



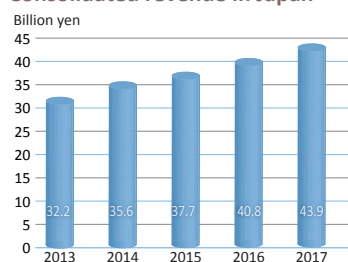
Sustainability Report 2018

SARAYA

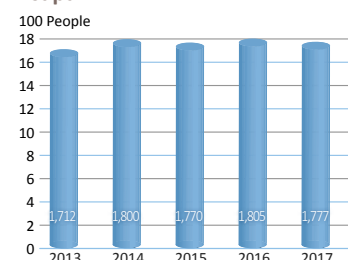
SARAYA Company Information

	Saraya Co., Ltd.	Tokyo Saraya Co., Ltd.	Smile Sangyo Co., Ltd.
Headquarters	2-2-8 Yuzato, Higashisumiyoshi-ku, Osaka Japan 546-0013	1-25-8 Higashishinagawa, Shinagawa-ku, Tokyo Japan 140-0002	24-12 Tamate-cho, Kashiwara-shi Osaka Japan 582-0028
Telephone	+81-6-6797-3111	+81-3-5461-8101	+81-72-978-7800
President and Representative Director	Yusuke Saraya	Syuji Saraya	Ryuji Saraya
Year of establishment	1952	1969	1983
Capital	45 million yen	60 million yen	30 million yen
Number of employees	1,288	406	62
Business summary	<ul style="list-style-type: none"> • Development, manufacturing and sales of health and hygiene products and services. • Consultation for food and environmental sanitation. • Development, manufacturing and sales of food products. 		Manufacturing plastic bottles, operating business sites
Business sites	Headquarters	Osaka	Tokyo
	Research lab	Osaka, Guilin(China)	—
	Manufacturing sites	Osaka, Iga (Mie), Chonburi (Thailand), Dongguan (China), Selangor (Malaysia)	—
	Main service office in Japan	23 cities	23 cities
	Overseas bases	Manufacturing 6 sites, sales 23 sites	—

Consolidated revenue in Japan



Consolidated number of employees in Japan



International Organization for Standardization Certification

Management System	Certified Organization (Certified Dept.)	Date
ISO 9002	Saraya Co., Ltd. Smile Sangyo Co., Ltd.	13 Dec. 1999
ISO 14001	Saraya Co., Ltd. Tokyo Saraya Co., Ltd. Smile Sangyo Co., Ltd.	26 Nov. 2001
	Saraya Co., Ltd. Tokyo Saraya Co., Ltd. Smile Sangyo Co., Ltd.	13 Dec. 2002
ISO 9001	Saraya (Dongguan) Hygiene Products Co., Ltd.	1 Nov. 2005
	Saraya MFG. (Thailand) Co., Ltd.	7 Jul. 2006
ISO13485	Saraya Co., Ltd. (Head offc, Development dept. Research Lab, Osaka fac., Iga fac.)	In part 22 Dec. 2006
ISO14001	Saraya MFG. (Thailand) Co., Ltd	Whole 26 Dec. 2008
ISO 22000	Saraya Co., Ltd. Tokyo Saraya Co., Ltd. (Food Sanitation Instructor, Food Sanitation H. Q. etc.)	In part 8 Dec. 2008



SARAYA wins Japan SDGs Award



SARAYA received the Minister of Foreign Affairs Deputy Director Award at the inaugural Japan SDGs Awards. The ceremony was held at the Prime Minister's official residence on 26 December 2017, hosted by the Ministry of Foreign Affairs. The award was in recognition of SARAYA's contribution to the improvement of hygiene in Uganda, activities promoting biodiversity in Sabah, Malaysia, and encouraging the use of sustainable palm oil.

About Japan SDGs Awards

The Government of Japan established a cabinet body, the SDGs Promotion Headquarters, headed by the Prime Minister and composed of all ministers on 20 May 2016, in order to ensure a whole-of-government approach to implementing the 2030 Agenda for Sustainable Development in a comprehensive and effective manner. The Japan SDGs Awards incentivize and promote good practice.

Cabinet Public Relations Office press release; http://japan.kantei.go.jp/98_abe/actions/201712/26article4.html
 UN Secretary-General's message to Japan's SDGs Award ceremony; http://www.kantei.go.jp/jp/singi/sdgs/japan_sdgs_award_dai1/siryou4.pdf
 Ceremony video; <https://nettv.gov-online.go.jp/prg/prg16450.html?nt=1>



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 and South Asia 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 as well as in the South Asian region. This applies especially to Uganda and Cambodia where its work started.

This report covers eleven goals of 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 (as of JUNE 2018) 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 2012
GRI (Global Reporting Initiative)
"The GRI Standards"

Reporting period

The report mainly covers achievements in
the 2017 fiscal year (1 November 2016 to 31
October 2017), but also includes some activities
outside of this period.

Reporting scope

(Environment Management System)
Saraya Co., Ltd.
Tokyo Saraya Co., Ltd.
Smile Sangyo Co., Ltd.
Saraya MFG. (Thailand) Co., Ltd
Saraya (Dongguan) Hygiene Products Co., Ltd.

Month of issue

May 2018 (the next report is to be issued in
May 2019)

Website

<http://worldwide.saraya.com/doc/SustainabilityReport2018.pdf>

Sustainability Report 2018 We challenge the SDGs!

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Top Commitment

Let's empower SDGs in Sanitation, Environment and Health!



Jared Diamond wrote in his book “Collapse: How Societies Choose to Fail or Succeed” that any civilization can easily collapse especially as a result of environmental deterioration. This book tells us that we need to take seriously that even our global society could collapse by the deterioration of the environment.

I visited the cave in Lascaux and saw the paintings by Cro-Magnons. It is easy to see that they had skills and intelligence over 20,000 years ago. Homo sapiens initiated the agricultural revolution 5,000 years ago. The industrial revolution began 300 years ago. In such a short space of time, we are now already facing the collapse of our civilization. All society and business has to reform in a sustainable way.

It is very appropriate that the United Nations set the “SDGs-Sustainable Development Goals” in 2015. These goals should be achieved by all members of global society.



The cave painting of Lascaux

(1) SDGs in SARAYA

It was very gratifying for SARAYA to win the first SDGs Japan Award in Dec. 2017 promoted by the Japanese Government. It was presented by Mr. Shinzo Abe, the Prime Minister of Japan, and Mr. Taro Kono, the Minister of Foreign Affairs of Japan. The award is given in recognition of our active contributions to the Borneo Conservation Trust in Malaysia, and our activities supporting healthcare improvements in Uganda and Kenya. We are now classifying our projects to correspond to the SDGs which are highly relevant to our business activities.

We believe that our projects should have a grass roots connection to local inhabitants and promote local development. Although they are small steps, our aim is to take concrete and constant steps such as these towards the SDGs. The challenges are described in the following pages.

2) Healthcare and Food Sanitation Development in Uganda and Kenya

We started the project “Wash a Million Hands!” in Uganda in 2010. Since then we have expanded the activities from public health to the hospitals. We started the local production of alcoholic hand rub in 2014. We have been collaborating with NGOs.

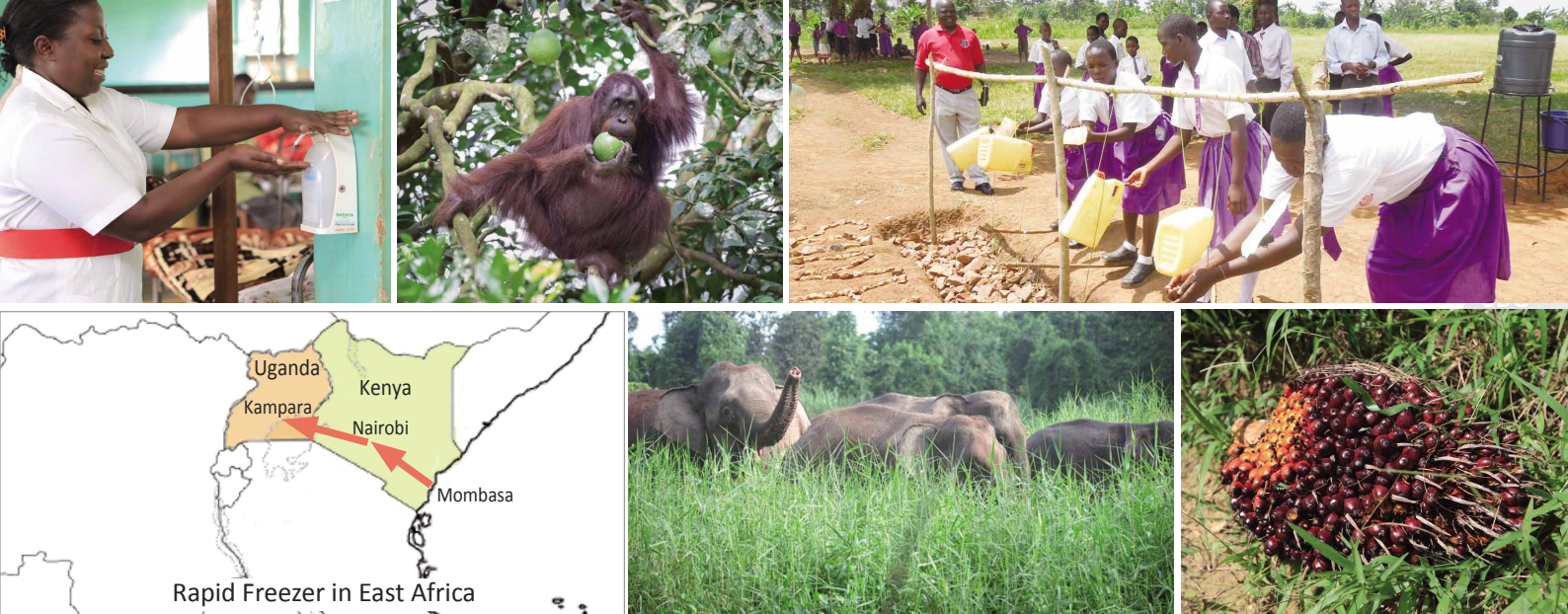
The Japanese Organization for International Cooperation in Family Planning (JOICFP) has been intensively promoting the importance of hand disinfection at the time of birth in village maternity centers to decrease the infection of mother & child at the time of birth. We have supported the JOICFP since 2011. (cf. p.8)

In Kenya, in addition to the healthcare business, we will be starting a pilot study between 2018-2019 in Mombasa Port to make high quality fish fillets by using a Rapid Freezer, and distributing them for the trial run of a cold distribution chain.



