STEP 1 Draw up a list of potentially relevant sustainability matters

Prepare a long list of sustainability matters based on the ESRS*1 and referring to the following:

- International sustainability-related disclosure guidelines, guidance and standards: ESRS, GRI, IFRS, SASB, SDGs, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
- Evaluation criteria of ESG rating agencies: MSCI, FTSE, WBA.
- Material matters of food companies around the world, principles of industry groups, our Group's long-term research themes, and knowledge and experience of experts

STEP 2 Define stakeholders, risks, and opportunities

Stakeholder engagement*4

Identify material sustainability matters, risks, and opportunities related to the Group's businesses, business models and stakeholders, based on the results of the following assessments:

- Nature-related risk analysis across the value chain*2
- Nature-related risk analysis in palm oil and cocoa producing countries*2
- Nature-related risks and opportunities across the Fuji Oil Group's value chain*2
- Results of the third human rights impact assessment*3

STEP 3 Define material sustainability matters

Stakeholder engagement*4

Assess materiality of sustainability matters along the following two axes (impacts, risks and opportunities (IRO) assessment), and identify material sustainability matters

(1)Impact materiality (assessment of social and environmental impacts)

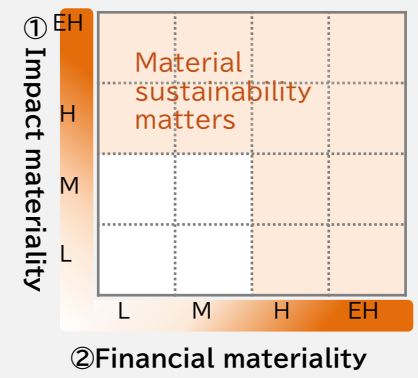
・Assess the scale, scope, remediation difficulty, and likelihood of occurrence of positive and negative impacts
・Systematically reflect risk analysis results used in Step 2 in the impact materiality

(2)Financial materiality (assessment of financial impact on the Fuji Oil Group)

・Assess various financial impacts of risks and opportunities for each sustainability matter using a scenario analysis
  - Time horizon: Short term (FY2025), medium term (until FY2030), long term (FY2031 and beyond)
  - Materiality axis: Assess the potential magnitude and likelihood of occurrence of the impacts

* Financial impact is assessed using quantitative and qualitative objective thresholds to assess the effects on business performance in a single year and the cumulative effects
* For multiple scenarios, the assessment results of the scenario with the greatest financial impact are reflected

The two axes have a scale with four levels: extremely high (EH), high (H), medium (M), and low (L). Impacts that are assessed as high (H) or extremely high (EH) on either (1) or (2) are identified as material sustainability matters



STEP 4 Determine sustainability areas and priority actions, appoint chief officers in charge

Categorize the identified material sustainability matters by supply chain category, determine the sustainability areas and priority actions, and appoint chief officers in charge.
Set KPIs and measures for each priority action

STEP 5 Approval from the Board of Directors

Results of Steps 3 and 4 are deliberated and passed by the Sustainability Committee, and then approved by the Board of Directors

*1 ESRS: European Sustainability Reporting Standards

*2 Environmental Management
https://www.fujioil.co.jp/en/sustainability/environmental_management/

*3 Human Rights Management
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