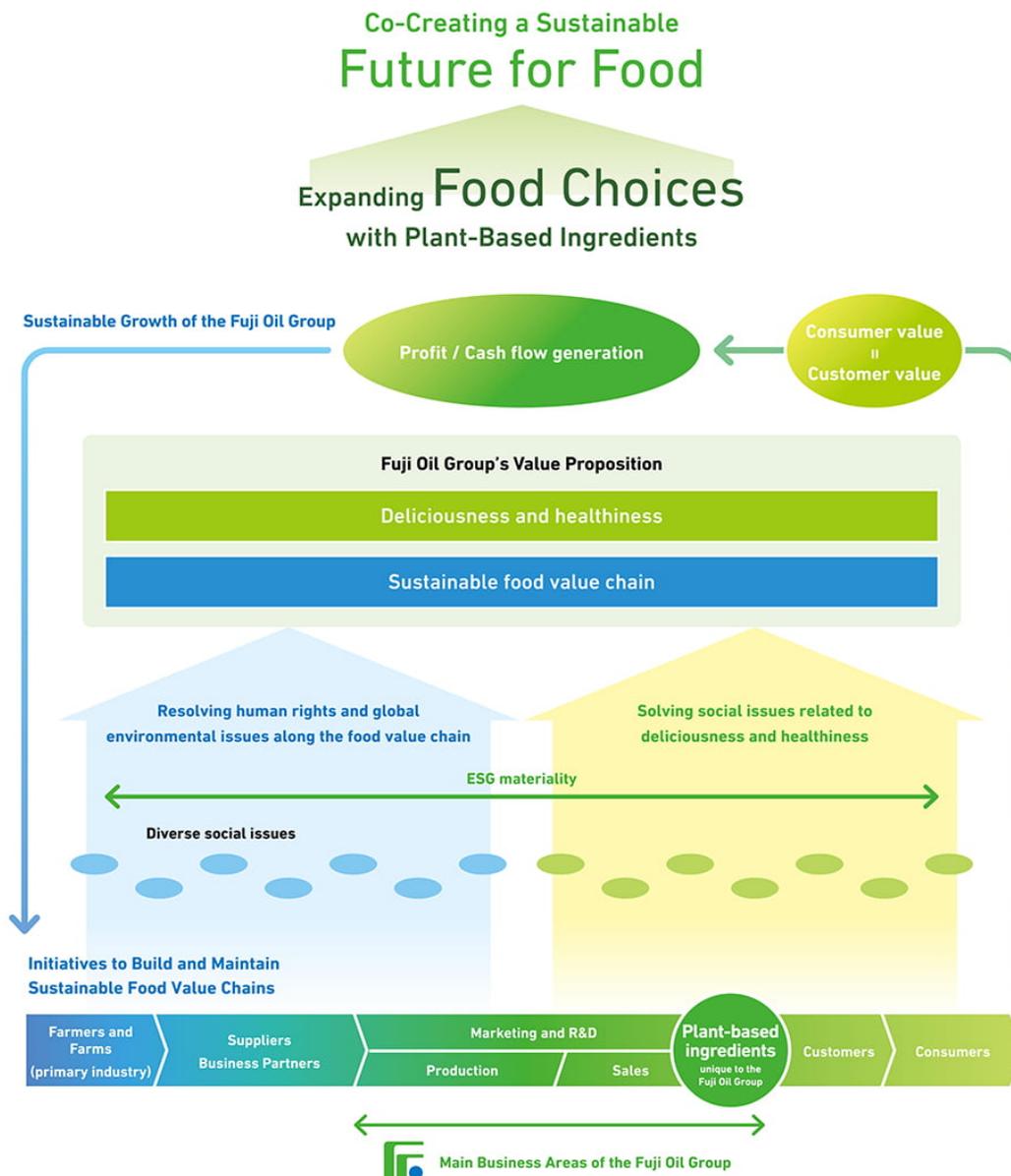


# Sustainability Management

## Basic approach

Through sustainability management with all our employees and co-creation with our stakeholders, our goal is to develop a sustainable society based on our vision in the Fuji Oil Group Management Philosophy: "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy." All our Group employees strive to quickly perceive social issues in the value chain related to the global environment, human rights, or personal wellbeing, in order to reduce risks and provide solutions that meet the expectations of all our stakeholders and create social value. By doing so, we aim to create a sustainable future for food and enhance corporate value for the Group. Deriving profit from valuable and timely product solutions and reinvesting that profit into the creation of more sustainable food systems, we can create a fast-moving virtuous cycle that achieves both sustainable business growth and development in society.