"Alsoft V" was used for infection control of the Marburg virus at Kapchorwa Hospital in Uganda in 2017.





(3) Borneo Conservation Trust

We maintain the expansion of a green corridor along the Kinabatangan River in Sabah, Malaysia, which is our raw material supply region, as well as protecting the elephants. We have also started the production of pellets from the empty oil palm fruit bunch. (cf. p.16-17, 24-25)

(4) Rapid Freezer in Cambodia

We have developed a machine called “RAPID FREEZER” (pictured right) to make high quality frozen products. Between 2017 to 2018, we conducted a pilot study in Cambodia to make frozen tilapia fillets and frozen tropical fruits to sell to the local supermarkets and restaurants, with the aim of creating more value for farmers and fishermen from locally produced products. The project was successfully completed, and we are now looking to scale up the operation as a business with collaborating partners.

(5) Desert Jojoba Oil Plantation in Egypt

A joint venture company “Simmond” was established in 2016 between Professor Fukui, members of Osaka University, and SARAYA. The purpose is to turn the Egyptian desert green by planting jojoba trees. Jojoba trees bear fruit which produce jojoba oil, which is very suitable for cosmetic products. We are now developing cosmetic product lines using the jojoba oil produced from the plantation in Egypt, and selling them on the market.

(6) Herbal essence extraction in Tunisia

At the beginning of 2018, we set up a herbal and floral essential oil processing factory in the middle of farmland at Cap Bon Peninsula in Tunisia. We worked together with local farmers to grow neroli, roses and geraniums. We have already had our very first harvest of 50 kg of essential oils. We are determined to establish the technologies and make it ready for local application to increase the income of the local people, as well as to create a new supply chain for SARAYA.

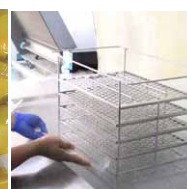
Although they are small steps, we are now conducting many projects around the world with the hope of making supply chains more transparent, from the sources all the way to the consumers, as well as to share the values of sustainable development among the people in the supply chains. I also hope our relentless efforts and trials will not only be successful for the participants, but also create a new wind of change to establish a better and more sustainable world for everyone to live in.



Empty oil palm fruit bunch after oil extraction, and the fuel pellet



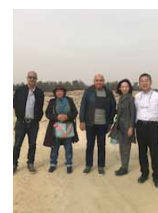
SDG
8



Freezing mangos rapidly to preserve the natural juices and flavors in a Rapid Freezer

SDG
10

SDG
12



Jojoba plantation



Jojoba nursery trees

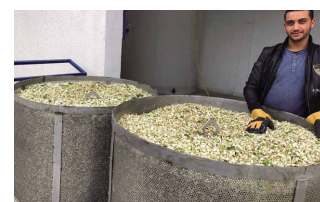
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Saraya Baute et Sante and Neroli



SDG
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Harvested Neroli flowers

SDG
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SDG
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President Saraya Co., Ltd.
Yusuke Shiro Saraya

SDG
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Good Health and Well-Being

Sanitation Legacy

1952 in Japan

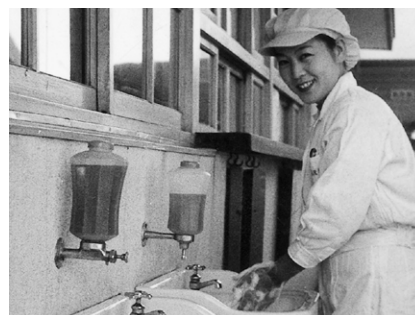
People in Japan were often suffering from outbreaks of dysentery and food poisoning in 1951 after WWII. There were over 111,000 patients at the peak of the dysentery epidemic in 1952. Back then, solid soaps (bar soaps) were widely available in the market, but liquid soaps were not yet sold in Japan.

In April 1952, Saraya introduced liquid soap with a disinfectant effect along with a dispenser. As the product was such an innovative and effective approach to improving hand hygiene, it gained people's trust and gradually spread to the factories of leading industries such as the pulp & paper and iron & steel sectors, as well as schools and public offices. In November the same year, the new regulations from the Japanese Health Ministry for compulsory hand washing and disinfection at food processing facilities came into force. Saraya has been developing ever since as one of the leading companies in the field of public and food hygiene.

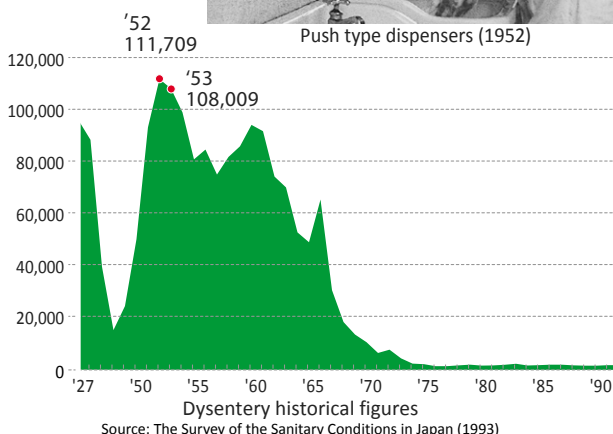
Introduced Alcohol-Based Hand Disinfectant

The "Hand Saniter" was the very first alcohol-based product Saraya introduced to the world. Saraya has been researching and developing alcohol-based hand disinfectants (ABHD) ever since. In 1976, MRSA (Methicillin-resistant *Staphylococcus aureus*) had not been isolated in Japanese healthcare facilities, but by 1987, MRSA was isolated from over 58% of patients. In 1996, prevention and control measures for nosocomial MRSA infection, such as the application of alcohol-based hand disinfectants, finally received medical funding from the government.

The number of MRSA patients in Japan reached 118,539 by 2013. Meanwhile, "Hibischol" (ABHD), which was first introduced in 1986 at the time of the MRSA outbreak in Japan, has become one of our leading products as a prevention and infection control measure. In 1995, Saraya acquired Best Sanitizers, Inc. A joint venture company was set up, and Saraya's "Alsoft V" was then introduced to the American market through Best Sanitizers. We launched our new product line called "Viro Stera" in 2010 which has proven effective against a wide range of microorganisms, including non-enveloped virus such as Norovirus as well as ordinary fungi. It is now being produced and sold by Saraya Manufacturing (U) Ltd. in Uganda as Alsoft A.



Push type dispensers (1952)



Iga Factory (pharmaceutical factory) established in 1998



Best Sanitizers, Inc. established in 1995



Kentucky Factory established in 2006



Hand disinfectants "Viro Stera" and "Alsoft A"



Sensor activated dispenser "UD-9600S"

'Wash a Million Hands Project' in Uganda

Supporting UNICEF

The table on the right is from the "Levels & Trends in Child Mortality Report 2017" from UNICEF, and it shows under-five and infant mortality rates and number of deaths. According to UNICEF, the rate is defined as "the probability of dying between birth and exactly five years of age, expressed per 1,000 live births". The number of infant deaths in Sub-Saharan Africa is 1.91 million, which is nearly 45% of the overall world infant mortality rate. According to the UNICEF report, it is estimated that 0.26 million infants died in East Africa including Uganda. Among them, a large number of deaths were caused by pneumonia or acute diarrhea, which can be prevented by basic hand hygiene practices such as hand washing.

UNICEF stands for The United Nations Children's Fund. Saraya has been donating 1% of its net sales from hand hygiene products range to UNICEF since 2010. The donation has been used to educate children and mothers in Uganda and promote basic hand hygiene using hand soaps. UNICEF and the Ministry of Health in Uganda have collaborated to train local volunteers to be hand hygiene ambassadors. They also promote hand hygiene with Tip-py Taps (a simple and ecological hand washing device) throughout the country.

This work has successfully helped prevent infections such as diarrhea. The donations through this project have also been used for installing water tanks at schools in Uganda and promoting hand hygiene practice through UNICEF activities. The number of mothers Saraya reached to promote the importance of hand hygiene in Uganda topped 1.2 million, and the rate of handwashing after going to the toilet has been steadily improving from 14% in 2007, 33.2% in 2015, to 36% in 2016.



Estimates of child mortality in Africa 2016

Country	Under-five		Infant	
	Mortality rate (per 1,000 live births)	Number of deaths (thousands)	Mortality rate (per 1,000 live births)	Number of deaths (thousands)
Burundi	72	31	48	21
Kenya	49	74	63	53
Rwanda	39	14	29	11
South Sudan	91	38	59	26
Uganda	53	143	38	65
UN Rep of Tanzania	57	192	40	84
Sub-Saharan Africa	79	2,777	54	1,910
Japan	3	3	2	2
World	41	12,598	31	4,242

Source: Levels & Trends in Child Mortality Report 2017, UNICEF



354 water tanks (60L) with a tap have been installed at schools where there was no access to water. So far, pupils in 177 schools in the Gulu, Kitgum, Pader and Abim districts can now wash their hands with clean water.

