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**2022
ESG
Report**



Enrich the lives of people around the world through food



Based on this corporate philosophy, UFI will contribute to realizing a sustainable society through its business activities.

Now, dramatic changes are continuing on Earth, and the world is in chaos. In addition to the pandemic caused by COVID-19, which threatens humanity, social division due to conflicts of opinion has led to military warfare, and global environmental problems are steadily increasing in severity.

Given the growing uncertainty regarding the global situation and the difficulty of foreseeing it, we will prioritize the safety and security of our Group's employees, their families, and local communities. At the same time, we will maintain harmony with society and conduct management that meets the expectations of our many stakeholders.



Hiroyuki Aoki,
Representative Director

Efforts by the UFI Group to address social issues

The UFI Group is making concerted efforts to achieve the 2030 Sustainable Development Goals (SDGs) and 2050 carbon neutrality, which are common global issues, as well as to contribute to the community around our offices and sponsor events related to the education of the next generation. These activities are based on our basic stance of "contributing to society

through our business activities" to realize a sustainable society.

In addition, by conducting ESG management that takes into account the elements of "Environment," "Social," and "Governance," we are striving to both help solve social issues and increase corporate value so as to contribute to building a society where sustainable development is possible.

ESG policy

The UFI Group's ESG philosophy is to contribute to the sustainable development of society by implementing its corporate philosophy through honest and fair business activities.

In addition to fulfilling our economic and legal responsibilities, we will conduct the following initiatives.

1. We will recognize various environmental and social issues from a global perspective, not just from a Japanese perspective. As a result, we will create and provide value to solve them through our business activities.
2. We will constantly consider the impact of our business processes on the environment and society and will continue to make improvements and spread positive implications for society.
3. We will constantly review our activities to ensure that we respond appropriately to society's requests through communication with stakeholders.

Efforts toward carbon neutrality

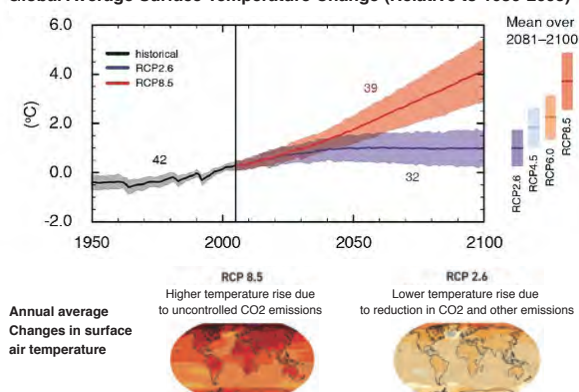
Climate crisis

In recent years, a variety of climate disasters have occurred worldwide due to rising temperatures. The risk of heavy rain and extreme heat is expected to increase further in the future. It is no longer just "climate change" but is even called a "climate crisis" that shakes the basis of survival for all living things, including humanity. Greenhouse gases that cause climate change are emitted in the course of economic activities and daily life. According to an analysis, greenhouse gases caused by lifestyles

of individual citizens such as food, clothing, housing, and transportation account for approximately 60% of Japan's total emissions. It is clear that this is not just a problem for the national government, local governments, or businesses.

In order to create a sustainable economic society in which future generations can live with peace of mind, it is necessary for all parties, including individuals, to work toward the realization of a carbon-neutral (decarbonized) society. Therefore, the UFI Group is strengthening its efforts for this as a top priority.

Global Average Surface Temperature Change (Relative to 1986-2005)



What is carbon neutral?

The idea is to balance emissions of greenhouse gases* by subtracting the amount absorbed through afforestation, forest management, etc., from emissions, thereby reducing the total emissions to zero.

Common global long-term goal to achieve carbon neutrality (agreed in the Paris Agreement of 2015)

1. Limiting the global temperature rise to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C (2°C target)
2. Achieving a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century

SDGs and carbon neutral

The SDGs cannot be achieved by each element independently, and global warming countermeasures are involved in some way in achieving all the goals of the SDGs.

