

Biodiversity Conservation and Restoration



Policy

GRI : 101-1

The Fuji Oil Group published the Fuji Oil Group Policy on Biodiversity^{*1} 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.^{*2}

Environmental Management > Policy

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

*1 Fuji Oil Group Policy on Biodiversity (PDF, 196KB)

*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 Group’s Sustainability Committee^{*1} is an advisory body to the Board of Directors that is chaired by the President and CEO. It deliberates on and monitors the material ESG issue^{*2} of Biodiversity from a multi-stakeholder perspective, and reports the results to the Board. The ESG Division Officer oversees the progress of initiatives for Biodiversity Conservation and Restoration, a priority action within this material issue.

Furthermore, we adhere to the following policies when dealing with 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 stakeholders to work toward a sustainable future for food.

Fuji Oil Group Human Rights Policy (PDF,388KB)

Fuji Oil Group Policy on Biodiversity (PDF, 196KB)

Fuji Oil Group Supplier Code of Conduct (PDF, 2.3MB)

Responsible Palm Oil Sourcing Policy (PDF, 1.66MB)

Responsible Cocoa Beans Sourcing Policy (PDF, 79KB)

Responsible Soybeans and Soy Products Sourcing Policy (PDF, 922KB)

Responsible Shea Kernel Sourcing Policy (PDF, 945KB)

Environmental Management > Governance

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

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

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

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

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

Strategy

As a food manufacturer, the Group depends on and impacts nature and ecosystem services in a variety of ways, through our impact on natural ecosystems around regions producing our plant-based and other raw materials, as well as through our water resource use, wastewater discharge, energy use, and carbon emissions at business sites. Assessing these impacts and working to conserve and restore natural ecosystems is essential for a sustainable future for food and for the Group's business sustainability.

In FY2022, we examined common nature-related issues (including land use change, impact on ecosystems, climate change, and water resources) across the Group's businesses, revealing connections with palm oil or cocoa. In FY2023, based on the LEAP approach^{*1} recommended by the Task Force on Nature-related Financial Disclosures (TNFD), we used location-based geographic information systems (GIS) to analyze and assess our dependencies and impacts on nature and ecosystem services in palm oil and cocoa producing countries, and identified the sensitive points and priority locations throughout the Group's value chain. See the section "Nature-related risks and opportunities across the Fuji Oil Group's value chain" on the Environmental Management page for the nature-related risks^{*2} and opportunities^{*3} we identified.

The Group will continue working to conserve and restore natural ecosystems, avoid or reduce negative impacts, as well as develop technologies and products with positive impacts.

Environmental Management > Strategy

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

*1 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 Potential threats posed to an organization that arise from its and wider society's dependencies and impacts on nature

*3 Activities that create positive outcomes for organizations and nature through positive impacts or mitigation of negative impacts on nature

Risk management

GRI : 101-2

Environmental Management > Risk management, Nature-related risks and opportunities across the Fuji Oil Group's value chain

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

Sustainable Procurement Management > Risk management

<https://www.fujioilholdings.com/en/sustainability/procurement/>

Metrics and targets

GRI : 101-1

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

FY2023 Goals	FY2023 Results	Self-assessment
Investigate and assess our Group's dependencies and impacts on nature and ecosystem services connected with palm oil and cocoa	Carried out assessments of our dependencies and impacts on nature and ecosystem services, as well as nature-related risk analysis, in palm oil and cocoa producing countries	○

Analysis

In FY2023 we used GIS to analyze our dependencies and impacts on natural capital and ecosystem services in countries producing palm oil and cocoa, the Group's main raw materials. We used various analytical indicators to understand our businesses' relationship with nature and identify the sensitive points and priority locations across our value chain.

Additionally, we identified nature-related risks from the material issues of all our businesses, listed their potential impacts on the Group, and outlined strategies to address them.

Next steps

Based on the results of the analysis on nature-related risks connected with palm oil and cocoa conducted in FY2023, we will work on the following goal for FY2024.

- Investigate additional strategies, targets and monitoring metrics for ongoing sustainable procurement initiatives and goals

Specific initiatives

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

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

In FY2023, 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.

* 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 step

Step 1	Collection of farmland spatial data	Collect farmland data on a global scale and on countries where the Group procures
Step 2	Literature review	Go through reports, papers, and other literature from international organizations to identify impact drivers, the state of nature, and ecosystem services that are closely related to the commodity under study. Select corresponding GIS data based on these results
Step 3	Analysis using farmland spatial data	Analyze farmlands in palm oil and cacao producing countries using GIS data
Step 4	Creation of spatial data images	Generate images of the analysis results from Step 3
Step 5	Summary of results	Identify priority locations and sensitive points

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

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

TNFD category	Dependency									Impact driver			
	Provisioning services		Regulating and maintenance services										
	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

For dependencies on nature, the analysis revealed the 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 have 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 the 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.

