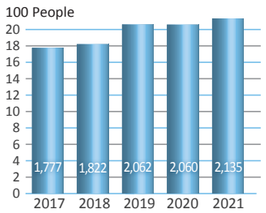
SARAYA

We are committed to the SDGs!

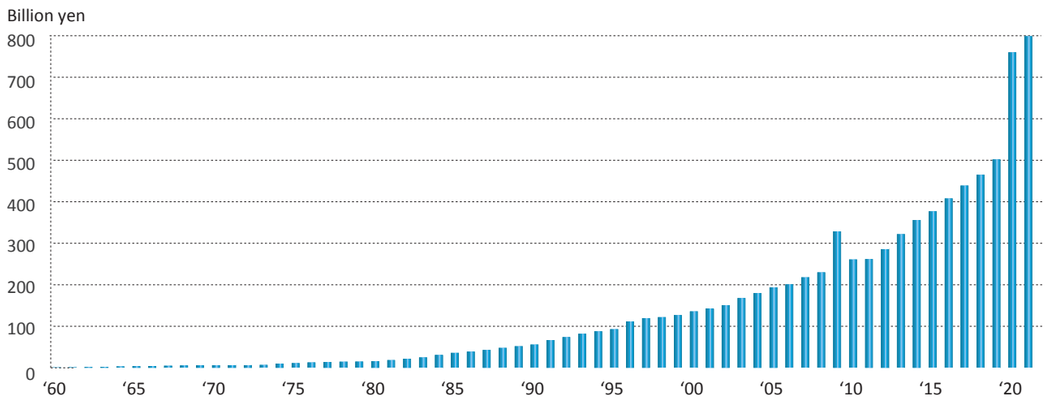
Sustainability Report 2022

SARAYA Company Information

		Saraya Co., Ltd.	Tokyo Saraya Co., Ltd.
Headquarters		2-2-8 Yuzato, Higashisumiyoshi-ku, Osaka Japan 546-0013	1-25-8 Higashishinagawa, Shinagawa-ku, Tokyo Japan 140-0002
Telephone		+81-6-6797-3111	+81-3-5461-8101
President and Representative Director		Yusuke Saraya	Syuji Saraya
Year of establishment		1952	1969
Capital		45 million yen	60 million yen
Number of employees		1,711	424
Business summary		• Development, manufacturing and sales of health and hygiene products and services. • Consultation for food and environmental sanitation. • Development, manufacturing and sales of food products.	
Business sites	Headquarters	Osaka	Tokyo
	Research lab	Osaka, Kanto (Ibaraki)	-
	Manufacturing sites	Osaka, Iga (Mie), Kanto (Ibaraki)	-
	Main service office in Japan	25 cities	
	Overseas bases	Manufacturing 17 sites, sales 39 sites	-



Consolidated number of employees in Japan



Trends in consolidated revenue in Japan

Foreword

"We are determined to take the bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path." This is quoted from "Transforming our world: the Agenda for Sustainable Development". Saraya invented and supplied hand disinfectant liquid soap and its dispenser, and promoted hand hygiene at many workplaces, schools and public facilities in post WW II Japan when sanitation systems were still poor and hygiene practices were insufficient – the same issues that many developing countries such as Sub-Saharan Africa are still facing today.

In Target 3.1 through to Target 3.3 of SDG 3, it is believed that hand hygiene is the single most important means of preventing infection, and a fundamental element of good infection control. Saraya has vast knowledge, experience and resources with respect to infection prevention and control, and has been utilizing them to promote hand hygiene through business activity and corporate social responsibility in the East African region. This applies especially to Uganda where its work started.

This report covers twelve of the SDGs to explain Saraya's sustainable product development, activities for preserving biodiversity, and the business contribution to improving and controlling global sanitation and hygiene for all stakeholders. This also contains Saraya's legacy, together with the latest information and statistics in order to provide a clear insight into how Saraya proceeds towards sustainability.
Any questions and queries are welcome, and you can contact us by email at <sustainability@saraya.com>.

Editorial policy

Guidelines used for reference
The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2018
GRI (Global Reporting Initiative)
"The GRI Standards"

Reporting period
The report mainly covers achievements in the 2021 fiscal year (November 2020 to October 2021), but also includes some activities outside of this period.

Reporting scope
(Environmental Management System)
Saraya Co., Ltd.
Tokyo Saraya Co., Ltd.
Saraya MFG. (Thailand) Co., Ltd
Saraya (Dongguan) Hygiene Products Co., Ltd.

Website
https://saraya.world/images/sections/sustainability/SustainabilityReport2021.pdf

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Top message

President and CEO
Saraya Co., Ltd
Yusuke Shiro Saraya

Saraya Responding to Changing Times

The world is facing a variety of issues, including global warming, species decline, resource depletion, disputes, and widening disparities between the rich and the poor, but we still lack the vision, cooperation, and action to solve these problems. In order to ensure a sustainable earth for the next generation, it is necessary to take action, even if it is small or by a corporation, and these actions must be interconnected and lead to larger actions. Saraya, as a corporate citizen, will continue such activities.

1 Declaration of Global Citizenship

In May 2022, I published a book titled Declaration of Global Citizenship by Nikkei BP. Global warming, abnormal weather, biodiversity loss, resource depletion, widening disparities between the rich and the poor, social instability, and other issues facing us must be addressed not only by a single country but on a global scale. The Russian invasion of Ukraine that began in 2022 divided countries and continues to risk escalating into wars involving many more countries. This has also brought about energy issues with regard to oil and natural gas. We must now accelerate the shift to sustainable energy. There is only so much that one company or one citizen can do, so let us not hesitate to make the wind blow and create waves by practicing global citizenship. Let us hope that the network will connect and that small waves will overlap to form a big wave that will eventually become a tide to change the world. Those of us involved in business hope that we can help create such a flow through our work.

▲ Cover of the Declaration of Global Citizenship

2 Plastic Revolution 2

In June 2022, I became the editor responsible for publishing Plastic Revolution 2 by Nikkei BP. In this book, 18 authors wrote 14 chapters on the problem of marine plastics from different perspectives and offered suggestions on how to solve the issues of plastics and marine pollution. Today, eight million tons of plastic end up in the oceans each year throughout the world, and transnational approaches are needed to prevent the pollution. To solve this problem, a network must be formed of businesses, governments, NPOs, and the United Nations. At the G20 Summit in Osaka in 2019, the Osaka Blue Ocean Vision was adopted under the leadership of former Prime Minister Abe. We now need to put this into action.
In Tsushima, which is at the forefront of marine plastic pollution in Japan, the Saraya Group will actively participate in planning and implementing countermeasures under the Circular Economy Promotion Project and the Tsushima Model, a biomass circulation concept for remote islands, aimed at processing drifted materials and achieving energy independence. By promoting this initiative, we will establish a model for waste disposal and energy independence in many island countries, which will lead to business growth. Saraya will also work with customers to establish a recycling model to realize the collection and recycling of plastics.

▲ Cover of Plastic Revolution 2

3 Participation in TICAD 8, the Tokyo International Conference on African Development

TICAD 8 was held in Tunis, Tunisia in North Africa on August 27 to 28, 2022. TICAD is an African development conference organized by the Japanese government, and TICAD 8 was the second time the conference was held in Africa, after the sixth Nairobi Conference in 2016. In conjunction with TICAD 8, Saraya actively participates in the construction of a factory in El Fejja Industrial Park, 30 km from Tunis. The factory will produce cosmetics using essential oils and olive oil and will also supply alcohol hand sanitizers to the local market.

▲ Tunisia Factory

In addition, we planted jojoba trees in the desert in Egypt, and in the fall of 2022, construction of a factory in Egypt was completed in Suez, which faces the Red Sea. Here, we will (1) refine jojoba oil, (2) manufacture natural cosmetics, (3) produce Lakanto, a natural sweetener with zero calories, and (4) manufacture pharmaceutical-grade hand sanitizers.

▲ Egypt Factory

These efforts have led to the establishment of three local subsidiaries in Africa—Uganda, Egypt, and Tunisia—with manufacturing and sales activities in four countries, including Kenya. We would like to take this opportunity to evolve our sales activities into a pan-African perspective and aim to create a system that will ensure that sanitary materials, which are in short supply due to the COVID-19 pandemic, reach each country without omission.

