

FY2026 material ESG issues and FY2025 targets and results

[Legend] ●:Enhance governance ●:Further strengthen growth fields ●:Establish new business fields

Theme	Material ESG issues		Risks	Opportunities	Financial impact			Value chain		Connection to key policy of the medium-term management plan	Our vision, medium- to long-term goal/SDGs we aim to support	Social and environmental impact		FY2025 Goals	FY2025 Results		
	Sustainability area	Priority action/Chief officer in charge			Short-term	Mid-term	Long-term	Upstream	Group			Downstream	Negative impacts to be reduced			Positive impacts to be created	
Deliciousness and Healthiness	 Food Safety and Health	Ensuring Product Safety and Quality Control	Long-term loss of market and customer credibility, along with reduced profitability and corporate value, due to safety and quality issues such as consumer health hazards and negative impacts on customer production plans	(Increased credibility and corporate value gained by addressing the risks listed left)	High	High	High	●	●	●	• Ensure that the Fuji Oil Group is never a cause for complaints for any of the products it manufactures		• Health damage, violation of food laws and regulations	• Support people's lifelong well-being • Achieve both deliciousness and healthiness	No serious quality-related complaints* ¹ received	No serious quality-related complaints received	
		Reduction of Process Contaminants in Oils and Fats	Head of Oils & Fats Business Headquarters / Senior Executive Officer	Increased profitability by expanding the supply of oil and fat products that meet changes in the market environment and needs, including the growing customer demand for reduced process contaminants* ²	Medium	Medium	Medium	●	●	●	• Reduce process contaminant levels in line with market expectations				Strengthen communication with quality managers at Group companies and promote a food safety culture and the sharing of quality-related information	Information sharing on each company's quality initiatives on key themes, findings from internal audits conducted by Fuji Oil Co., Ltd.	
		Solutions for Health and Well-being	Head of R&D Headquarters / Executive Officer	(Reduced profitability and corporate value resulting from failure to address the risks listed right)	Increased profitability by expanding the supply of health-related products — such as DTR,* ³ PUFA,* ⁴ BFY products,* ⁵ and plant-based proteins — that meet changes in the market environment and needs, including the growing customer and consumer demand for solutions to health and well-being issues	Medium	High	High	●	●	●	• 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				Publish evidence and obtain functional claims to support sales promotion by promoting the superior taste and health benefits of PRORARE®* ⁶	Published one paper showing evidence Submitted report on DHA's cognitive functional claim (pending)
		Creation of Diverse Plant-based Ingredients	Head of R&D Headquarters / Executive Officer	• Raw material procurement and price increase risks caused by climate change and ecosystem destabilization • Higher raw material procurement risks due to concentrated demand and stricter regulations • Health and environmental concerns, as well as supply and price uncertainties, associated with animal-based ingredients	Increased revenue through diverse plant-based ingredients that broaden procurement sources, expand applications, and help stabilize supply amid rising raw material procurement risks and supply uncertainties • Added value created by offering the functionalities and applications of diverse plant-based ingredients with market needs placing emphasis on environmental impact reduction and sustainability • Growth opportunities created through the expansion of applications that leverage the unique deliciousness and ease of use of plant-based ingredients against the backdrop of diversifying dietary habits and changing preferences	Low	High	Ex. High	●	●	●	• Make plant-based foods widely and readily available. Increase dietary choices to help address food supply problems, and broaden new business fields				Develop new plant-based ingredients that cater to diversifying values	In plant-based ingredients developed through fermentation, oil and fats, and protein processing technologies, progress has exceeded the initial targets set for development and market launch
