



Connect Through Life

**SARAYA**

**SUSTAINABILITY  
REPORT**

**2023**



**We are committed  
to the SDGs !**

# About Sustainability

## Basic Approach to Sustainability by the Saraya Group

The existing TQM Promotion Division Policy, TQM Activity Policy, and the Environmental Policy are considered from the viewpoint of the SDGs and ESG. The Sustainability Promotion Policy has been established to show how the Saraya Group promotes sustainability from the perspective of the Saraya Basic Philosophy. And, based on that Saraya Basic Philosophy, the Group aims to contribute to a sustainable society and increase corporate value by resolving social issues through business activities.

## Sustainability Promotion Policy

The business objective of Saraya is to contribute to improvements in the hygiene, environment, and health of the world. Now that there are concerns about the sustainability of the world, the Group would like to contribute to the resolution of such concerns through the business objectives of Saraya. The Group will develop its business by building a global network and providing unique products and services both domestically and overseas to achieve its purposes. Through business activities, Saraya regards addressing the global environmental and social issues as one of the most important management policies and contributes to the realization of a sustainable society through the provision of environmental value to customers.

## Action Guidelines

The Action Guidelines for Sustainability Promotion of the Saraya Group are set forth below

### 1. Identifying materiality and resolving social issues through business activities

Saraya will identify the materiality that leads to sustainable growth for the Saraya Group and society with the aim of increasing corporate value through business activities. In addition, the company will propose and realize a variety of solutions that can discover new market needs, respond to those needs, and thereby resolve social issues and revitalize the organization.

### 2. Creation of reliable relationships with society

Saraya will engage in responsible dialogs through communication with all stakeholders, listen to the needs and expectations of society, and practically build strong relationships of trust.

### 3. Achieving Sustainability Management by establishing a truly global company and strengthening governance

The Saraya Group aims to establish a global production and sales system in niche fields, strengthen global governance by making full use of a variety of means of communication, and achieve fair and transparent sustainability management.

### 4. To conserve the global environment, develop new products aimed at sustainable use of resources, create new businesses, strengthen value chains, and strengthen business activity management

The Saraya Group will engage in business activities with the intention

of protecting the global environment by combating global warming and protecting biodiversity and ecosystems. At the same time, the Group will develop new products and create new businesses in conjunction with the promotion of the SDGs with the aim of achieving sustainable development and an affluent society. Saraya also intends to build a sustainable value chain by ascertaining the use of resources in the supply chain for all products. The Group will strengthen business management and disclose detailed governance by effectively utilizing the management system, which is a mechanism for the operation and management of these systems.

### 5. Implementation of employee education on sustainability promotion

Each and every employee who is a member of the Group puts sustainability promotion into practice. In particular, employees will be educated to understand the SDGs, which is a sustainable development target, and to foster awareness of resolving social issues. Based on the Sustainability Promotion Policy, each division achieves its own goals within the TQM framework through its core business activities.

May 1, 2019

President & CEO  
Saraya Co., Ltd

Yusuke Saraya



# Top Message

## Post-COVID-19 Pandemic : Toward Sustainable Growth



The COVID-19 pandemic is subsiding. In line with this trend, people's flow has been revived, and business has been revived, including disrupted supply chains for food and beverages, travel, and various conferences. However, Russia's invasion of Ukraine resulted in a shortage of energy and food, prices have risen, inflation has advanced, and business has entered a difficult phase. While wars have broken out and commodity prices have risen, there has been little progress in resolving the various problems of global warming, reduction in the number of species, marine pollution from plastics, gaps in wealth, and widening social segmentation, which threaten the survival of the earth and humankind. Saraya will take on the challenge of facing these problems through the business activities of the Group companies during these difficult times.

The company is hopeful and believes that once Saraya is able to contribute to resolve as many problems as possible through concrete business practices, even if small, the wave will be one of business as a whole and the trend will be toward progress for problem resolution. The following is a report, and the Saraya Group asks for the understanding, support, and cooperation of everyone involved.

### 1 Response and sponsorship of the Blue Ocean Project

The Saraya Group will cooperate with ZERI Japan (NPO corporation) to promote the Blue Ocean Project. ZERI Japan's Blue Ocean Project is as follows, and Saraya will support it and develop relevant businesses.

#### ① 2025 Osaka/Kansai Expo Blue Ocean Dome

In 2025, ZERI Japan will exhibit the Blue Ocean Dome at the Osaka / Kansai EXPO, and Saraya will sponsor this exhibition to work on projects for sustainable use of marine plastic contamination and the oceans.



Blue Ocean Dome Expo 2025

#### ② Tsushima project

In Tsushima, ZERI Japan will promote the collection of drifted ocean trash and floating marine waste, promote recycling and using trash and waste as fuel, and foster industries to realize the Island model. For this reason, Saraya also signed a collaboration agreement with Tsushima City to participate in these missions and to respond to their business needs.



Kansai Association of Corporate Executives picking up trash during a visit to Tsushima

#### ③ Mauritania project

The Saraya Group will contribute to sustainable fisheries and industrial development in West Africa through business. At the end of 2023, the Group will actually establish an affiliate of Saraya and begin operations with the aim of developing a sustainable fishery. This achievement will be announced at the Expo as the Blue Ocean Project of ZERI Japan.



With Mauritania Minister of Fisheries and Ocean Industry



Mauritania Desert

#### ④ Promotion of blue ocean education for children

ZERI Japan will sponsor a variety of meetings on the ocean and ocean education. Saraya will support these efforts.

#### ⑤ Marine-related product development

The Saraya Group will develop the Blue Ocean brand and provide information and educational activities through its products.

#### 2 Promotion of the health business in Africa

The Saraya Group will expand the contagion management business in Uganda and Kenya and strive to launch the ongoing type lotion product against Tunga penetrans.



Before After

#### 3 Support for the Borneo Conservation Trust in Europe and the United States

Happy elephant products were launched in the United States and Europe. Through company products, Saraya will raise awareness of the nature conservation activities in Borneo and other regions, donate a portion of sales to conservation, and promote the campaign.



Happy elephant manufactured in France

#### 4 Development of smart meters and smart switches

The Saraya Group will save energy by promoting the use of IoT smart switches and smart meters using LoRa modules designed by SOTUNEC-SARAYA, which was established in Tunisia.

#### 5 Enhancement of the hygiene business and preparations for infectious disease countermeasures

The COVID-19 pandemic is converging; however, a pandemic infectious disease may emerge at any time. In addition, antimicrobial resistance (AMR) to antibiotics (e.g., antibiotic-resistant bacteria, MRSA, VRE, multidrug-resistant Mycobacterium tuberculosis) is quietly progressing, and the problems of infection are spreading. In addition, infection at nursing care facilities and at home is another worry. For a pandemic or other infection control that may occur, Saraya

established ① a Kanto pharmaceutical factory (completed in April 2023), ② a nitrile glove factory (Yangzhou, Jiangsu, China), and ③ a domestic mask factory in Sakai City, Osaka Prefecture, as part of the building of a resilient supply system. Saraya will fulfill its corporate responsibility of fighting infectious diseases by making full use of these resources.



Kanto pharmaceutical factory completed on April 18, 2023



Nitrile glove factory started production in January 2023

#### 6 Enhancement of the organization

The Saraya Group will enhance the organization to promote the fields of hygiene, environment, and health. For this reason, the Group will promote work-style reforms with the aim of creating a diverse and inclusive workplace. As a PR, Saraya actively recruits highly motivated, positive, and talented personnel who can deliver excellent performance. Management would like to ask you to apply for a position within Saraya regardless of whether you are a new graduate or a mid-career employee and regardless of age, gender, religion, or nationality.

#### 7 Collaboration with NPOs and social groups

In order to resolve the various issues facing business and the global environment, Saraya deepens its collaboration with NPOs and social groups and works toward the resolution of these issues.

#### 8 Enhancement of the global network

Saraya contributes to sustainability by building a global network and then using that network.

