

CO₂ Emissions Reduction



Management information

Relevance to our business

Global environmental issues such as global warming and climate change are intensifying, seriously impacting people's lives and business activities. As a food ingredient manufacturer, the Fuji Oil Group uses energy and emits CO₂ in all value chain processes, including our factory operations as well as production, procurement and transportation of raw materials.

Basic approach

As a corporate citizen, the Fuji Oil Group seeks not only to create economic value but also to be mindful of the global environment at every stage in our value chain. The Paris Agreement, an international framework that aims to “[hold] the increase in global average temperature to well below 2°C above pre-industrial levels and [pursue] efforts to limit the temperature increase to 1.5°C above pre-industrial levels,” requires countries to set targets for reducing greenhouse gas emissions and to “achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century.” Against this backdrop and based on our Basic Policy of Environmental Integrity, the Fuji Oil Group has committed to CO₂ emissions reduction across the Group in our Environmental Vision 2030.^{*1} By 2030, we aim to reduce Scope 1 and 2 emissions by 40% and Scope 3 (Category 1) emissions by 18% compared to the base year of 2016. These targets were approved by the Science Based Targets initiative (SBTi)^{*2} in May 2020. In Japan, we aim to achieve our targets in the Environmental Vision 2030 by switching completely to purchasing carbon-free electricity^{*3} by 2030.

The whole Group works together to advance CO₂ emissions reduction and achieve these targets through continued efforts to conserve energy, install energy-efficient equipment, and use renewable energy at production sites.

Fuji Oil Group Basic Policy of Safety, Quality and Environment (PDF, 331KB)

*1 https://www.fujioilholdings.com/en/sustainability/environmental_management/

*2 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.

*3 Electricity from energy providers that is generated from renewable energy sources and is carbon-free as an added value. CO₂ emission factor can be taken as zero.

Management system

The ESG Division Officer of Fuji Oil Holdings Inc. oversees initiatives in this area. The Sustainability Committee,^{*1} an advisory body to the Board of Directors, monitors the progress and results of initiatives as a material ESG issue.^{*2}

*1 https://www.fujioilholdings.com/en/sustainability/sustainability_management/

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

Goals / Results

| 2030 targets ^{*1} | FY2022 results ^{*1} | Progress |
|--|------------------------------|--------------|
| Scopes 1 ^{*2} & 2 ^{*3} : 40% reduction in total CO ₂ emissions (All Group companies) | 26% reduction | 65% |
| Scope 3 ^{*4} (Category 1 ^{*5}): 18% reduction in total CO ₂ emissions (All Group companies ^{*6}) | 12% increase | 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: Purchased goods and services

*6 Excluding Industrial Food Services (Australia) and Fuji Oil New Orleans, LLC (U.S.)

○ At least 90% complete △ At least 60% complete × Less than 60% complete

| FY2022 Goals | FY2022 Results | Self-assessment |
|--|--|-----------------|
| Start collecting environmental data in a timely manner using environmental data collection systems | Started running environmental data collection systems in collaboration with Group companies | ○ |
| Embed Environmental Vision 2030 (employee relations (ER)) | Raised awareness within the company through environmental audits at seven Group companies | ○ |
| Promote reduction efforts and pursue innovations | <ul style="list-style-type: none"> Tested the introduction of internal carbon pricing system at Fuji Oil Co., Ltd. Raised awareness within the company through environmental audits at seven Group companies | ○ |
| Determine method of supplier engagement for reducing Scope 3 (Category 1) emissions and start engaging several suppliers | Sent engagement letters to three suppliers of Fuji Oil Europe (Belgium) explaining the importance of engagement, collected the response from one supplier | ○ |

Analysis

Status of progress on 2030 targets

Scope 1 and 2 emissions in FY2022 were 26% lower than baseline, an additional improvement of five points from the previous fiscal year's 21% reduction. This represents a 65% achievement rate relative to our target (40% reduction). CO₂ emissions declined due to a year-on-year reduction in production volume and the emissions reduction efforts of all our companies. In Japan, Scope 2 CO₂ emissions at Fuji Oil Co., Ltd.'s Kanto Plant and Fuji Tsukuba Foods Co., Ltd. were reduced to zero by switching to carbon-free electricity at our business sites. Outside Japan, companies worked on electricity conservation, equipment maintenance and other efforts to improve energy savings, with Fuji Oil (Zhang Jia Gang) Co., Ltd. (China) adopting solar power.