### The Fuji Oil Group's Value Creation Goals



# Sustainability management system

At the Fuji Oil Group, the ESG Representative works together with the Board of Directors to oversee Group-wide initiatives and carry out sustainability management with all employees.

The Sustainability Committee,<sup>\*1</sup> an advisory body to the Board of Directors chaired by the ESG Representative, monitors the risks and opportunities related to sustainability. The committee meets at least twice a year to oversee the establishment of material ESG issues as well as the progress toward goals and strategies for action themes from the medium- to long-term perspective of environmental and social sustainability and our sustainable corporate management. It also deliberates from a multi-stakeholder perspective and reports to the Board of Directors. Moreover, the committee is responsible for receiving progress and performance reports from managing officers in charge of each action theme, and providing advice and monitoring progress. The Board of Directors<sup>\*2</sup> supervises, directs, and approves matters reported by the committee, as well as decides on the direction of the Group over the medium to long term.

The committee is composed of chief officers with voting rights, external experts and regional representatives, and also includes the heads of each business division from FY2023 to further enhance the link between our business strategies and material ESG issues. Under this committee, we created the Subcommittee on Group Significant Risks to identify significant Group-wide risks and assess adequacy of the strategies for managing them, with the goal of systematically reducing the risks that can damage the Group's corporate value.

The ESG Division's Sustainability Development Group serves as the secretariat. It analyzes material issues in light of ESG trends and stakeholder feedback, and incorporates the results into the Group's management. It is also responsible for disclosing the results of initiatives, disseminating views on sustainability within the Group, and communicating with stakeholders.

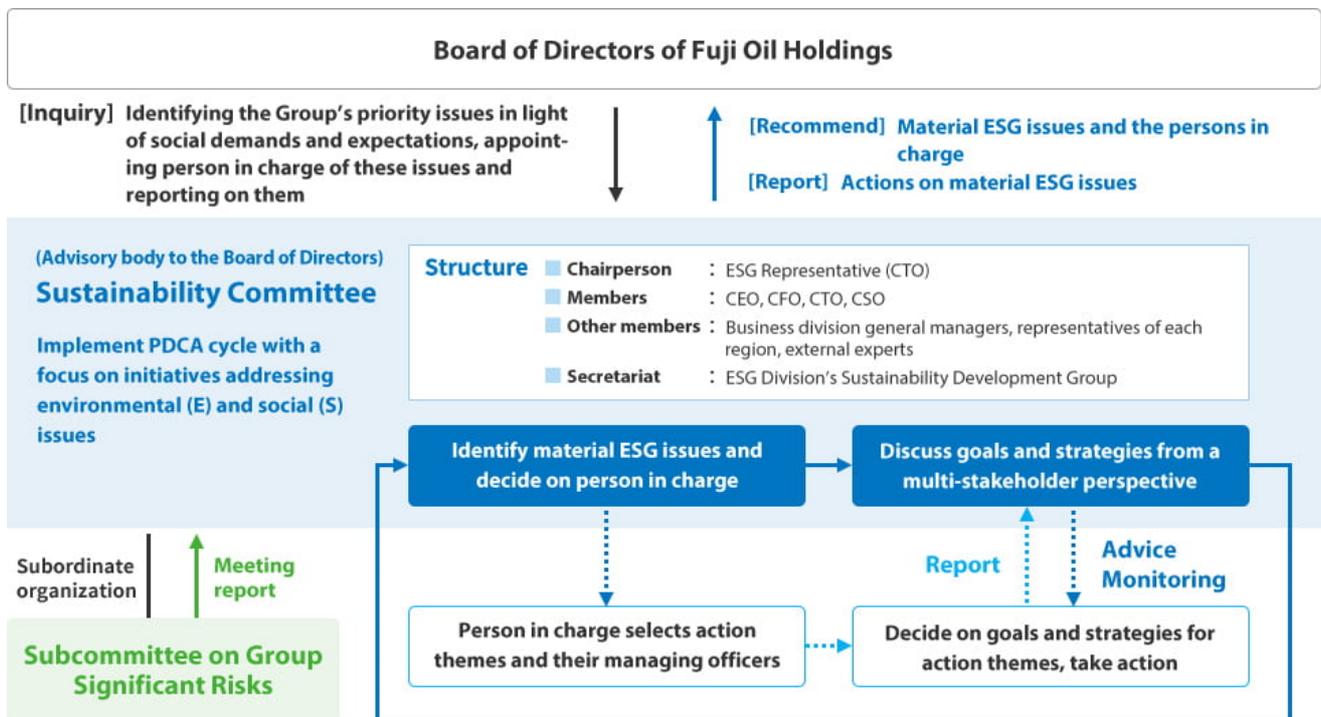
\*1 Established in 2015, the ESG Committee was renamed in May 2022 to clarify its role in relation to the Board of Directors, which is responsible for corporate governance (G).