President and CEO  
Saraya Co., Ltd

Yusuke Saraya



# SUSTAINABLE DEVELOPMENT GOALS

Saraya sets the three keywords of **Hygiene** **Environment** and **Health** which are closely related, as the pillars of business and to realize a more prosperous, fruitful global society.

As a company that contributes to the improvement of hygiene, the environment, and health worldwide, Saraya provides products and services that meet the diverse needs of customers.

As a global citizen, the company will work to protect the global environment by, for example, preventing global warming and protecting biodiversity and ecosystems. At the same time, Saraya conducts business by proposing environmental value to customers through the promotion of the SDGs.

## Editorial Policy

### Reporting Period

The report mainly covers achievements in the 2022 fiscal year (November 2021 to October 2022), but also includes some activities outside of this period.

### Guidelines Used for Reference

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

### Website

web | <https://saraya.world/images/sections/sustainability/SustainabilityReport2022.pdf>

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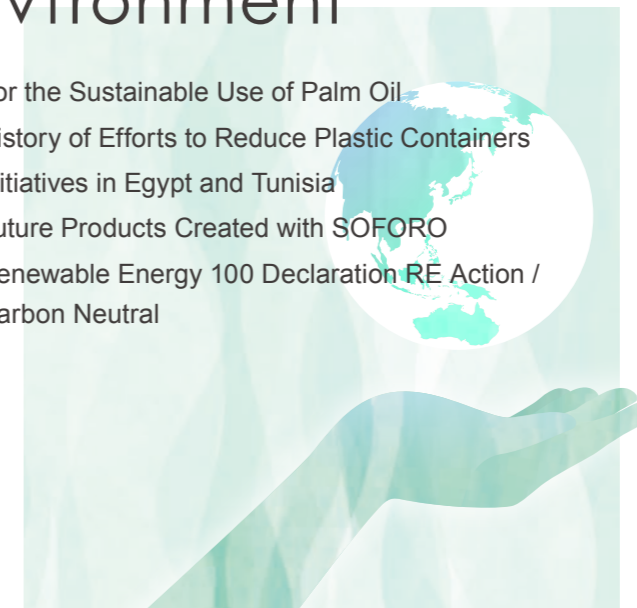


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# 01 Sanitation

Contributing to the reduction of the risks of infectious diseases to ensure safe, clean lifestyles.

The Saraya Group intends to become No.1 in the handwashing industry by offering products and services that meet the hygiene needs of countries worldwide.

Handwashing is the starting point of Saraya's business since the company's founding. Saraya also works to contribute to improving hygiene in developing countries.

The African segment of business, which started in Uganda, spread to Kenya, Egypt, and Tunisia.

Going forward, Saraya will expand to include West Africa and South Africa. With the aim of contributing to the good health of people through Saraya's products and services throughout Africa, the company will work to achieve global UHC\* while incorporating advanced technologies into the expertise cultivated in the prevention of infectious diseases.

※ UHC means that everyone can receive services for appropriate health promotion, prevention, treatment, and functional restoration at a payable cost.



# 01 Sanitation Improvement Project in East Africa

## ► Survey of Reduction in Nosocomial Infections by Promoting Alcohol Hand Disinfection

In post-COVID Africa, Saraya is advancing a large-scale intervention study project to accelerate evidence-based contagion measures with alcohol hand disinfectants.



### Eastern Uganda Regional Mikono Project

#### Africa's first large-scale intervention study aimed at patient safety

The Saraya Uganda corporation is working with the University of Geneva Hospital, which is registered as a WHO Collaborative Center in the field of patient safety, and the University of Uganda-Busitema on a large-scale interventional research project on hand hygiene.

MIKONO is It means "hand" in Ugandan.

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.



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 was launched in August 2019 and was temporarily suspended because of the COVID-19 pandemic. In August 2022, the project launched its last remaining intervention in the province of Busia. Saraya plans to continue to intervene until July 2023. Subsequently, through July 2024, this study, including monitoring and feedback and the Safety Climate building, is expected to have significant impacts on the region, as well as spillovers throughout Uganda and throughout Africa.



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

## Initiatives of Saraya Manufacturing (U) Ltd. in Uganda

In 2011, the Saraya Group established a sales company in the capital city of Kampala. Since the beginning, the Group has developed activities centered on measures to fight nosocomial infections in cooperation with the Ministry of Health, JICA, and Professor Pitte of the Geneva University Hospital. In 2014, Saraya established a manufacturing company on the factory premises of a local partner sugar manufacturing company and began local production of alcohol disinfectants. In line with the recent expansion in demand for measures against the Ebola virus and new types of coronavirus infectious diseases, Saraya is strengthening its mass production system, including the introduction of automatic filling lines. In addition to the previous GMP, ISO 9001, Saraya obtained ISO 13485 certification in December 2021 and is now working to improve medical hygiene in anticipation of the post-COVID period.



Saraya Members of Uganda Office

## ► Tungiasis Countermeasure Project in Kenya

Saraya is taking on the challenge of developing drugs for the treatment of tungiasis using its formulation technology and aims to introduce it to the market as soon as possible.

### Response to the neglected tropical disease tungiasis

#### What is tungiasis?

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.

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.

The Ministry of Health of Kenya is the only government in the world to tackle this disease and established guidelines for measures against tungiasis. March 3 is designated as the day of tungiasis in Kenya, and the government is aiming to eradicate it. However, as with many other neglected tropical diseases, because of their limited areas and scale of damage, no effective therapeutic drug has been developed to date. Under the guidelines, treatment with manganese dioxide solution and coconut oil is recommended, but the cure rate is only around 40%.



Tunga penetrans-parasitic legs (top left of the photograph) and tungiasis mass treatment in Kenya (top right and bottom of the photograph)

#### Development of drugs for the treatment of tungiasis

In response to this situation, Saraya has identified and combined an effective insecticide ingredient with the skincare technology cultivated in the development of hand hygiene chemicals to date to develop a simpler and more effective treatment. The dosage form is a lotion in a pump bottle, and the lotion is designed to be spread over the entire affected area in a small amount.

The drug has already received regulatory approval from the Kenyan Committee on Drugs and Poisons, and Saraya intends to obtain approval for manufacturing at the Ugandan plant during fiscal year 2024. After being approved in Kenya, the company is providing samples to the Kenyan Ministry of Health, Public Health Administration, and local NGO / Ahadi Trust focusing on measures to combat tungiasis. Field testing in the field also confirmed that the affected area will be clean and cured within two weeks.

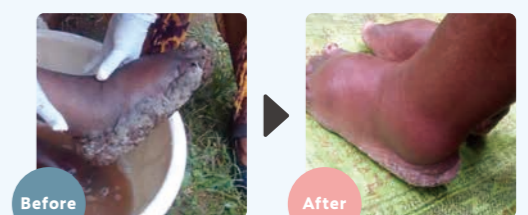
On the other hand, even after full recovery, if there is no improvement in the living environment or the habit of wearing shoes such that the floor of houses is covered in sand, the problem remains, and people will suffer from tungiasis many times. For this reason, Saraya is committed to contributing to the realization of comprehensive support for treatments as well as education and enlightenment and preventive measures.

#### Case of treatment by our lotion type product against Tungiasis

##### ► Case1



##### ► Case2



# 02

## Environment

The Saraya Group aims to create sustainable products throughout the process from development to disposal.



**Saraya is doing its utmost as a global citizen to help create a sustainable planet.**

Since its founding in 1952, Saraya has provided products that contribute to solving the social problems of each era, thereby ensuring its business foundation.

At the heart of this effort was a response to the deteriorating water and air environment.

This approach to global environmental issues, which is the starting point of Saraya, is now continuing as the approach to global sustainability.

Saraya will do its utmost to address the problems of global warming, reduced biodiversity, and marine pollution caused by environmental destruction.



# 01 For the Sustainable Use of Palm Oil

## ► Borneo's biodiversity conservation activities and dissemination of RSPO Certification

In order to promote the sustainable use of palm oil, Saraya is engaged in activities on the twin pillars of local biodiversity conservation and the dissemination of RSPO certification.



