

Environmental Management

Management information

Basic approach

Global issues such as global warming and climate change are intensifying, seriously impacting people's lives. Extreme weather events and biodiversity loss caused by accelerating climate change also threaten the supply of the agricultural products we use to make our products, posing a threat to our business operations. For these reasons, embedding global environmental considerations into our business practices is foundational to the success of our business.

In October 2015, the Fuji Oil Group established the Basic Policy of Environmental Integrity, which comprises the four items listed below. We have accelerated this work by announcing in 2018 Environmental Vision 2030, in which we commit to reducing CO₂ emissions, water use, and waste across the Group with a target year of 2030. Our reduction targets for CO₂ emissions have been approved by Science Based Targets initiative (SBTi).^{*1} We also recognize the importance of disclosing the climate impacts of our business to stakeholders properly. In May 2019, we announced our support for the Task Force on Climate-related Financial Disclosures (TCFD)^{*2} and are committed to disclosing proactively information on four areas: governance, strategy, risk management, and metrics and targets.


^{*1} Organizations set science-based targets to reduce their greenhouse gas emissions over a 5 to 15 year horizon. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

^{*2} Follow the link below for disclosed information in line with the TCFD recommendations.

> <https://www.fujioilholdings.com/en/sustainability/risk/>

Basic Policy of Environmental Integrity

1. We strive to continuously improve our environmental protection activities.
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.

> [Fuji Oil Group Basic Policy of Safety, Quality and Environment \(PDF, 331KB\)](#) 

Management system

In 2015, Fuji Oil Holdings Inc. established the ESG Committee as an advisory body to the Board of Directors. In 2022, we changed the name of this committee to the Sustainability Committee,^{*1} which now monitors the progress and results of sustainability initiatives. The Fuji Oil Group also has processes for identifying our material ESG issues.^{*2} We designate a person in charge^{*2} of each issue in line with specific company functions.

^{*1} Follow the link below to learn more about the Sustainability Committee.

> https://www.fujioilholdings.com/en/sustainability/sustainability_management/

^{*2} Follow the link below to learn more about material ESG issues and a list of persons in charge.

> <https://www.fujioilholdings.com/en/sustainability/materiality/>

Goals / Results

Environmental Vision 2030

	2030 targets ^{*1}	FY2021 results ^{*1}	Progress
CO ₂ emissions	Scopes 1 ^{*2} & 2 ^{*3} : 40% reduction in total CO ₂ emissions (All Group companies)	21% reduction	52%
	Scope 3 ^{*4} (Category 1 ^{*5}): 18% reduction in total CO ₂ emissions (All Group companies ^{*6})	0.1% increase	0%
Water use	20% reduction in water intensity ^{*7} (All Group companies)	25% reduction	124%

	2030 targets*1	FY2021 results*1	Progress
Waste	10% reduction in waste intensity*8 (All Group companies*9)	6.1% reduction	61%
Resource recycling	Maintain a recycling rate of at least 99.8% (All Group companies in Japan)	99.47%	Not achieved

*1 Base year: 2016

*2 Scope 1: Direct emissions of greenhouse gases from our own operations

*3 Scope 2: Indirect emissions of greenhouse gases from the use of electricity, heat and steam supplied by third parties

*4 Scope 3: Emissions from the activities of non-Group companies in our value chain (Categories 1-15)

*5 Category 1: Raw materials

*6 Excluding Industrial Food Services (Australia)

*7 Water use per unit of production

*8 Amount of waste per unit of production

*9 Excluding waste volume generated at Industrial Food Services (Australia)

Analysis

CO₂ emissions (Scope 1 & 2)

Scope 1 and 2 emissions in FY2021 were 21% lower than baseline, an improvement of two points from the previous year's 19% reduction. This represents a 52% achievement rate relative to our target (40% reduction). This decline in CO₂ emissions was despite an increase in production levels resulting from initial signs of improvement in the COVID-19 pandemic. Contributing factors in Japan included year-round reductions from solar photovoltaic and cogeneration systems installed in FY2020, along with changes made to production processes. Contributing factors outside Japan included, among others, year-round reductions from facilities maintenance and behavior changes as well as a solar photovoltaic generation system installed in FY2020 at Woodlands Sunny Foods Pte. Ltd. in Singapore.

CO₂ emissions (Scope 3 Category 1)

Scope 3 emissions in FY2021 were 0.1% higher than baseline, an improvement of 5.9 points from the previous year's 6% increase. This represents a 0% achievement rate relative to our 18% reduction target. An increase in the volume of purchased raw materials to meet rising production levels contributed to this failure of reduction.