4 Participation in the 2025 Osaka Kansai Expo

The incorporated nonprofit organization ZERI Japan will be an exhibitor in the Blue Ocean Pavilion (BOP) at the 2025 Osaka Kansai Expo, and Saraya will also cooperate. The pavilion will serve as a symbol of promoting the prevention of plastic marine pollution and the sustainable use of the oceans, and ZERI Japan is inviting companies other than Saraya to participate in making it an all-Japan group of companies. In addition, Dentsu Inc. will form the Blue Ocean Initiative, a general incorporated association that will promote innovation for this purpose and will spread innovation to realize the Osaka Blue Ocean Vision and achieve both sustainable and viable ocean conservation and prosperity after the Expo. We will also collaborate with the Nikkei Blue Ocean Forum, an action platform by the Nikkei Group that serves to generate discussions and social proposals involving industry, government, and academia, which will be jointly developed with the Blue Ocean Initiative. We look forward to your active participation.

5 Saraya's 70th Anniversary

Saraya celebrated its 70th anniversary this year with a commemorative ceremony at the Rihga Royal Hotel Osaka on April 21 and at Hotel Okura Tokyo on May 26. At the Osaka event, Professor Kazuhiro Tateda of Toho University School of Medicine gave a lecture titled "Learning from COVID-19: Toward a World Resistant to Infectious Diseases," and at the Tokyo event, Professor Shinichi Fukuoka of Aoyama Gakuin University, a biologist, gave a lecture titled "Philosophy of Life Post-Corona: From the Viewpoint of Dynamic Equilibrium. In addition, as a commemorative project for the 70th anniversary of Saraya, we opened the Connecting Lives School by Saraya for children and teachers with Prof. Shinichi Fukuoka as the principal. Through this school, our hope is that children will learn the wonder and importance of life.

6 Where Does Saraya Go from Here?

At a time of world turmoil, alarm bells are ringing not only for humans but for the sustainability of all living things. Saraya is committed to spreading its activities with the corporate mission of contributing to global hygiene, environment, and health, and the company will respond to the changes of the times by creating a global network, striving to achieve its objectives, and taking prompt action. We sincerely appreciate the continued guidance and encouragement of all concerned.

GOOD HEALTH AND WELL-BEING

Sanitation Improvement Project in East Africa

Mikono Project in Uganda

Saraya Manufacturing Uganda is currently conducting a large-scale intervention research project on hand hygiene with a team from Geneva University Hospital, a registered WHO Collaborating Center in the field of patient safety, and Busitema University of Uganda. The target field sites for this study are eight healthcare facilities across four provinces in eastern Uganda. In accordance with the WHO's Clean Care is Safer Care campaign, activities are conducted in a step-by-step manner: (1) identifying the number of nosocomial infections as a baseline, (2) introducing alcohol hand sanitizers and educating the public on proper use, (3) monitoring the number of nosocomial infections that occur thereafter, (4) providing feedback to the worksite, and (5) creating a clean, safe work environment (climate of safety). In developed countries, many reports on this type of intervention have been published, and it has already been proven that the promotion of alcohol hand sanitization in medical facilities leads to the reduction of nosocomial infections. However, in developing countries, especially in Africa, there have been only a few similar studies, and the improvement of compliance with alcohol hand sanitization has only been used as an indirect indicator for reducing nosocomial infections (the data obtained in the JICA project in 2013 was for a very short period of time and with a limited number of subjects). Therefore, this approach to directly verify the effectiveness of a project of this scale in reducing nosocomial infections is very innovative.

The survey aims to verify the differences in effectiveness by facility size and facility level by covering a variety of medical facilities, including public and private hospitals, health centers, and regional core hospitals, as well as by selecting two facilities in each of the four neighboring prefectures to verify the effectiveness of infection control measures in each cluster.

The project began in August 2019 but was temporarily suspended because of the COVID-19 pandemic and then began intervention in the last remaining district of Busia in August 2022 and will continue follow-up until July 2023. We hope the three-and-a-half years of monitoring, feedback, and development of a climate of safety will have a significant impact on the local communities and will have a ripple effect throughout Uganda and Africa as a whole.

	Name of Medical Facility	Number of Beds	Number of Inpatients per Year	Number of Outpatients per Year	Length of Inpatient Stay (Days)	Number of Healthcare Workers
Mbale	Mbale regional referral hospital	455	58,000	84,000	2.4	363
	Mt. Elgon hospital	72	1,700	23,000		150
Tororo	Tororo district hospital	220	13,900	70,000	4	160
	Nagongera health center IV	43	3,500	23,000		31
Busia	Masafu district hospital	100	10,000	55,000	3	117
	Busia health center IV	100	7,800	45,000		37
Kumi	Atutur district hospital	400	12,500	66,000	3	
	Kumi hospital Ongino	300	6,900	53,000		180

Information on Eight Healthcare Facilities Across the Four Eastern Ugandan Provinces Surveyed

Tungiasis Countermeasure Project in Kenya

Tungiasis is a parasitic skin disease caused by the flea, Tunga penetrans, and it is a serious problem in more than 20 countries in Africa, Latin America, and India, with an estimated two million cases in Kenya alone.

Foot Parasitized by Tunga Penetrans

Once a person is infected, the disease progresses unnoticed, leading to systemic necrosis and lymphangitis, as well as secondary infections of sepsis and tetanus HIV/AIDs due to unsanitary conditions and incorrect treatment.

As a measurement for this problem, since 2016, the NPO Results Japan has been donating athletic shoes to local Kenyan cities with outbreaks of tungiasis. Nagasaki University is using its research base in Kenya to identify the actual damage, prevent and educate the public, and train local community health personnel and volunteers in the treatment of the disease. Therefore, Saraya is also accepting the challenge of developing a treatment for tungiasis, making full use of its existing formulation technology. This project was presented at a breakout session of the sixth Nikkei Asia-Africa Conference on Infectious Diseases in 2019, and agreement was reached on collaboration with Results Japan and Nagasaki University. Furthermore, Mr. Akino, a member of the House of Councilors and Diet Members Caucus for the Eradication of Neglected Tropical Diseases (NTDs), who was a speaker at the breakout session, received the WHO's official position that tungiasis is included in "other parasitic diseases" under the NTDs. Meanwhile, we are almost at the point of developing a formulation for the treatment of tungiasis and are currently working to obtain local approval with the aim of making the medicine commercially available as soon as possible.

We will also participate in the NTD subcommittee of the Asia Africa Medical Innovation Consortium by the Nikkei, established in June 2022, and will discuss with many stakeholders how Japan can contribute to the fight against tungiasis infestation.

- A foot infested with tungiasis parasites
- Group treatment for tungiasis infestation

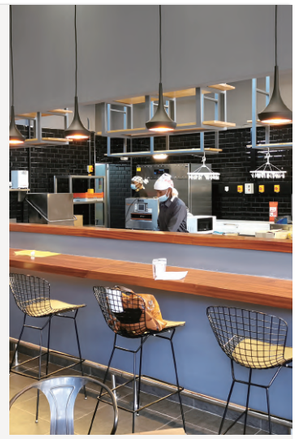
Group Treatment for Tungiasis

SHARED KITCHEN OPENED IN NAIROBI

Saraya Kitchen Lab Project in Kenya

The Saraya Kitchen Lab has been selected for the Ministry of Economy, Trade and Industry (METI) subsidized project "The 5th Tobidase Japan!" This project will provide a shared commercial kitchen with a food hygiene system in Kenya, utilizing our experience as food hygiene professionals in providing total support for food hygiene management for global projects, including HACCP introduction and hygiene guidance.

The following year, in 2021, a shared kitchen opened in Nairobi, Kenya. We rent our facilities and equipment as an incubation facility for food businesses. We promote food processing that incorporates Japanese-level food hygiene while allowing customers to use cooking utensils and equipment, including Saraya's quick-freezing equipment, and hygiene products, such as electrolyzed water bioreactors, detergents, and disinfectants. In addition, the facility is used for multiple purposes, including pop-up restaurants, a central kitchen, menu development, cooking classes, food safety seminars, and promotion of Lakanto, the natural sweetener.