Poverty Issues

Global warming and natural disasters caused by global warming are reasons for a decrease in yield and quality in the agriculture, forestry, and fisheries industry and associated unemployment

Goal 1 "No poverty" Goal 2 "Zero hunger"

Losing a place to live due to natural disasters and rising sea levels

Goal 11: "Sustainable Cities and Communities"

Process to achieve goals

Goal 7 "Affordable and Clean Energy"

Goal 13: "Climate Action"

Shift to a clean energy economy

Improve sustainability by reforming infrastructure and industry through the following measures: improving the efficiency of resource use, and promoting the introduction of clean technologies and environmentally friendly technologies and industrial processes

Goal 9 "Industry, Innovation, and Infrastructure"

2030, which is the target year for achieving the SDGs, is also the year in which the interim goal of reducing greenhouse gas emissions in carbon neutrality was set. The core policies to achieve this goal are increasing the use of renewable energy and improving the efficiency of energy use.

It can be seen that global warming has a direct impact not only on natural disasters but also on various fields such as economic activities, employment, and health and welfare. Carbon neutrality is an essential theme for achieving the SDGs.

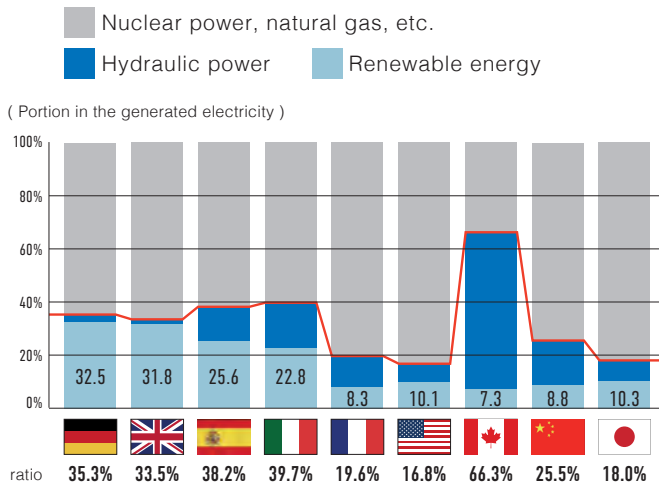
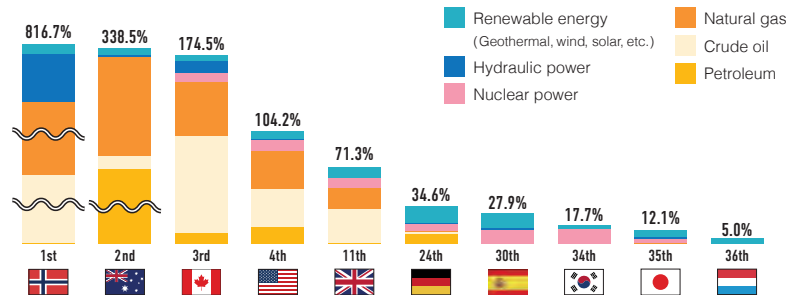
Status of renewable energy introduction : Japan in the world

Comparison of renewable energy ratio to power generation in major countries (2019)

The renewable electricity ratio in Japan was 18% in FY2019, indicating the need for further efforts.

In 2020, the renewable energy capacity was the sixth largest in the world, and solar power generation was the third largest.

Source: Compiled by Agency for Natural Resources and Energy from IEA Data Services and Information published by each country



Comparison of primary energy self-sufficiency ratio in major countries (2019)

Japan's domestic resource self-sufficiency ratio in FY2019 was 12.1%, which is lower than other OECD countries. As a result, Japan is highly dependent on imported fossil fuels such as oil, coal, and natural gas (LNG).

