
- I didn’t know about this before, so I want to remember what I have learned from the special teachers and care for the planet. (6 grader)
- We learn about the SDGs in Semester 1 and Semester 2. The topics we studied came up in the food education project, so I think the children really felt that they could make use of their learning. (Teacher)
- This was a valuable opportunity to hear directly from someone from the company. I realized how important it is for companies to conduct business with a view to the future several years or decades from now, rather than focusing on immediate profits. Thank you very much. (University student)
- When talking about palm oil in sessions, I always struggle with how to teach students about how useful it can be and how it relates to environmental issues. In other subjects, students are taught that palm oil is bad or that it destroys nature. This session has helped me see how to talk about palm oil in the context of home economics. (Home economics teacher)

## Support for SDGs for School

Since 2018, Fuji Oil Co., Ltd. has sponsored SDGs for School,\* a project run by the non-profit Think the Earth. The project supports class teachers and students by creating educational content and networking spaces for learning about how to create a more sustainable society through the SDGs. In 2021, Think the Earth was officially designated by Japan's Ministry of the Environment as an organization that supports environmental education, and the programs were registered as services of human resource certification.

\* <https://www.thinktheearth.net/en/> 



## Hannan Forest Project

Fuji Oil Co., Ltd. launched the Hannan Forest Project in 2010 to regenerate Satoyama landscape in Izumisano City, Osaka Prefecture, where its head office is located. Since March 2018, the project has expanded, and employees have worked as volunteers to support park development at Izumisano Kyuryo Ryokuchi (Izumisano hillside park)\* in Osaka. At the site, local volunteers, companies, and the Osaka Prefectural Government work together on forest development and bamboo forest management. The company's employees conduct monthly activities to nurture the secondary forest in its designated Corporate Forest area.

A trail called the Explorer Route has been created and maintained as part of the management of the bamboo forest.

In FY2024, around 160 people took part in eight volunteering events.

Going forward, we will continue our park development efforts, with the goal of creating a rich forest habitat for owls, giant flying squirrels, and other wildlife.

\* <http://izumisano-kyuryo.jp/en/> 



Thinning a bamboo grove

## Fuji Foundation for Protein Research

The Fuji Oil Group founded the Research Committee of Soy Protein Nutrition in 1979 to fund academic research on soy protein. After restructuring as a public interest foundation, it transformed into the Fuji Foundation for Protein Research\*<sup>1</sup> in 2012 to continue building upon this legacy of plant-based protein research. To date, the Foundation has funded over 1,300 studies in total, covering a wide range of research fields, including nutritional science, food processing, and breeding. We have also been supporting researchers in the Netherlands with international research grants since FY2023.

The results of the funded research are published annually in the journal "Soy Protein Research, Japan" and posted on the Foundation's website,\*<sup>2</sup> where they are widely accessed by researchers.

In addition, the Foundation also holds free open lectures for the general public as part of its public interest activities to promote awareness and utilization of soy and plant-based proteins. In FY2024, we presented online lectures from the venue in Izumisano City. Three speakers gave lectures from various perspectives, including (1) the many



Soy Protein Research, Japan



Research report meeting held in Osaka

roles and functions of soybeans in food processing; (2) the role of domestication and mutation in soybean crops; and (3) how the physiological functions of soybeans help Japanese people live long lives. Over 260 people registered for the lectures and many more people watched the video archive on the Foundation's website.

Through donations to the Foundation, we will continue to support academic research on soy and plant-based proteins and contribute to the society.

\*1 <https://www.fujifoundation.or.jp/english/> 

\*2 Follow the link below for research results.

[https://www.fujifoundation.or.jp/search\\_en/](https://www.fujifoundation.or.jp/search_en/) 

## Providing a path to entrepreneurship: Chocolate business startup program for low-income earners in Brazil

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Harald Indústria e Comércio de Alimentos Ltda (Brazil) has been running a free chocolate entrepreneurship program since 2019 to help low-income earners and small-scale entrepreneurs generate a profitable secondary source of income. In FY2024, over 1,500 training sessions were held around Brazil, providing around 8,500 participants with the specialized knowledge required to succeed in the confectionery industry. The program covers all the information that entrepreneurs need to start their own business, including proper handling of chocolate and compound chocolate, pricing, digital marketing, sales strategies, presentation skills, and more.



