

Reduction of Trans Fatty Acid Content

Management information

Relevance to our business

Trans fatty acids (TFA) created during the production of processed foods have been linked to increased risk of coronary heart disease. In 2018, the World Health Organization (WHO) released an action package to reduce TFA intake. This action recommends national governments and food manufacturers to limit industrially produced TFA to less than 2 g/100 g of total fat or oil. This action should cover all foods by 2023. The Fuji Oil Group has been working to ensure conformity to the WHO's recommendations by commercializing products with low-TFA oils and fats using interesterification and other technologies that do not create TFA in the production process.

Basic approach

The Fuji Oil Group has contributed to lowering the general TFA intake levels in various regions in cooperation with our customers. In FY2019, we defined a basic approach and strengthened our in-house system to further enhance our initiatives on this issue. In line with the WHO's recommendations, we aim by FY2023 to reduce TFA to less than 2 g/100 g of total fat or oil in our products in regions where the estimated TFA intake exceeds 1% of the total daily energy intake.

Management system

The Chief Strategy Officer (CSO) 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 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.

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

Goals / Results

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

FY2021 Goals	FY2021 Results	Self-assessment
Reduce TFA in all products (to less than 2 g/100 g of total fat or oil) at Woodlands Sunny Foods Pte. Ltd. (Singapore), PT. Freyabadi Indotama (Indonesia), and Harald Indústria e Comércio de Alimentos Ltda (Brazil)	<ul style="list-style-type: none"> Woodlands Sunny Foods Pte. Ltd. (Singapore): Switched all products to low-TFA products by May 2021, ahead of new legislation that went into effect in June. PT. Freyabadi Indotama (Indonesia): For products we had planned to switch to low-TFA products in FY2021, customers have finished quality assessments and given their approval. We plan to make the switch for these products in FY2022. Harald Indústria e Comércio de Alimentos Ltda (Brazil): Switched all products to low-TFA products by June 2021, ahead of new legislation that went into effect in July. 	○

Analysis

We completed the switch to low-TFA products at two out of three companies planned for 2021, with the remaining company expected to complete the switch in summer of 2022. This progress was thanks to legislation in countries around the world, improving customer understanding of the need to reduce TFA intake, and developing a Group-wide system for making reductions. So far, ten out of 14 relevant Group companies outside Japan have completed the switch to low-TFA products by drawing on Fuji Oil Group expertise to maintain product taste and functionality.

* In FY2022, PT. Musim Mas-Fuji (Indonesia) was removed from our list of Group companies planned to make the switch, reflecting the wishes of our joint-venture partner.

Group companies outside Japan	Target date for switching to low-TFA products				
	2019 or earlier	2020	2021	2022	2023
FUJI OIL (SINGAPORE) PTE. LTD.					◎
PALMAJU EDIBLE OIL SDN. BHD. (Malaysia)					◎
FUJI OIL (ZHANG JIA GANG) CO., LTD. (China)					◎
WOODLANDS SUNNY FOODS PTE. LTD. (Singapore)			Completed		
PT. FREYABADI INDOTAMA (Indonesia)				◎	
HARALD INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA (Brazil)			Completed		
FUJI OIL EUROPE (Belgium)		Completed			
FUJI GLOBAL CHOCOLATE (M) SDN. BHD. (Malaysia)		Completed			
FREYABADI (THAILAND) CO., LTD.	Completed				
INDUSTRIAL FOOD SERVICES PTY. LTD. (Australia)	Completed				
FUJI OIL (THAILAND) CO., LTD.	Completed				
TIANJIN FUJI PROTEIN CO., LTD. (China)	Completed				
FUJI VEGETABLE OIL, INC. (America)	Completed				
BLOMMER CHOCOLATE COMPANY (America)	Completed				

Next Step

Maintaining product quality is critical when reducing TFA in products. While keeping this in mind, we set the following goals for FY2022.

- Reduce TFA in all products (to less than 2 g/100 g of total fat or oil) at PT. Freyabadi Indotama (Indonesia)
- Coordinate final steps in switching one product (out of two products planned) at Fuji Oil (Singapore) Pte. Ltd. for which we have received quality approval
- Complete the switch for one of eight products planned at Fuji Oil (Zhang Jia Gang) Co., Ltd. (China)

Specific initiatives

Response to demand for low-trans acid oils and fats

Fuji Oil New Orleans, LLC (U.S.) launched its operations in August 2021. The new site strengthens our production system and will allow us to respond to increased demand for interesterified fats associated with low-TFA legislation.

In FY2022, we plan to continue conversations with customers about switching to products they have approved in quality assessments. For the remaining products, we will continue to carry out product development and propose solutions to customers.



Fuji Oil New Orleans, LLC