Source: Estimated value for 2019 from IEA "World Energy Balances 2020." The data for Japan is based on a definite value for FY2019 from the Agency for Natural Resources and Energy "Comprehensive Energy Statistics"

Status of renewable energy introduction at UFI

1. Installation of solar panels (S-Tec Foods Tsukuba Co., Ltd.)

Using the factory's roof and installing solar panels, the factory will be self-sufficient in electricity from renewable energy sources. In addition, purchasing only the shortfall from the existing contracted power company will reduce the amount of electricity purchased and reduce CO2 emissions.



Characteristics of solar power generation

Benefits

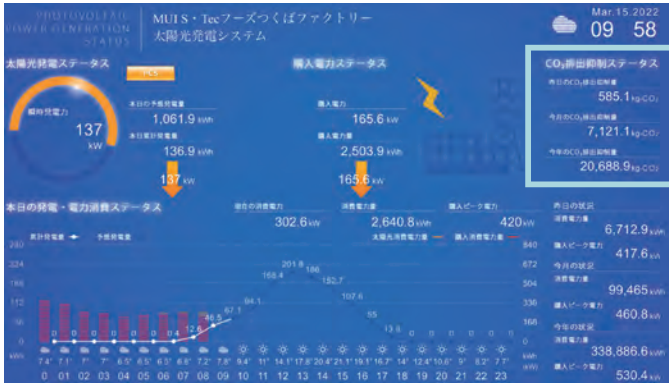
- Does not emit CO2
- Wide choice of locations

Demerit

- No power at night
- The amount of electricity generated depends on the weather, so it is unstable.



Solar panel real-time power generation monitor



CO2 control status can be monitored at any time

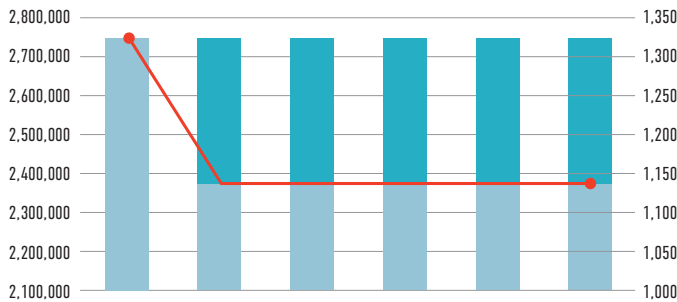
Midnight to 6 a.m.

When the morning sun is not out, only power purchased from an electric power company is available

7 a.m. to 2 p.m.

As the morning sun gradually rises, only the shortage is purchased from the electric power company while consuming the electricity from solar power generation

Solar power generation forecast for five years (2022–2026)

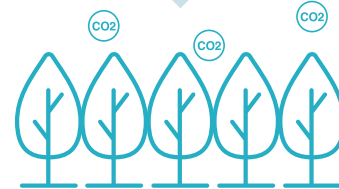


Solar panel self-sufficiency
Electric power (kwh/year)
Amount of electricity purchased
from electric power companies
(kwh/year)
CO2 emissions(t)

174t × 5 years (2022–2026)
= **870 tons reduction**
(CO2 emissions)

**CO2 absorption of 2,939
evergreen broad-leaved trees**

*Absorbed amount of CO2 per tree @296 kg



2. Shift from plastic (PET) bottles to aluminum pouches (S-Tec Foods Tsukuba Co., Ltd.)

In April 2022, the UFI Group introduced the spout pouch line to strengthen its efforts to shift to aluminum pouches, environmentally friendly packages. By reducing the size and weight of containers, we are able to reduce the energy required for transportation and the volume of waste containers after use, thus contributing to the reduction of environmental impact.



Plastic production and CO2 emissions

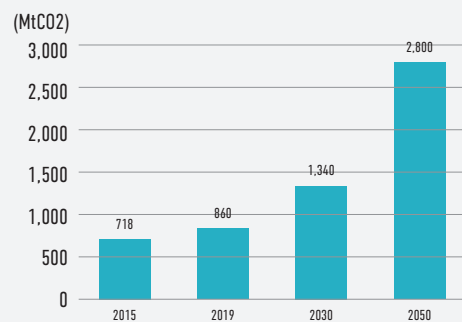
The International Energy Agency (IEA) has announced that global carbon dioxide (CO2) emissions reached a record high of 36.3 billion tons in 2021. The consumption of coal, which emits a large amount of CO2, has been seen to increase rapidly due to the economic recovery from the COVID-19 pandemic.