		Reduction of Food Loss and Waste and Upcycling	Head of R&D Headquarters / Executive Officer	• Damage to social and stakeholder reputation due to inadequate or delayed response to food loss and waste • Business continuity risk resulting from non-compliance with environmental regulations and increased regulatory compliance costs	Increased profitability by expanding the supply of ingredients that reduce food loss and waste, as well as upcycled products	Low	Medium	High	●	●	●	• Contribute to reducing food loss and waste across the value chain through technology innovation and reuse/upcycling of byproducts				[Reduction of Food Loss and Waste] Develop technologies and products to maintain food quality longer and extend best-before dates	Developed cream products that blend with fresh cream to improve shelf life and handling. Currently gaining adoption mainly in the food service industry
		Establishment of Circular Food Systems	Head of R&D Headquarters / Executive Officer	Increased costs across the value chain — from raw material procurement, logistics, to manufacturing — due to extreme weather events linked to climate change	Increased profitability through sustainable raw material procurement aligned with environmental conservation and through the adoption of production processes suitable for high value-added ingredients	Low	Low	High	●	●	●	• Develop soybean utilization technologies that contribute to a low-impact, sustainable circular economy that is resilient to the effects of climate change.			 	Verify cultivation in a medium-scale plant factory under CO ₂ fertilization conditions	Several cultivation trials conducted, with target yield achieved
Sustainable Food Value Chain	 Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)	CO₂ Emissions Reduction	• Increased costs for compliance with environmental regulations and introduction of carbon taxes • Suspended supply of products that meet market and customer demand due to raw material procurement shortages, manufacturing restrictions, or reduced production volumes caused by extreme weather events • Losses incurred by Group companies due to catastrophic natural disasters caused by extreme weather events • Damage to stakeholder reputation due to inadequate or delayed response to environmental issues	Expanded supply of low-impact certified oils and plant-based ingredients	High	Ex. High	Ex. High	●	●	●	<Environmental Vision 2030/2050> FY2050 target: Net zero for total scope 1* ⁷ , 2* ⁸ and 3* ⁹ GHG emissions FY2030 target: Total scopes 1 & 2 GHG emissions: 42% reduction Total scope 3 (Category 1)* ¹⁰ GHG emissions: 25% reduction Total FLAG-related* ¹¹ GHG emissions: 30.3% reduction (base year: FY2020)	  	• Inefficient resource consumption and waste generation • CO ₂ emissions across the supply chain • Water resource depletion • Water resource pollution • Loss of natural ecosystems	• Provide an abundance of food settings with diverse food options • Help eliminate uneven distribution of food resources and improve health through a sustainable supply of protein sources • Reduce environmental impact by increasing consumption of plant-based food ingredients (reduce CO ₂ emissions)	[FY2030 target] Total scopes 1 & 2 GHG emissions: 42% reduction (All Group companies* ¹²) [FY2030 target] Total scope 3 (Category 1) GHG emissions: 25% reduction (All Group companies* ¹²) [FY2030 target] Total FLAG-related GHG emissions: 30.3% reduction (All Group companies* ¹²)	19.9% reduction* ¹³ 11.7% reduction 14.2% reduction	
		Water Use Reduction	Head of Safety, Quality and Production Technology Headquarters / Executive Officer	—	Low	Low	Low	●	●	●	<Environmental Vision 2030/2050> FY2030 target: 20% reduction in water use volume per production volume* ¹⁴ (base year: FY2020)	 	Broad deployment of successful examples of reduction efforts	• Raised internal awareness through environmental audits at four Group companies outside Japan • Rolled out case studies of improvements related to water-use reduction among Group companies			
			Work to continuously reduce usage intensity by implementing the Plan-Do-Check-Act (PDCA) cycle through the implementation of environmental audits.												Used environmental audits to review environmental management practices and legal compliance, and shared information on current management standards and improvement needs. As the first step toward helping develop and implement improvement plans, the Group began by providing support for the “Plan” stage of the PDCA cycle.		