### Background to biodiversity conservation activities in Borneo

#### 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.

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 and palm kernel oil are extracted from the fruit and the seeds of the oil palm tree, respectively. These have become an integral part of our lives, mainly for food. 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.



Foot of an elephant in a nylon rope trap



Oil palm

Palm kernel oil



Borneo island and surrounding countries map



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

#### Program interview and afterward

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.

#### Support for activities of the Borneo Conservation Trust

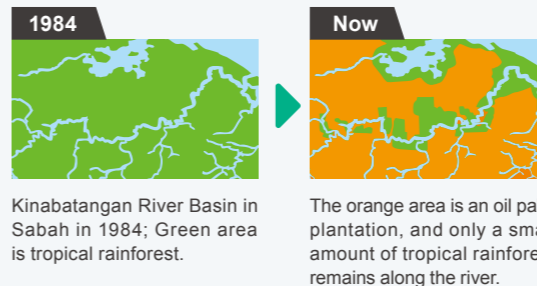
We started our research on biodiversity conservation in Borneo at the end of 2004, and our first project was to rescue injured elephants. However, this alone would not solve the fundamental problem. Therefore, we started the Green Corridor Project with the cooperation of biodiversity conservation specialists 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

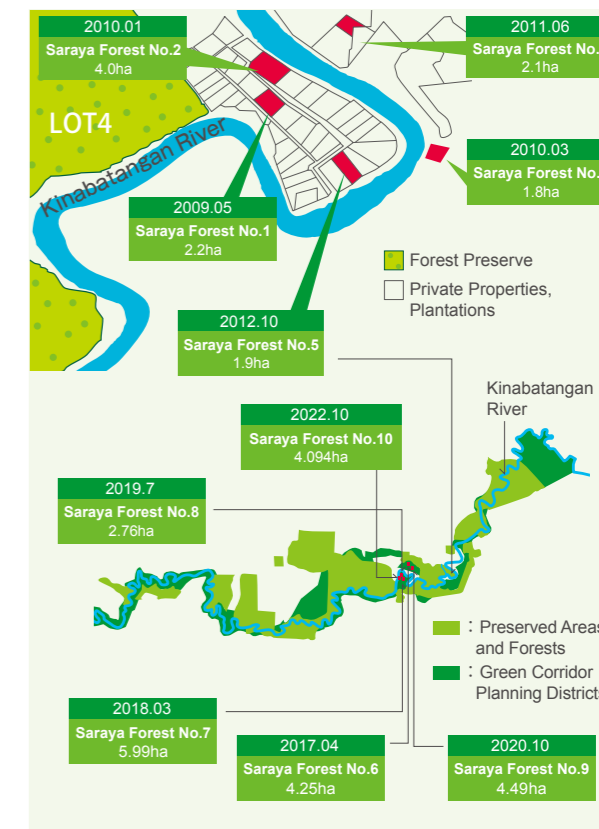
#### ► Oil Palm Plantation Expansion



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

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 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 October 2022. 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 lead 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 ten locations totaling 33,584 ha (as of October, 2022).

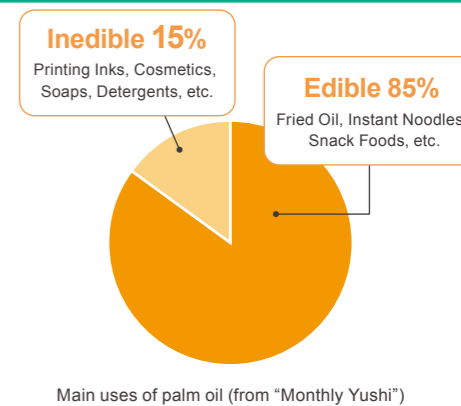


"Green Corridor Project" to save wild animals

### Sustainable procurement of palm oil

#### Palm oil that supports people's lives

Palm oil is imported in large quantities into Japan. Approximately 85% of this imported amount is for edible use, such as fried oil, instant noodles, and snacks, and the remaining 15% is for nonedible use, such as soaps and detergents, which are in widespread use in our lives. Demand has spread around the world because the oil is cheaper than other oils. Palm oil has a high yield per unit area, greatly outperforming other major vegetable oils, such as 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.





**RSPO Certified Raw Material Procurement Status and Future Policies**

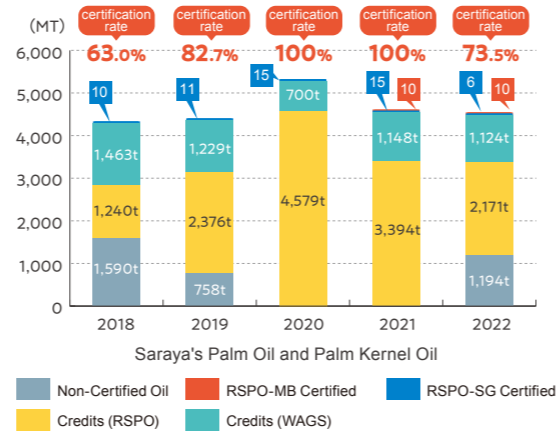
**RSPO Promotion System and Procurement Results**

Saraya joined the Roundtable on Sustainable Palm Oil (RSPO) as the first Japanese company to do so in 2005. In addition, in 2010, Saraya became the first Japanese company to acquire RSPO supply chain certification, and since launching products with a certification mark (segregation, isolated style), the company has continued to operate on the basis of those standards. A cross-divisional promotion system has been established within the company to prepare a variety of different documents, provide education and training, conduct internal audits, and undergo external certification audits. As for the derivative raw materials derived from palm kernel oil, which are used in large quantities as raw materials for soaps and detergents, the introduction of RSPO certification throughout the entire supply chain has not progressed, and it is difficult to procure raw materials for physical certification models. Accordingly, Saraya supports the production of sustainable palm oil by purchasing credits issued by producers under a certification model called Book and Claims (book-based assertion type). However, since June 2020, the price of credit has soared, which forced Saraya to limit the amount of credit purchased. Currently, the company maintains a 100% certification rate for consumer products from the standpoint of raising consumer awareness and purchases credits for corporate products based on customer requests. Because it is difficult for one company to resolve this price hike alone, Saraya will seek solutions while exchanging information with relevant companies and organizations. In addition, obtaining certification for small-scale farms, which account for about 40% of the total output, is an issue for the

dissemination of RSPO certification. To support this effort, Saraya has actively purchased the credits issued by small farmers since 2017. Through this initiative, in December 2022, Saraya was invited and commended during the "Evening of Gratitude" sponsored by the NGO Group Fortasbi (Indonesian Sustainable Oil Palm Smallholders Forum) that helps small-scale farmers obtain certification.



NGO group Fortasbi "Evening of Gratitude" awards ceremony



**Future RSPO Certified Raw Material Procurement Policy**

Toward 2030, Saraya is aiming for a 100% certification rate again, including the book-and-claim method. At the same time, the company will promote the purchase of physical certified raw materials, such as segregation and mass balance, and increase its procurement ratio. Saraya will also expand the use of RSPO certified oils group-wide, including those abroad.

**Segregation**



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.

**Book & Claim (Credits)**



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.

**Toward Further Dissemination of RSPO Certification in the Japanese Market**

As of December 2022, more than 280 Japanese organizations were members of RSPO, making it the fourth largest group in the world. In 2019, 18 organizations, including Japanese retailers, consumer goods manufacturers, and NGOs, established the Japan Sustainable Palm Oil Network (JaSPON) to disseminate RSPO-certified oils in the Japanese market. Saraya also participated since its establishment as a director

(46 organizations as of December 2022). In fiscal year 2023, Saraya participated as one of its management teams and is actively engaged in these activities. Because it is difficult to promote the use of RSPO-certified oils through the activities of a single company, Saraya will continue to work with member organizations as a member of JaSPON to promote this system in the Japanese marketplace.