Participants in the Christmas course

## Valentine's Day event: Volunteering at a U.S. facility for people with developmental disabilities

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In February 2025, Blommer Chocolate Company (U.S.) took part in a volunteer event at St. Mary's of Providence (SMOP), a non-profit residential facility that provides care for approximately 80 women with developmental disabilities. This event was initiated 17 years ago by former Blommer employee Sandy Murphy, and is held annually by the Chicago chapter of the American Association of Candy Technologists (AACT). Blommer has been donating chocolates and volunteering every year since the event began. Blommer's booth featured a pink strawberry-flavored chocolate fountain and sweets such as brownies, marshmallows, pretzel rods and crispy rice bars. With help from our employees, the women in the facility enjoyed dipping these treats in the chocolate fountain and decorating them with various sprinkles.



The Valentine's Day event

# Sustainability education for U.S. college students

Blommer Chocolate Company (U.S.) conducts a sustainability awareness program that uses chocolate as its theme, targeting college students. In March 2025, the company invited college students studying sustainability and their professors to the Blommer Chocolate R&D Applications Lab located in the Merchandise Mart in Chicago. The members of R&D team and the sustainability team talked about the importance of sustainable food systems, the company's approach to sustainability and its sustainability initiatives, followed by interactive sessions.



## Related documents

ESG Data Book (PDF 411KB) 



# Operation of a Trustworthy Whistleblowing System/ Promoting Fair Business Practices



Material Issue

Fair Business Practices

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets

## Policy

The Fuji Oil Group established the Fuji Oil Group Management Philosophy in October 2015 to clearly state the Group's mission, vision, values, and principles of conduct, laying the foundation for all corporate activities. To realize the corporate philosophy outlined in the Fuji Oil Group Management Philosophy, we fulfill our social responsibility as a company by adhering to the Fuji Oil Group Three Principles of the Code of Conduct developed in February 2003 — the code all officers and employees must follow in the course of conducting all our business activities.

Fuji Oil Group Management Philosophy

<https://www.fujioil.co.jp/en/about/constitution/>

### Fuji Oil Group Three Principles of the Code of Conduct (Developed in February 2003)

1. Follow the rules.

Observe the laws and regulations applicable in the respective countries and regions.

Act according to the rules and procedures established by the company.

Follow social norms and live up to society's expectations and trust.

2. Act honestly.

Act on one's own conscience.

Do not hide one's mistakes or failures.

Give reports and explanations which are properly based on the facts, and in a timely manner.

3. Act fairly.

Engage in fair and proper transactions.

Draw a line between public and private matters and do not commit any illegal conduct.

Respect the human rights of the people involved in business activities and consider racial, gender, and religious sensitivities.

Do not do anything that may lead to constraint, bribery, or any other form of corruption.

Do not allow any antisocial forces to intervene and disrupt the workplace.

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors the priority action: Operation of a Trustworthy Whistleblowing System and Promoting Fair Business Practices<sup>\*2</sup> on material ESG issue, and makes recommendations to the Board. Under the oversight of the Head of Legal Division, the Chief Financial Officer (CFO) and Senior Executive Officer, the Legal Division plans various measures to increase compliance awareness and works to address compliance issues throughout the Group. The

Division also reports on these compliance-related initiatives to the Board of Directors every year as part of the Board of Directors' oversight of the corporate governance system.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

Fair and transparent business activities form the foundation of corporations as public institutions in the global community. To that end, we are engaged in various measures related to compliance throughout the Group.

The loss of fairness and transparency can lead not only to legal sanctions due to compliance violations, but also to the loss of trust from stakeholders and other immeasurable negative social impacts. For these reasons, unfair actions must be detected early and appropriate measures must be taken in order to prevent the problem from persisting, contain its impacts from spreading, and minimize potential damage.

Our Group strives to maintain fair and transparent business practices. We achieve this by putting into practice the basic values and spirit outlined in the Fuji Oil Group Management Philosophy and the Fuji Oil Group Three Principles of the Code of Conduct. In particular, we regularly communicate compliance messages from top management and work to strengthen our compliance measures, based on the recognition that fostering an open atmosphere and corporate culture is essential to achieving stronger compliance.

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Fair Business Conduct, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Legal and ethics

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Fuji Oil Group risk management structure

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Corruption prevention

Preventing bribery and corruption is one of our key compliance issues. We have established the basic regulations for preventing bribery (not externally disclosed) that prohibit acts of bribery throughout the Group.

We ensure that our business partners who conduct business on behalf of the Group strictly comply with the basic regulations for preventing bribery. We perform proper due diligence prior to making transactions and take the necessary precautions, such as including anti-bribery and anti-corruption clauses in contracts with our business partners.