\*2 Appointed a director with extensive knowledge on sustainability. Through executive training, the board is building the knowledge and expertise needed to ensure its monitoring function from an ESG perspective.

<https://www.fujioilholdings.com/en/about/governance/system/>

## Sustainability Committee: Matters deliberated in FY2022

Date of meeting	Matters for deliberation
April 2022	<ul style="list-style-type: none"> <li>Review results of initiatives on ESG action themes in FY2021</li> <li>Decide on ESG action themes and action plan for FY2022</li> <li>Name changed to Sustainability Committee</li> </ul>
November 2022	<ul style="list-style-type: none"> <li>Interim report on ESG action themes in FY2022</li> <li>Decide on material ESG issues for FY2023</li> </ul>



## Education

At the Fuji Oil Group, we conduct educational and awareness-raising activities for officers and employees to inform them of external ESG trends and about the Group's thinking and activities on sustainability. The goal is to integrate sustainability management across the Group.

### FY2022 sustainability awareness training for officers and employees

Participants	Type	Topic	Purpose
All directors including outside directors, Audit and Supervisory Committee members, executive officers, and managers	Executive training	<ul style="list-style-type: none"> <li>Enhancement of sustainable management and corporate governance</li> <li>Latest trends in biodiversity and relevance to the Fuji Oil Group</li> <li>Trends in economic security legislation</li> <li>Investor feedback on the 2022 Integrated Report</li> <li>Human resource development programs</li> </ul>	<ul style="list-style-type: none"> <li>Stay on top of latest trends on key issues relevant to management (sustainability, governance, law, etc.)</li> <li>Assess the current situation of the Group based on external stakeholder inputs and discuss ways to improve it</li> <li>Improve monitoring skills from an ESG perspective (for directors)</li> </ul>
Section managers at Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd., section managers and higher levels of management at Group companies in Japan	Webinar	Sustainability training	Understand global issues and changing values, practice sustainability (100% participation rate)
Employees at Group companies in and out of Japan*	E-learning course Languages: Japanese, English, Chinese, Portuguese	Examples of Fuji Oil Group's sustainability management and initiatives	Deepen understanding of sustainability management and promote initiatives in each region (87.8% participation rate)
Officers and employees at Group companies in and out of Japan	Company communications website Languages: Japanese, English, Chinese, Portuguese	Sustainability information from in and out of the Group	Deepen understanding of sustainability management and stay informed of sustainability actions at other companies

\* Direct employees who have a company email address and use a computer in their daily work.

## Incentives

### ESG Award

In FY2017, the Fuji Oil Group established the ESG Award to annually recognize Group companies and departments that have contributed to sustainability management.

In FY2022, the award went to three departments at Fuji Oil Co., Ltd.

The Health Management Unit of the Human Resources Department, in cooperation with an NPO, was recognized for their efforts to educate children on sustainable lifestyles through food education from the perspective of people and planet health, as well as for helping boost recognition of the Group. Since launching in 2014, 5,149 people have participated in this program.

The Energy Management Department and Safety & Environmental Control Department have shown leadership across various activities, such as enabling the visualization of actual energy usage, developing human resources, and disseminating energy-related information within the company. Their efforts have led to workplace improvements that were instrumental in reducing CO<sub>2</sub> emissions, and have also led to a high CDP rating, enhancing the Group's corporate value.

## **Director compensation (executive performance-linked cash remuneration) related to ESG**

In FY2022, the Fuji Oil Group introduced an evaluation system pertaining to the executive performance of internal directors who concurrently serve executive roles (excluding the representative director). The purpose of this evaluation is to better clarify the executive responsibilities and achievements of individual directors and link their performance to compensation levels, considering that these directors are responsible for important and strategic business operations that impact the achievement of the Group's financial targets and improvements in our corporate value.

In this system, evaluations are carried out by the President and CEO based on the Group's business performance, the performance of the division overseen by each internal director, as well as the degree of achievement of metrics and targets set for specific priority issues and Group-wide material sustainability management issues relevant to their division. In line with the key policy of enhancing sustainability (sustainability strategy aligned with our management strategy) in Reborn 2024, our Medium-Term Management Plan, the ESG targets included in the executive evaluation are weighted at a fixed rate of 10% of the evaluation score.

The same evaluation system is also applied to executive officers.