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Sustainable Food Value Chain	 Environmentally Responsible MONOZUKURI (Product Development and Manufacturing Practices)	Waste Reduction Head of Safety, Quality and Production Technology Headquarters / Executive Officer	• Increased waste disposal cost	—	High	High		●		●	<Environmental Vision 2030/2050> FY2030 target: 10% reduction in waste volume per production volume*15 (base year: FY2016) FY2030 target for Group companies in Japan: Maintain a recycling rate of 99.8% or higher		• Inefficient resource consumption and waste generation • CO ₂ emissions across the supply chain • Water resource depletion • Water resource pollution • Loss of natural ecosystems	• Provide an abundance of food settings with diverse food options • Help eliminate uneven distribution of food resources and improve health through a sustainable supply of protein sources • Reduce environmental impact by increasing consumption of plant-based food ingredients (reduce CO ₂ emissions)	[FY2030 target] 10% reduction in waste intensity (All Group companies*12) Maintain a recycling rate of at least 99.8% (All Group companies in Japan)	23.4% reduction										
		Biodiversity Conservation and Restoration Head of Corporate Planning Headquarters / Executive Officer													• Increased compliance costs due to new or stricter regulations; long-term loss of market and customer credibility, along with reduced profitability and corporate value, resulting from legal violations • Drastically increased raw material procurement costs due to yield declines and market price surges or volatility caused by changes in growing conditions or ecosystem collapse (e.g., decline in pollinators) in key production regions • Increased development and production costs driven by growing demand for products that use alternative raw materials to support biodiversity	• Increased profitability by expanding supply of RSPO/RTRS certified raw materials amid stricter regulations, and in response of soaring raw material prices, rising instability in raw material procurement and growing demand from consumer concerns • Increased profitability by expanding the supply of products that use alternative raw materials, such as yeast oil, to support biodiversity • New market and customer acquisition through enhanced social credibility from addressing unintended release of invasive species and GMO crops into the environment	High	Ex-High	●	●	●	Build a nature-positive value chain	 	Consider additional biodiversity disclosure candidates based on TNFD core disclosure metrics	Work to continuously reduce waste intensity by implementing the PDCA cycle through environmental audits and other measures	Calculated the amount of GHG fixed by using biochar as part of regenerative agriculture at palm oil smallholder farms in Sabah, Malaysia. Published in the Sustainability Report 2026
	 Sustainable Procurement	Sustainable Procurement of Palm Oil Head of Oils & Fats Business Headquarters / Senior Executive Officer	• Significant increase in raw material procurement costs due to lower yields and market price volatility resulting from natural environment degradation in production areas, such as the decline and destabilization of ecosystem services, water scarcity and pollution, and flooding and soil erosion • Interruption in supply of products required by market/customers due to insufficient procurement of raw materials, manufacturing limitations, or reduced production volumes • Losing markets/customers due to loss of public trust resulting from deforestation, peatland development, human rights violations, and other factors	• Expanded supply for environmentally responsible products (certified oils, plant-based products, etc.) and improved profitability through first-mover advantage arising from stricter regulations • Stable procurement of raw materials by addressing agricultural land degradation and changes in growing environments of key raw materials	High	Ex-High	●		●	<Medium- to long-term goal> No Deforestation, No Peatland Development, No Exploitation (NDPE) <Sustainable procurement commitment> Achieve 100% traceability to plantation (TTP) by 2030 Implement the Labor Transformation Program (LTP) at all direct suppliers by 2030	    	• Human rights violations • Persistent poverty among farmers • Child labor and forced labor • Exploitation of Indigenous Peoples, local communities and workers • Destruction or loss of natural ecosystems • Land use conversion • Pollution from improper waste disposal	• Improve farmers' livelihoods	Traceability to mill (TTM): 100%	TTM:99%											
		Sustainable Procurement of Cocoa Chief Operating Officer (COO) and Head of Chocolate Business Headquarters / Senior Executive Officer												High	Ex-High	●	●	<Medium- to long-term goal> Reforestation, elimination of child labor <Sustainable procurement commitment> End child labor by 2030 Plant one million trees in cocoa-growing regions by 2030	    	Traceability to plantation (TTP): 85%	TTP:96%					
																				Continue constant monitoring using satellite images to identify, observe, verify and eliminate deforestation in the palm oil supply chain	Monitoring implemented					
																				Deforestation and Conversion Free (DCF)	94.5%**16					
																				Supply Chain Transformation Program at suppliers of Palmaju Edible Oil Sdn. Bhd. (Malaysia): 90%	83%					