"Wash a Million Hands Project-Uganda"

Promotion Products





100% Hospital Hand Hygiene Project

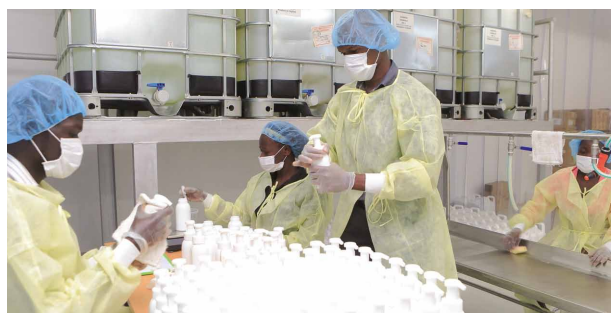
Saraya East Africa Co., Ltd.

Saraya chose Uganda as an African hub for promoting and improving basic sanitation in developing countries, then set up a subsidiary company, Saraya East Africa Co., Ltd. in Kampala.

In 2011, Saraya's hand hygiene project proposal in the healthcare sector was selected as the BOP business preparation survey for infection control and prevention using a new alcohol-based disinfectant in collaboration with JICA (Japan International Cooperation Agency). Saraya's alcohol-based hand disinfectant Hibiscohl S was installed at Gombe Hospital and Entebbe Hospital as a case-study of the pilot project from May 2012 to April 2013.

At Gombe Hospital, a hand hygiene compliance project was initiated under the supervision of Dr. Lule Haruna. At the beginning of the project, the compliance rate was barely improved and it took some time to reach 70%. However, since reaching this level, significant results were recorded. After hitting the 70% compliance rate, zero case months of acute diarrhea and post C-S sepsis were recorded, as shown in the "Comparison of HH compliance and case occurrence" chart. Dr. Lule Haruna received the WHO Global Health Workforce Award for this achievement.

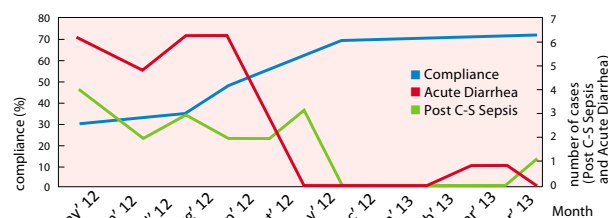
This pilot project has proved that alcohol-based hand disinfectant can be accepted and work effectively in Uganda. Not only that, the basic hygiene in the healthcare facility drastically improved, and the compliance rate shows and clearly proves that it can protect the patients most vulnerable to infection such as infants and pregnant women. Other details of the Infection Control Seminars held in Uganda and Japan are listed in SDG17, p.29.



Saraya Manufacturing Co., Ltd.



A nurse in Gombe Hospital



Comparison of hand hygiene compliance rate and reported disease occurrence in Gombe Hospital



East Africa Infection Control Conference 2013

The conference was held in Kampala, the capital city of Uganda on 21 February, 2013. It was planned and instigated by Saraya East Africa Co., Ltd., and hosted by Uganda's Ministry of Health along with JICA Uganda Office's support, and sponsorship from Saraya Co., Ltd. The conference welcomed Dr. Pittet as a keynote speaker and included a speech from Dr. Lule Haruna of Gombe Hospital. There was a panel discussion between Mr. Saraya and all the speakers. More than 140 participants from all over East Africa attended the event. It was reported in Uganda's national daily newspaper "New Vision" for two days.

Happy Handwash Project in Cambodia

Saraya (Cambodia) Co., Ltd.

The Kingdom of Cambodia is located on the Indochina Peninsula bordering Thailand, Laos and Vietnam. Access rates to a safe water supply is relatively high in the central area, whereas in rural areas, water sources (i.e. rain water, groundwater, river water, lake water or pond water) are varied and unstable depending on regions or seasons. Improving the installation rate of flush toilets in the country is therefore still an issue. On the other hand, it is reported that the general hand washing compliance rate is very stable at 50 - 60%.

JICA and Saraya have worked together and launched a social business pilot project as a preparatory survey for BOP Business Collaboration. In the urban area, it was launched in slum areas, the National Maternal and Child Health Center, and the National Children's Hospital, as well as in two health centers and secondary schools in a rural area.

While participating in the pilot project, Saraya set up a subsidiary company "Saraya Cambodia Co., Ltd." in Phnom Penh in 2013. The company seeks a way to break into the Cambodian market by introducing locally manufactured products because importing infection prevention lines made-in-Japan is hardly competitive. It has been reported that the hand washing compliance rates in hospitals are still relatively low in ASEAN countries including Cambodia, which is the principle measure for infection prevention and control at hospitals.

Saraya hosted the first IC-IPC2014 (International Conference on Infection Prevention and Control at the Healthcare Facilities in the ASEAN Community) in 2014 to promote hand hygiene at hospitals, and made a presentation of the results of the pilot project at the National Maternal and Child Health Center and the National Children's Hospital. It was held by the Health Ministry of the Royal Government of Cambodia at the International Hotel in Phnom Penh on 19 August 2014, with a joint collaboration between the JICA Cambodia office and Saraya. It welcomed more than 100 participants from Cambodia and Japan including the Cambodian Minister of Health and the Japanese Ambassador from the Japanese Embassy in Cambodia.

In January 2017, Saraya's proposal "Development of value-added agriculture and fisheries processing business" was accepted by JICA as a Project Investigation for Overseas Development Project for Small and Medium-sized Enterprises in Cambodia. (Contribution to SDG14.b)

Estimates of child mortality in Indochina 2016

Country	Under-five mortality		Infant mortality	
	Rate (per 1,000 live births)	Deaths (thousands)	Rate (per 1,000 live births)	Deaths (thousands)
Cambodia	31	11	26	10
Leo People's Democratic Rep	64	10	49	8
Thailand	12	9	11	8
Viet Nam	22	34	17	27
Southern Asia	47	1,734	38	1,397
UN Rep of Tanzania	57	192	40	84
Japan	3	3	2	2
World	41	12,598	31	4,242

Source: Levels & Trends in Child Mortality Report 2017, UNICEF



The National Maternal and Child Health Center in Cambodia



At the pledge ceremony for the "Clean Care is Safer Care" of IC-IPC2014 (International Conference on Infection Prevention and Control at the Healthcare Facilities in the ASEAN Community). From left to right, Mr. Yusuke Saraya of Saraya Co., Ltd., Professor Didier Pittet, Cambodian Minister of Health, and the Ambassador extraordinary and plenipotentiary of Japan in Cambodia.



Maternal Health in Tanzania and Uganda

Supporting NGO JOICFP*

SDG target 3.1 is to reduce the global maternal mortality ratio to less than 70 per 100,000 live births by 2030.

According to the WHO report “Maternal Mortality and Proportion Attended by Skilled Birth Attendants”, the SBA “skilled birth attendance” rate in Tanzania is merely 49%, and the maternal mortality rate is 8 times higher than Japan.

At Mwamakaranga clinic in Shinyanga, Tanzania, Saraya supported a refurbishment project led by JOICFP. They rebuilt a maternal and child health unit and named it the “Milky House for Mothers” where women can visit for antenatal or postnatal check-ups, and actually deliver their babies at the inpatient care facility. They can also seek help for family planning and sexually transmitted diseases at this unit.

Saraya donates part of the sales from the “Lactferrin Lab.” cosmetic product line (containing Lactoferrin) to JOICFP which is an official organization for “White Ribbon Japan”.

* JOICFP is the abbreviation of Japanese Organization for International Cooperation in Family Planning. JOICFP’s mission is to create a society in which women and girls can make their own choices regarding their sexual reproductive health and rights, thereby realizing their potential to the fullest. Ultimately, JOICFP aims to contribute to the achievement of the Sustainable Development Goals (SDGs)

Promoting Hand Washing to 1.2 Million Mothers in Uganda

Saraya has been promoting the importance of hand washing through the “Wash a Million Hands Project” in Uganda since 2010. This project not only targets children but also parents and mothers in the villages. Our ambassadors have worked very hard to install and promote “Tippy tap” (a simple and economical hand washing device) and promoted the importance of simple hand washing using soap to over 1.2 million mothers annually.

Hand washing workshop for mothers-to-be by hand washing ambassadors.



Maternal Mortality and Propotion of attended by Skilled Birth Attendance

Country	Maternal Mortality Rate 2015 (per 100,000 live births)	Skilled Birth Attendance 2005-2016 (%)
Burundi	48	60
Kenya	63	62
Rwanda	29	91
South Sudan	59	19
Uganda	38	57
UN Rep of Tanzania	40	49
Japan	5	100

Source: World Health Statistics 2017 Monitoring forThe SDGs, WHO



White Ribbon Japan for Safe Motherhood



Lactferrin Lab. Moist lift Gel Serum



Newly refurbished “Milky House for Mothers” with Mr.Daishima of Saraya at far right. The logo on the wall is from the trademark of “Lactferrin Lab.”

Sustaining human behavioral change: hand hygiene as an example

Hand hygiene is the cornerstone of infection prevention and control (IPC). When timely and optimally performed, it reduces healthcare-associated infections (HAIs), antimicrobial resistance, health costs, and saves lives. Poor compliance with hand hygiene practices remains both a problem and a challenge for IPC practitioners all over the world.