Farm to table

The Founder and His Thoughts on Monk Fruit

The monk fruit, an ingredient of the Lakanto series, is a cucurbitaceous plant that grows wild near Yongfu County, Guilin City, in the Zhuang Autonomous Region of China, and is mainly grown in Guilin City. Saraya began researching monk fruit in the 1990s, and in 1998, the company signed a joint business agreement (memorandum of understanding signing ceremony for monk fruit sweetener development project) with Guilin City, China. Although China is now an economic superpower, the living conditions of the peasants in Guilin at that time were much harsher than imagined. Seeing this situation, the founder of Saraya said, "Monk fruit is a sustainable plant grown in Guilin. A Japanese company should not enter and monopolize this. Let's launch the monk fruit project to eliminate the harsh poverty of peasant life and revitalize the city of Guilin." (SDGs Development Goals 1-3). Saraya subsequently registered patents on the substance and manufacturing process of monk fruit extract only in Japan, and opened up the technology without registering it internationally. In recent years, the need for natural, zero-calorie sweeteners has expanded worldwide; however, this was the beginning of it. Especially in the United States, where "sugar-free" is the keyword for natural foods, interest in safe and naturally derived sweeteners is high.

Quality Control for Safe and Reliable Food

From the process of growing monk fruit, Saraya contracts with many farmers to grow them under strict pesticide control. The Guilin factory (Guilin Saraya Biotech Co., Ltd), which Saraya established in Guilin in 2015, produces high-quality, safe, reliable monk fruit extract and supplies raw materials for Lakanto series products. The Guilin factory manufactures Lakanto brand products under thorough traceability from monk fruit cultivation and extraction to the end product. In recent years, demand for Lakanto products has increased from the United States and other countries around the world, and this year, in 2022, the Guilin Factory underwent expansion, doubling its production volume from the previous year. The Guilin and Osaka plants acquired FSSC 22000, an international standard for food safety certification, in September 2020 and June 2021, respectively. By acquiring the certifications, we will strengthen our food safety management system and provide safe, secure food products to consumers in both Japan and overseas.

Japan's First Zero Calorie Sweetener

Saraya, the manufacturer of cleaning and disinfecting agents, developed a zero-calorie sweetener based on the philosophy of prevention, which has been in place since the company's founding. In order to prevent the spread of infectious diseases, Saraya developed Shabonet, a medicated soap solution that sterilizes and disinfects at the same time as washing the hands. Also, when diabetes and other lifestyle-related diseases replaced infectious diseases during the high-growth period, we developed Lakanto, a natural sweetener with zero calories, to meet the dietary needs of people who paid attention to preventing lifestyle-related diseases. Today, zero-calorie sweeteners are commonplace, but Lakanto was the first zero-calorie sweetener to be commercially available. The development concept was based on the following considerations: plant-derived, zero sugar, zero calories, no need to convert the amount used, and can be used for cooking, all for the safety and convenience of users.

Delivering Peace of Mind from Raw Material Procurement and Commercialization to the Table

Lakanto, with zero calories and zero sugar, does not contribute to a rise in postprandial blood sugar and has become popular with a wide range of people interested in diet, beauty, and health, as well as those with calorie or sugar intake restrictions. Furthermore, in recent years, as chemically synthesized sweeteners have been shunned worldwide, the need has been expanding for plant-based, zero-calorie sweeteners. In the United States in particular, many alternative sweeteners have been used in place of sugar, but there is growing interest in safe plant-derived sweeteners, and demand for Lakanto, made from monk fruit, which has long been popular in Chinese medicine as a sacred fruit for longevity, has grown significantly.
Saraya manufactures Lakanto in its own integrated production facilities to ensure quality and a safe supply to the world. Lakanto extract is transported to Japan and the United States, processed into final products at factories in each country under strict quality control, and delivered to consumer tables.

Shota Saraya, the Founder (Middle) and Yusuke Saraya, the President (Second from Right) (Picture Taken in 1998).

Guilin Saraya Biotech Co., Ltd.
Saraya's Monk Fruits Cultivation Area (Left), Guilin Factory (Right)

GENDER EQUALITY

Promoting Women's Empowerment

Equal Opportunities and Treatment

In addition to equal pay for men and women, Saraya does not discriminate on the basis of gender in hiring, promotions, salary increases, placement, or education and training opportunities; the company strives to prevent any inherent discrimination. We hire and train people who demonstrate high professionalism, morals, knowledge, and other qualities and potential regardless of gender.
Since women account for a large percentage of Saraya's end users with regard to food hygiene and medical hygiene fields in Japan, and women also account for a large percentage of the purchasing population at home, we are committed to appointing more women to the Product Development Department so that they can participate in design and decision-making.
The Sanitation Business Division launched the Food Hygiene Instructor System in 1989 (currently known as the Instructor System). This is a unique Saraya system, which includes not only the provision of products and information, but also HACCP consultations based on know-how cultivated over many years, group training for customer employees, preparation of cleaning manuals, and hygiene surveys. We work closely with our clients to establish a sanitation management system that can be operated reliably, and aim for a spiral increase in the level of sanitation. In this department, many women work as qualified nutritionists with extensive knowledge of infection prevention and food hygiene.

Female Employees Play an Active Role in the Relaunch of arau. baby, the Additive-Free Baby Brand

Training for Infection Prevention and Food Sanitation Instructors

Many women in the Infection Prevention and Food Sanitation Support Department attend training on a regular basis.

A YEAR OF PERSONAL GROWTH THROUGH CROSS-INDUSTRIAL EXCHANGE

My company recommended that I participate in the 20th term of the Global Tekijuku sponsored by the Kansai Association of Corporate Executives, and for one year from April 2021, I have been concurrently engaged in both company business and outside training. The members of this Global Tekijuku class consisted of 31 people (25 men and 6 women) from excellent companies representing the Kansai region who were mainly in their 30s to 40s in middle management positions.
In the first half of the training program, we were trained to formulate our own philosophies on the theme of human resource development. In the second half of the training program, we made proposals from the perspective of businesspeople to improve our understanding of issues concerning Japanese society, the economy, and national security, which were summarized in the form of a debate. I had not had much interaction with the outside world since most of my work was done at the office, but during the year, I was able to broaden my horizons and experience personal growth through in-depth exchanges and discussions with my excellent classmates from different industries. I would like to share some of the lessons I learned here.
First, I was able to master leadership and project management. By accepting the opinions of all members in a positive manner and bringing them together through discussion to come up with the best plan based on a common understanding among the members, I was able to experience that this could lead to greater results than if I were to work alone. As a result, I was able to learn practical lessons that could be applied to the different projects that I was actually undertaking within the company.
Second, I gained a deeper understanding of Japanese society and the Japanese people. I believe this has been a very valuable asset for me as a future leader in a Japanese company and as a foreigner.
My mission now is to return what I have learned over the past year at the Global Tekijuku to Saraya. First, I will contribute to the company by increasing sales in the overseas markets for which I am responsible and then I will contribute to the development of those countries by helping to improve their environmental, sanitary, and health standards. I would also like to contribute to the realization of Saraya's mission to the entire world and to the creation of a better world together with the members of the Overseas Business Division by horizontally extending this idea to my colleagues and subordinates.

Global Operations Division
Deputy General Manager
Ms. No-Young Park

CLEAN WATER AND SANITATION

SOFORO

What is SOFORO?

Biosurfactants (BS) are amphiphilic substances produced by microorganisms, such as bacteria and yeasts, which have excellent environmental compatibility and high surfactant activity. Furthermore, since biosurfactants are produced by fermentation, in other words, a bioprocess, they have attracted more attention from the Life Cycle Assessment (LCA) perspective than synthetic surfactants, which are produced by chemical synthesis.

Sophorolipids (SLs) are a type of BS that have a structure with a carbohydrate (sophorose) in the hydrophilic part and a lipid (fatty acid) in the hydrophobic part (Figure 1). As a result of our research on the fermentation production of SL, we discovered a unique fermentation production technology and established it-for the stable production of SL at the industrial level (Figure 2). This is a highly efficient production method that enables fermentation and production under normal temperature and pressure, allowing complete consumption of the hydrophobic substrate (oil), which is the carbon source, for SL production.