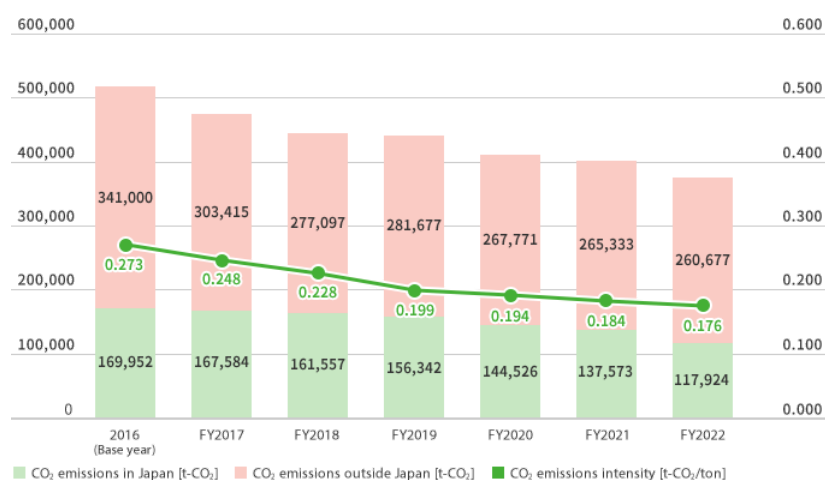
Scope 3 emissions in FY2022 were 12% higher than baseline, an improvement of three points from the previous fiscal year's 15% increase. This represents a 0% achievement rate relative to our 18% reduction target. Production increased by 15% compared to the base year, resulting in an increase in Scope 3 Category 1 emissions. In FY2022, we recalculated the base year due to changes in the database used for calculations.

Actions taken for FY2022 targets

We carried out initiatives to achieve Environmental Vision 2030. Through online environmental audits, we explained the Vision and shared our approach to energy efficiency and conservation with Group companies. We also explored the adoption of an internal carbon pricing system to drive emissions reductions based on carbon pricing and emissions trading systems (ETS) around the world. Fuji Oil Co., Ltd. introduced the system on a trial basis in FY2022, and will begin full-scale implementation at 10,000 yen per metric ton of CO₂ in FY2023. This will serve as reference information for future investment decisions. We also plan to conduct trials of the system at Group companies outside Japan.

We also began engaging with several suppliers on Scope 3 (Category 1) CO₂ emissions reduction. In FY2023, we plan to further engage suppliers based on our results in FY2022.

Total annual CO₂ emissions (Scopes 1 & 2) and CO₂ emissions intensity



Next step

- Prepare for setting new CO₂ emissions reduction targets
- Increase emissions reduction levels to achieve our 2030 target
 - Test the introduction of internal carbon pricing system at some Group companies
 - Scope 3 (Category 1): Engage key suppliers
 - Promote energy conservation efforts, renewable energy use and other initiatives

Specific initiatives

Energy management in Japan

Fuji Oil Co., Ltd. and Group companies in Japan are working to reduce their energy intensity according to the Energy Conservation Act* and to achieve the Environmental Vision 2030. The Energy Management Representative Committee, composed of personnel in charge of advancing these efforts, met in December 2022 to confirm the policy of switching to carbon-free electricity for all purchased power by 2030.

Furthermore, in FY2023, Fuji Oil Co., Ltd. added the administrative and sales divisions to the energy management organization and changed the structure to enable the promotion of energy conservation and CO₂ reduction not only in the production department but also throughout the entire company. For education, we uploaded internally created educational videos related to energy conservation and CO₂ reduction on the Japan-wide intranet to make the course available to everyone anytime, anywhere. In terms of capital investment, we have carried out a trial operation of the internal carbon pricing system and will move to full-scale implementation in FY2023, with the aim of boosting the reduction of CO₂ emissions.