The World Health Organization (WHO) Clean Care is Safer Care global programme, launched in 2005, is based around a change model for hand hygiene promotion. It fosters partnerships and coordinates activities as set out in its programme plan. By December 2017, more than 140 of the 194 United Nations member states had pledged their support to implement actions to reduce HAIs, corresponding to 95% coverage of the world population. The WHO field-tested and validated, multimodal hand hygiene improvement strategy comprises five critical components: 1) system change - replacing soap and water handwashing by alcohol-based handrubbing; 2) healthcare worker training and education; 3) evaluation and performance feedback; 4) reminders in the workplace; and 5) promotion of an institutional safety climate.

WHO, in collaboration with major international stakeholders, including SARAYA, has coordinated more than 50 national campaigns and launched the global annual healthcare worker call to action; the SAVE LIVES: Clean Your Hands 5th May campaign to highlight hand hygiene action at the point of care. SARAYA is a very active member of POPS (Private Organizations for Patient Safety < <http://www.who.int/gpsc/pops/en/> >) and promotes, co-organizes, and supports a large number of activities contributing to improving patient safety worldwide, and saving lives. Among these activities in 2017, SARAYA supported a very successful Hand Hygiene Train-The-Trainers programme in Malaysia where key IPC representatives and leaders from all parts of the country received training from collaborators of the WHO Collaborating Center on Patient Safety in Geneva (WHO CC), to become trainers of all Malaysian healthcare workers. The event was associated with the renewal by the state Minister of Health

of the pledge to Clean Care is Safer Care.

More than a key stakeholder, SARAYA is a real partner of the WHO CC and was the main sponsor of the International Conference on Prevention and Infection Control (ICPIC) held in Geneva in June 2017. ICPIC is a chance for IPC stakeholders and key opinion leaders to meet every two years, with more than 1200 participants from almost 100 countries worldwide. As a sponsor of ICPIC, SARAYA is a major player supporting the sustainability of IPC over the years.

Changing behavior does not happen without resistance. Why is Clean Care is Safer Care such a success? Among the many reasons are: system change making behavioral change possible; the fact that the promotional strategy is multimodal and evidence-based and experience-based; the use of a structured "top-down" as well as "bottom-up" implementation strategy; and the development of multiple tools for implementation. Importantly, the promotion campaign is also linked to positive outcomes, and success and excellence are rewarded. In addition, the strategy promotes simplification, co-creation, creativity, community experience, silo busting*, the use of social media, and the application of sharing economy principles. SARAYA promoted and facilitated many for these parameters at different levels: continuous research for the best products; best way to deliver products for hand hygiene; promoting education and training; developing efficient and adaptable tools for communication; and organizing a variety of events and supporting global actions on a large scale. Among the most remarkable and unique activities by SARAYA is the project promoting the local production of alcohol-based handrub in Uganda. Waste products from the extraction of sugar from sugar cane are being used to produce alcohol for hand sanitizer use. Adaptation to local resources is absolutely critical for sustainability, and this project, which generates local jobs for Ugandans (currently around 20 employees), is about to become a model for low-resource countries. It also constitutes a perfect example of social innovation and of the application of sharing economy principles, two key elements of long-term sustainability.

The global impact of Clean Care is Safer Care, with estimates of 5 to 8 million lives saved every year in the world, would not be possible without the significant contribution of partners such as SARAYA. Many thanks for your tremendous support that contributes to the long-term sustainability of this successful WHO programme.



Director, Infection Control Programme & WHO Collaborating Centre on Patient Safety,
The University of Geneva Hospitals and Faculty of Medicine
Geneva, Switzerland
Professor Didier Pittet, MD, MS, CBE

* Silo Busting: In business, silo busting means to break up an isolated department in an organization that operates alone and doesn't share information.



Private Organizations for Patient Safety

WHO POPS for Hand Hygiene

WHO established a platform named the WHO Private Organizations for Patient Safety (POPS), in collaboration with the WHO Collaborating Centre on Patient Safety at the University of Geneva Hospitals to improve safety and reduce healthcare-associated infections (HCAI). The participating companies are involved in developing, manufacturing and/or distributing products for hand hygiene, and the platform will allow WHO and these companies to share information. It is also aimed at aligning such companies' promotional messages for hand hygiene products with WHO recommendations, enhancing the quality of hand hygiene products, and encouraging product availability and accessibility in all parts of the world. The long term aim of the collaboration, which currently includes 15 companies from around the world, is to improve the implementation of WHO recommendations in different parts of the world, especially in countries with limited resources. <www.who.int/gpsc/pops_hand-hygiene/en/>

Business Call to Action (BCtA)

The Business Call to Action (BCtA) is a project that can achieve commercial and development aims to promote progress towards the Sustainable Development Goals (SDGs) led by the United Nations Development Programme (UNDP) and governments*, by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid (BoP).

More than 130 companies have agreed to BCtA and made a public commitment to improve the lives of millions of people by producing commercially feasible businesses and involving BoP people as its consumers, manufacturers, suppliers and sellers. In September 2014, Saraya became an active member of BCtA for its project aimed at combating maternal and newborn infections in Ugandan hospitals.

* The the Dutch Ministry of Foreign Affairs, the Swedish International Development Cooperation Agency (Sida), the Swiss Agency for Development and Cooperation, the UK Department for International Development (DFID), the US Agency for International Development (USAID), and the United Nations Development Programme, which hosts the secretariat.

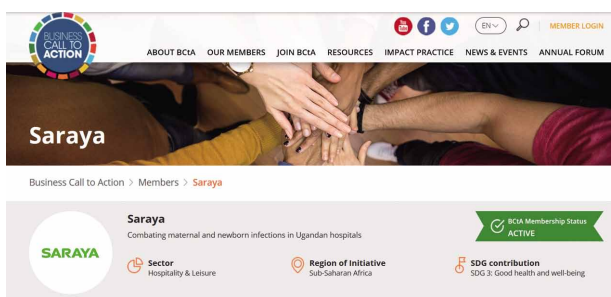
ISO 9001 and 13485

In 2006, SARAYA gained certification for the ISO 9001 Quality Management System and the ISO 13485 medical devices - quality management system. Other acquired ISOs are ISO 14001 and 22000. (Refer to "Company Information" on the back of the cover)

POPS Participants as at 2016-2017

- 3M
- B. Braun Medical AG
- BODE Chemie GmbH
- Deb Group
- Diversey, now a part of Sealed Air
- Ecolab Inc.
- Elyptol (formally SunnyWipes)
- GOJO
- HandInScan
- Laboratoires Anios
- MediHandTrace
- Ophardt
- Saraya Co., Ltd
- Schülke & Mayr GmbH
- Surewash

Total 15 companies



Founded in 1952, Saraya is a Japanese based manufacturer of hygiene and sanitation products. The company strives to contribute to the improvement of sanitation, environment, and health around the world with its hygiene products, including liquid soap and alcohol disinfectant. As a leading manufacturer of healthcare and hygiene products, Saraya has committed to combat bacterial infection rates for mothers and newborns in Ugandan hospitals through the sale and marketing of its locally manufactured hand sanitization product. The company seeks to improve the hand hygiene compliance rate in a number of pilot hospitals from 70% compliance in 2013 to 80% by 2016. Such efforts will help to reduce the incidences of infection, namely post caesarean sepsis and acute diarrhea, and eliminating nosocomial infections in hospitals where Saraya's alcohol base hand products are used.



<https://www.businesscalltoaction.org/member/saraya>



STERIACE 100

STERIACE 100 Hydrogen Peroxide Gas Sterilizer features new technology using peracetic acid for safer, cheaper and faster sterilization. The device won the "Industrial Technology Award" from the "Osaka Industrial Research Association"



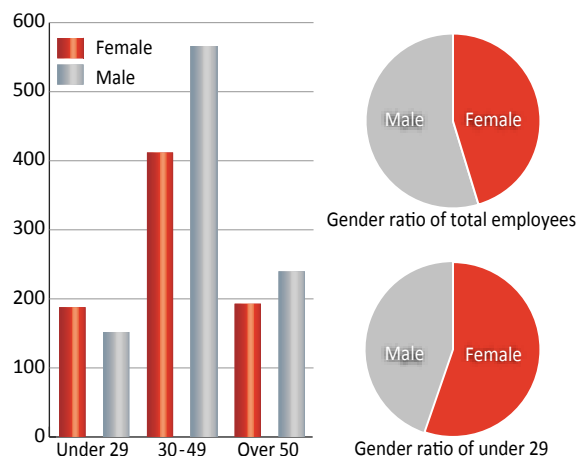
Gender Equality

Promoting Women's Empowerment

Equal Opportunities and Treatment

We not only endeavor to make a commitment to equal pay for men and women, but also that there are no gender inequalities in recruitment, promotion, pay rises and personnel placement, and provide equal opportunities for education & training. We continue our effort to prevent internalized discrimination. We hire and train our employees as professional individuals with high moral standards regardless of their gender. Female leader training courses and mentoring programmes by the board of directors for females in management are also available.

Osaka City set up a system to approve a company to be certified as "Osaka City Female Active Leadership" when the applicant actively promotes "Equal Opportunities and Treatment". There are two tiers, and Saraya received a two stars certificate in 2015, which is the highest level. In the same year, Saraya was also approved as a leading company for "Promoting Paternal Involvement", and not only that, we won the award as the best of the approved companies.