		Sustainable Procurement of Soybeans Head of Soy Ingredients Business Headquarters / Executive Officer												Low	Medium	High	●	●	<Medium- to long-term goal> No deforestation, no exploitation <Sustainable procurement commitment> Ensure traceability to the community level by 2030, or 100% procurement of RTRS*20-certified products or products certified to equivalent standards	  	Plant 103,000 trees to progress toward the Group goal of one million trees	Planted 54,308 trees (Planted 54,308 trees in partnership with AGRO-MAP. 0 saplings distributed through CFI)				
Maintain GPS mapping of 90% of farms in direct supply chain and improve traceability system	Completed mapping for 99.3% of farmers in the direct supply chain																									
Continue GAP*17 training to farms across our direct supply chain	Conducted GAP training for 15,340 farmers																									
Assess deforestation related to the supply chain using data provided by Satelligence*18 and conduct deforestation risk assessment for over 19,000 hectares of land	Conducted deforestation risk assessment for 46,489 hectares of land																									
Continue introducing the Child Labor Monitoring and Remediation System (CLMRS) in farmer communities across our direct supply chain*19	100% of farmer groups across our Group's direct supply chain are covered by CLMRS																									
Provide support for women's empowerment in 78 communities across our supply chain (Côte d'Ivoire, Ghana)	Women's empowerment initiatives in 88 communities (Côte d'Ivoire only)																									
Sustainable Procurement of Shea Kernels Head of Oils & Fats Business Headquarters / Senior Executive Officer	Low	Low	Medium	●	●	<Medium- to long-term goal> Forest conservation, support for women's empowerment <Sustainable procurement commitment> Deforestation prevention and parkland protection: Plant 6,000 trees/year until 2030 Traceability to the regional level: 75% by 2030 Procurement of shea kernels*21 from Tebma-Kandu program: 50% by 2030 Percentage of shea kernels crushed and fractionated (separated) in West Africa: 100% by 2030 Non-fossil fuel energy*22 used by Fuji Oil Ghana Ltd. (for steam generation): 100% Percentage of Group-donated storage buildings being used to generate alternative income for Tebma-Kandu cooperatives: 80%**23	    	Traceability achieved to primary collection points, or 100% procurement of RTRS-certified products or products certified to equivalent standards	100% traceability achieved to primary collection points																	
Discuss actions to achieve Scope 3 reductions by implementing regenerative agriculture programs								Reviewed the program details and conducted on-site check of farmers implementing the programs																		
6,000 trees planted/year								12,325 trees planted/year (total since 2021: 37,215 trees)																		
Traceability to the regional level, including procurement from Tebma-Kandu cooperatives*24: 70%								97%																		
Procurement of shea kernels from Tebma-Kandu program: 30%								30%																		
Percentage of shea kernels crushed and fractionated (separated) in West Africa: 100%								100%																		
Non-fossil fuel energy used by Fuji Oil Ghana Ltd. (for steam generation): 100%	98%																									
Percentage of Group-donated storage buildings being used to generate alternative income for Tebma-Kandu cooperatives: 20%	90%																									

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Sustainable Food Value Chain	 Human Capital and Occupational Safety	Promotion of DE&I ^{*25,26} Chief Financial Officer (CFO) and Head of Human Resources & Administration Headquarters / Senior Executive Officer	<ul style="list-style-type: none">Reduced employee engagement and innovation capacity due to failure to promote DE&IA loss of social trust due to discrimination, harassment and other issues	<ul style="list-style-type: none">Advancement of corporate growth by fostering a diverse and inclusive organizational culture through enhanced <i>Hataraki-Gai</i>^{*27} (work engagement) and innovation capacity	Medium	High	Ex. High				<ul style="list-style-type: none">Equity: Remove barriers experienced by people from disadvantaged communities, provide equitable opportunities and conduct fair evaluationsInclusion: Build a corporate culture that fosters a feeling of belonging among all employeesDiversity: Harness diversity for our business model and value creation	  	Human rights violations and loss of social trust due to discrimination, harassment and other incidents	<ul style="list-style-type: none">Enhanced <i>Hataraki-Gai</i> through equitable opportunities and assessmentInnovation and value creation, leveraging diversity as a strength	Ensure diversity at decision-making levels	In line with our new organizational structure, diversity metrics and scope are currently under review, with redefinition planned for FY2026