In addition, this method also allows separation and purification without the use of organic solvents, hence, the entire SL production process has a low environmental impact. At present, we are using RSPO certified palm oil, which is environmentally and human rights friendly, as our main raw material, for the fermentation and production of SLs. SLs are a mixture of the lactonic type and the acidic type of SLs, which-complex structures are expected to have performance not present in synthetic surfactants. In 2001, we launched SOPHORON, the first product containing SLs in Japan. This was the result of product development and research that took advantage of the low foaming, high detergency, easy biodegradability, and extremely low toxicity to aquatic organisms of SLs.

Subsequently, we developed acidic SLs, which improved the stability of SLs-in aqueous solution, making it possible to use SL in liquid-type-products, such as Happy Elephant and Power Quick detergents.

Furthermore, we succeeded in developing high-purity acidic SL with a higher degree of purification, achieving diversification and sophistication of SL raw materials. At the same time, we also obtained evidence of the multifunctional properties of SLs, such as their adsorption and inhibition effect, high biocompatibility, and ability to promote transdermal absorption; hence, expanded to applications such as leave-on cosmetics (Lactoferrin Lab), cosmetics for sensitive skin (MOISIS), and regenerative medicine (SOFORO Cryo).

Saraya found an environmentally friendly and unique SL production method and at the same time, clarified the various interfacial chemical properties of SLs and its compatibility with humans and the environment. Our unique SLs has been trademarked "SOFORO" and is used not only in our own products but also in a wide range of other applications, such as road washing as part of decontamination work, and in bioremediation. We will continue to promote SOFORO research and formulation development to contribute to a sustainable society.

Figure 1. Structures of sophorolipids
(A: lactonic type, B: acidic type)

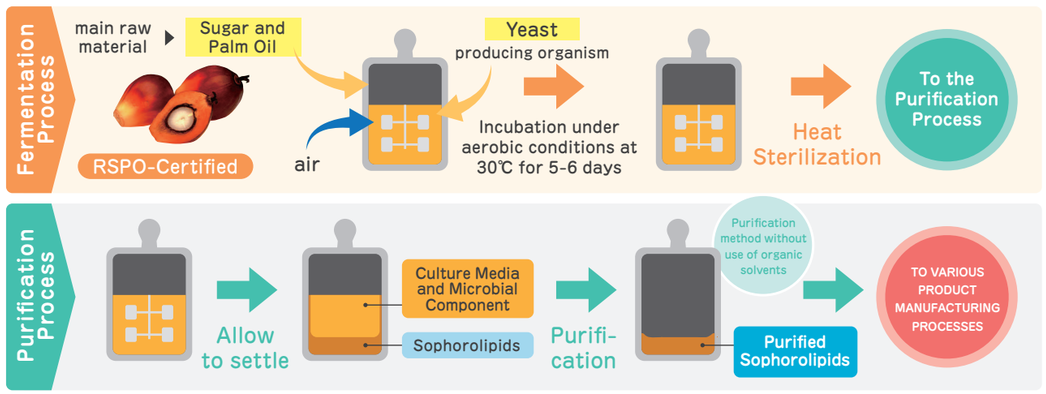


Figure 2. Fermentation and Purification Process of Sophorolipids

*The manufacturing process uses a traditional biotechnology, the fermentation technology, at room temperature, under normal pressure, without the use of organic solvents. The process is carefully considered with the environment in mind from the raw material procurement to the manufacturing process.

DECENT WORK AND ECONOMIC GROWTH

Work-life balance

Balancing Work with Childcare, Family Nursing Care, and Caregiving

Saraya has systems that allow each employee to work with a sense of fulfillment and satisfaction while fulfilling all assigned work responsibilities, as well as to choose a variety of work styles according to life stages, such as child-rearing and middle age, as part of family and community life. Specifically, we have leave and work systems that allow employees to balance work with childbirth, childcare, nursing care for family members and parents, and caregiving.

The systems that support childcare include prenatal and postnatal leave, parental leave, shorter working hours for childcare, staggered working hours for childcare, telecommuting, exemptions from overtime work, restrictions on overtime and late-night work, and nursing leave. Except for prenatal and postnatal leave, all systems apply to male employees.

Employees who have family members who need nursing care are supported through nursing care leave, shorter working hours for nursing care, staggered working hours for nursing care, telecommuting, and restrictions on overtime and late-night work. The table below shows the results of employees who have taken maternity, childcare, and nursing care leave. In April 2018, we opened the Saraya Child Station, a company-led childcare center, in the neighborhood of Saraya's headquarters, followed by Saraya Child Station Kitaibaraki in the Kanto Factory in February 2020 and Saraya Child Station Iga in April 2022.

Saraya Child Station

Entrance Ceremony of Saraya Child Station Iga

Christmas and Halloween Events at Saraya Child Station Kitaibaraki

Childcare and Nursing Care Leave Taken in the Past Three Years at Saraya and Tokyo Saraya

	Female Employees	Male Employees	Male Employees Eligible
Maternity Leave and Childcare Leave	91	3	102
Nursing Care Leave	2	0	

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Efforts to Create Next-generation Food by Utilizing and Operating Rapid Freezing Technology

Effort to Food System Solution Promotion

In the food industry, providing quality food that is fresh, well formed, and attractive is essential. In order to maintain such quality, the food industry, which offers a wide and spectacular menu lineup, has been faced with a variety of problems in securing human resources, passing on skills, and food loss. It is estimated about 6 million tons of edible food is currently wasted annually in Japan and approximately 1.3 billion tons worldwide. Meanwhile, food is not being distributed in developing countries for a variety of reasons, and there is growing international awareness that hunger will not be going away.

Liquid Quick-Freezer

Saraya proposes the operation of the New Chilled Freezer Cooking System, a next-generation cook-freeze system. This utilizes the advantages of the Shut-Man, which instantly degas-packs fresh food without cooling, and the Rapid Freezer, a liquid quick-freezer that freezes packaged food by dipping it into a special freezing liquid chilled to -30°C (alcohol brine freezing). The New Chilled Freezer Cooking System not only reduces food loss but also contributes to the reduction of carbon dioxide emissions through power savings.
This enables the processing and freezing of out-of-spec agricultural products that had been discarded for cooked products and commercial use. At the cooking site, food can be prepared and frozen and only the necessary portions can be thawed and cooked before serving, enabling systematic operations with minimizing and reducing food loss. Liquid quick freezing provides high-quality freezing with approximately 20 times the thermal conductivity of ordinary gas freezing and improves productivity. In addition to reducing food loss, the use of freezing and storage can improve work efficiency and reduce energy emissions through power savings. It is also expected to reduce energy emissions generated in the distribution of frozen foods.
Saraya distributes food products from businesses that have installed Rapid Freezers and Shut-Man through online shopping, introducing the food initiatives of the production area and new high-quality frozen food products. We are also conducting a demonstration project using kitchen cars to develop and serve our own menus based on efficient freezing operations using local ingredients. In this way, we are engaged in consistent efforts from operational proposals based on the theme of next-generation refrigeration to exit strategies for selling and cooking the finished food products.

Efforts to Create the Next Generation of Food Using Refrigeration and Preservation

The COVID-19 pandemic has affected the entire food chain from producers and distributors to restaurants, and the pandemic has drastically changed the food industry as a way of life based on infection countermeasures. The entry of a variety of new business models, such as takeout and online shopping, expanded the industry, and efforts were made not only to solve problems that originally existed in food production but also to find more efficient food production methods and to develop products that responded to the needs of the times. In this context, interest in liquid freezing is increasing, and the market is expanding rapidly.
Saraya proposes solutions for efficient operation with less labor, frozen storage, and on-demand sales through a system that combines the development and production of high-quality frozen foods through liquid quick freezing and improved productivity. By operating an online shopping website for products from businesses that introduced Rapid Freezers, and by offering menus that use local ingredients in kitchen cars while introducing production areas, we are working to increase recognition of high-quality frozen meals and to build optimal operational methods. In other words, we are working on the creation of a solution that can provide food ingredients together with our know-how.

Changing common sense about food with hygiene technology

In East African countries, where the food supply chain still needs development, it is common for food freshness to drop before it reaches the market. In order to eliminate product loss between product and consumption, it is vital to establish a new food distribution system. Using SARAYA's rapid freezing system together with Japanese hygiene technology we've taken on the challenge of expanding sales channels with high-quality, value-added food processes in Kenya and Uganda.