Saraya Co., Ltd. / Tokyo Saraya Co., Ltd. Permanent Employee Gender & Age Comparison Chart (as of Oct 2017)

Why We Need Female Leaders

From food sanitation to healthcare hygiene, most end users of Saraya products are female. Even in ordinary households, our decision makers are mainly female. This is the reason why we promote gender diversity and try our best to place female employees at management level, especially in the product development division, so that valuable voices are included when making crucial decisions. The same applies to employees who want to start a family. We see this positively, as a way of creating new opportunities for them to gain a new viewpoint as parents, rather than negatively as the loss of employees when they take their maternity leave.

These are some fine examples of how we promote gender diversity and help female employees play active and important roles at Saraya. 80% of the food sanitation instructors are female. The executive director of the Medical Marketing Department is Mrs. Yoko Yoshida, and 70% of the workforce in the Medical Business Division of the Department are female. These are only a few examples as more and more women are playing active roles in the organization.



"Osaka City Female Active Leadership Leading Company" Certificate logo (left), and Mr. Saraya delivered a speech at the ceremony, receiving the Best Award.

Direct Employment Composition Ratio by Age and Gender at Saraya, Tokyo Saraya and Smile Sangyo

	Age	Female (ratio)				Male (ratio)			
		-29	30-49	50-	All age	-29	30-49	50-	All age
Saraya	permanent employee	87 (49.2%)	152 (28.8%)	31(18.9%)	270 (%31.1)	90 (50.8%)	375(71.2%)	133 (81.1%)	598(68.9%)
	Other employee	54 (87.1%)	183 (86.3%)	110(75.3%)	347 (82.6%)	8 (12.9%)	29(13.7%)	36(24.7%)	73 (17.4%)
Tokyo Saraya	permanent employee	43(47.3%)	59(28.2%)	5(7.9%)	107(29.5%)	48 (52.7%)	150 (71.8%)	58 (92.1%)	256 (70.5%)
	Other employee	2(40.0%)	9(100.0%)	23 (79.3%)	34(79.1%)	3(60%)	0(0%)	6 (20.7%)	9 (20.9%)
Smile Sangyo	permanent employee	0(0%)	0(0%)	1(%33.3)	1(6.7%)	2(100%)	10(100%)	2(66.7%)	14(93.3%)
	Other employee	2(66.7%)	9(81.8%)	23(82.1%)	39(83.3%)	1(33.3%)	2(18.2%)	5(17.9%)	8(17.0%)
Total		188(55.3%)	412(42.1%)	193(44.6%)	798(45.4%)	152(44.7%)	566(57.9%)	240(55.4%)	958(54.6%)



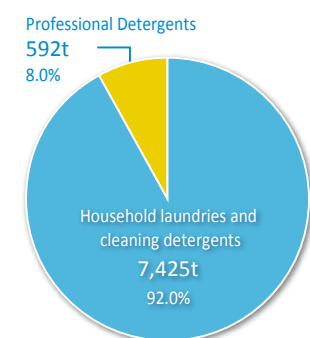
Saraya household products are LAS free

Zinc and nonyl phenyl ethers are known to have endocrine disrupting actions. In addition to these chemicals, in 2013, the Japanese Ministry of the Environment added environmental standards relating to water pollution caused by linear alkylbenzene sulfonate (LAS) in order to protect aquatic life. The Ministry of the Environment reported that aquatic organisms such as salmon and trout, which inhabit relatively lower temperature fresh water in Japan, can be impacted by LAS levels greater than 0.03 mg/l, and the environment for spawning localities should have LAS levels of lower than 0.02 mg/L. The ministry also reported that saltwater aquatic organisms can be impacted by LAS levels higher than 0.01 mg/l, and LAS levels higher than 0.006 mg/l could affect spawning waters.

The Japanese Ministry of the Environment reports that 42,694 tons* of LAS were shipped throughout Japan in FY 2016 (1 April to 31 March), with an estimated 35,269 tons of the surfactant going through sewage treatment, and 7,425 tons released untreated into the environment. Household laundry and cleaning detergents accounted for 92.0% of this volume.

Saraya has never used LAS in its household products and has started using novel sophorolipids in its flagship products, such as the Happy Elephant series of household detergents.

* Source: Japan Soap and Detergent Association and Japan Surfactant Industry Association



Amount of estimated LAS release to the environment in Japan in FY 2016

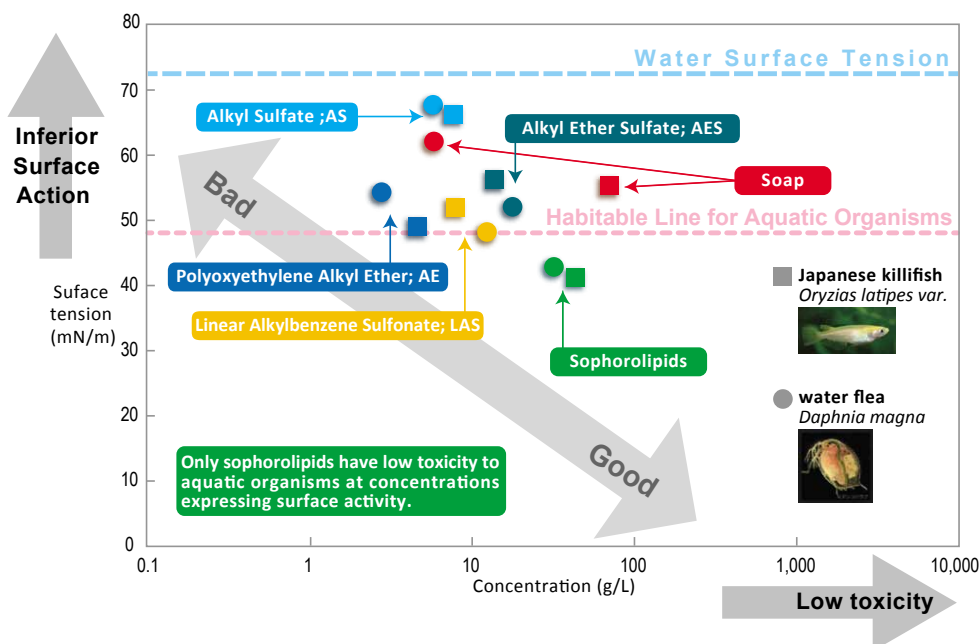
Sophorolipids

A new line of sustainable products made with a unique type of biosurfactant was developed by Saraya. Sophorolipids are biosurfactants (naturally-based cleaning agents) made by fermenting vegetable oil with yeast. In Saraya's case, this is palm oil. Detergents made with this cleaning agent rinse away with less water while maintaining stronger cleaning power than other products on the market. In addition, Saraya has developed a way to produce sophorolipids with crude palm oil, removing the need for the extensive purification required to reach its currently traded state.



Acecide

Acecide disinfectant is the first peracetic acid-based chemical sterilant / high-level disinfectant exclusively for medical devices, instruments, and equipment in Japan. Before the release of Acecide disinfectant, glutaraldehyde preparations were used for a long time for disinfecting endoscopes and other medical devices. However, the development of a substitute has been long overdue because of several issues such as:



slow bactericidal action of glutaraldehyde especially on acid-fast bacteria and spores, isolation of glutaraldehyde-resistant acid-fast bacteria from an automatic endoscope washer, and health concerns associated with the toxicity of glutaraldehyde, such as allergy. Peracetic acid has great promise as a prospective candidate because of (1) its excellent bactericidal activity, even against spores and acid-fast bacteria, and its reported efficacy on glutaraldehyde-resistant acid-fast bacteria, and (2) very low toxicity from its residues and degradation products. After reacting with organic matter, or as time passes after draining, peracetic acid decomposes and breaks down into acetic acid and oxygen. Hydrogen peroxide in a peracetic acid solution also easily breaks down into oxygen and water. Acecide disinfectant boasts the quick and excellent bactericidal activity of peracetic acid and has high stability in solution, and can be used repeatedly to reprocess reusable medical devices such as flexible endoscopes.

Replacement PRTRs

Up until 2009, as part of our environmental management system (EMS), we made concerted efforts to avoid the use of chemicals listed in PRTRs – an emission inventory that collects and disseminates data on specific chemical releases.

During recent years, however, there have been a series of amendments to the Pollutant Release and Transfer Register (PRTR). As a result, the PRTR Law contradicts our mission to provide customers with quality products with high biodegradability.

To give an example, polyoxyalkylene alkyl ether, one of the major substitutes for PRTR-designated polyoxyethylene alkyl ether (AE), is less biodegradable than AE, meaning that products containing polyoxyalkylene alkyl ether instead of AE have more impact on the environment (see later sections for more details). With respect to polyoxyethylene alkyl ether sulphate (AES), which has recently been classified as a PRTR substance, there is no substitute available as of now.

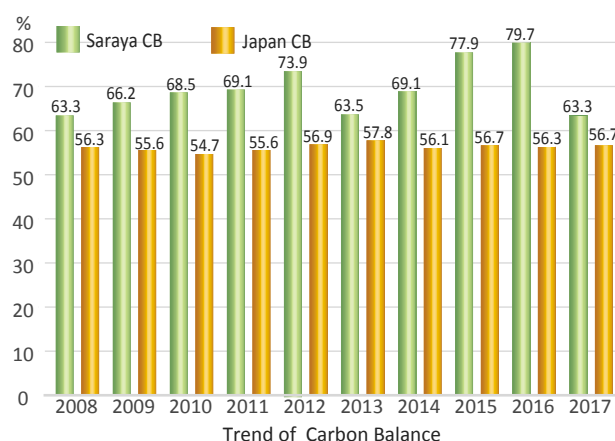
What Is Carbon Balance?

