

## Sustainability

# Environmental Management

## Management information

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### Relation between themes and business activities

As a food ingredient manufacturer, the Fuji Oil Group recognizes that its own operations and the operations in its supply chains can have an impact on environment-related themes, including CO<sub>2</sub> emissions, water use and waste generation. The relation between each environmental theme and the Group's business activities is detailed on each theme's web page.

\* Refer to the URL below for the list of environmental theme's web pages.

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

### Basic approach

In recent years, global issues such as global warming and climate change have become increasingly severe, affecting people's lives and companies' business activities. As a member of society, the Fuji Oil Group hopes to contribute to a sustainable society as advocated by the United Nations through the SDGs. We believe that we should not only create economic value but also engage in environmentally friendly business activities.

The Fuji Oil Group established the Basic Policy of Environmental Integrity, which comprises four items listed below. In addition, the Group has declared its Group-wide commitment to reduce CO<sub>2</sub> emissions, water usage and waste in its Environmental Vision 2030, which it aims to fulfill by 2030, in order to promote its environmental initiatives. Moreover, we recognize the importance of monitoring the impact of climate change on our business activities and appropriately disclosing related information to our stakeholders. With this in mind, we announced our support for the Task Force on Climate-related Financial Disclosure (TCFD).

## Basic Policy of Environmental Integrity

1. We strive to continuously improve our activities on environmental protection
2. We work in full compliance with environmental laws & regulations and spirit thereof
3. We endeavor to develop environmentally-friendly products and technologies
4. We make efforts to well communicate with society

## Promotion system

To promote ESG management, Fuji Oil Holdings established the ESG Committee as an advisory body to the Board of Directors. Under the supervision of the ESG Committee, the company conducts ESG activities, including activities in the environmental field, and confirms their progress and results. The confirmed results are regularly submitted and reported to the Board of Directors for discussions toward further development of ESG management.

Furthermore, priority themes of ESG management were identified in environmental and other fields, and an officer was assigned to supervise each of the themes.

\* Refer to the URL below for the supervising officer for each theme.

▶ <https://www.fujioilholdings.com/en/csr/materiality/>

## Objectives / Results

### 2030 targets

In FY 2018, we formulated the Environmental Vision 2030 with 2030 as target year. In response to heightened social expectations for the reduction of CO<sub>2</sub> emissions, in April 2020 we revised our targets for CO<sub>2</sub> emissions reduction.

### Progress on our 2030 targets

	Targets	FY 2019 results	Achievement rate*2
<b>CO<sub>2</sub> emissions reduction (All Group companies)</b>	Scopes 1 & 2: 40% reduction in total CO <sub>2</sub> emissions by 2030 (vs. base year*) Scope 3 (Category 1): 18% reduction in total CO <sub>2</sub> emissions by 2030 (vs. base year*)	Scopes 1 & 2: 16% reduction	40%

	Targets	FY 2019 results	Achievement rate*2
<b>Water usage reduction (All Group companies)</b>	20% reduction in base-unit water usage*3 by 2030 (vs. base year*)	24% reduction	100%
<b>Waste reduction (All Group companies)</b>	10% reduction in base-unit waste*4 by 2030 (vs. base year*)	3% increase	0%
<b>Resource recycling (In Japan)</b>	Maintain a recycling rate of at least 99.8% until 2030	99.33%	0%

\* Base year: 2016

\*2 In April 2020, we revised our environmental targets. The CO<sub>2</sub> emissions reduction target, was changed from 24% to 40%. The achievement rates shown here are calculated based on the new targets.

\*3 Base-unit water usage: Water usage per unit of production

\*4 Base-unit waste: Amount of waste per unit of production

## Environmental Audits

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Fuji Oil Group companies in Japan are not only subject to external audits in accordance with ISO 14001 but also conduct internal audits on safety, quality and the environment. The aim of this is to improve production control at the Group companies. In FY 2019, 95 departments with ISO 14001 certification underwent both external and internal audits. One nonconformity was found in the external audit, while one nonconformity was found in the internal audit. The causes of nonconformity were investigated, and appropriate countermeasures were adopted. The improvement processes have already been completed.

Our internal audits do not simply check if all relevant environmental laws and regulations are complied with. They also serve as opportunities for auditors to explain important environmental matters. Through environmental audits, we examine and evaluate each Group company's environmental efforts and give advice on areas needing improvement, thereby promoting and improving the Group's environmental protection activities. Moreover, seven Group companies outside Japan performed internal audits. Just as with Group companies in Japan, we conduct the environmental audits outside Japan to examine and evaluate each Group company's environmental efforts, and to give advice on areas needing improvement, thereby promoting and improving the Group's environmental protection activities.

## Acquisition of Management Certifications

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The Fuji Oil Group promotes the acquisition of ISO 14001:2015\* certification, an international standard for environmental management systems, in order to advance legal compliance and environmental conservation activities.

Out of the five Group companies in Japan with production sites, two companies have obtained ISO 14001 certification, including Fuji Oil Co., Ltd., which produces the largest volume among the Group companies in Japan. These two companies account for about 98% of the Group's production volume in Japan. Out of the 17 Group companies outside Japan with production sites, five companies are certified. These five companies account for about 42% of the Group's production volume outside Japan.

\* Refer to the URL below for details of Group companies' latest ISO 14001 certification statuses.

▶ <https://www.fujioilholdings.com/en/about/authen/iso14001/>

## Training

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Fuji Oil Holdings established the Production Productivity Management Group, as a strategy development unit with specialized knowledge in the fields of safety, quality and the environment. The Production Productivity Management Group visits Fuji Oil Group companies regularly to provide training and to raise awareness on these topics. In FY 2019, training activities were conducted at 40% of Group companies.

The Productivity Promotion Group also holds briefings on the Environmental Vision 2030 and other environmental issues via video conferencing for senior management at Group companies outside Japan.

## Incentives

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We established ESG management awards as a system for rewarding departments and Group companies for their good ESG practices.

## Serious environment-related violations and measures

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In FY 2019, there were no serious violations against environmental laws and regulations in the Fuji Oil Group.

## External Evaluation

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- Included in the CDP Forest A List 2019
- Rated A- as a result of the CDP Climate Change Questionnaire 2019
- Rated A- as a result of the CDP Water Security Questionnaire 2019
- Concluded a Positive Impact Finance contract with Sumitomo Mitsui Trust Bank (the world's first)
- Received a top-level ranking in the Development Bank of Japan (DBJ)'s Environmental Rating Loan
- Rated as Class S (excellent energy-saving business operator) in terms of regular reports on energy-saving efforts at factories/business establishments (for four consecutive years)