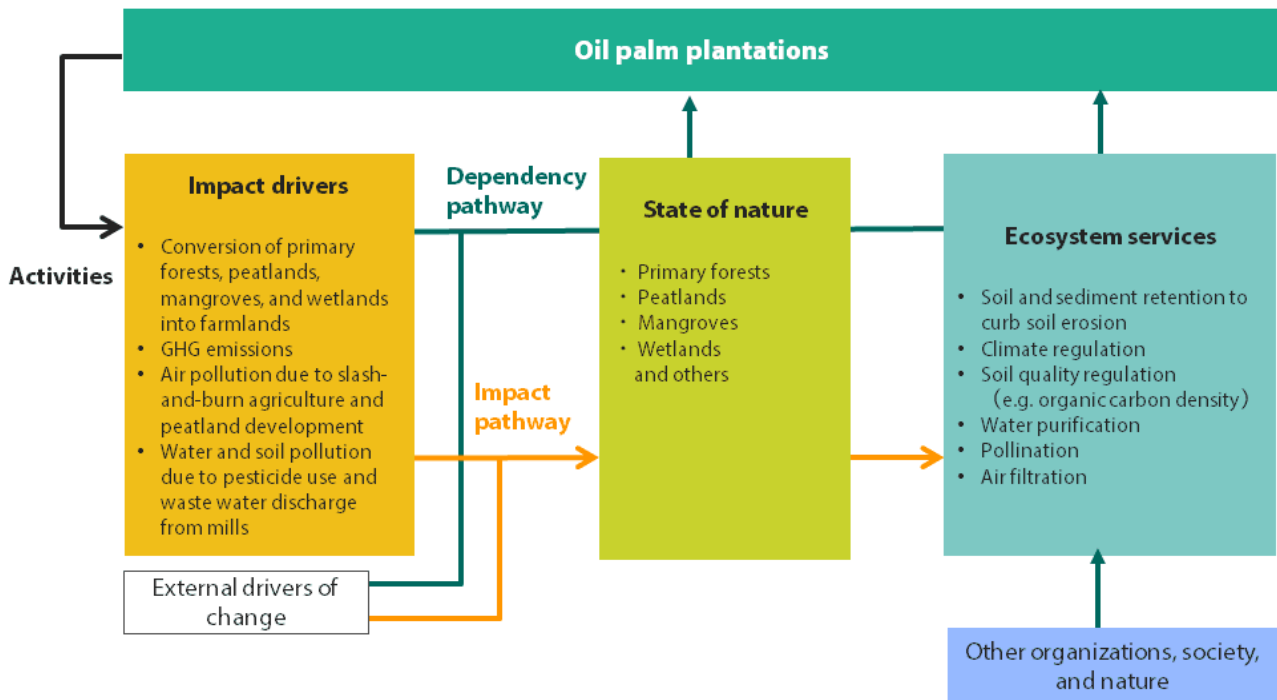
In recent years, deforestation has been conspicuous in some regions of Indonesia and Malaysia. The area in the Indonesian island of Sumatra, where we have been carrying out our landscape initiative since 2018, is a sensitive location with species that fall under the designation of a nature reserve or International Union for Conservation of Nature (IUCN) Protected Area Management Categories I or II, and where many Indigenous Peoples live. We ascertained that, even in Sumatra, the percent tree cover loss in this area has been limited. 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 in an area that is highly important for biodiversity. We will continue to work on these initiatives so that we can create a positive impact on the sustainability of our production regions as a whole.

We also found sensitive locations for Indigenous Peoples and local communities in some regions of Indonesia.

* See Sustainable Procurement of Palm Oil for our specific initiatives in Malaysia and Indonesia.

https://www.fujioilholdings.com/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

For dependencies on nature, the analysis revealed the high significance of flood risk and the importance of soil and sediment retention as well as soil quality regulation. Soil erosion may further increase flood risk, and if floods or soil erosion occur in areas with a thin soil layer, soil quality may also be seriously affected. These 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.