Against this backdrop, Saraya has developed a new environmental barometer called the Carbon Balance (CB) which is designed to indicate the fossil and non-fossil carbon content of surfactants. The Carbon Balance (%) of a surfactant is the proportion of total carbon content which comes from a non-fossil source (i.e. a CB of 100% indicates an entirely non-fossil derived surfactant; and a CB of 0% indicates the carbon source is entirely fossil based). We calculate the total CB of surfactants used in our products for each year and try to maintain it above 60% as part of our EMS targets. In 2017, 11 surfactants made up most of those produced in Japan. The total CB of the 11 most frequently traded surfactants was approximately 56.7%.

The CB of Surfactant A (PRTR-designated AE) is approximately 40%, while those of Surfactant B and C, two major substitutes for AE, are about 20% and 12%, respectively. Generally, the higher the CB or non-fossil carbon content of a surfactant, the higher the biodegradability. For these reasons, instead of avoiding PRTR chemicals which could end up with less biodegradability, we have decided to use chemicals with higher CB values.



The following is the carbon balance of AES as an example: $12/(2 \times 3 + 12) \times 100$





Decent Work and Economic Growth

Work Life Balance

Better Balance between Family and Career

Saraya provides various systems for its employees so that they can work under different circumstances without losing job satisfaction and with a good work life balance. They can choose how they work flexibly in different circumstances at various life stages to suit their needs. For example, starting a family or looking after elderly parents. In these life changing periods, we need a good balance between work and caring for family members at home.

Prenatal and postnatal maternity leave, childcare leave, reduced working hours, flexible working hours, work-from-home, no overtime, restrictions on night work and out-of-hours, and leave for the care of a sick child. They are available to all for our employees to support their parenting, and of course they apply equally to both parents.

For those who need to look after and care for elderly parents, we provide nursing care leave, nursing care reduced working hours, nursing care flexible working hours, work-from-home, no overtime and restrictions on night work and out-of-hours. Overall applicants for the systems from 2013 to 2016 are listed below. We launched our workplace nursery called "Saraya Child Station" in April 2018.

Personal development leave and Volunteering leave

It is necessary to have a good work life balance to refresh your mind and boost your energy to increase creativity at work. At Saraya, all full-time employees are eligible for 5 special paid leaves as "Work life balance special leaves".



Saraya was certified by the Ministry of Health, Labor and Welfare as a "Childcaring support company" in 2009, and Saraya Tokyo was certified in 2014.

Days taken as childcare and nursing care leave from Nov 2014 to Oct 2017 at Saraya, Tokyo Saraya and Smile Sangyo

	Female Employee	Male Employee	Male Eligibility
Prenatal & Postnatal Maternity Leave/Childcare Leave	51	2	112
Care for old people	2	0	

Personal development leave and Volunteering leave

Volunteering Leave	up to 5 days	for participating volunteering work at local community (except politically or religiously motivated activities)	<ul style="list-style-type: none"> Participating at gatherings or events of public organizations, local community Participating in local activities such as Local Fire Brigade Service, Street Clean Up and Community Safety Service Participating in Japanese National Athletics Championships or any other recognized sporting events by athletic organizations Taking part in or supporting NPO activities Providing support to Child Welfare Facilities Any other local community activities approved by the company
Personal Development Leave		for developing personal skills as a professional	<ul style="list-style-type: none"> Participating at lectures and seminars Participating at or visiting exhibitions, trade fairs and events Taking exams or lessons for passing qualifications Meeting up with people from other industries and sectors
Anniversary Leave	up to 5 days	for employees and their family's anniversaries	<ul style="list-style-type: none"> Adding to compassionate & bereavement leave or paid marriage leave to form consecutive days of leave Birthdays and anniversaries Any other events approved by the company
Healthcare Leave		for employees and their family's general health and health improvement	<ul style="list-style-type: none"> Medical examination under National Health Insurance Association Private medical checkups Routine checkups
Refresh Leave	2 days	for refreshing your mind and body by adding extra holidays to consecutive national holidays	Production Divisions: applied to the dates when approved by the division Any other Divisions: can be taken on any date employee chooses



Reduced Inequalities

Diversity

Diversity is one of Saraya's Valuable Assets

Just as biodiversity is the key to ecological resilience in nature, diversity at the workplace is one of the important factors for company growth and sustainability. The key characteristics of diversity in the workplace include gender, age, race, ethnicity, religion, nationality, cultural differences, family, educational background and disabilities.

At Saraya, we implement strategic diversity management in the workplace to attract and maintain global talent. This brings a positive effect for motivating employees, improving productivity and enhancing the company's competitive position in the market. We have set up the "Diversity Promoting Section" within HR at Saraya headquarters, and are actively promoting the recruitment of elderly people, disabled people and foreigners.

We have been expanding our overseas offices in Asia, North and South America, Europe, Oceania and Africa. It is only natural that more and more global talent is needed in workplaces as globalization expands. Thus we hire employees of various nationalities and ethnic groups in the Global Operations Division and R&D Division. Approximately 32% of the Global Operations Division and 14% of the R&D Division employees come from countries other than Japan. Among them, several employees have

been given management positions, and some of them have even acquired Japanese nationality and became legally Japanese.

"Diversity Management Selection 100"

In 2012, the Ministry of Economic Affairs, Trade and Industry introduced "100 New Diversity Management Companies" to award companies which have improved their company value by implementing diversity management. This initiative awards companies for their contribution to promoting diversity in the workplace by strategic management. They provide opportunities to these diverse talents so that they can create innovations and promote a management system to create more value. Saraya was one of the 100 awarded in 2013.



Percentage of companies attaining the legally stipulated disabled employment rate

	2015	2016	2017
Saraya Co., Ltd.	100%	100%	100%
Smile Sangyo Co., Ltd.	Employment rate: 2.05%	Employment rate: 2.09%	Employment rate: 2.18%
Tokyo Saraya Co., Ltd.	67%	71%	93%
	Employment rate: 1.34%	Employment rate: 1.41%	Employment rate: 1.85%

Embracing diversity and celebrating individuality

It was love at first sight for me when Saraya's homepage showed me its inspiring vision of improving the well-being of the world through sanitation, health and the environment. After embracing the challenge of working in Saraya based in the Land of the Rising Sun, I've been part of the Biochemical Laboratory involved in the product development and global expansion of products concerning medical device reprocessing (e.g. Acecide and PowerQuick). Not only do I have the chance to learn constantly, but also get to interact with colleagues of different nationalities from all over the globe.

After almost a decade, "kouin yano gotoshi"*, as a female foreigner from the Philippines working in a male-dominated society such as Japan, I must say that I am fortunate and thankful for never feeling discriminated against in Saraya. There may be cultural differences and possible clashes in personalities, but with mutual acceptance, respect and tolerance, as well as effective communication, working harmoniously in a diverse environment like Saraya is achievable without losing one's individuality.

(*Kouin yano gotoshi "time flies like an arrow.")

Saraya Co., Ltd.
Biochemical Laboratory,
MDRG
Glen Lelyn Quan



Innovation and Creativity, Bridges to Sustainability

Successful businesses are founded on innovation and creativity. Many companies in the world have different strategies aiming to guarantee continuous growth and prosperity. SARAYA is no exception. When we started speaking about jojoba oil, neroli, new cosmetics and so on, it sounded like a pipe dream.

I was honored by being asked to contribute to establishing new bridges for SARAYA to create new products and markets in the Middle East and North Africa. This option, which is part of a strategy suggested by Mr. Saraya, President of SARAYA, is also an orientation in complete coherence with international market trends for the continuous enhancement of healthcare and cosmetic products. Essential oils and floral waters are major components of luxurious and famous cosmetics and perfumes, and the aromas of delicious drinks and food.

Producing these noble essential oils and floral waters: neroli, rose and geranium etc.) through Saraya Beauté et Santé, recently established in Tunisia, is a real challenge for a Japanese company. But this can be a way to create innovative products and expand into new markets. This also supports SARAYA's global policy of sustainability.

Saraya Co., Ltd.
Director of Middle East and
North Africa Business Affairs
Saida Ben Slama



Responsible Consumption and Production

Palm Oil Supply Chain

Palm Oil supports global food chain

NPO CDP (Carbon Disclosure Project) officially reports that 80% of the global deforestation on the planet resulted from agricultural and livestock farming supplying beef, wood products, soya and palm oil. Until 2005, soya oil topped the production and consumption figures for oil crops. However, palm oil overtook soya in 2006, and it has been steadily increasing ever since.

Country of Origin of Palm Oil

55% of palm oil is produced in Indonesia, followed by Malaysia at 34.6% - so that these two countries together account for 88.6% of global production. The island of Borneo is the largest palm oil production location. Sabah in northern Borneo, is the closest state to Japan. This is where most of the exported palm oil products come from.

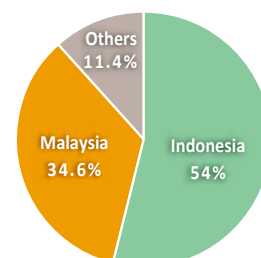
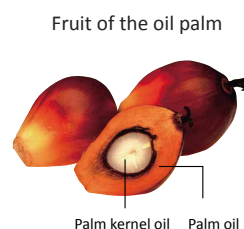
85% of palm oils are used in processed foods or deep fried foods as an alternative to margarine, shortenings and cocoa butters. The majority of the palm kernel oils

are used as an ingredient in non-edible products such as soaps, detergents, cosmetics, candles and industrial products in Japan.

