

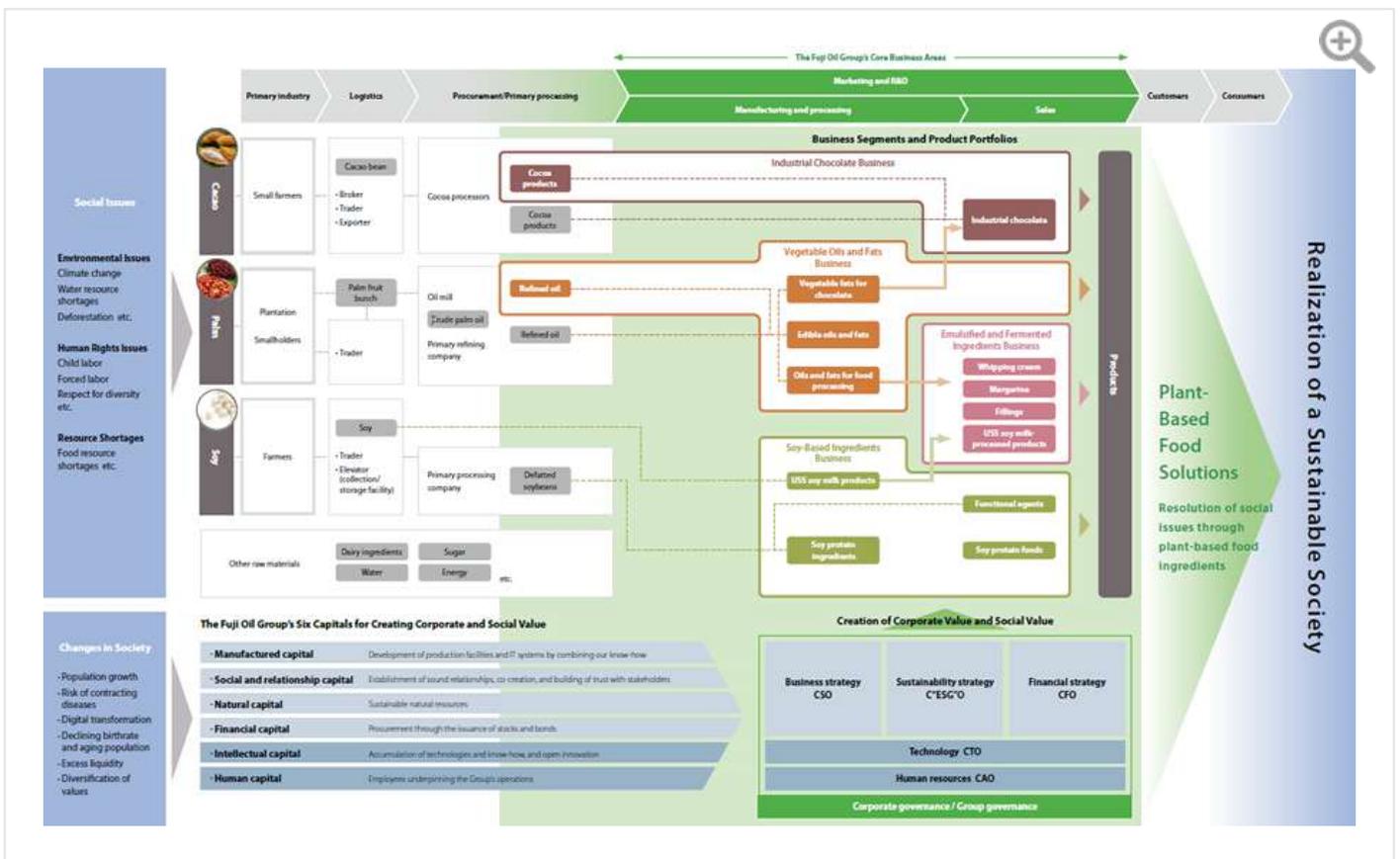
Sustainability

Fuji Oil Group and ESG Management Overview

Fuji Oil in society

Fuji Oil Group's value chain

The Fuji Oil Group is a B-to-B food ingredient manufacturer that has four businesses: 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, including hard butters for chocolate, industrial chocolate, whipping cream, margarine, and soy protein ingredients, mainly made from agricultural products, such as palm, cacao, and soybeans. Our customers range widely from B-to-C food manufacturers to restaurants, convenience stores and retail stores.



ESG management Overview

Overall picture of ESG management

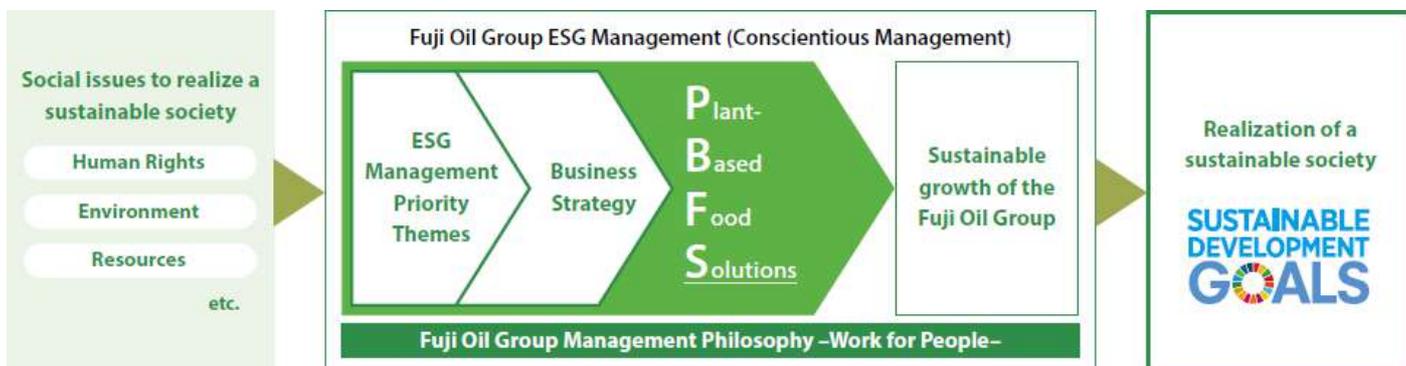
Based on the Fuji Oil Group Management Philosophy*, the Group promotes ESG management to achieve sustainable growth while contributing to realizing a sustainable society through the creation and offer of Plant-Based Food Solutions. In the situation where companies are expected to contribute to a sustainable society through their business activities, we believe that our Group can fulfill its CSR (Corporate Social Responsibility) by promoting ESG management.