To instill these anti-bribery measures throughout the Group, we have also focused our efforts on education and raising awareness of bribery. The Fuji Oil Group Business Ethics Guidelines comprehensively cover bribery and corruption prevention along with case studies. We also provide e-learning and face-to-face trainings for employees. The global e-learning on preventing bribery and corruption held in FY2024 had a 96.2%\* participation rate.

In addition, employees in Group companies can use the whistleblowing system to anonymously raise concerns and grievances related to bribery and corruption in the company. The Board of Directors of the Fuji Oil Co., Ltd. receives reports from the Legal Division on measures against bribery, and supervises the establishment and execution of such measures.

\* Targeted at Group officers, executive officers, and employees in positions or departments closely connected to these issues



## Business Ethics Guidelines

The Fuji Oil Group Management Philosophy and Three Principles of the Code of Conduct represent the Group's fundamental values. To align with these values, we established the Fuji Oil Group Business Ethics Guidelines to provide specific guidelines for making decisions on legal and ethical issues encountered in daily work. The guidelines are available in nine languages that are spoken in the countries and regions where we operate, and are adapted to their laws and regulations. The guidelines are also proactively used by Group companies, which conduct workshops on case studies included in the guidelines. The guidelines are distributed to employees in booklet or PDF forms.

## Compliance training

With the aim of enhancing compliance awareness among all Group employees, we conduct global e-learning training programs annually on key compliance issues, including laws and regulations related to fair business transactions, such as anti-bribery, anti-corruption, and antitrust laws. These programs are targeted at Group company employees\* worldwide and are available in nine languages. In addition, we conduct annual group training programs on relevant topics for targeted participants, taking into account each country's laws and regulations, regional characteristics, and associated risks. In FY2024, we held group training on cartel prevention for officers and executive officers in Japan. We also carried out group training programs covering antitrust law (anti-cartel), the Subcontracting Act, and the new law protecting freelance operators in Japan for employees in divisions closely involved with these issues. Outside Japan, we provided group training programs at Group companies in China, focusing on local issues such as preventing commercial bribery and legal liability related to food safety.



Group trainings at Group companies in China

\* Mandatory for Group officers, executive officers, and employees in positions or departments closely connected to these issues

## Monitoring

The Legal Division conducts compliance monitoring of Group companies worldwide in cooperation with Audit and Supervisory Committee members and departments responsible for internal audits, risk management and other relevant divisions. Moreover, the Division endeavors to identify compliance risks, including cartels, bribery, and corruption, and verify the status of compliance activities. They do this by distributing and collecting legal compliance sheets for internal control to all Group companies three times a year and analyzing their responses, and by conducting interviews with each Group company.

## Whistleblowing system

GRI: 2-25, 26

We have established a Whistleblower Hotline in Japan and a Compliance Helpline for officers and employees at our Group companies outside Japan. These systems provide counseling and reporting channels for violations of laws and regulations, fraudulent acts, or any suspected misconduct involving the Group or its officers and employees.

Our Whistleblowing Regulations outline the proper mechanism for reporting illegal or fraudulent acts and prohibit dismissal or unfair treatment of Group officers and employees who report through the Whistleblower Hotline or Compliance Helpline, in order to protect whistleblowers. The regulations also stipulate that those who unfairly treat or harass a whistleblower may be subject to disciplinary action in accordance with work regulations and other applicable rules.

In FY2024, we received 69 whistleblowing reports throughout the entire Group. Of these, there were zero cases of serious compliance violations of laws and regulations. The Board of Directors receives annual reports from the Legal Division on the number of

whistleblowing reports received across the Group, along with their summaries and corrective actions taken, and oversees the operation of the whistleblowing system. For the past few years, our efforts to raise awareness of the Group's whistleblowing system have been effective, with a recognition rate of over 90% for the above-mentioned hotline managed and operated by the head office.

## Metrics and targets

GRI: 2-27, 205-1, 206-1

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
No serious compliance violations	Zero cases of serious compliance violations in Fuji Oil Group's business operations	○
Develop a risk management system for violations of important laws and regulations	Identified and reviewed compliance risks and status of activities using legal compliance sheets for internal control as described above	○
Conduct a compliance program targeting the entire Group	Held global e-learning and group training as described above	○
Raise employee awareness of compliance	Received a 90.3% positive response rate to the question, "Does your workplace have a culture in which compliance is given priority when business and compliance are in conflict?" (a decrease of 1.0 percentage point from the previous year)	○

## Analysis

In FY2024, we focused on strengthening our initiatives by restructuring the whistleblower hotline in Japan. To ensure whistleblower anonymity, enhance privacy protection, and ensure the hotline's transparency and fairness, we consolidated reporting channels into a single hotline set up at an external law firm. This move enabled the hotline to function as a central mechanism for reporting corporate misconduct. To broaden accessibility and detect signs of misconduct more effectively, we also made the hotline available externally by posting it on our corporate website.