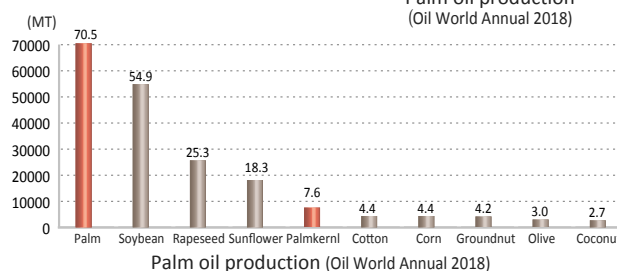
The main reason why palm oil became so popular for oil production is that it is much cheaper compared to other oils. The harvest yield per hectare (FAO Statistics Division, 2016) of oil palm fruits is 14.24t and soybeans follows far behind in second place at 2.71t. On top of that, they are produced in equatorial areas like Malaysia and Indonesia where labor is relatively cheap, which contributes to the general low price of palm oil. There are said to be several issues behind cheap palm oil production such as child labor, forced labor or unlawful working conditions. As the world faces these issues, Saraya took action to seek a sustainable development approach for its whole value chain.



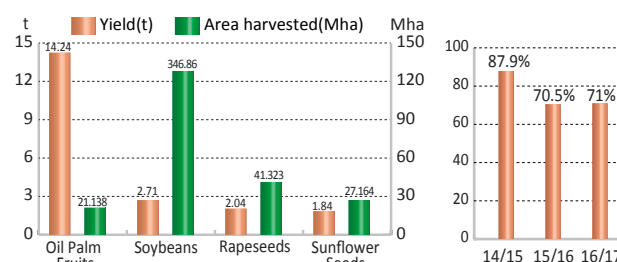
Harvesting a fruit bunch of oil palm



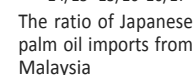
Palm oil production (Oil World Annual 2018)



Palm oil production (Oil World Annual 2018)



Average annual harvest yield per hectare* and area of crops harvested in 2016 (FAOSTAT 2018)



The ratio of Japanese palm oil imports from Malaysia

*Stated yields represent bulk fruit harvest. Oil content is approximately 20-30% for oil palm, 20% for soybean, and 40% for rapeseed and sunflower seed. Palm oil yield is 3.57t/ha and palm kernel oil yield is 0.87t/ha in FY2017 (Oilworld 2018)



Oil palm tree

Roundtable on Sustainable Palm Oil

In 2004, a Roundtable on Sustainable Palm Oil (NGO) was set up to promote the sustainable production, procurement and use of palm oil products. There are 8 principles and 43 criteria (established in 2013), which are reviewed every 5 years. CSPO (Certified Sustainable Palm Oil) is palm oil that is certified by the Roundtable on Sustainable Palm Oil (RSPO) according to specific criteria. The CSPO rate was 21% in 2016 for global palm oil production. RSPO farms can also earn credits according to their production and shipping volumes.

CSPO 2020 Goals

The main ingredients (palm oil and palm kernel oil) of all the Saraya consumer products such as Happy Elephant, use 100% of either CSPO segregation or credits. We've set our goal to use 100% of segregation or identity preserved RSPO certified oils by 2020.

RSPO 8 PRINCIPLES

1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to long-term economic and financial viability
4. Use of appropriate best practices by growers and millers
5. Environmental responsibility and conservation of natural resources and biodiversity
6. Responsible consideration of employees, and of individuals and communities affected by growers and mills
7. Responsible development of new plantings
8. Commitment to continuous improvement in key areas of activity

Types of RSPO Certified Palm Oils Used in Saraya Products



RSPO-1106041

Segregation or Identity Preserved



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 separately from ordinary palm oil throughout the supply chain.

The Saraya Happy Elephant line has been using segregation palm oils.



RSPO-1106041

Book & Claim



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. RSPO's endorsement of GreenPalm ends December 2016. Instead, the Book and Claim supply chain model will be supported by the trade of RSPO credits.

Supporting Independent Palm Plantation Smallholders

Certified Sustainable Palm Kernel Oil

63.58 million tons (19% of overall amount) of RSPO Certified Palm Oils were Certified Sustainable Palm Oil (CSPO) whereas only 2.75 million tons were CSPK (Certified Sustainable Palm Kernels). There should have been more CSPO oils produced, but the relatively small size of palm kernel oil crushing mills, called “PK crushers”, means that they often do not have RSPO certificates. The same applies to certified palm kernel seeds whose crushers do not have certificates from RSPO and therefore produce uncertified oil. The shortage of CSPK pushes up the value of Book & Claim credits from 70 to 100 USD/t.

Cooperation with Wild Asia

Wild Asia is a social enterprise, which was established in 2003 with its headquarters in Malaysia. They have been promoting tropical rainforest conservation and supporting smallholders to obtain RSPO certification within the Wild Asia Group Scheme (WAGS). Younger generation oil palm smallholders in Sabah are acting positively to obtain RSPO. In fact, they put into practice the WAGS to reduce pesticide or fertilizer use and increase yields. Nevertheless, the older generation of smallholders tends to cling to conservative and traditional methods and they tend to be less willing to accept changes.

Saraya visited one of the WAGS smallholders who was experimentally using beehive fences as a Borneo elephant or wild boar deterrent. They take advantage of elephant’s natural instinctive behavior to avoid bees. They also contribute to biodiversity and carefully choose how and where to grow their crops so that they do not ruin beautiful sites for tourism.

In 2017, Saraya purchased palm kernel oil book & claim credits, which are worth 700t, through Wild Asia. These are the credits which smallholders gained from CSPO seeds and which were the equivalent of the oil palms they sold to mill farmers. These smallholders were introduced to the buyers and thus guaranteed its tractability. What’s more, this scheme also helps support these independent smallholders. Saraya continues to purchase RSPO credits from smallholders through Wild Asia.



An independent smallholder in Gomanton village installs beehives at an entrance to deter elephants.



The Kemajuan Tanah Julur Collection Center opened in 2017. They weigh the delivery trucks before and after unloading the fresh fruit to calculate the actual weight of the fruit. They apply a daily exchange rate for the purchase. The center enables them to transfer FFB weighed fruit collectively instead of being sold separately to mills. Unfortunately, the center does not yet have RSPO certification.



One of the WAGS’s projects: the Award System. Part of the B&C credits are used as operational payments for Wild Asia. They award independent smallholders for their achievement, and credits are used to award prizes such as mowing machines. The above picture was taken on 12 December 2017, when Saraya purchased credits and awarded three independent smallholders.

Towards Sustainable Palm Oil

Over the last decade, I have followed Saraya's efforts to support the growth of sustainable palm oil. What has always struck me is the way they have invested a good deal of time and effort to understand the local people and regions where palm oil is being produced. I think this is why their support for efforts like the Kinabatangan Wildlife Corridor and other biodiversity initiatives stands out for me. This local understanding has led them to Wild Asia, where we are exploring how the company can make a difference to how palm oil is being produced. At Wild Asia, we work in different ways to create models that can be adopted by the palm oil industry, and we have been focused on two major themes: (a) making palm oil production environmentally and socially responsible by adopting the RSPO standard for production; and (b) identifying opportunities for new ideas and innovations that can be introduced to local producers, and that help them sustainably improve their environmental and social practices or the management of their farms.

One of the first areas we have cooperated in with Saraya was to provide a direct link between the volume of palm oil used by Saraya in its production, and an equivalent volume of RSPO-certified credits (or RSPO Palm e-trace). What we hope is to be able to progressively widen the small producers groups, which are supported by Wild Asia, and expand the available volumes sold as RSPO credits. These credits are a tangible and direct financial incentive that provides a bonus for farmers, and contributes towards the technical support costs for managing these producers. It is a very simple way to create a link between the market and the producers.



We have also identified the need for small producers to reduce farm inputs, because currently a good deal of the farm expenses results from the use of chemical fertilizers and herbicides. This may be an opportunity to explore new collaboration projects with Japanese partners as we feel that there is much to be learnt from Japanese farmers that apply kaizen and other methods to keep small farms productive, efficient and sustainable. There are also other cooperation opportunities to be explored to allow local producers the ability to produce their own fertilizers (Bokashi and others), which provide alternatives to store-bought chemical fertilizers. Finally, addressing the pressing need to manage modern waste in rural farming areas is another area that we have identified. There are little to no facilities in these regions, and much waste is buried or discarded in the waterways. This is not a sustainable solution. What we hope to identify are partners that are able to help us create micro-industries around significant waste streams that can create opportunities for additional incomes, or ways to add value to their farms.

Our direct relationship with Saraya is really just beginning. What we see is that there is a very real opportunity to not only support biodiversity conservation, but also to support the producers of palm oil that live and work in the regions where biodiversity is critically important. This is after all, the essence of what the UN's Sustainable Development Goals are encouraging corporate and national leaders to work together to address.