REDUCED INEQUALITIES

Diversity promotion

A company's most important resource is its human resources

We also believe that these personnel have diverse personalities in terms of gender, age, nationality, background culture, lifestyle, family structure, and thoughts and values. An important corporate responsibility is to create an inclusive work environment where all workers can demonstrate their skills and work with enthusiasm regardless of gender, nationality, or other factors. Therefore, the Saraya Group has established the following Diversity Promotion Policy and is implementing initiatives to use human resources by actively promoting diversity and assigning personnel to the right positions in order to revitalize the organization, improve productivity, and enhance competitiveness.

DEPLOYMENT OF GLOBAL IT AT GLOBAL OPERATIONS DIVISION

On March 31, 2022, Mr. Honcharuk, general manager of the Global IT Team based in Kyiv, Ukraine, and his family arrived in Japan via Warsaw, and has been working as a General Manager of Global IT at Global Operations Division of the headquarters since April.
Saraya has formed a global IT team of four IT specialists of Ukrainian nationality starting in 2021. Saraya's global offices are located in more than 20 countries around the world and vary in size. The IT infrastructure is essential to the management of these offices, and the team is responsible for establishing IT-related policies, educating global employees in these policies, and distributing newsletters to share the latest IT trend information. We actively implemented an online approval system that connects overseas offices with headquarters using global security and cloud applications, which is especially necessary for small and medium-sized overseas offices. Our global IT team is currently executing centralized management of France, Ukraine, Russia, Poland, Thailand, Cambodia, Malaysia, Hong Kong, Myanmar, and Australia on a daily basis.
A daily workday for the Global IT team starts in the morning Ukraine time and, working with local teams on IT projects in France, Paris, and Germany. In the afternoon Ukrainian local time, they have meetings with Japan, Hong Kong, Thailand, Cambodia, and Malaysia according to the projects, and then are involved in project promotion of IT infrastructure projects in the USA office. Each country has its own laws, regulations, and rules, and the IT systems in place vary widely. With the goal of overseeing these activities, we are working with the production department to review SOPs at each production site, standardize IT standards, and integrate and manage data at headquarters. By incorporating global specialist human resources, we will contribute to the development of hygiene, environment, and health around the world as One Saraya, while further demonstrating synergy effects with each country.


Global Operations Division
General Manager
Mr. Ihor Honcharuk

Nationality	Total	Percentage	Regular Employees	Temporary Employees	Associate Employees	Part-Timers
Myanmar	105	56.5%				105
China	20	10.8%	19		1	
Lao People's Democratic Republic	19	10.2%				19
Republic of Korea	8	4.3%	8			
Russian Federation	5	2.7%	1	3		1
Viet Nam	4	2.2%	1	1		2
India	4	2.2%	4			
Indonesia	4	2.2%	1			3
Ukraine	3	1.6%	2	1		
Philippines	3	1.6%	3			
Kazakhstan	2	1.1%	1	1		
Taiwan(Republic of China)	2	1.1%	1			1
Syrian Arab Republic	2	1.1%		2		
Canada	1	0.5%		1		
Spain	1	0.5%	1			
Tunisia	1	0.5%		1		
France	1	0.5%	1			
United States of America	1	0.5%		1		
United Kingdom	1	0.5%		1		
Australia	1	0.5%		1		
Total	188	100.0%	43	13	1	131

Number of Employees by Nationality (as of October 2021)

RESPONSIBLE CONSUMPTION AND PRODUCTION

Supply Chain

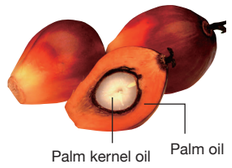
Palm Oil Supports Global Food Chain

The NPO CDP (Carbon Disclosure Project) reported that 80 percent of the world's deforestation is caused by demand for four agricultural and livestock products: cattle, timber, soybeans, and palm oil. Until 2005, soybean oil was the most produced and consumed vegetable oil in the world, but since palm oil surpassed soybean oil in 2006, the gap with soybean oil has been widening. Palm oil production in 2021 was 75.89 million metric tons (MT) worldwide with more than 80 percent produced in two countries, Indonesia and Malaysia. While Malaysia's production remained flat, Indonesia's production is increasing, accounting for 59 percent of the global total. Palm oil production decreased in 2020 and 2021 compared to 2019 in both Malaysia and Indonesia and a similar trend was observed for palm kernel oil. This could be attributed to the shortage of laborers due to COVID-19, while at the same time palm market prices are at record highs. Fiscal year 2021 yields per unit area are 3.5 MT/ha in Malaysia and 3.3 MT/ha in Indonesia, partly due to the COVID-19 pandemic. However, palm oil and palm kernel oil together currently account for 35 percent of the world's oil production, and oil palm cultivation accounts for only 8 percent of the world oil seed area.

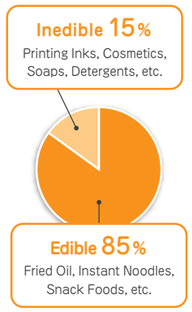
Harvesting a fruit bunch from an oil palm

Palm Oil Production Regions

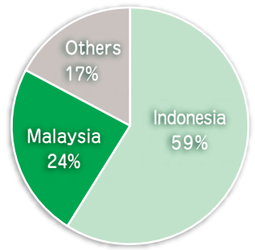
Indonesia and Malaysia account for 83 percent of total palm oil production, with Borneo Island being the largest oil palm producer. In Japan, the majority of palm oil is used for food processing as margarine, shortening, and cocoa butter substitute, as well as fried oil for potato chips and other products, while more than half of the palm kernel oil is used for nonfood purposes as an ingredient in soap, detergents, cosmetics, candles, and industrial products. What has led to such widespread worldwide demand is the inexpensive price compared to other sources. Palm oil has a high world average harvest rate of 3.18 MT/ha, much higher than soybean oil. Illegal child labor and forced labor, illegal logging, and various other problems are inherent in the environment surrounding inexpensive palm oil. In order to improve these issues, Saraya is committed to environmental conservation and sustainable raw material procurement.



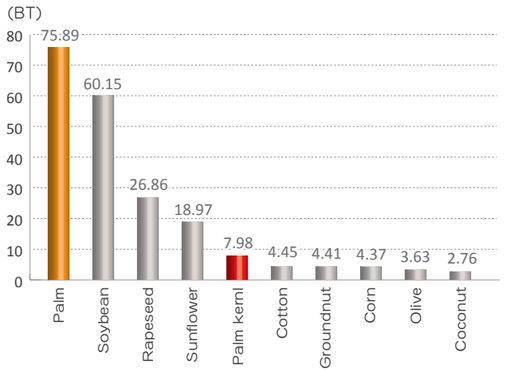
Fruit of the oil palm



Major Uses of Palm Oil (Monthly Yushi)



Palm oil production in 2021FY (Oil World Annual 2022)



10 Vegetable Oils Production (Oil World Annual 2022)

Roundtable on Sustainable Palm Oil (RSPO)

Launched in 2004, the NGO Roundtable on Sustainable Palm Oil (RSPO) has established Principles and Criteria (P&C) for the production, processing and distribution of sustainable palm oil.

Effective implementation and more growers' uptake of the P&C lead to the intermediate outcomes:

- Resource use minimization (soil, water, energy), input use reduction – reduced costs
- Reduced pollution (water, air, greenhouse gas (GHG))
- Improved risk management – management plans and assessments
- Ecosystems better protected
- Productivity optimized
- Land and use rights respected
- Safe and decent work for all members of the community

RSPO Principles and Criteria

Palm oil certified by the RSPO as Certified Sustainable Palm Oil (CSPO), produced from oil palm plantations in accordance with these Principles and Criteria at all stages of production, will account for 14.49 million MT (about 19 percent) of the world's palm oil in 2021.

Oil palm tree

Targets for Use of RSPO Certified Oil

In the future, we aim to obtain certification for more than Mass Balance (MB) at each of our factories and expand the use of RSPO-certified oil throughout the Saraya Group, including overseas. As described on the next page, through Wild Asia, we will continue to support small-scale farmers in various ways to obtain RSPO certification.
Saraya is the first Japanese-registered company to join. We are working together with farm owners, farmers, trading companies, and others involved in palm oil to discuss the establishment of rules for the palm oil industry in consideration of the environment and to promote the use of RSPO-certified palm oil.