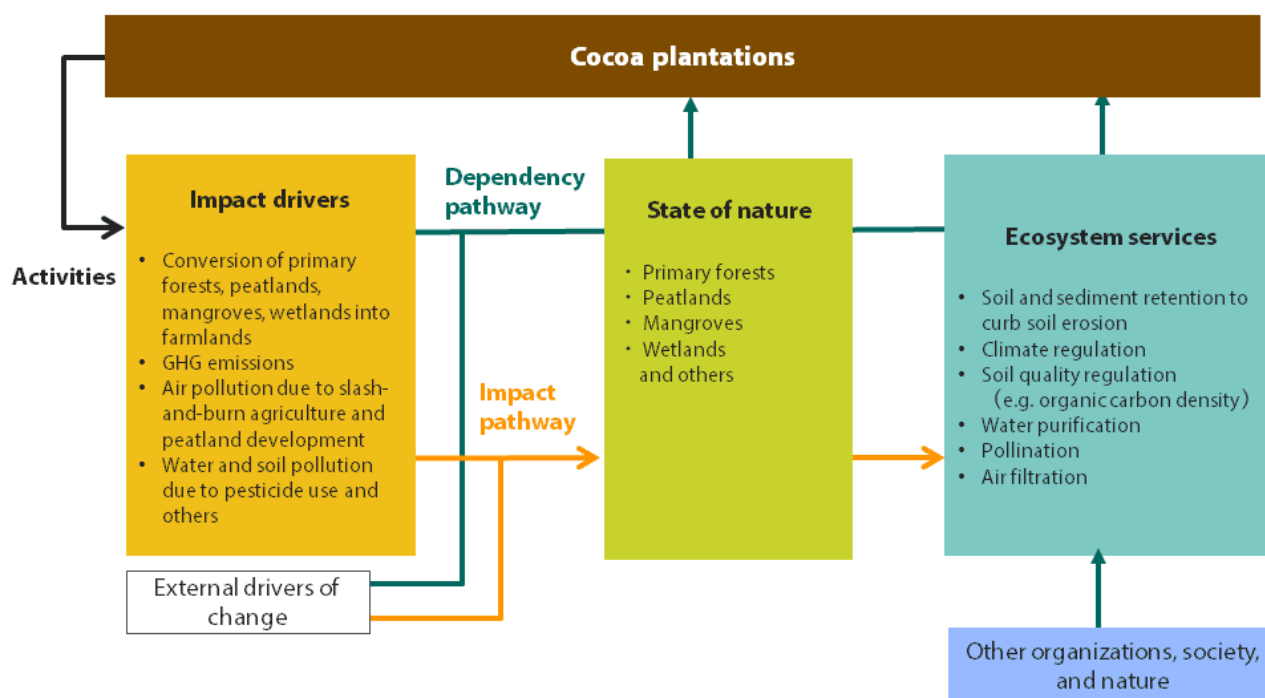
Impacts

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 significance of our initiatives to plant trees in Ghana and Côte d'Ivoire for ecosystem integrity.

* See Sustainable Procurement of Cocoa for our specific initiatives in Ghana and Côte d'Ivoire.

<https://www.fujioilholdings.com/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 to identify and protect high conservation value (HCV) forests and high carbon stock (HCS) forests^{*1}
- Cocoa production areas: Tree planting and forest monitoring^{*2}
- Shea kernel production areas: Parkland conservation^{*3}

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^{*1}
- Cocoa production areas: Support for introduction of agroforestry and GAP^{*2}
- Development and promotion of soil conditioners made by upcycling soy whey (a byproduct of the production process)^{*4}

Climate change (CO₂ emissions reduction, waste reduction)

- Shea kernel production areas: Using byproducts (e.g. shea kernel meal) as fuel after oil extraction^{*3}
- Reducing CO₂ emissions by saving energy and introducing renewable energy at Group sites; reducing waste by improving processes and reducing water content of sludge^{*5}
- Research into soybean cultivation using CO₂ captured from a waste incineration facility (CCU)^{*6}
- Development of functional food ingredients by making effective use of pea fiber^{*7}
- Development of technologies and products to maintain food quality longer^{*7}
- Development of palm oil alternatives using oleaginous yeast

Use of water resources

- Reducing water usage at Group sites^{*5}

Stakeholder engagement & capacity building

- Raw material production areas/farms: Landscape initiative,^{*1} empowerment of female farmers,^{*2 *3} parkland management training for female farmers^{*3}
- Suppliers: Engagement with NDPE,^{*1} introduction of Labour Transformation Programme (LTP)^{*1}
- Employees: Raising awareness through internal communication sites (Japanese, English, Chinese, Portuguese) and sustainability training (Group companies in Japan and other countries)

*1 https://www.fujioilholdings.com/en/sustainability/palm_oil/

*2 <https://www.fujioilholdings.com/en/sustainability/cocoa/>

*3 https://www.fujioilholdings.com/en/sustainability/she_kernel/

*4 https://www.fujioil.co.jp/news/2021/_icsFiles/afieldfile/2021/10/04/211012.pdf (in Japanese) 

*5 https://www.fujioilholdings.com/en/sustainability/environmental_management/

*6 https://www.fujioilholdings.com/en/sustainability/research_and_development/

*7 https://www.fujioilholdings.com/en/sustainability/food_loss/

Related documents

ESG Data Book (PDF 2.85MB) 