

Type	No.	Risk/ Opportunity	Potential impacts	Risk reduction	Opportunity creation	Strategies (○: Risk reduction, ⊙: Opportunity creation)	
Transition risks	Policy & Regulations	1	Tougher enforcement of regulations, new regulations	<ul style="list-style-type: none"> Increased cost of complying with regulations^{*1} for the Group Fines, suspension of operations and sales, loss of credibility, reparations and others due to legal violations 	●		<ul style="list-style-type: none"> Keep informed of the various regulations and share with everyone concerned Cooperate with external stakeholders on laws and regulations (e.g., EUDR)
	Market	2	Soaring raw material prices, unstable raw material supply	<ul style="list-style-type: none"> Increased cost of complying with regulations^{*2} at major raw material suppliers Increased demand for certified raw materials (e.g., RSPO, RTRS) due to tougher regulations 	●	●	<ul style="list-style-type: none"> Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3} ⊙ Increase suppliers' understanding of certification systems and strengthen supply system^{*4,9}
		3	Exclusion from business dealings	<ul style="list-style-type: none"> Decline in public credibility if evidence of deforestation, peatland development or human rights violations emerges from major raw material suppliers, resulting in the loss of markets and customers 	●		<ul style="list-style-type: none"> Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor^{*5,7} Promote initiatives to prevent deforestation and restore forests^{*5,7,8} Reduce impact on ecosystems in farmlands and surrounding areas, reduce chemical use^{*5,7,10} Raise awareness and conduct capacity building of stakeholders^{*5,7,8}
		4	Lower competitiveness due to inadequate response to change in consumer behavior and environmental concerns	<ul style="list-style-type: none"> Decline in competitiveness due to delay in response to the biodiversity demands of markets and customers 	●	●	<ul style="list-style-type: none"> Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor^{*5,7} Implement measures to manage reputational risks in partnership with NGOs^{*6} ⊙ Promote business strategies that take advantage of changes in social trends as opportunities ⊙ Enhance initiatives to address global issues
	Technology	5	Development and spread of alternative biological resources	<ul style="list-style-type: none"> Increased development and production costs due to growing demand for products that use alternative raw materials in consideration of biodiversity 	●	●	<ul style="list-style-type: none"> ⊙ Offer sustainable food using plant-based ingredients^{*11} ⊙ Explore new alternative raw materials^{*12} Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
	Reputation	6	Damage to reputation among consumers and society	<ul style="list-style-type: none"> Consumer boycotts and criticism from consumers, NGOs and local residents Decline in public credibility, resulting in the loss of markets and customers 	●	●	<ul style="list-style-type: none"> Implement actions to achieve sustainability KPIs on NDPE and eliminating child labor^{*5,7} Implement measures to manage reputational risks in partnership with NGOs^{*6} Promote initiatives to prevent deforestation and restore forests^{*5,7,8} Reduce impact on ecosystems in farmlands and surrounding areas, reduce chemical use^{*5,7,10} Raise awareness and conduct capacity building of stakeholders^{*5,7,8} ⊙ Disclosure of high-quality information on nature-related risks and opportunities
		7	Damage to reputation among investors	<ul style="list-style-type: none"> Company stocks excluded from ESG funds if our response strategies to nature-related risks and opportunities are evaluated as inadequate, resulting in a slump in stock prices 	●	●	
Physical risks	Acute risks	8	Unintentional introduction of invasive species and GMO crops	<ul style="list-style-type: none"> Consumer boycotts and criticism from consumers, NGOs and local residents Decline in public credibility, resulting in the loss of markets and customers 	●	●	<ul style="list-style-type: none"> Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3} ⊙ Explore new alternative raw materials^{*12} ⊙ Reduce number and distance of transportation
		9	Increase in flooding and storm surges	<ul style="list-style-type: none"> Damaged factories and suspension of operations Disruption in supply chains 	●		<ul style="list-style-type: none"> Enhance the resilience of our business sites Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
	Chronic risks	10	Biological resource depletion	<ul style="list-style-type: none"> Reduced production volume due to changes in the growing environment of major raw materials, resulting in higher raw material prices 	●	●	<ul style="list-style-type: none"> ⊙ Promote initiatives to conserve and restore biological resources^{*7,8} Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
		11	Water resource depletion, pollution from wastewater	<ul style="list-style-type: none"> Reduced supply volume due to crop failure of major raw materials or suspension of operations at suppliers, resulting in higher raw material prices 	●	●	<ul style="list-style-type: none"> ⊙ Promote initiatives to conserve and restore water resources^{*7,8} Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
		12	Lower farmland productivity	<ul style="list-style-type: none"> Decline in farmland productivity in regions producing our raw materials, resulting in higher raw material prices Environmental destruction of farmlands at suppliers, making procurement difficult 	●	●	<ul style="list-style-type: none"> ⊙ Promote initiatives to conserve and restore farmland productivity^{*7,8} Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
		13	Dairy cattle grazing and excrement	<ul style="list-style-type: none"> Consumer boycotts and criticism from consumers, NGOs and local residents Decline in public credibility, resulting in the loss of markets and customers 	●		<ul style="list-style-type: none"> Strengthen efforts to prevent or mitigate environmental risks across the supply chain based on the Group's sourcing policies^{*3}
	14	Decline in raw material harvest due to decrease in pollinators	<ul style="list-style-type: none"> Decline in volume of raw material harvests due to decline in percent fruit set, resulting in procurement shortage 	●			
Systemic risks	15	Ecosystem destabilization	<ul style="list-style-type: none"> Decline in volume of raw material harvests due to ecosystem collapse in countries and regions growing our raw materials, resulting in procurement shortages 	●			

*1 Potential regulations on land use, water use, pesticides, chemical substances, plastics, waste, greenhouse gas emissions, water/soil/air pollution, mandatory due diligence on raw materials, new regulations, among others

*2 Potential regulations on land use, water use, pesticides, chemical substances, plastics, waste, greenhouse gas emissions, water/soil/air pollution, among others

*3 Sustainable Procurement Management

<https://www.fujiioilholdings.com/en/sustainability/procurement/>

*4 https://www.fujiioilholdings.com/en/pdf/news/2024/240125_en.pdf (Notice of Establishment of Joint Venture Company by Consolidated Subsidiary)

*5 Sustainable Procurement of Palm Oil

https://www.fujiioilholdings.com/en/sustainability/palm_oil/

*6 FUJI OIL GROUP Grievance Mechanism

https://www.fujiioilholdings.com/en/sustainability/grievance_mechanism/

*7 Sustainable Procurement of Cocoa

<https://www.fujiioilholdings.com/en/sustainability/cocoa/>

*8 Sustainable Procurement of Shea Kernels

https://www.fujiioilholdings.com/en/sustainability/she_a_kernel/

*9 Sustainable Procurement of Soybeans

<https://www.fujiioilholdings.com/en/sustainability/soy/>

*10 https://www.fujiioil.co.jp/news/2021/_jcsFiles/afeldfile/2021/10/04/211012.pdf (Launched "SoyBio MA," upcycled soy whey for bioremediation of soil, in Japanese)

*11 Creation of Diverse Plant-based Ingredients

https://www.fujiioilholdings.com/en/sustainability/food_resources/

*12 <https://www.fujiioilholdings.com/pdf/news/2022/20221004Newsrelease.pdf> (Palm oil substitute derived from oleaginous yeast achieved world-leading production volume (98 g/l), in Japanese)