Promotion of RSPO Membership and Certification

Types of RSPO Certified Palm Oil Used in Saraya Products

Segregation

CERTIFIED
RSPO-1106041

Segregation: Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout the supply chain.
Identity Preserved: Sustainable palm oil from a single identifiable certified source is kept separate from ordinary palm oil throughout the supply chain. The Saraya Happy Elephant line uses segregation palm oils.

Credits (Book & Claim)

CREDITS
RSPO-1106041

The supply chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers can buy credits from RSPO-certified growers, crushers and independent smallholders. The Book and Claim supply chain model is supported by the trade of RSPO credits.

Supporting Sustainable Oil Palm Cultivation in Lower Kinabatangan

RSPO Certified Palm Oil and Palm Kernel Oil

According to the RSPO reports, in 2021, RSPO certified palm oil will account for approximately 14.49 million MT, or 19% of total production, and RSPO-certified palm kernel oil will be 1.19 million MT, or 15% of total production. RSPO has been counting the production of certified oil since 2013, and while the production of certified oil has been increasing every year, global palm oil production has also been increasing, and the percentage of certified oil has remained at 20 percent for more than five years.

It is estimated that more than three million small-scale farmers worldwide make a living from palm oil. Although smallholders' farmlands are small compared to industrial plantations, they account for about 40 percent of oil palm plantations in Malaysia and Indonesia, contributing significantly to a sustainable oil palm industry. However, smallholders lack sufficient information on oil palm cultivation and fruit bunch marketing, RSPO certification, or knowledge of environmental conservation and do not have sufficient funds to address these issues, which are the main reasons why the percentage of RSPO certified oil has not increased. Support is needed from NGOs, government agencies, and companies to solve this problem.

Supporting Smallholders Through Wild Asia

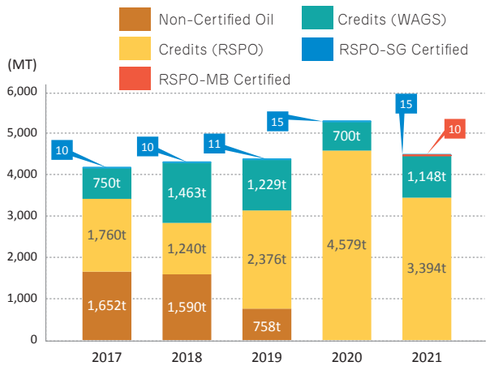
Wild Asia is a social enterprise established in 2003, based in Malaysia, promotes the Wild Asia Group Scheme (WAGS) as a support activity to conserve tropical rainforests and promote RSPO certification for smallholders. In Sabah, small-scale oil palm farmers are actively working on RSPO certification, partly through the promotion of WAGS, and are implementing initiatives to reduce pesticides and fertilizers and still increase yields. This is an introduction of innovative agricultural technology for smallholders to not only improve crop yields but also increase soil biodiversity, protect the environment, and improve their livelihoods. The efforts of WAGS have been successful not only in Sabah, but also in Perak and Johor Bahru. So far, WAGS has helped 1,294 certified smallholders producing 805,840 MT fruit bunches (FFB) with 20,698 ha of RSPO certification out of a total of 47,071 ha, and the scheme has become a role model for smallholders. Through WAGS, Saraya has been purchasing RSPO certified palm oil and palm kernel oil credits from smallholders annually since 2017 to support smallholders toward further sustainable production and certification.

Oil Palm Plantations Expanding Along the Kinabatangan River, the Largest River in Borneo.

Large-scale oil palm plantations are rapidly expanding as the global demand for palm oil for food increases and at the same time, the tropical rainforests in Borneo have been decreasing year by year, causing serious problems. In addition to flood damage and worsening water quality, the loss of riverine forests, necessary for wildlife to migrate and survive, has become a major problem affecting animals.

In recent years, palm oil has been attracting attention not only for food demand but also as biodiesel fuel for automobiles, and further increases in demand are expected.

Small Farmers and WAGS members and their RSPO Certified Farm in Kinabatangan, Sabah



Saraya's Palm Oil and Palm Kernel Oil

CLIMATE ACTION

Toward a Carbon-Neutral Society

Supporting the Establishment of the Climate Emergency Network

The Climate Emergency Network (CEN) was established by Dr. Ryoichi Yamamoto, professor emeritus of the University of Tokyo, and Yusuke Saraya, president of Saraya and chairman of NPO ZERI Japan. It is a platform for free exchange among youth, citizens, experts, companies, and governments, as well as municipalities that have declared or are considering declaring a climate emergency.

Emeritus Professor Ryoichi Yamamoto

On November 18, 2020, the inaugural meeting of CEN was held in the Peacock Room of the Imperial Hotel Tokyo. At the inaugural meeting, Tokyo Governor Koike, who took time out of her official duties to attend the meeting, expressed her enthusiasm and congratulatory message by saying, "The Tokyo metropolitan government and the national government would like to work together as a network with the newly established CEN to achieve decarbonization." Mr. Shinjiro Koizumi, then Minister of the Environment, who joined us via video message, spoke about the national government's efforts to become carbon neutral by 2050. Other speakers included eminent figures from a variety of different fields, who gave lectures and explained the Climate Contingency Action Plan Development Guidebook, which was prepared in conjunction with the establishment of CEN. It was very impressive that the House of Representatives and the House of Councilors passed the resolution of Climate Emergency Declaration on November 19 and November 20, respectively, the day after the CEN was established, and we felt the momentum building.

Globe with CO2 Concentration

Climate Emergency Network Inaugural Meeting Held on November 18, 2020

On June 4, 2021, the Climate Emergency and Carbon Neutral Summit was held online from Shibusawa Hall of the Tokyo Chamber of Commerce and Industry. The Summit featured a keynote speech by Dr. Ryoichi Yamamoto, followed by presentations by Mr. Nakai, Administrative Vice Minister of the Ministry of the Environment, on the National and Local Council for Decarbonization, and Mr. Shirai, then director of the Hydrogen and Fuel Strategy Office of the Agency for Natural Resources and Energy, METI, on Initiatives toward Realization of a Hydrogen Society. In addition, speakers from the private sector, universities and academic societies, and local governments were invited to introduce their respective initiatives and other topics. The event also featured a special commemorative lecture by Ken Shibusawa, president of Shibusawa and Company, titled "Learning from Eiichi Shibusawa on SDGs," and a demonstration of the interactive globe Sphere by Professor Takemura of Kyoto University of the Arts.

Climate Emergency and Carbon Neutral Summit Held Online on June 4, 2021

On October 26, 2021, the CEN Student Youth Committee hosted the CEN Youth Summit. At this event, where both speakers and moderator were mainly young people, each of the four speakers gave a presentation, which was followed by a panel discussion that led to a lively exchange of information. Tokyo Saraya provided its Shinagawa office as the venue for the event, and NPO ZERI Japan provided operational support.

CEN currently distributes a weekly e-mail newsletter called the CEN Newsletter for its members. This newsletter actively introduces articles featured in the media related to climate emergencies and global warming, as well as upcoming related events that anyone can participate in. CEN will continue to contribute to the realization of carbon neutrality in 2050 by holding symposiums and seminars for a wide range of people and by disseminating information on climate emergencies, carbon neutrality, and other topics. We look forward to your continued support.

LIFE BELOW WATER

Expo and the Blue Ocean Project

Osaka Kansai Expo and the Blue Ocean Pavilion

Saraya supports NPO ZERI Japan as a co-creation partner for Expo 2025 Osaka, Kansai, Japan (abbreviated Osaka Kansai Expo). ZERI Japan will invite companies and local governments from around the region to participate as exhibitors in the Blue Ocean pavilion at the Expo. Designer Kenya Hara will be the general producer of the pavilion, and architect Shigeru Ban will be the architectural producer.

The pavilion will have a 45-meter-diameter dome (exhibition space) at its center and two 20-meter-diameter domes (entrance hall and event/cafe space) integrated into a cubic-curved shape. The main structure of the 45-meter-diameter dome will be a carbon fiber (CFRP) grid shell, while the 20-meter-diameter domes will be made of paper tubes and bamboo, respectively. The exhibition hall will be covered with a water table, and a spherical screen placed in the center will show the current state of marine pollution and the path to overcome it, as well as video presentations for raising awareness of the problem. In the event and cafe space, there will be a cafe to convey the richness of the ocean, and educational programs and workshops by various stakeholders will be held.