		Securing and Developing Human Resources Chief Financial Officer (CFO) and Head of Human Resources & Administration Headquarters / Senior Executive Officer	<ul style="list-style-type: none">Reduced productivity and business capacity due to delays in securing and developing human resourcesStagnation of medium- to long-term growth caused by a shortage of human resources to implement the management strategy and business strategy	<ul style="list-style-type: none">Improved problem-solving and business capabilities by developing the next generation of human resources and strengthening expertiseMedium- to long-term growth by continuously cultivating strategic leaders	High	High	High				<ul style="list-style-type: none">Further increase number of specialists in every field, with many of our talents contributing to increasing corporate value in the face of changes in and outside JapanHave successor candidates always ready to take over for key positions (executive officers, department managers, section managers)	  	—	<ul style="list-style-type: none">Creation of a positive cycle of employee growth and corporate growth by expanding opportunities for learning and developmentStrengthened problem-solving and business capabilities by developing and cultivating highly specialized human resources and management personnel	Stronger governance by the Nomination and Compensation Advisory Committee	<ul style="list-style-type: none">Launched a succession plan for the next CEO simultaneously with the appointment of a new presidentIntroduced a new executive remuneration system
		Reducing Occupational Accidents and Property Damage Head of Safety, Quality and Production Technology Headquarters / Executive Officer	Death or injury of employees caused by disasters, accidents or infectious diseases, and suspensions of factory operations or product supply resulting from damage to the company or supply chain	—	Low	Low	Low				<ul style="list-style-type: none">Place top priority on safety and respect for employees. Keep all Group companies accident-free by creating safe and comfortable workplaces	 	<ul style="list-style-type: none">Serious accidents or serious property damage accidentsWork-related injury, illness, or poor healthOutbreak of infectious diseases in the workplace	—	Zero serious accidents ^{*29}	One serious accident: one fatal accident occurred at Fuji Oil Ghana Ltd.
															Zero serious property damage accidents ^{*30}	Zero serious property damage accidents occurred
Business Conduct	 Information Security	Information Security Management Chief Financial Officer (CFO) and Head of Information and Communication Technology Division / Senior Executive Officer	Fines for violating Japan's Personal Information Protection Act; reduced profitability and erosion of corporate value due to operational shutdowns and lost opportunities caused by cyberattacks	—	High	High	High				Sustainably develop the Group through responsive systems and enhanced measures to counter IT security risks that have significant impacts on business management	—	<ul style="list-style-type: none">Reduced profitability due to operational shutdowns and lost opportunities caused by cyberattacksExternal damage or loss caused by information leaksCorruption, bribery, anti-competitive behavior, and other violations of laws and regulations	—	Continue conducting measure evaluations by CSIRT, which include internal security audits (FY2025 plan: IT evaluation for six companies)	Completed IT evaluation at nine companies
		Operation of a Trustworthy Whistleblowing System Chief Financial Officer (CFO) and Head of Legal Division / Senior Executive Officer	Leaks of misconduct on social media due to failure of the whistleblowing system, resulting in long-term reputational damage	—	High	High	High								Prepare new audit procedure documents for IT and OT audits, and define assessment criteria for audit items	Completed preparation of new audit procedures and definition of assessment criteria for audit items, for use starting from FY2026 audits
															Conduct education through global e-learning programs to raise employees' security awareness (Target: 100% completion rate)	98.7% completion rate
	 Fair Business Conduct	Promoting Fair Business Practices Chief Financial Officer (CFO) and Head of Legal Division / Senior Executive Officer	Reduced profitability and erosion of corporate value due to violations of laws and regulations in various countries or regions, or due to criminal or civil penalties	—	High	High	High				Earn the trust of all stakeholders by conducting business fairly, transparently, and with integrity	—	<ul style="list-style-type: none">Damage to social reputation and serious human rights and safety issues due to failure of the whistleblowing systemExternal damage or loss caused by information leaksCorruption, bribery, anti-competitive behavior, and other violations of laws and regulations	—	No serious compliance violations	Zero cases of serious compliance violations
															Foster trust in the whistleblowing system	The chief officer in charge of compliance sent a message to the entire Group, which included the use of the whistleblowing system
														Create a psychologically safe environment for whistleblowing	Lawyer in charge of the whistleblowing hotline conducted training and widely shared information on the whistleblowing system	
														Conduct a compliance program targeting the entire Group	Held global e-learning and group trainings as described above	
														Raise employee awareness of compliance	Received a 90.9% 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?" (an increase of 0.6 percentage points from the previous year)	