

Sustainability

Message from the C“ESG”O

We would like to express our deepest sympathies and condolences to those who died of the new coronavirus (COVID-19) and to all those affected. We also would like to extend our respect and gratitude to everyone who has been making efforts at the forefront of the pandemic, including in medical settings and at the production and sales sites of daily necessities.

The values and behaviors of society have changed dramatically due to this pandemic. Companies are expected, not to only pursue economic value, but also to place importance on human health and employment as the basis for this pursuit. Companies will not be able to survive unless they change their conventional business behavior and practices in response to the dramatic changes facing society. We are confident that, after this pandemic, the world will further work toward sustainability, therefore we further recognize the importance of promoting ESG management.

Historically, epidemics are said to have occurred as humans entered the natural world, including raising livestock and developing forests. Searching for coexistence with the global environment and ecosystems is a proposition for the achievement of human sustainability. The Fuji Oil Group will provide society with solutions to this great theme, taking advantage of the power of plant-based food ingredients. Global health is a prerequisite for contributing to human health. I am convinced that "Plant-Based Food Solutions (PBFS)," which we set as the value that we want to provide through ESG management, is the value required by the "new normal" after the COVID-19 pandemic. Our Group's ESG management is based on the values of "Work for people" as set in the Fuji Oil Group Management Philosophy. Now that we confront an unprecedented pandemic, we believe that we should demonstrate our "Work for people" values and contribute to society's sustainability through the food business, which is essential to people's lives.

In FY 2019, as the first year in which we established the position of Chief "ESG" Officer (C“ESG”O), we promoted ESG management through our business activities centering on the ESG management priority themes and on the concept of backcasting from the future. For instance, as a solution to food resources shortage, we promoted the development, improvement, and proposal to the market of plant-base protein ingredients, such as soy meat, which can replace animal protein sources. In September 2019, at Daimaru

Shinsaibashi Department Store in Osaka City, we opened "UPGRADE Plant based kitchen," a delicatessen store that sells hamburger, deep-fried chicken, lasagna, dessert, and other foods made only from plant-based food ingredients, such as soy meat and cheese-like soy milk. Although our Group's business is B-to-B, we position the store as a place to directly propose the value of plant-based food ingredients to consumers and to obtain their feedback.

In the field of human rights, in line with the human rights due diligence prescribed by the UN Guiding Principles on Business and Human Rights, we promote sustainable procurement, the operation of a grievance (complaint handling) mechanism, and the provision of human-rights education through the establishment of "Human Rights Week." Regarding the sustainable procurement of palm oil and cacao, which were identified as one of the human rights risks priorities for Fuji Oil Group, we set targets for 2030 and 2025 in June 2020. With the aim of achieving these targets, we will proceed with procurement that take more account of the environment and human rights, placing emphasis on engagement.

In the field of environment, we formulated the Environmental Vision 2030, to be achieved in 2030. Regarding global warming and the reduction of CO₂ emissions, we received the Science Based Target (SBT) certification in March 2020. We set a target of a 40% reduction in total volume for Scopes 1 and 2 and a target of a 18% reduction in total volume for Scope 3. These ambitious targets for CO₂ emissions reduction are based on the new SBT standards. Achieving these targets is not an easy journey. However, based on our values of "Work for people," we would like to accelerate innovation to reach this vision. In addition, we conducted a scenario analysis following the proposals of the Task Force on Climate-related Financial Disclosures (TCFD), to identify opportunities and risks against accelerating climate change. The analysis results are used to develop a business strategy and communicate with our stakeholders. The analysis results are presented in this Sustainability Report.

[Related pages]

- ▶ Providing solutions to food resources shortage
https://www.fujioilholdings.com/en/csr/social/food_resources/
- ▶ Sustainable Procurement of Palm Oil
https://www.fujioilholdings.com/en/csr/environment/palm_oil/
- ▶ Sustainable Procurement of Cacao
<https://www.fujioilholdings.com/en/csr/environment/cacao/>
- ▶ Business and Human Rights
https://www.fujioilholdings.com/en/csr/social/human_rights/

- Environmental Vision 2030

<https://www.fujioilholdings.com/en/csr/environment/management/>

- Climate change risks and opportunities

<https://www.fujioilholdings.com/en/csr/governance/risk/>

The Sustainability Report 2020 includes our progress and basic approach to sustainability, focusing on the ESG management priority themes (materiality). Moreover, in order to facilitate the understanding of this report, we made reports based on the GRI Standards for the first time and published the ESG Data Book and the GRI Standards Comparison Table.

Effective communication with stakeholders is the foundation and the driver for successful ESG management. I believe that engaging in a dialogue with sincerity and transparency will help promoting our learning and activities; and lead to an increased sharing of knowledge and wisdom with society. I hope that this report will serve as a good communication tool for engaging with our stakeholders.

FUJI OIL HOLDING INC
Chief "ESG" Officer (C"ESG"O)

A handwritten signature in black ink, appearing to read 'S. Kadota', with a stylized flourish underneath.