When making plastics, oil and natural gas are used as raw materials. In the case of oil, plastics are made from naphtha (crude gasoline) produced during the oil refining process. Therefore, according to the IEA, plastic production accounts for about 6% of the CO2 generated by the combustion of fuels such as oil.

According to the World Economic Forum, plastic production is expected to increase 3.8% annually until 2030 and 3.5% until 2050.

In 2050, CO2 emissions from plastic production are projected to reach 280 billion tons.

Estimated CO2 Emissions from Plastics



Activities of the Humming Bird Future Foundation

(former Children's Future Fund)



The UFI Group supports the philosophy of the Humming Bird Future Fund and is engaged in social contribution activities to realize a sustainable society.



Date	Activity	
2013 August	Fund-Raising for the Training of Guide Dogs: New community service activity launched.	
2017 Thu, May 26	Kick off meeting of promoters for "Kodomo Mirai Kikin (Children's Future Fund)".	
Fri, June 23	Support for children who need special surgeries, such as those to repair cleft lips or palates Donations to NPO, Tokyo Smile Foundation.	
Tue, December 12	Meeting of Promoters. Donated to support the activities of Tohto Club Keiyo Boys.	
Thu, December 21	Donated to support the activities of the Lilac Boys and Girls Choir.	
2018 Sat, March 29	Round 2: Support for the Lilac Boys and Girls Choir.	
Thu, May 18	SAKURAJOSUI KITCHEN GRAND OPENING (fund-raising campaign)	
Wed, July 18	Supported children affected by heavy rain in eastern Japan	
Tue, August 21 to Fri, August 31	Kunio Tanemura Solo Exhibition held (charity)	
Sat, August 25	Youth Advocacy Competition Organizer: Saitama Prefecture, Saitama Prefectural Board of Education, Saitama Prefectural Assembly for Youth Development.	
2019 Tue, January 1	Newly named "Humming Bird Future Fund" from "Kodomo Mirai Kikin (Children's Future Fund)".	
Thu, February 21	Inaugural UFI Carnation Meeting: Humming Bird Future Fund Round 2: Support for children who need special surgeries, such as those to repair cleft lips or palates Donations to NPO, Tokyo Smile Foundation.	
Sun, August 25	FY 2019 Cosponsored "Mirai wo Ninau Watashitachi no Shucho" (Youth Advocacy Competition) Organizer: Saitama Prefecture, Saitama Prefectural Board of Education, Saitama Prefectural Assembly for Youth Development	
Thu, September 26	Fund-Raising for guide dogs implemented at UFIUSA's 30-year anniversary party.	
2020 Wed, February 12	The 3rd Annual UFI Carnation Meeting: Humming Bird Future Fund 1. Support for children who need special surgeries, such as those to repair cleft lips or palates Donated to NPO, Tokyo Smile Foundation 2. Create a society in which no one is left behind Support for children's cafeterias Donated to NPO, Musubie National Children's Restaurant Support Center	
Sun, August 23	FY 2020 Cosponsored "Mirai wo Ninau Watashitachi no Shucho" (Youth Advocacy Competition) Organizer: Saitama Prefecture, Saitama Prefectural Board of Education, Saitama Prefectural Assembly for Youth Development	
Thu, November 5	"Asahien", a facility for the disabled (Kagawa Prefecture): Donated to support the introduction of welfare vehicles for transportation	
2021 April	UFI Life Science Co., Ltd. Surgical Masks (made in Japan) Donated to Tsuchiura Kyodo Hospital, Ryugasaki Saiseikai Hospital, and Kohei Hospital	
Sun, August 22	FY 2021 Co-sponsored "Saitama Prefecture Youth Advocacy Competition" Organizer: Saitama Prefecture, Saitama Prefectural Board of Education, Saitama Prefectural Assembly for Youth Development	
2022 April	Fancy Foods Factory Outlet Store (March 23 - 25) SAKURAJOSUI KITCHEN (March 29 - April 2) Charity Fair (Portion of proceeds donated)	
May	Japan Guide Dog Association (Donated to support the training of guide dogs)	