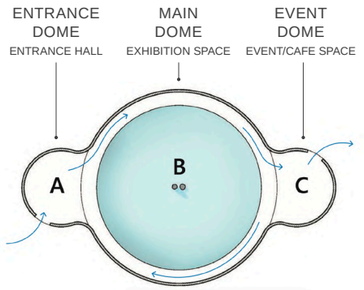


Image of Pavilion

Starting with the pavilion, the Blue Ocean Project will work toward the realization of the Osaka Blue Ocean Vision adopted at the G20 Osaka Summit in 2019, which aims to prevent plastic marine pollution and sustainably use the ocean's abundance.

The campaign will also be linked to MS Porrima, a special supporter of the Osaka Kansai Expo that runs on 100 percent renewable energy, to expand the campaign while connecting with the world's oceans. We will also call on companies and local governments to participate and promote this campaign.

Kite and Solar Panels of MS Porrima
MS Porrima Anchoring at the Port of Osaka (2021)
MS Porrima Arrived in Dubai During the Dubai Expo (2022)

Campaign at the Dubai Expo

At the Dubai World Expo closed in March 2022, we held a campaign for the Osaka Kansai Expo and also had a ceremony to connect the theme of the Dubai Expo, "Connecting Minds and Creating the Future," to the Osaka Kansai Expo, “Designing Future Society for Our Lives.”

Message Transfer Ceremony to Connect Dubai Expo Theme to Osaka Kansai Expo by MS Porrima

LIFE ON LAND

Background of Borneo Environmental Conservation

Tears of a Baby Elephant

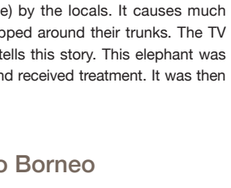
Saraya's efforts to conserve biodiversity in Borneo began with a TV program on nature and the environment that was aired in 2004. The topic for that day's broadcast was animals of the Borneo rainforest. However, wild animals living happily in the forest were not introduced, rather creatures whose habitats had disappeared and were on the verge of extinction were shown. The Borneo elephants, endemic species of Borneo, were particularly tragic. The elephants had no choice but to enter human settlements due to the shrinking of their habitat, where they suffered from injuries caused by nylon rope traps called jump ropes set by humans.

A baby elephant with its leg tied with a rope which was set as a trap by local hunters. If baby elephants escape from the traps but still have a rope tangled around a leg, this gets trapped under the skin as the elephant grows and ultimately causes the elephant's death as it can no longer walk. These elephants are called “Tally” (rope) by the locals. It causes much more severe damage if the rope is wrapped around their trunks. The TV programme “Tears of Baby Elephants” tells this story. This elephant was the very first to be rescued by Saraya and received treatment. It was then released back to the care of its parents.

Interview Led to a Visit to Borneo

The tropical rainforests in Borneo have rapidly decreased over the past 50 years, and the main cause is the expansion of oil palm plantations. Palm oil is extracted from the fruit of the oil palm and Japan also imports a large amount of palm oil of which about 80 percent is used in food products. The producer of this program sought interviews with some food companies using palm oil to find out what they thought about this situation. However, they all refused to be interviewed, and finally, Saraya was introduced through a network of contacts. Our signature product, Yashinomi Detergent, used palm oil products as raw materials, albeit in very small quantities.

President Yusuke Saraya, in response to this interview, candidly stated that he had not been aware of the problem at the raw material procurement site until then, and at the same time, he took action. First, he hired personnel familiar with international cooperation, dispatched them to Borneo, and began to investigate how to handle the situation. Then, with the help of information from the program production company, he planned to join the RSPO, which was just being established at the time, and help reform the industry, as well as the ongoing biodiversity conservation activities.



Fruit of the oil palm

Kinabatangan River Basin in Sabah in 1984; Green area is tropical rainforest.

The orange area is an oil palm plantation, and only a small amount of tropical rainforest remains along the river.

A few tropical rainforests remain along the river.

Mr. Saraya's Field Trip to Borneo (2006)

Borneo Conservation Trust Japan

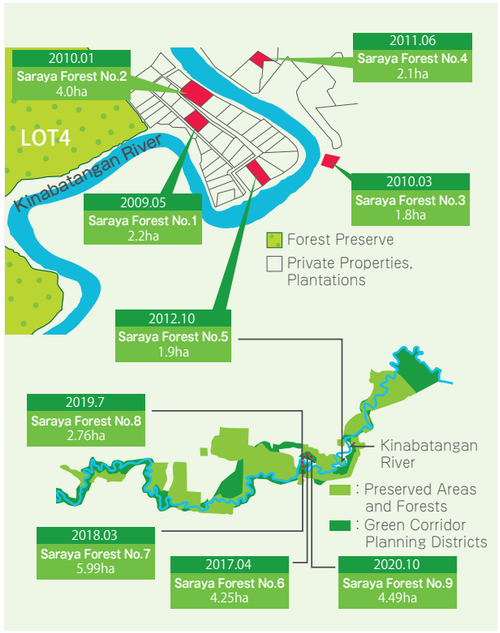
Green Corridor Project

We started our research on biodiversity conservation in Borneo at the end of 2004, and our first project was to rescue injured elephants. However, this alone would not solve the fundamental problem. Therefore, we started the Green Corridor Project with the cooperation of biodiversity conservation specialists and the Wildlife Department of the state of Sabah, Malaysia. The tropical rainforests of Borneo are rapidly shrinking, and oil palm plantations are spreading as far as the eye can see. The forests remain in small, island-like fragments within the forests. The wild animals living in these small forests have no choice but to pass through plantations and human settlements when migrating, and this is where the conflicts with humans occur.

Elephants Entering an Oil Palm Plantation

Oil Palm Plantations Stretching as Far as the Eye Can See

The Green Corridor Project aims to restore the lands among these forests as one continuous broad ecosystem by purchasing the lands from farms and other entities. The National Trust was the reference for this project. This is a movement to protect and manage valuable natural and cultural assets by collecting donations from the general public, buying them, and receiving donations. We decided to start this movement in cooperation with the Sabah Wildlife Department. The Borneo Conservation Trust (BCT) is a nonprofit organization established in the Malaysian state of Sabah for this purpose, and Borneo Conservation Trust Japan (BCTJ) was established to support this movement from Japan. Through the collaboration of these two organizations, approximately 100 hectares of land have been acquired since 2008 to the end of 2020. Although it will be difficult to achieve the goal by purchasing land through this campaign alone, it is hoped that these efforts will influence local government policies and the hearts and minds of local people and will vlead to significant changes that will protect Borneo's forests. Saraya donates one percent of the sales of its Yashinomi series and other target products, and the Saraya Forests acquired with these funds have expanded to nine locations totaling 29.49 ha (as of October, 2020).



Green Corridor Project to Save Wild animals

Migration pathways between riparian forests and fragmented rainforests are necessary for wildlife to thrive. BCT is promoting a green corridor plan to repurchase open land along the Kinabatangan River in Sabah, rehabilitate it into forest, and connect it to the rainforest. BCT acquires the land and grants land naming rights to organizations that support the project.

Saraya contributes one percent of sales from manufacturer shipments to support the rescue of wildlife in Borneo and biodiversity conservation efforts.

Tackling the Challenge of Restoring the Land, the Source of Life in Egypt

Tackling the Challenge of Restoring the Land, the Source of Life in Egypt

Deserts are dry, barren lands without sufficient water. Desertification is progressing because of global climate change and excessive grazing and deforestation by humans. Arid areas vulnerable to desertification, account for about 41 percent of the Earth's surface area. It is estimated one to six percent of the people living in these arid regions, which is approximately 20 million to 120 million people, roughly the same population as Japan, live in desert areas.

Desertification creates a harsh place for life to exist. Not only do plants and trees become less likely to grow, and the number of insects and small animals decreases, but it also becomes more difficult to grow valuable livestock and grains, and the lives of the people living on these foods also become unstable. Desertification is the loss of the land, which is the source of life.

