FUJI OIL HOLDINGS INC.

News Release

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The Fuji Oil Group announces Responsible Shea kernels Sourcing Policy to reinforce sustainable development

Osaka, June 1st: The Fuji Oil Group is committed to responsible sourcing and are launching the following commitments on shea;

Commitments

- Preservation of green areas of shea trees and zero deforestation
- Promoting rural development and environmentally careful consideration
- Local value creation

Environmental, social and economically sustainable

As a manufacturer of food ingredients, we believe that our procurement must be environmentally, socially, and economically sustainable. Shea butter, pressed from shea kernels, is an important raw material in the Fuji Oil Group's vegetable oils and fats business. Shea butter is mainly used as Cocoa Butter Equivalent (CBE) for the confectionery manufacturing industry, but also as an alternative to palm oil.

5 goals

- Expansion of traceability back to clusters of villages
- Support women empowerment
- Prevent deforestation and engage in preservation of parklands
- Create local value
- Minimize environmental footprint

Main approach shea program

Our main objective is to preserve the environment and contribute to capacity building, fair and transparent business practices in our shea supply chain. To do that, we shall pursue the following goals:

- Steadily increase the extend of traceability of our shea kernels back to the clusters of African villages where they come from.
- Steadily increase the amount of shea kernels sourced from women co-operations directly linked to Fuji Oil through our comprehensive Tebma Kandu program (Press release on March 11th)

https://www.fujioilholdings.com/en/news/2021/__icsFiles/afieldfile/2021/03/11/20210311_news_e_Tebma-Kando.pdf

> We have entered Memorandum of Understanding (MOU) with the Tebma Kandu Co-operatives. The MOU stipulates that Fuji Oil shall work closely with the co-ops to train the women in developing their business and the ways they harvest and process their shea kernels (roasting, boiling, drying). We provide them with bags, pallets, and personal protection equipment. We offer pre-finance with no strings attached to the women to help them during the poorest month, so they do not have to sell their crop in advance at very low prices. The women Co-operations can negotiate and engage in supply contracts with us.
> We have defined 3 different development levels of the co-operations and we have an ambition to develop the women co-ops from a simple entry level of development into a more advance level of development, where they are able to conduct and grow their business with us without any help.
> The Fuji Oil Supplier Code of Conduct is an integrated part of the MOU

- Contribute to forest preservation by planting seedlings and facilitate park-land management training at areas related to the Tebma Kandu Co-operatives
- Ensuring value adding, job-creation and training within West Africa, through local processing of the shea kernels and shea butter.
- Improving our environmental footprint by pursuing a fully non-fossil fuel base for our activities at Fuji Oil Ghana.

Through these commitments and actions, we continuously strive to improve our sustainable shea kernel procurement. Improvements for people, the environment, and a sustainable future.

In the table below, you can find our specific KPI's. These KPIs will be reviewed every year according to the progress, and the progress will be announced in our Sustainability Report.

By 2030, 75% of shea kernels traceable to cooperative	**By 2030, 50%** of shea kernels from Tebma -Kandu co-ops	**100%** local crushing and fractionation
	6,000 seedings planted every year	**2025 vs. 2017 + 50%** increase in permanent direct employment
	By 2023, >75% steam production from non-fossil energy source	