There were no serious legal or regulatory violations affecting Fuji Oil Group operations in FY2024. While a slight decrease in employee compliance awareness was observed across the Group, 95.6% of respondents throughout the Group answered positively to the survey question: "If you have concerns about compliance issues, does your workplace have a culture that makes it easy to quickly communicate them to your superiors?" (an increase of 1.3 percentage point compared to the previous year). To further encourage compliance, we believe it is essential for the top management of each Group company to consistently communicate a policy that emphasizes the importance of compliance. Moving forward, we will continue exploring initiatives, such as messaging from top management, to strengthen compliance.

## Next steps

In FY2025, we are again aiming for zero cases of serious compliance violations. We will develop a compliance risk management system (including prevention of bribery and other corruption) for the entire Group to achieve our priority actions: Operation of a Trustworthy Whistleblowing System and Promoting Fair Business Practices, and will work on the following specific goals and measures.

- No serious compliance violations
- Foster trust in the whistleblowing system

- Create a psychologically safe environment for whistleblowing
- Conduct a compliance program targeting the entire Group
- Raise employee awareness of compliance

## Related documents

ESG Data Book (PDF 411KB) 

# Information Security Management



Material Issue  
Information Security

[▼ Governance](#)
[▼ Strategy](#)
[▼ Risk management](#)
[▼ Metrics and targets](#)

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Information Security Management,<sup>\*2</sup> a priority action to address material ESG issues, and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Finance and Accounting Headquarters, the Chief Financial Officer (CFO) and Senior Executive Officer.

In addition, we have established an Information Officer and a Computer Security Incident Response Team (CSIRT) under the CFO. The CSIRT appoints an information management director and an information security manager for each Group company. We aim to systematically raise the information security level of all Group companies, with the advice of external experts.

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

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

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

The Fuji Oil Group recognizes information security as a risk category directly tied to our business, and is working to strengthen our information security management.

Neglecting to address risks may lead to failures in business continuity and damage to corporate value, such as system destruction or confidential information leaks caused by cyber-attacks. Enhancing measures against risks can be an opportunity to foster trust among stakeholders and increase corporate value.

Our Group formulated the Information Management and Information Security Regulations and trains employees on a continual basis to ensure that they understand and follow these regulations.

We also establish appropriate operational processes and rules for information systems to ensure and maintain the confidentiality, integrity and availability of internal and external information assets, while on a technical level we are taking multilayered measures to prevent unauthorized access from outside the Group's information systems and to protect against computer viruses. These efforts help us fulfill our corporate social responsibilities by continuing to provide reliable products and services, and properly managing all critical information we receive from customers, business partners and various stakeholders involved in our business operations.

As digital technology and data use become increasingly vital to our operations, we will work to ensure information security, and promote the digital transformation (DX) of our Group to further strengthen our competitiveness.

## Risk Management

The Fuji Oil Group systematically manages risks and opportunities related to information security, an area of sustainability matters that address material ESG issues, in alignment with group significant risks.

## Education

Since FY2018, we have been conducting IT security training for our Group employees to raise awareness, mainly by e-learning programs. The completion rate of e-learning programs in FY2024 was 97.2%. \* We will work to develop the content of the training and encourage participation with the aim of achieving 100% completion in the future.

\* Targeted at officers, executive officers and employees of our Group who have a company email address and use a computer in their day-to-day operations.

## Internal security audit

Since FY2020, we have been conducting internal security audits within our Group in order to assess the state of compliance with security requirements together with explicit evidence, and to set up the Plan-Do-Check-Action (PDCA) cycle for correction. The frequency of these internal audits means that all companies within the Group are audited over a period of around three years. In FY2024, we updated the evaluation items covered by the audit, which ensures that we now conduct more effective internal audits and self-assessments, including OT\* security measures and cloud services used by business divisions. Results are reviewed for each company subject to internal audits. For any non-compliant items, an improvement plan is created with the company's information security manager (usually the IT manager), and summarized as a final report on the results. Afterwards, upon approval of the information management director (usually an officer), the measures for improvement are properly carried out.

\* Operational technology (OT) comprises the systems and their associated technologies which control and operate control devices in factories and other facilities.