Water use (intensity)

Water use intensity in FY2021 was 25% lower than baseline, an improvement of three points from the previous year's 22% reduction. This represents a 124% achievement rate relative to our 20% reduction target. This decline in water use intensity was despite an increase in production levels resulting from initial signs of improvement in the COVID-19 pandemic. In Japan, production equipment cleaning methods were revised, which led to reductions in rinsing water use. Group companies in other countries reduced the number of times they cleaned production equipment and addressed water leaks.

Waste (intensity)

We corrected our waste data and recalculated waste intensity for the years FY2016 (base year) onward, since waste data calculated at certain Group companies outside Japan included valuables that should have been excluded according to company standards.

Waste generation intensity in FY2020 was 5.1% lower than baseline, a change of 5.7 points downward from the 0.6% increase previously reported.

Waste generation intensity in FY2021 was 6.1% lower than baseline, an additional one-point improvement from the previous year. This represents a 61% achievement rate relative to our 10% reduction target. This reduction in waste intensity was the result of limiting waste generation to a 2.2% increase from the previous year even as production levels increased by 3.2%. Group companies around the world limited waste by reducing the water content of organic sludge and reducing production losses.

Resource recycling

The resource recycling rate in FY2021 was 99.47%, an increase of 0.1 points from the previous year's 99.37% (target: over 99.8%). We promoted recycling by sorting waste more thoroughly.

Specific initiatives

Environmental audits

The Fuji Oil Group strives to promote and improve environmental conservation efforts across the Group by referring and conforming to ISO 14001, an international standard for environmental management systems, and other standards.

ISO 14001-certified operating sites undergo verification by external audits and conduct their own internal audits on safety, quality, and the environment. Operating sites outside Japan undergo safety, quality, and environmental audits by Fuji Oil Holdings Inc.; by verifying, evaluating, and encouraging improvements at these companies, we strive to raise environmental performance across the Group. Although the COVID-19 pandemic has prevented us from travelling and engaging Group companies directly through on-site visits, we have worked to increase awareness at Group companies by communicating with them virtually and by having local staff perform site inspections while using wearable cameras.*

Fuji Oil Co., Ltd., a Group company in Japan, undergoes both external and internal audits of its environmental management. External audits are conducted annually in accordance with ISO 14001 (surveillance audit for years one and two and a recertification audit for year three). Internal audits are conducted annually and include safety, quality, and environmental checks at ISO 14001-certified operating sites to improve production management at Group companies. No environmental nonconformities were found in the FY2021 external audits and internal audits. Our internal audits do not simply check for compliance or conformity with all relevant environmental laws, regulations and internal rules. 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 conservation activities.

Outside Japan, the Production Productivity Management Group, a strategy development unit with specialized knowledge in the fields of quality and safety, and Sustainability Development Group conduct safety, quality, and environmental audits to examine and evaluate each Group company's environmental efforts and give advice on areas needing improvement. This helps to raise management standards for the entire Group. In FY2021, four production sites outside Japan were audited.

* Wearable camera: A camera worn on the body that can record video hands-free



An audit at Industrial Food Services, a Group company located in Australia



An environmental audit conducted online due to COVID-19

Acquisition of management certifications

The Fuji Oil Group promotes the acquisition of ISO 14001* certification in order to advance legal compliance and environmental conservation activities. In Japan, two out of four Group companies with production sites have obtained ISO 14001 certification (a 50% certification rate). These two companies are Fuji Oil Co., Ltd. and Omu Milk Products Co., Ltd., which together account for about 99% of the Group's total production volume in Japan. Outside Japan, seven out of 17 Group companies with production sites are certified (a 41% certification rate). These seven companies account for about 45% of the Group's total production volume outside Japan.

One production site in China is certified to ISO 50001*, an international standard for improving energy use through the development of an energy management system (EnMS).

* Follow the link below to learn more about Group companies' latest certification statuses.

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

Training

The Sustainability Development Group at Fuji Oil Holdings Inc., together with the company's Production Productivity Management Group, periodically visits Fuji Oil Group companies outside Japan to provide training and raise awareness on safety, quality, and the environment among management and staff in relevant departments. In FY2021, the team held briefings and discussions on Environmental Vision 2030 and other topics via video conferencing due to COVID-19. The team also conducted training and awareness activities at nine production sites at Group companies outside Japan. These activities are scheduled such that all sites are visited in a three to four-year cycle.

Compliance with environmental laws and regulations

In FY2021, there was one environmental legal violation in the Fuji Oil Group. We discovered that a sludge collection and transport company we had contracted was not properly licensed.

We promptly reported the matter to the local government, identified the cause, and took necessary actions. We were not subject to administrative actions such as fines or penalties. Processing of the waste concerned was properly completed.

External recognition

- Triple A (highest rating) from CDP in 2021 for all three categories: climate change, water security and forests

* Follow the link below to learn more about our external recognition.

> <https://www.fujioilholdings.com/en/sustainability/evaluation/>

Related documents

ESG Data Book (PDF 2.76MB) 