* Also called the Act on Rationalizing Energy Use and Shifting to Non-Fossil Energy

Enhancing the energy efficiency of production equipment

Below are examples of the initiatives that were implemented in FY2022 to enhance energy efficiency.

- The Welfare Hall, which opened in January 2023 at Fuji Oil Co., Ltd.'s Hannan Business Operations Complex, received the highest five-star rating of the Building-Housing Energy-efficiency Labeling System (BELS)*¹ and has been awarded the ZEB Ready*² certification.
- The Hannan Business Operations Complex worked to reduce energy consumption by improving its steam loss diagnostic results and undertaking productivity improvements.
- Fuji Oil (Zhang Jia Gang) Co., Ltd. (China) reduced nighttime lighting in the tank area and controlled steam more frequently.
- Fuji Oil (Thailand) Co., Ltd., Palmaju Edible Oil Sdn. Bhd. (Malaysia) and Fuji Oil (Singapore) Pte. Ltd. identified and replaced damaged steam traps to reduce steam loss.

*1 A third-party certification program established by the Ministry of Land, Infrastructure, Transport and Tourism dedicated to the energy efficiency of buildings. Has a star rating with five levels based on the building energy index (BEI).

*2 As an advanced building working toward becoming a net zero energy building (ZEB), the building is equipped with a highly insulated exterior wall and high-performance energy-efficient systems. The evaluation standard is to reduce the building's primary energy consumption by 50% or more from the standard primary energy consumption, with the exception of renewable energy.

Introducing renewable energy

The Fuji Oil Group is also using renewable energy to realize Environmental Vision 2030. In FY2022, Fuji Oil (Zhang Jia Gang) Co., Ltd. (China) (August 2022) began using solar photovoltaic electricity for the first time. With the addition of one site, eight sites in the Fuji Oil Group now generate their own electricity from solar.

Fuji Oil Co., Ltd.'s Hannan Business Operations Complex, Kobe Plant, Tsukuba Research and Development Center, and Fukuoka Sales Office have begun switching their purchases to carbon-free electricity. Kanto Plant and Fuji Tsukuba Foods Co., Ltd. have completely switched, resulting in zero Scope 2 emissions. Consequently, 50% of electricity purchased in Japan is now carbon free.

Blommer Chocolate Company (U.S.) partly uses renewable energy as required by state laws in Pennsylvania, Illinois, and California, where it has production sites, and also purchases Renewable Energy Certificates (RECs). Harald Indústria e Comércio de Alimentos Ltda (Brazil) has also started purchasing International Renewable Energy Certificates (I-RECs).

At Fuji Oil Co., Ltd.'s Hannan Business Operations Complex and Fuji Oil Ghana Ltd., we introduced biomass boilers and use by-product oil, which we produce as a by-product in the manufacturing process, as fuel. We also installed the system at the Chiba Plant of Fuji Oil Co., Ltd in FY2022.

For offices, the Fuji Oil Holdings Inc. office in Tokyo uses power from Green Power Certificates.* Since electricity with Green Power Certificates is considered to be sourced from natural energy that does not emit CO₂, the purchase represents a CO₂ emissions reduction of approximately 32 t-CO₂ equivalent in FY2022.

By the end of FY2022, the share of renewable energy use in our CO₂ emissions assumed as equivalent fossil fuel sources was 7% of our total Scopes 1 and 2 CO₂ emissions (27,814 t-CO₂ equivalent). We will continue efforts to increase our renewable energy use.

* A certificate issued to indicate the added environmental value of renewable energy



Fuji Oil (Zhang Jia Gang) Co., Ltd. (China) has started using solar power



Biomass boiler at Fuji Oil Co., Ltd. Chiba Plant

Related documents

ESG Data Book (PDF 4.57MB) 