The Fuji Oil Group Management Philosophy articulates the Group's Mission (our reason for being), Vision (our ideal state), Values (the basic values that guide us in doing business) and Principles (our action principles). The Philosophy sets out the conduct principles that all directors and employees of the Fuji Oil Group must follow. We will conduct our business activities as a responsible member of society to remain a company needed by society. This is symbolized by the phrase "Work for people" in the Values. This commitment lies at the core of the Group's Philosophy.

The term Plant-Based Food Solutions (PBFS) expresses what we aim to provide to society through our business activities. This term expresses the determination of the Group to solve social issues by providing plant-based food ingredients, rather than simply manufacturing and providing products.

As specific themes to realize PBFS, we identified ESG management priority themes (materiality) and established the Medium-term Management Plan "Towards a Further Leap 2020."

Overview of the Fuji Oil Group's Management



* Refer to the URL below for details of the Fuji Oil Group Management Philosophy.

▶ <https://www.fujioilholdings.com/en/about/constitution/>

Four activity areas to promote ESG management*

The Fuji Oil Group classified the activities contributing to the promotion of ESG management into the following four areas. Activity guidelines were set for each area.

* Although these activities had previously been organized as "four categories of CSR activities," they were reorganized as "four activity areas for the promotion of ESG management" in May 2020.

Activity areas	Activity guidelines
1. Creation of positive impact	Contribute to resolving social issues through business activities.
2. Reduction of negative impact	Reduce and rectify adverse impacts on society from our business activities.
3. Social contribution activities	Contribute to the development of local communities as a good corporate citizen.
4. Communication with stakeholders	Regarding the activities described in 1) to 3), communicate with stakeholders in a transparent manner and in good faith to understand their concerns and expectations.

Promote ESG management through business activities.

(Identify themes on which special emphasis should be provided as ESG management priority themes.)

ESG Management Promotion System

Promotion system

The entire Fuji Oil Group promotes ESG management based on the idea that CSR is management itself.

With the purpose of strengthening ESG management to meet the expectations of stakeholders, the ESG Committee has been established as an advisory body to the Board of Directors of FUJI HOLDINGS INC. The ESG Committee meets at least twice a year to discuss issues, targets, and strategies relevant to the Fuji Oil Group's corporate social responsibilities and to review the progress of ESG management priority themes. We invite experts as advisors to the Committee to adopt a social perspective. After each meeting, the Committee submits the results to the Board of Directors for review. The C“ESG”O serves as the chairperson of the Committee.

In April 2019, FUJI OIL HOLDINGS INC. established the position of Chief “ESG” Officer (C“ESG”O) to reinforce the promotion of the Group’s ESG management. The role of C“ESG”O, who concurrently serves as a director, is to oversee the Group's ESG management in cooperation with the Board of Directors and to improve ESG performance to meet stakeholders' expectations. The aim is to achieve the sustainable improvement of corporate value and the sustainable development of society. In addition, the ESG Management Group was established under the C“ESG”O as a dedicated unit to promote ESG management. It engages in communication with members of society at large to understand stakeholders' expectations and concerns; and helps to reflect these in the Group’s business activities. Feedback from stakeholders is reported by the ESG Management Group to the ESG Committee, which is an advisory body to the Board of Directors. This feedback is used to review and deliberate ESG management priority themes.



Education

We conduct educational and awareness-raising activities for the Fuji Oil Group employees to inform them of the Group's basic approach and activities of ESG management. Also society's expectations on the Fuji Oil Group are included in these activities. The goal is that each employee practices ESG management through his or her work. We work to improve employees' understanding of ESG management through various activities, like publishing serial articles on ESG management in in-house newsletters (Japanese, English, and Chinese), conducting training on ESG management at Group companies in Japan, and explaining the Fuji Group Management Philosophy and ESG management to overseas Group companies. We also invite external experts to provide training and lectures on themes and social trends related to ESG for officers, directors who concurrently serve as executives, and related departments.

Incentives

The Fuji Oil Group established the ESG Management Award as an award program to annually praise Group companies and departments that have contributed to the promotion of ESG activities.

Topics: Open Call for SDGs Ideas

In July 2019, the Fuji Oil Group held an Open Call for SDGs Ideas under the sponsorship of the CEO and the C“ESG”O. The aim of this call was to provide employees with an opportunity to think about a sustainable society. A total of 218 ideas were submitted regarding the theme "How will the Fuji Oil Group contribute to the SDGs?" Their content ranged widely, including activities aimed at raising awareness within the company, activities outside the company (donations and group participation) process improvements (equipment, packaging materials, and the supply chain) and proposals for new businesses. All ideas submitted were reviewed by the CEO and the C“ESG”O, ten of which were awarded. We received comments from applicants such as the following: "This gave me the opportunity to deepen my thoughts on how I should approach customers in front of me while following the direction that the company and society are aiming for."



Screening meeting by the CEO and the C“ESG”O



Winners of the Open Call for SDGs Ideas