## Metrics and targets

GRI: 418-1

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2024 Goals	FY2024 Results	Self-assessment
Continue conducting measure evaluations by CSIRT, which include internal security audits (FY2024 plan: IT evaluation for 12 companies, OT evaluation for six companies)	IT evaluation for 14 companies and OT evaluation for seven companies	○
Introduce technical measures (FY2024 plan: The entire Group except for very small business sites and those with low investment ratios)	Introduction has been completed at all target companies, with some exceptions where certain measures have not yet been introduced	○
Conduct education through global e-learning program to raise employees' security awareness	Completed according to the plan	○

## Analysis

We plan to move away from using a COBIT\*<sup>1</sup>-based evaluation of IT security measures at Group companies, instead use our own indicators\*<sup>2</sup> based on frameworks including NIST CSF 2.0\*<sup>3</sup> from FY2025 onwards. This change is intended to shift the focus of our IT security measures from strengthening overall IT governance to enhancing further practical risk response.

\*1 COBIT: A framework to measure the maturity of IT governance, evaluated on a scale of 0 to 5. Level 5 indicates the process is “optimized.” Our Group is understood to be at Level 4, “managed.”

\*2 Strength of measures will be assessed and scored on a scale of 1 to 3 (where 3 is the highest level).

\*3 NIST CSF 2.0: A standard framework for strengthening security measures, with actions defined under six core functions: Identify, Protect, Detect, Respond, Recover, and Govern.

Our target for FY2025 to FY2027 is that all Group companies should aim for a score of 2 for all six functions.

Blommer and Fuji Oil Co., Ltd. will aim for a score of 3 for Detect and Recover, as these two functions are particularly important for business.

## Next steps

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We will continue providing support for both IT and OT security measures in order to raise awareness of the Group’s Information Security Regulations, and ensure compliance in all our companies.

- Continue conducting measure evaluations by CSIRT, which include internal security audits (FY2025 plan: IT evaluation for six companies)
- Prepare new audit procedure documents for IT and OT audits, and define assessment criteria for audit items
- Conduct education through global e-learning programs to raise employees’ security awareness (Target: 100% completion rate)



## External Recognition

The Fuji Oil Group's ESG initiatives have earned recognitions and awards from external organizations. The following is a list of examples.

### Inclusion in ESG indexes

- June 2025: Continued to be listed in the FTSE4Good Developed Index, FTSE4Good Japan Index, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index
- June 2025: Continued to be listed in the S&P/JPX Carbon Efficient Index



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Fuji Oil Co., Ltd. has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index.

- June 2025: Continued to be listed in the Morningstar Japan ex-REIT Gender Diversity Tilt Indexes (GenDi J)



Built with the data and scoring methodology of Equileap, "GenDi J" is designed to emphasize the stocks of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. Companies are divided into five groups based on their Gender Equality Score. Fuji Oil Co., Ltd. is in Group 1, the highest tier of "GenDi J."

### Communication with society

- March 2025: Selected as one of the companies for creating excellent integrated reports and most-improved integrated reports by GPIF's asset managers entrusted with domestic equity investments

### Creation of sustainable food resources / health and nutrition

- May 2024: President and CEO Tatsuji Omori awarded Japan's Medal with Yellow Ribbon at the 2024 Spring Medal of Honor

## Environment

- February 2025: "A" rating from CDP in 2024 for water security, "A-" rating for forests
- June 2025: Selected among the top 350 Asia Pacific Climate Leaders in a joint survey by the Financial Times (UK), and German research agency Statista
- June 2025: Fuji Oil Europe awarded with Gold Medal in EcoVadis Sustainability Rating

## Women's empowerment

- August 2017: Platinum Kurumin certification from Japan's Ministry of Health, Labour and Welfare
  - Fuji Oil Co., Ltd.
- November 2022: Continued to be certified as a Leading Company in Women's Participation in Osaka City
  - Fuji Oil Co., Ltd.



## Health and productivity management

- March 2025: Certified as Great Place to Work (eighth consecutive year)
  - Harald Indústria e Comércio de Alimentos Ltda (Brazil)
- May 2025: Selected among the top 20 medium-sized companies to work for in Brazil's agricultural sector
  - Harald Indústria e Comércio de Alimentos Ltda (Brazil)
- May 2025: Certified as the Mental Health award by Great People Mental Health.
  - Harald Indústria e Comércio de Alimentos Ltda (Brazil)
- March 2025: Recognized in the large enterprises category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi
  - Fuji Oil Co., Ltd. (eighth consecutive year)
  - Fuji Sunny Foods Co., Ltd. (seventh consecutive year)

Recognized in the SME category of the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi

- Omu Milk Products Co., Ltd. (seventh consecutive year)