**Supporting Wild Asia's SPIRAL Projects**

**Agricultural models that take biodiversity and climate change into account**

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. Since 2017, Saraya purchased RSPO-certified palm oil and palm kernel oil credits through WAGS from small farmers in support of their activities. Wild Asia pointed out that the acquisition of RSPO certification alone cannot sufficiently incentivize small-scale farms, conventional farming methods are dependent on expensive chemical fertilizers, and that the biodiversity of farms is undermined. In response, Saraya began the program called the Small Producer Inclusivity & Resilience Alliance (SPIRAL) in 2020 to improve the productivity of farmers through new farming methods, to improve the biodiversity of farmland, and to support climate-friendly agriculture. Saraya visited the site and provided support for the program in December 2022. This new farming method, in addition to obtaining RSPO certification, is expected to reduce costs by converting from expensive chemical fertilizers to organic fertilizers made by the farmers themselves, improve the profitability of farmers by cultivating multiple crops, and create carbon credits by producing bio-charcoal and applying it to agricultural land using palm branches. Saraya will support the construction of a sustainable oil palm farming model that takes biodiversity and climate change into account in collaboration with Wild Asia.



Peasant farmers and Wild Asia team participating in Spiral



Biochar firing demonstration by Wild Asia staff

**Strengthening the Value Chain for Borneo Environmental Conservation**

**Resumption of on-site inspections by employees**

Because of the COVID-19 pandemic that began in 2020, employees were unable to conduct on-site inspections in Borneo, but the inspections were resumed after the relaxation of restrictions on overseas travel. In December 2022, 14 representatives from different departments, including participants at the general meeting of the RSPO, visited the site. Traveling members came from a wide range of departments, including the Purchasing, Public Relations, General Affairs, Personnel, and Consumer Business divisions. Many members traveled to Borneo for the first time, and by seeing the reality of the situation in the host country, the company further strengthened its desire to work for Borneo environmental conservation. In the future, Saraya will communicate its activities to consumers, local communities, suppliers, and other stakeholders as the company works to strengthen its value chain.



Visit to an oil palm farm by an employee

**INTERVIEW**

**Toward New Changes in the Oil Palm Industry**

Saraya has been a pioneer in promoting RSPO certification. Biodiversity conservation projects in Borneo have also had an impact and have attracted attention from consumers and the media, as well as from researchers and have been reported in several papers. Negotiations with local governments are required to proceed with the Green Corridor Project, and Saraya needs to continue making persistent and steady contributions. As for activities aimed at transforming the oil palm industry, it is no longer enough to use RSPO certified products. Many RSPO member companies are already taking the next step. More than ever before, there is a need to use

sustainable resources and for initiatives for Nature Positive. Under these circumstances, the spread of agroforestry and bio-charcoal in cooperation with Wild Asia is indeed a state-of-the-art business. Recently, a biofuel development project using algae was launched on Borneo Island. There is no doubt that if this trend increases, it will affect the palm oil industry. Preparations are also required to respond to new changes.

Researcher of Saraya Co., Ltd  
**Mr. Nobuo Nakanishi**



Sanitation  
Environment  
Health  
Society

## 02 History of Efforts to Reduce Plastic Containers

Since its founding, Saraya has thought about the environment, developed and marketed a variety of products based on the concept of making products from natural materials, and actively addressed plastic problems.



### Efforts to Reduce Plastics through Various Measures

#### Achieving resource conservation from the founding stage

In 1952, Saraya developed and commercialized Japan's first medicated handwashing soap solution, Pearl Palm Soap Solution, and a soap solution container. This resource-saving product is diluted 7-10 times with water when it is used. It was a revolutionary product that has been made with consideration for the environment since that time.



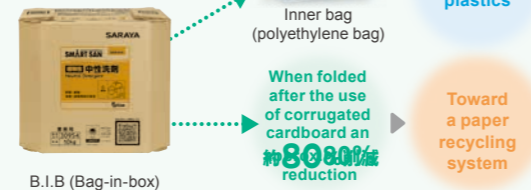
#### Returnable containers for commercial use

For many years, Saraya has used returnable large-volume containers filled with commercial detergents, shipped, collected when empty, cleaned, and then reused. Aging containers are also recycled.



#### Bag-in-box (BIB) system integrates packaging and containers

Saraya is shifting to a BIB system instead of plastic bottles where corrugated containers use inside bags containing the chemicals.



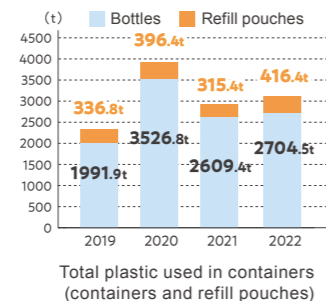
#### Reduced-volume bottles

Improvements in hand soap containers based on feedback from customers at medical sites that want to reduce the volume of waste generated at business sites. Shape innovation and thinning of the containers enabled folding before being discarded, thus reducing the volume of waste by about 70%. In addition, Saraya reduced the use of plastics by approximately 50% compared to conventional bottles.



#### Situation and Future Targets of Material Flow of Containers

Saraya has been aggregating material flow items related to containers up to fiscal year 2022, which was the most recent target. The company monitors the total amount of plastic used as bottles and refill pouches as well as the amount of pouches jointly collected, including refilled pouches of Saraya products, collected by participating in the Kobe Plastics Next Pack Recycle Project. Currently, Saraya is working to calculate the amount of recycled materials and bioplastics used and the amount of reductions for a wide range of products. A system will be setup to monitor material flows. First, the company will implement a variety of measures to achieve the medium-term targets by fiscal year 2025 and to materialize the long-term targets by fiscal year 2030.



#### Medium-to long-term policy up to 2030

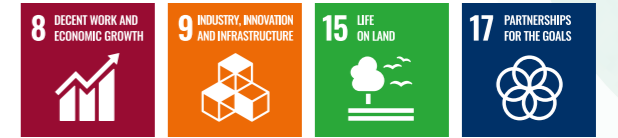
- Up to fiscal 2025 (Medium-term targets):**
  - By using thinner containers and replacing them with refilled pouches, the company aims to reduce plastic consumption by a cumulative total of 25% or more (on a weight basis) compared with the previous production of bottles (2019 basis).
  - More than 70% of containers used on the production lines (on a weight basis) shall be reusable or recyclable. Even when it is difficult to recycle, heat recoverability is secured.
- Up to fiscal 2030 (Long-term target):**
  - Double the use of recycled materials compared to 2019.
  - Develop and commercialize new materials through industry-university collaboration.
  - Establish a framework for the collection of waste plastics, including in-house products, through collaboration within the company group.
  - Participate in platforms that transcend industry boundaries and work to recycle plastic resources in collaboration with diverse stakeholders.
  - Consider evaluating methods in which CO<sub>2</sub> emissions from the entire lifecycle is evaluated as indices as part of a variety of measures for resource recycling.

※The base year is 2019, when the Osaka Blue Ocean Vision was presented.  
 ※Based on the results as of fiscal year 2025, the medium-and-long-term policies for 2030 and beyond will be reviewed, and new quantitative targets will be set.

## 03 Initiatives in Egypt and Tunisia

### ► Sustainable business development utilizing plant-derived materials

The objective is for a sustainable society together with customers by creating a system that enables the purchase and use of products that contribute to environmental conservation activities.



### Solving Social Issues through Jojoba Oil's Business

#### Jojoba Oil with Various Potential

Construction of a plant for Saraya Middle East Co., Ltd., is currently underway in the Ain Sokhna Special Economic Zone along the Suez Canal in Egypt. This factory will consist of a manufacturing facility that can squeeze jojoba oil. Through the sale of jojoba oil, a raw material for cosmetics, Saraya intends to lead in the planting of jojoba, which can grow even in harsh deserts, for the greening of deserts. In addition, the company has been improving the productivity of jojoba production in collaboration with the Osaka University venture company Simmond Co., Ltd., which has been leading the way since 2017. By achieving cost reductions in the production of jojoba oil, Saraya will not only use it as a raw material for cosmetics but also investigate a variety of other possibilities, such as insect repellents for agriculture and machine oil. In 2021, with the support of Saraya, specific research on the development of these applications began at the Egypt-Japan University of Science and Technology in Cairo. In addition to jojoba oil-related products, the Ain Sokhna plant, which is scheduled to begin operations sometime in 2023, plans to manufacture Lakanto, cosmetics, and hand disinfectants. The plant will supply products to North Africa and the Middle East through sales companies in Egypt, Saraya Egypt Co., Ltd., a sales company in Dubai, and Saraya Middle East Trading Co., Ltd.