UFI Group sustainability targets

Expanding contributions in six areas

Honest and fair business activities (CSR)

+

business activities aimed at long-term growth (ESG)

Achieving carbon neutrality

Promoting clean energy by maximizing the use of renewable energy

20% of the electricity used at the factories will be from renewable energy by 2030

Case study: Solar panel installation

Maximizing energy efficiency and saving energy

Case study: Replacing with environmentally friendly boilers as needed

Replace the factory light bulbs with LEDs



Establishment of an environmentally conscious manufacturing system

- Manufacture of food products in compliance with the environmental standards of customers
- Promotion of switching to environmentally conscious packaging
- By completing the replacement of boilers with environmentally friendly ones by 2030, we will reduce CO2 emissions by 29 tons per year and aim for energy savings and reductions in NOx (nitrogen oxides) and other environmental impacts.



Promotion of a resource-recycling society, zero emissions

Zero-emissions refers to a **resource-recycling social system** in which all waste is recycled, and no waste is ultimately disposed of.

It is also used to mean net zero carbon dioxide emissions.

Case study: Introduction of recycled soap (waste cooking oil recycling)

Introduction of garbage disposal equipment (conversion of garbage into an aqueous solution)



Improving the efficiency of business activities

Improving the efficiency of production and management operations and efficient use of resources and energy through digital transformation

Case Study : Introduction of system to monitor solar power generation

Promotion and environmental arrangement of telework



Promotion and fair evaluation of diversity

- Recruitment of a wide variety of human resources
- Realization of gender equality
- Thorough implementation of equal pay for equal work
- Increase in the percentage of female managerial workers (appointment of female and foreign managerial workers by 2030 (from two section chiefs in 2022 to two department chiefs and above in 2030))



Improving health and safety

Encouraging life innovation to promote employee health and enhancing community safety



Additional topics

Loan agreement concluded for "private placement bonds to support SDGs"

In April 2022, in order to further promote efforts toward the SDGs, S·Tec Foods Co., Ltd. submitted an SDGs declaration to Mizuho Bank and concluded a loan agreement for private placement bonds for SDGs.



S·Tec Foods Co., Ltd.

Head office	Tsuchiura City, Ibaraki Prefecture
Representative Director	Keiichi Ueno, Representative Director
Business profile	Food manufacturing

The Company's Initiatives

- Introduction of recycled soap
- Equal pay for women, foreigners, and part-time employees
- Establishment of environmentally conscious manufacturing processes
- In order to promote clean energy, 20% of the electricity used in factories will be covered by renewable energy by 2030.

Charity fundraising activities by the Japan Committee for UNICEF



In April 2022, the UFI Group planned a charity eco-bag project for children whose lives are threatened by natural disasters and conflicts. In addition to UFI Group employees, we received a lot of support from our business partners, and we made a full donation to the Japan UNICEF Emergency Relief and Reconstruction Support Fund. We believe that the strength of each of us is small, but we are not helpless.

We can create a great flow toward a peaceful society by standing up individually. We would like to express our heartfelt sympathy to all affected by natural disasters and conflicts. At the same time, we would like to express our sincere gratitude for your great support and cooperation.

Company overview

Name	United Foods International Co., Ltd.
Established	1976/10/1
Capital	¥133 million
Revenue	UFI Group Revenue ¥70 billion (September 2022)
Representative Director	Hiroyuki Aoki
Main Office	Chiyoda Building, 1-5-18 Kanda Sarugakucho, Chiyoda-ku, Tokyo-to, 101-0064
URL	https://ufi.co.jp/en/