A Gift from the Arid Desert - Jojoba

Jojoba is one of the plants that grows even in harsh deserts. Jojoba is an evergreen shrub in the jojoba family, which grows even in dry and barren lands such as deserts. Not just a plant, the seeds from jojoba contain a large amount of oil called wax esters. This oil contains components similar to the human cortex and is an excellent moisturizer for the skin.

Saraya's greening activities began with the discovery that jojoba, which grows robustly even in dry, barren deserts, can be used to produce excellent cosmetic ingredients. At that time, while jojoba could grow in harsh environments, the development and spread of superior varieties had not progressed, and seed production had not increased. Therefore, in 2017, in collaboration with Simmond Co., Ltd., a venture company from Osaka University, we began research to improve jojoba varieties on Egyptian soil for more efficient growth. In 2021, with support from Saraya, the research at the Egypt-Japan University of Science and Technology in Egypt to explore ways to utilize jojoba oil other than as a cosmetic ingredient has also began. We will continue our efforts to expand the scope of jojoba oil to help green the desert.

Simmond's Jojoba Orchard

Solving Social Issues Through the Jojoba Oil Business

A factory construction project is underway in a special economic zone along the Suez Canal in Egypt. Saraya is vigorously developing overseas markets, but this is the first time for the company to make a full-scale entry into the Middle East. The factory will be equipped with production facilities capable of pressing jojoba oil. Through the sale of jojoba oil used as a raw material for cosmetics, Saraya will promote the planting of jojoba trees and contribute to the prevention of desertification.

This factory will serve as a manufacturing base for the Middle East market and will produce and sell hand soap solution, hand sanitizer, Lakanto, jojoba oil, and cosmetics. Meanwhile, to expand the sales channels of the Egyptian factory, we are establishing sales companies in Dubai in the United Arab Emirates and Cairo, the capital of Egypt. All of us at Saraya will make every effort to establish all the way to sales companies in the Middle East, so that both Saraya's business and the earth will be sustainable.

The Suez plant of SARAYA Middle East for Industrial Investment J.S.C

Planting golden jojoba and jojoba seedlings

Saraya, in cooperation with Simmond, selects high-quality jojoba seedlings and plants them in the Egyptian desert. From those seeds, we have begun to press high-quality golden jojoba oil using the cold-pressing method. Jojoba oil is a wax ester with a chemical structure similar to that of human sebum, making it an excellent moisturizing ingredient that blends well with the skin and is being developed for use in cosmetics. In addition, by promoting the greening of the desert through the planting of jojoba trees, we will both combat climate change and procure sustainable raw materials and contribute to economic growth by promoting local employment in Egypt.

PEACE, JUSTICE AND STRONG INSTITUTIONS

Governance and Stakeholders

Joined the United Nations Global Compact

The United Nations Global Compact (UNGC) is a framework for companies and organizations to act as good members of society and achieve sustainable growth worldwide by exercising responsible and creative leadership. The Compact has 16,169-member organizations (as of the end of June 2022) in 161 countries and regions around the world. Saraya signed and became a member in June 2009, and endorses the Ten Principles related to the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and anti-corruption, and is working in close cooperation with stakeholders to realize these principles.

Governance of Saraya

Saraya has established an internal compliance system based on the Ten Principles of the Global Compact as a guideline to promote legal compliance and ethical activities. The Board of Directors meets once a month and reports to management on the aforementioned situations.

Customer complaints are handled promptly and appropriately in accordance with internal regulations. Also, the valuable opinions from customers are reflected in product development and other aspects of the company's management. In addition, we strive to strengthen our compliance system by providing education and training to our employees at least once a year on information security, legal compliance, and other issues.

UN Global Compact – 10 Principles	
Human Rights	
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2	make sure that they are not complicit in human rights abuses.
Labour Standards	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	
Principle 10	Businesses should work against all forms of corruption, including extortion and bribery.

Saitama Prefecture gives Mr. Saraya, president and CEO of Saraya Co.Ltd., the Shibusawa Eiichi Prize* in 2014.

Shibusawa Eiichi Prize

Shibusawa Eiichi (1840-1931) was a leading figure in the development of Japan's modern society. A dynamic force in the industrial world, he was involved in the founding of some 500 enterprises and economic organizations. Equally dedicated to social and public welfare, he was instrumental in the founding of some 600 organizations for social welfare, education, and international exchange. To uphold his legacy, Saitama Prefecture awards the Shibusawa Eiichi Prize to Japanese managers carrying on his spirit of entrepreneurship.

PARTNERSHIPS FOR THE GOALS

Honorary Consulate of the Republic of Uganda in Osaka Opened in Saraya Honmachi Office

Yusuke Saraya Appointed Honorary Consul of the Republic of Uganda

Yusuke Saraya, the President of Saraya, has been appointed Honorary Consul of the Republic of Uganda by the Minister of Foreign Affairs of the Republic of Uganda, Sam Kahamba Kutesa, and opened the Honorary Consulate of the Republic of Uganda in Osaka in the Saraya Honmachi Building.

Mr. Kutesa, Minister of Foreign Affairs of Republic of Uganda and Mr. Saraya, Honorary Consul of Uganda

Associations/Organizations Saraya Joins

Logo	English Name	Year of Admission	Purpose and Activities
GPN Green Purchasing Network	Green Purchasing Network(GPN)	1996	Provide a loose network and information dissemination among companies, government agencies, and private organizations that are taking the initiative in green purchasing.
ECO DESIGN NETWORK	ECO DESIGN NETWORK	2001	Activities for the realization and development of a sustainable society, envisioned from the standpoint of manufacturing, community development, and local environment development.
ZERI ZERI JAPAN	NPO ZERIJapan	2001	Based on the concept of zero emissions, which is to recycle and reuse resources and reduce waste to near zero, raise awareness and practice environmental education in Japan, build industrial clusters (linkage), and realize a recycling-oriented society.
BORNEO CONSERVATION TRUST JAPAN	Borneo Conservation Trust Japan	2008	In cooperation with the Borneo Conservation Trust, Saraya works to protect Borneo's natural environment, preserve biodiversity, and provide environmental education through a variety of projects.
world diabetes day	International Diabetes Federation	2014	The Blue Circle campaign of Unite for Diabetes, resolved by the United Nations and promoted by the International Diabetes Federation.
JBIB 企業と生物多様性イニシアティブ	Japan Business Initiative for Biodiversity	2008	The joint research conducted by diverse companies produces results that cannot be achieved by single corporate activities alone, and truly contributes to the conservation of biodiversity both domestically and internationally.
JaSPON Japan Sustainable Palm Oil Network	Japan Sustainable Palm Oil Network	2019	An organization established to accelerate the procurement and consumption of sustainable palm oil in the Japanese market with the aim of resolving various environmental and other issues related to palm oil production.
We Support unicef	Japan Committee for UNICEF	2010	A United Nations agency to protect the lives and health of children around the world. The organization's mission is "children first" to help children grow and develop to their full potential.
Save the Children	Save the Children Japan	2001	Fundamental solutions to the problems surrounding children and activities in children's education, health and nutrition, and emergency and humanitarian aid.
女性、選択できる世界を。 JOICFP	Japanese Organization for International Cooperation in Family Planning (JOICFP)	2011	Activities to ensure the women around the world can safely conceive and give birth without losing their lives due to pregnancy or childbirth.
日本IDDMネットワーク	Japan IDDM network	2006	For patients for whom insulin replacement is essential, make type 1 diabetes mellitus (IDDM) a curable disease instead of an incurable disease.
World Wide Fund for Nature Japan		2020	One of the world's largest environmental conservation organizations, active in about 100 countries. The organization aims to protect biodiversity on the earth and create a future in which people and nature can live in harmony.
CEN	Climate Emergency Network	2020	A network of companies, local governments, universities, organizations, and individuals working together to support the declaration of a climate emergency and the transition to a carbon neutral (virtually zero greenhouse gas emissions) society.
CLOMA	Japan Clean Ocean Material Alliance	2021	A platform to accelerate innovation by strengthening collaboration among a wide range of stakeholders across industries in the public and private sectors to solve the problem of marine plastic litter.
WHO JAPAN	WHO Association of Japan	2012	Contribute to health promotion by disseminating activities and useful information implemented by WHO.
GEA Global Environmental Action	Global Environmental Action	2022	Contribute to the resolution of global environmental problems and sustainable development.

We are committed to the SDGs!

Sustainability Report **2022**