Saraya Middle East in Egypt



Jojoba Manufacturing Area



Jojoba Seed



Jojoba Orchard of Simmond Co., Ltd.

### Fostering Tunisian Industries through Olive Oil

#### Toward the start of operations at the plant in 2023

In Tunisia, one of the Maghreb countries in the northwestern region of Africa, olive oil production has flourished for many years. Tunisia faces the Mediterranean Sea and has more than 300 clear days per year; the olive oil produced there contains 10 to 20 times more polyphenol than European oil thanks to the climate. However, these products are exported in bulk because of problems with processing and bottling technologies, they are blended with European-produced olive oil and other products, and then put on the market. As a result, Tunisian olive oil has generally traded at low prices, and the income of Tunisian farmers has remained at low levels. Accordingly, Saraya aims to contribute to the development of sustainable industries, the correction of regional disparities, the implementation of measures against unemployment, and the development of human resources to promote domestic industries by promoting education in the technologies and expertise for optimal control from the harvest of olives to crushing, as well as product development, such as bottling, to sell as high-value-added products. Currently, Saraya Natural Products Tunisia Co., Ltd., is constructing a plant in the El Fejja Industrial Park, located 30 km southeast of the capital city of Tunis, with the aim of commencing operations in 2023. In addition to bottling Tunisian-produced olive oil, the plant plans to manufacture perfumes and cosmetics using essential oil extracted by the affiliate Saraya Bote Sante and to widely supply the products to overseas markets.



Saraya Natural Products Tunisia Co., Ltd.



Oil tank



Olive grove and fruit

## 04 Future Products Created with SOFORO

In Saraya, we pursue the unknown possibilities hidden in SOFORO and continue to create products that are friendly to people and the environment.



### Saraya's proprietary sophorolipid, SOFORO, produced through fermentation

#### What is SOFORO?

Biosurfactants (BSs) are amphiphilic substances produced by microorganisms, such as bacteria and yeasts, which have excellent environmental compatibility and high surfactant activity. Furthermore, since BSs 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.

Sophorolipid (SL) is 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.

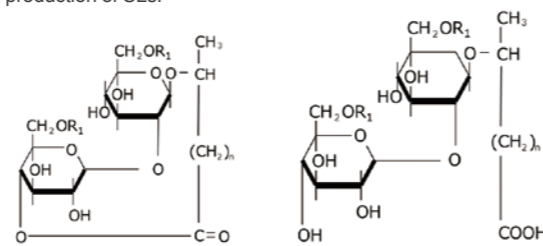


Figure 1. Structures of sophorolipids (A: lactonic type, B: acidic type)

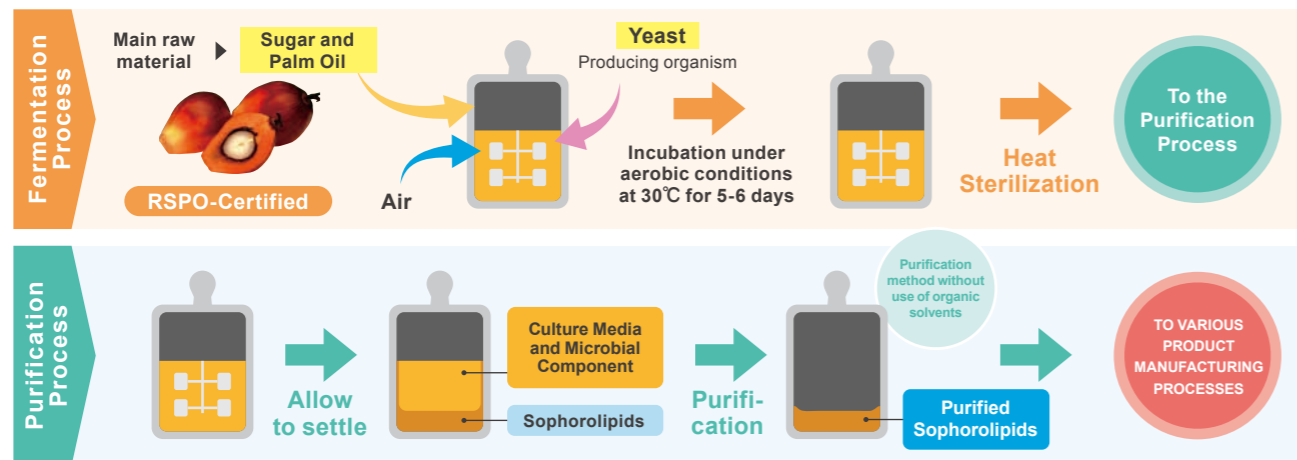


Figure 2. Fermentation and Purification Process of Sophorolipids

※ 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.

#### Product development utilizing SOFORO's properties

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 dishwashing product utilizing 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 SL, which improved the stability of SL in aqueous solutions, making it possible to use SL in liquid type products, such as our household detergent brand Happy Elephant product line-up and medical device reprocessing brand 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 additional 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), and regenerative medicine (SOFORO Cryo).

#### For further expansion of its applications

Saraya found an environmentally friendly and unique SL production method and at the same time, confirmed various interfacial chemical properties of SLs and their compatibility with humans and the environment. Our unique SLs has been trademarked as "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.

## 05 Renewable Energy 100 Declaration RE Action

### ▶ Aiming for 100% Sustainable Energy Use

Saraya has participated as a member of the Consultative Committee for the Renewable Energy 100 Declaration RE Action and declared that 100% of the total will be renewable energy by 2050.



### Renewed energy, which holds an important key to overcoming dependence on fossil fuels

#### Initiatives to Achieve a Carbon-free Society

The Renewable Energy 100 Declaration, RE Action, is an initiative in which companies (with less than 50 GWh of electricity consumption per year), local governments, educational institutions, and medical institutions announce the shift of their electricity consumption to 100% renewable energy by 2050 at the latest by working together. As the representative director of the Green Purchasing Network (GPN) and affiliated with Saraya Co., Ltd., Tokyo, Saraya has participated as a member of the Consultative Committee for the Renewable Energy 100 Declaration, RE Action, since its establishment in 2019.

The number of participating organizations exceeded 300 as of January 2023, the total number of employees within the participating organizations reached approximately 160,000, and the total amount of electricity consumed reached approximately 1,672 GWh. In addition, three ministries,

seven prefectures, and eight government ordinance-designated cities have been appointed ambassadors to provide public relations and other services as supporters of these activities. Despite the recent surge in electricity prices, the suspension of acceptance of new contracts by retail electric utilities, and the successive withdrawal of new electricity, making it no longer easy for users without their own power generation facilities to procure renewable energy, the increase in the number of participating organizations suggests a rise in demand for renewable energy as well as an increase the willingness of organizations to work toward the realization of a decarbonized society. In December 2022, Saraya held an event for the first time since its establishment in which participating organizations held one event. The company will continue to act as a member of the council.

## 06 Carbon Neutral

### ▶ Toward the Realization of Carbon Neutral

Various initiatives are under way in Japan to achieve carbon neutrality by 2050.



### Consider the Tipping Point in Global Climate Change

#### Japanese domestic moves to realize a GX that is attracting attention worldwide

Today, the earth is about to enter the tipping point of climate change. "Tipping point" refers to the events where gradual changes become rapid changes. Beyond a certain level, irreversible and large-scale changes may occur with regard to climate change, and research is underway.

In October 2020, then Prime Minister Yoshihisa Suga declared "2050 Carbon Neutral" with virtually zero greenhouse gas emissions by 2050. With this declaration as an opportunity, the term Green Transformation (Green

Transformation: GX) began to attract attention in Japan. GX refers to the transition of fossil-fuel-central economic, society, and industrial structures since the Industrial Revolution to a clean energy-centric approach and the transformation of the entire economic and social system. In February 2023, the Cabinet approved the Basic Policy for Realizing GX, and legislation will be put in place to achieve carbon neutrality by 2050.

# 03 Health

Supporting the healthy and cultural lives of all people through our products and services.

**We will contribute to the health of the world.**

Saraya started with the development of products that contribute to the prevention of infectious diseases.

Saraya's first step in the development of health foods was the development of natural sweeteners that contribute to the improvement of dietary habits. Saraya developed its philosophy of prevention, which has continued to this day, into the prevention of lifestyle-related diseases. Saraya promotes steady research and development of health foods by thoroughly implementing raw materials, functions, and effects that are friendly to humans and the earth.

For the next generation, Saraya, a naturalist, will continue to take on the challenge of offering new proposals for food and health.



# 01 Farm to Table

## Saraya's Challenge of Contributing to the Prevention of Lifestyle-Related Diseases



### The Founder and His Thoughts on Monk Fruit

#### Encounter with a fruit (Lakanka, 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 3, 8). 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 plant-derived foods, interest in safe and plant-derived sweeteners is high.



Signing Ceremony with Guilin City



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



Monk Fruit Cultivation Site of Saraya's Agreement Farmers. Monk Fruit Flower and Artificial Pollination of Monk Fruit

### Quality Control for Safe and Reliable Food



Guilin Saraya Biotech Co., Ltd.



Members of the Food Safety Team at the Osaka Factory

#### Acquire FSSC 22000 certification

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

### Background to the development of Lakanto

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 plant-derived sweeteners 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.



Lakanto S, a Plant-Derived Sweeteners with Zero Calories



### 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.

Against this backdrop, the Saraya USA Lakanto factory, which was being constructed in Utah, USA, opened in March 2023. The plant has an extensive site of approximately 12,000 square meters and consists of a front office, manufacturing facilities (mixing and packaging), raw material and finished product warehouses, and a quality assurance room.



Saraya USA Lakanto factory

## 02 To Resolve Food and Health Issues

### ▶ The SARAYA Group's Challenges Related to Food

Saraya aims to create a sustainable food culture together with related business divisions and relevant companies.



#### Effort to Food System Solution Promotion

##### Utilization and operation of rapid freezing technology

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.

The new coronavirus infection changed food demand and consumption patterns, and the food industry has been affected by the entire food chain from producers to distributors and restaurants. In addition to a variety of different issues related to food to date, new issues have been highlighted, such as restrictions caused by infectious diseases and changes in demand. As a result of these developments, awareness of food safety and hygiene was also heightened, and the importance of hygiene control and quality control was once again recognized. At the same time, the frozen market rapidly expanded, and interest in liquid freezing, which rapidly freezes and saves in high quality, increased. These trends will continue into the future, and as efforts to supply sustainable food and resolve issues become more important, Saraya proposes a new chilled frozen cooking system, a next-generation cook and freeze system that uses the Shut-Man vacuum degassing packaging machine capable of high-speed hot packs and the Rapid Freezer for high-quality freezing. This system employs the latest frozen technology to reduce food loss and supports production areas in solving problems. The system also contributes to reducing carbon dioxide emissions by saving labor. At prior sites, new added value is created by the frozen work of non-standard agricultural products that were previously disposed of. At cooking sites, pre-cooking is possible, and production can be planned according to demand. This not only reduces food loss but also enables smoother operations and contributes to improved production efficiency and the elimination of labor shortages.

Also, in order to create the form of sustainable next-generation food, we also sell frozen foods at stores such as Cotof Marche, which sells healthy side dishes and frozen foods from businesses that have introduced Rapid Freezers and Shut-Man. We provide sales support, and engage in consistent efforts from operational proposals to cooking operations and exit strategies in terms of sales and distribution under the theme of the next generation of refrigeration.



Cotof Marche

## 03 Food Value Chain

As food hygiene professionals we utilize our experience in food hygiene management to offer total support in the establishment of a food value chain that can scale with developing countries to preserve and share the fresh taste of local ingredients, following food safety and hygiene guidelines.



#### SARAYA KITCHEN LAB. Project - Share Kitchen Opens in Nairobi

SARAYA KITCHEN LAB. has opened a shared kitchen in Nairobi, Kenya, which was selected for the "5th. Tobidase-Japan!" project subsidized by the Ministry of Economy, Trade, and Industry. We are developing an incubator facility that will allow food businesses to relocate and rent equipment. This will also promote food processing, incorporating Japanese level of food hygiene,

by using SARAYA's cooking utensils and equipment including quick-freezing equipment, and SARAYA's hygiene products, such as electrolyzed water generators, detergents, and disinfectants. We are also promoting the use of pop-up restaurants, central kitchens, menu development, cooking classes, food hygiene seminars, and Lakanto.



Specialized Food Processing Equipment at Saraya Nairobi Kitchen Lab



Cooking scene at Saraya Nairobi Kitchen Lab

#### 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.

Yamasen, a Japanese restaurant in Kampala, the capital of Uganda, has entered the food hygiene business in East Africa, offering the taste of fish caught at Kenyan fishing ports and Uganda ingredients. Saraya has invested in COTS COTS LTD., a Japanese venture company that plans and operates this restaurant, and is supporting Yamasen to become a model case for practicing Japanese-quality food hygiene.



Japanese restaurant "Yamasen" in Kampala, the capital of Uganda

# 04

## Society

As a member of society, Saraya will endeavor to build and deepen bonds with stakeholders and the relevant parties surrounding the company.

**The company will strive to resolve issues through business in order to realize a sustainable society worldwide.**

Amid concerns about global sustainability, Saraya will contribute to the resolution of concerns through business activities.

The company will develop business by building a global network and providing unique products and services both domestically and overseas.

Through these business activities, Saraya regards addressing global environmental and social issues as one of our most important management policies and contributes to the realization of a sustainable society by providing environmental value to customers.



# 01 Human Resources Utilization Aiming to Utilize Diverse Individualities and Capabilities



## ▶ Leveraging diverse human resources to create new value

The Saraya Group has established a diversity promotion policy and is promoting initiatives to utilize human resources.

### Diversity and Inclusion Initiatives

Saraya promotes organizational management that respects the diversity of human resources so that women, the elderly, people with challenges, and foreign nationals can play an active role from the standpoint of the sustainable growth of companies and human resources. Human resources are the most important management resource, and the company hopes to actively use them to promote business.

#### Saraya's Diversity Promotion Policy

- 1 Saraya will expand the curiosity and surprise of employees toward work through diverse human resources and diverse values, increase the depth of expertise of personnel, expand the diversity of the world and each business field, and create fun through team strength, which will provide new value to customers and improve the level of satisfaction.
- 2 In order to accept and use diverse human resources and values and to develop their skills as autonomous human resources, Saraya encourages employees to understand diversity and enhances the work environment and training systems.
- 3 Through its businesses and CSR, Saraya aims to be a company in which a diverse range of employees and companies can work together to grow, develop, and contribute significantly to the sustainable development of the planet, the national community, and the local community.

### Appointment of foreign employees

In addition to the Overseas Business Headquarters, many multinational members are active in every aspect of Saraya. Personnel are involved in business development in different parts of the world where cultures and customs are unique.

#### INTERVIEW

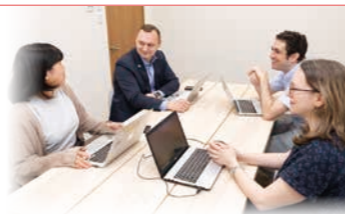
### Deployment of Global IT at Global Operations Division

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. 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**

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.



# 02 Saraya's Health Management

Saraya will contribute to the world as a leader in the fields of hygiene, environment, and health around the world with the aim of further raising the awareness of health by promoting the health of important employees and their families.



### Saraya's Health Management Initiatives

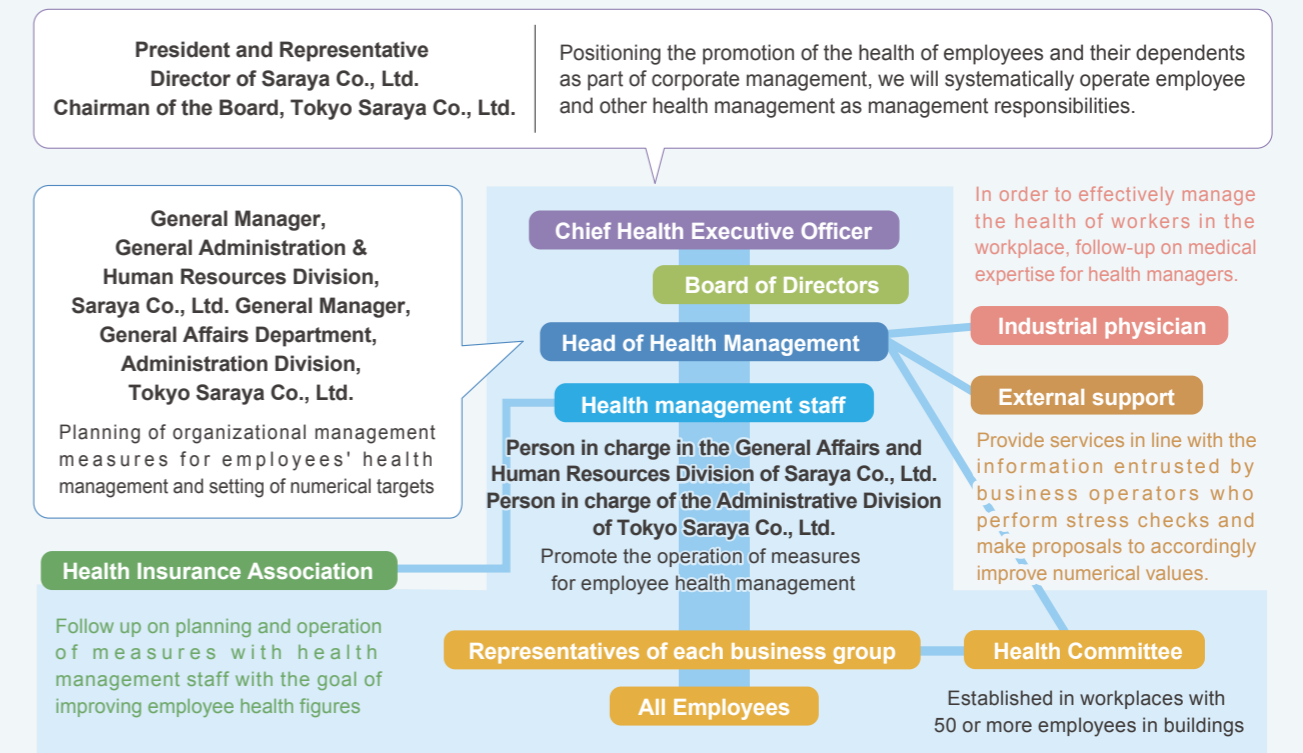
#### To realize the well-being of each and every employee

Saraya's mission is to contribute to the hygiene, environment, and health of the world. To date, Saraya has developed as a leader in the fields of hygiene, environment, and health, supported by customer confidence. Indeed, health is part of the roots of Saraya and the main theme in the development of products and services. At the same time, the health of Saraya employees and their families is an important foundation that supports the sound growth of the company. Furthermore, Saraya believes that health is not only about "not being sick" but also about being able to live in good health even if suffering from an illness. The company believes that everyone can aim for a healthier mind and body and can ultimately realize that rich personal skills and personalities as a person are equal to the state of one's well-being. The realization of well-being of each and every employee will be the driving force behind the growth of Saraya, and the company will engage in health management to contribute to the health of people around the world where Saraya is involved.

#### Saraya Group Health Management Declaration

Saraya's corporate philosophy is to contribute to hygiene, environment, and health around the world. The company hereby declares its commitment to health and productivity management as a company that contributes to the health of people around the world through business activities through health promotion and the utilization of diverse know-how and functions in terms of hygiene and health.

### Health Management Organization





# 03 Social Contribution Activities

## ▶ Domestic and overseas initiatives

Amid concerns about the sustainability of the world, Saraya promotes a variety of businesses with the aim of resolving business goals by improving the world's hygiene, environment, and health. These concerns cannot be attained without partnerships among countries, companies, regions, and experts. Saraya works with NGOs, NPOs, governments, local governments, and other relevant organizations through businesses to help address social issues and achieve the sustainable development goals.



### One million handwashing projects

This project has been implemented in cooperation with the Japan Committee for UNICEF since 2010 in Uganda, one of the countries where handwashing, the starting point of Saraya, is still insufficient. The company provides handwashing facilities in Uganda and educational training for the spread of handwashing. One percent of all sales of the targeted products (value of shipments from manufacturers) is donated to the Japan UNICEF Association, which will be used in the handwashing promotion program developed by UNICEF in Uganda.



Handwashing guidance by hand washing ambassador

### Safe Motherhood project

According to the World Health Organization (WHO), the number of cervical cancer deaths worldwide is projected to increase from 311,000 to 0.4 million between 2018 and 2030. Cervical cancer is the leading cause of death among women in Uganda, Africa. Since 2012, Saraya has supported the White Ribbon Campaign to protect expectant mothers in East Africa through JOICFP. Saraya has helped protect Ugandan maternal patients from infectious diseases in Phase 1 of the Saraya Safe Motherhood Project and has started the Phase 2 initiatives. The company is engaged in activities to protect the lives and health of women worldwide, including through the use of a portion of the sales of Lactoferrin Lab, a skin care brand in Saraya, to support the promotion of cervical cancer testing in Uganda.



## ▶ Participation in external groups

English Name	Purpose and Activities	Logo
<b>Green Purchasing Network(GPN)</b>	In 1996, Saraya joined the Green Purchasing Network, which was established as a loose network of companies, governments, private organizations, and other organizations that take the initiative in green purchasing.	
<b>ECO DESIGN NETWORK</b>	In 2001, the company joined the Eco-Design Network, a specified nonprofit organization, which was established to address global environmental issues from the perspectives of manufacturing, community-building, and local environment-building.	
<b>NPO ZERIJapan</b>	Saraya established ZERI Japan in 2001, and president Yusuke Saraya was appointed the chairman of the board of directors. This initiative is based on the Zero Emissions Initiative, which aims to recycle resources and energy and bring waste closer to zero. The goal of the initiative is to raise awareness and provide environmental education in Japan, build industrial clusters (alliances), and realize a recycling-oriented society.	
<b>Save the Children Japan</b>	Save the Children, a 100-year-old child rights pioneer, is a global NGO specializing in child support. In Japan, Save the Children Japan was established in 1986, and Saraya has supported its activities since 2004. A portion of the sales of the arau series and the arau baby series, which are supportive products, are used in the activities.	
<b>Japan IDDM network</b>	In 2006, Saraya joined the Nippon IDDM Network, a certified nonprofit organization that aims to realize a society in which patients and their families who need insulin replenishment can live with hope. The company supports these activities through Lakanto S.	
<b>Borneo Conservation Trust Japan</b>	In 2008, Saraya joined Borneo Conservation Trust Japan, a certified nonprofit corporation that works to conserve biodiversity and protect tropical rainforests on Borneo Island, Malaysia. 1%* of the sales of palm oil-related brands, such as the Yashinomi series, Happy Elephant, and Cocopalm, is used for environmental conservation on Borneo Island through the Borneo Conservation Trust (BCT). (*※) Manufacturer shipment value.	
<b>Japan Business Initiative for Biodiversity</b>	In 2008, Saraya joined the Japan Business Initiative for Biodiversity (JBIB), a group of companies that actively act with the aim of conserving biodiversity, as a regular member.	
<b>Japan Committee for UNICEF</b>	The Saraya One Million Handwashing Project was launched in 2010 as a joint project with the UNICEF Japan Association, and 1%* of total sales of sanitation-related brands* was donated to UNICEF, which is used to support UNICEF's handwashing promotion activities in Eastern Africa and Uganda. (*※) Manufacturer shipment value.	
<b>Japanese Organization for International Cooperation in Family Planning (JOICFP)</b>	Since 2012, a portion of the sales of Lactoferrin Lab have been used in the White Ribbon Campaign promoted by JOICFP, a Japan-born international cooperative NGO that is active in protecting the lives, health, and well-being of women.	
<b>WHO Association of Japan</b>	In 2012, Saraya became a member of the Japan WHO Association, a public interest incorporated association that informs the public of the activities of the World Health Organization (WHO), a specialized organization in the field of health care, and works to inform as many people as possible by sharing useful information.	
<b>World Wide Fund for Nature Japan</b>	In 2020, Saraya joined WWF Japan, an environmental conservation organization active in more than 100 countries that restores the wealth of the biodiversity being lost and works to prevent global warming.	
<b>Japan Sustainable Palm Oil Network</b>	In 2019, Saraya joined the Japan Sustainable Palm Oil Network (JaSPON), which was established to accelerate the procurement and consumption of sustainable palm oil in the Japanese marketplace, with the aim of resolving a variety of environmental and other issues related to palm oil production.	
<b>Climate Emergency Network</b>	Saraya is a member of the Climate Emergency Network as a representative of the founders, which was established as a platform for free exchange among municipalities that have declared or are seeking to declare a climate emergency, municipalities seeking to declare net zero emissions by 2050, and young people, citizens, experts, NGO, companies, and governments.	
<b>Japan Clean Ocean Material Alliance</b>	In 2021, Saraya joined the Clean Ocean Materials Alliance (CLOMA), a platform for accelerating innovation by strengthening collaboration between the public and private sectors and a wide range of stakeholders, with a view to resolving the issue of offshore plastic waste.	
<b>Global Environmental Action</b>	In 2022, we joined the Global Environmental Action Council (GEA), which was established as an NGO for the purpose of helping to resolve global environmental issues and achieve sustainable development.	
<b>BLUE OCEAN INITIATIVE</b>	Through multifaceted exchanges with all stakeholders related to the sea and business co-creation, Saraya has been a member of the Blue Ocean Initiative, a corporate alliance attempting to resolve social issues that are both sustainable and effective in protecting and increasing the prosperity of the sea, as a leader since its establishment in 2022.	

Sanitation  
Environment  
Health  
Society

## Consumer-oriented voluntary declaration

### Philosophy

Saraya aims to realize a sustainable society by contributing to the development of hygiene, environment, and health around the world. The company will develop business by building a global network and providing unique products and services and then provide safe,

secure products as "Saraya that connects life." In addition, as a member of society, Saraya will endeavor to build and deepen bonds with stakeholders, in other words, the relevant parties involved in the company.

### Policy for Initiatives

#### 1. Commitment by top management

- The business goal is to contribute to the development of hygiene, environment, and health around the world. We will protect the global environment through business, sustainably use resources, and raise awareness among employees to realize sustainable development and true enrichment.
- We will clarify the goals and roles of each organization and assign responsibility and authority for execution.

#### 2. Corporate Governance

- We value the opinions of customers. We collect and analyze the customer's voice, identify the problem, and promptly resolve the problem. We will work with stakeholders to continuously improve the system and respond appropriately to the requirements of stakeholders.
- We will comply with regulations promulgated by national and local governments, including quality and environmental laws and regulations, and will endeavor to comply with international regulations and all other regulations.
- For customers and other external stakeholders, we set up a customer contact to receive a variety of opinions. Important matters in the opinions received are reported and discussed at meetings of the Board of Directors and other bodies, and the opinions are reflected in management.

#### 3. Top management policies and internal penetration

- Every week, a Message from the President is disseminated by top management to all employees. By fostering a corporate culture and having a major impact on the code of conduct of employees and the decision-making of executives, all personnel are encouraged to foster a sense of sustainability and customer orientation. In addition, we posted in-house posters and slogan panels to raise awareness among employees.

#### 4. Enhancing the provision of information to consumers and exchanging information in an interactive manner

- We are constantly strengthening the governance system from product development to manufacturing and services in order to ensure the safety and quality of our superior products. In addition to incorporating quality in the process from customer feedback to product planning, design, production, and sales, we established a system for conducting surveys and responding to customer inquiries about quality.

#### 5. Development and Improve Based on Consumer and Social Needs

- We will strive to improve and develop products based on realizing a sustainable society by contributing to hygiene, environment, and health. We also aim to be a company that can develop ethical products that meet the expectations of customers and stakeholders, and we will implement philanthropy.

## Governance of Saraya

Saraya established an internal compliance system and promotes legal compliance and ethical activities based on the 10 principles of the Global Compact as guidelines. The board of directors meets once a month to report on the aforementioned situation to management. Complaints from customers are handled promptly and appropriately in accordance with internal

regulations. The company will also reflect the valuable opinions of its customers in corporate management, including product development. Saraya also strives to strengthen the compliance system by providing education and training for employees at least once a year, including information security and legal compliance.

## New United Nations Global Compact CoP

Saraya signed and joined the United Nations Global Compact in June 2009 and now works to realize its 10 principles. The current Annual Report (CoP) of the United Nations Global Compact has changed dramatically. Every year since 2023, Saraya submits responses with the (i) CEO electronic signatures that demonstrate ongoing support for UNGC and (ii) corporate actions related to the 10 principles and SDGs.

Questions are divided into five categories: governance, human rights, labor, environment, and anticorruption.



## Future Issues Based on Answers

In the four areas of human rights, labor, environment, and anticorruption, questions arose about corporate policies, preventive measures implemented before problems are identified, and appropriate responses to negative impacts. In each category, Saraya stipulated prevention and countermeasures in its internal regulations, or generally worked on them as operations of the department.

However, future issues include the formulation and disclosure of "policies." Specific policies enable us to identify and manage risks, mitigate adverse impacts and systematize our response to incidents. We also believe that by clarifying and declaring our policies externally, we can motivate and direct the implementation of these policies.

# SARAYA Company Information

## Company Information

	Saraya Co., Ltd.	Tokyo Saraya Co., Ltd.
Year of establishment	1952	1969
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
Capital	45 million yen	60 million yen

Access SARAYA's website



Website <https://saraya.world>

Read our company profile

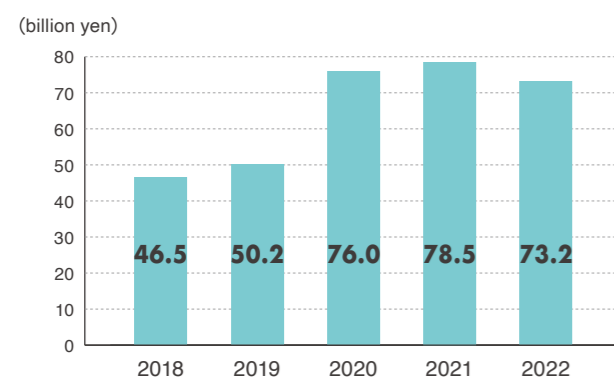


Company Profile <https://saraya.world/who-we-are>

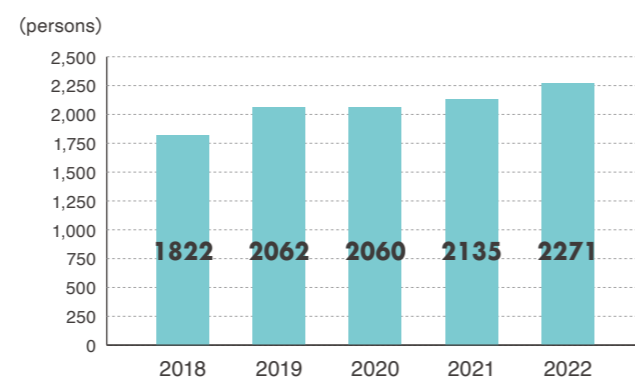
## Annual Sales and Number of Employees (as of the end of October 2022)

**[Saraya] •62.6 billion yen •1837 persons**

**[Saraya and Tokyo Saraya] •73.2 billion yen •2271 persons**



Consolidated Net Sales for the Past Five Years



Consolidated Number of Employees for the Past Five Years