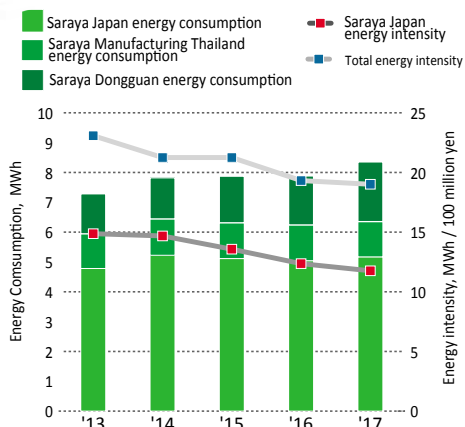


<http://www.wildasia.org/>
<http://oilpalm.wildasia.org/>
<https://www.youtube.com/watch?v=HRJ1ChQFIY0>
<http://www.wildasia.org/portfolio/reza-azmi/>
<https://www.sukau.com/conservation-fellows/dr-reza-azmi>

Wild Asia Founder
Dr. Reza Azmi



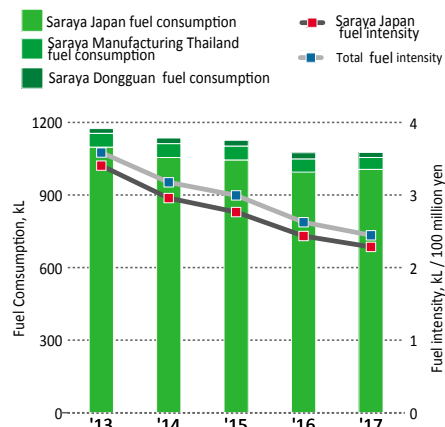
Annual Energy Consumption



Thousand kWh	FY	2013	2014	2015	2016	2017
Saraya Japan energy consumption		4,781	5,224	5,114	5,042	5,168
Saraya Manufacturing Thailand energy consumption		1,164	1,220	1,200	1,200	1,177
Saraya Dongguan energy consumption		1,339	1,377	1,560	1,641	2,000
Saraya Japan energy intensity		14.87	14.68	13.57	12.36	11.78
Total energy intensity		23.08	21.25	21.25	19.32	19.01



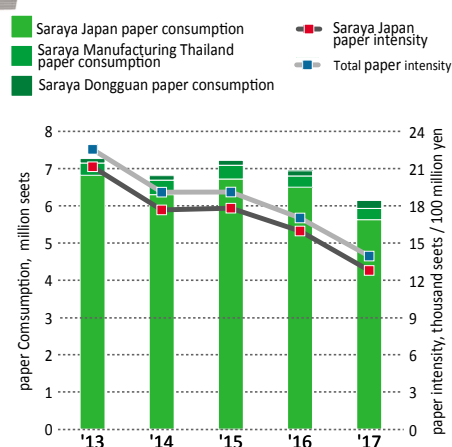
Annual Fuel Consumption



Thousand litres	FY	2013	2014	2015	2016	2017
Saraya Japan fuel consumption		1,098	1,055	1,045	995	991
Saraya Manufacturing Thailand fuel consumption		47	58	57	55	49
Saraya Dongguan fuel consumption		20	23	24	25	21
Saraya Japan fuel intensity		3.41	2.96	2.77	2.44	2.26
Total fuel intensity		3.59	3.18	3.0	2.63	2.42



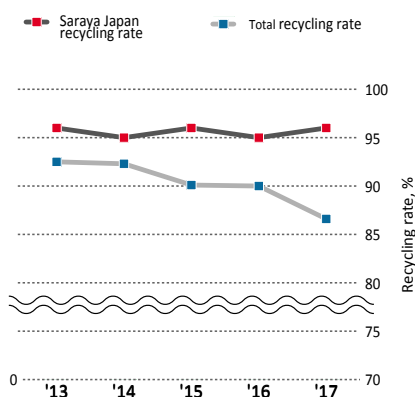
Annual Paper Consumption



Thousand sheets	FY	2013	2014	2015	2016	2017
Saraya Japan Paper Consumption		6,820	6,300	6,720	6,500	5,626
Saraya Manufacturing Thailand Paper Consumption		330	390	360	30	290
Saraya Dongguan Paper Consumption		120	120	130	140	210
Saraya Japan Paper Consumption intensity		21.18	17.70	17.84	16.00	12.82
Total Paper Consumption intensity		22.58	19.13	19.14	17.05	13.96



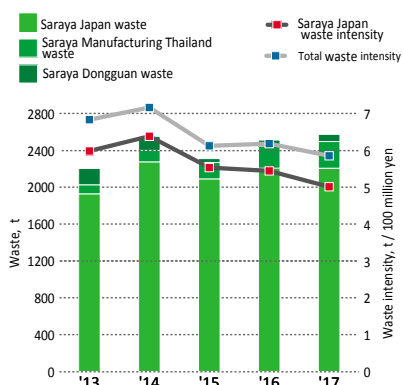
Annual Recycling Rate



Rates	FY	2013	2014	2015	2016	2017
Saraya Japan recycling rate		96%	95%	96%	95%	96%
Saraya Manufacturing Thailand recycling rate		43%	35%	39%	20%	13%
Saraya Dongguan recycling rate		92%	88%	91%	78%	81%
Total rate		92%	92%	90%	89%	86%



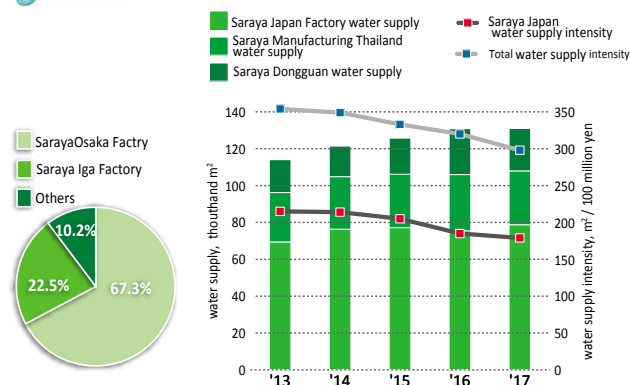
Annual Waste Discharged



Tons	FY	2013	2014	2015	2016	2017
Saraya Japan waste discharged		1,928	2,275	2,090	2,222	2,280
Saraya Manufacturing Thailand waste discharged		976	1,240	178	239	289
Saraya Dongguan waste discharged		177	152	42	66	78
Saraya Japan waste discharged intensity		5.99	6.39	5.54	5.45	5.20
Total waste discharged intensity		6.84	7.17	6.13	6.19	6.30



Annual Water Supply



Thousand m³	FY	2013	2014	2015	2016	2017
Saraya Japan Factory water supply		69,242	76,170	77,107	75,288	78,573
Saraya Manufacturing Thailand water supply		26,974	28,505	28,969	30,539	29,226
Saraya Dongguan water supply		17,828	19,618	19,567	24,902	22,996
Saraya Japan Factory water supply intensity		215	214	205	185	179
Total water supply intensity		354	319	333	320	298



Greenhouse Gas (FY2017)

t	CO ₂	N ₂ O	HFC (Hydro Fluoro Carbon)	Total	Intensity	Ratio
GWP	1	310	1,300			
Scope	CO ₂	N ₂ O	CO ₂ e	HFC	CO ₂ e	
1	2,163t	0.143t	44tCO ₂ e	0.05164t	67tCO ₂ e	2,274tCO ₂ e
2	2,549t					2,549tCO ₂ e
3	357,037t					357,037tCO ₂ e
Total						360,915tCO ₂ e

Corporate Value Chain (Scope 3) Category		CO ₂ emission, t CO ₂ e
Upstream scope 3 emissions	1. Purchased goods and services	333,044t
	2. Capital goods	646t
	3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	483t
	4. Upstream transportation and distribution	9,200t
	5. Waste generated in operations	159t
	6. Business travel	398t
	7. Employee commuting	251t
	8. Upstream leased assets	No leased
Downstream scope 3 emissions	9. Downstream transportation and distribution	Included in upstream
	10. Processing of sold products	Not applicable
	11. Use of sold products	38t
	12. End-of-life treatment of sold products	4,647t

		FY2017
Consumed electricity	total	5,168 MWh
	Purchased	5,061 MWh
	Produced	107 MWh
Renewable electricity	Produced	325 MWh
	Sold	218 MWh



Solar panel in Iga factory



Life Below Water

Yashinomi Detergent Legacy

Red Tide

A “red tide” is a phenomenon which is caused by plankton accumulating rapidly in the water column, resulting in coloration of the surface water. This is commonly seen at inland seas such as Seto inland sea, Tokyo Bay, Ise Bay or Osaka Bay. The impacts of “red tides” on fish and shellfish are listed below.

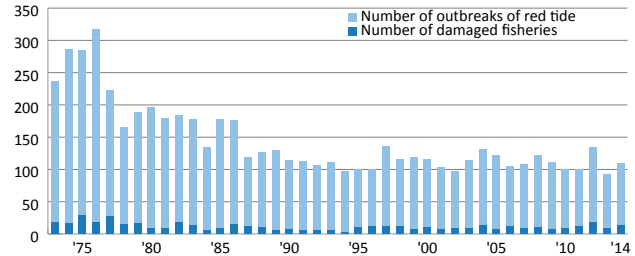
- Decrease in dissolved oxygen concentration
- Suffocation due to plankton clogging fish gills
- Aquatic life killed by algal toxins

As you can see from the chart “The trend of the number of outbreaks of akashio (red tides)”, the highest frequency of “red tides” was in 1976, when 299 were recorded. The highest levels of damage caused to the local fisheries occurred 29 times in 1975. Other causes of the “red tides” are new property developments along coastlines which have a negative impact on biodiversity.

Mr. Saraya entered Osaka University in 1970 majoring in the Faculty of Engineering where he studied fermentation engineering. His main research was on removing polluted water from industrial wastewater, rivers and lakes or nearby seas by using biological methods such as activated sludge or trickling filtration. The laboratory was carrying out field research to investigate the pollution level of the Inagawa river on behalf of the local government from Hyogo Prefecture. Mr. Saraya was himself contributing by researching BOD (Biological Oxygen Demand) as a pollution index of aquatic life populations. His graduate thesis was research on wastewater treatment using algae and turning those algae into biomass. He then graduated from the University of California, Berkeley, having studied Sanitary Engineering in 1975. He joined Saraya in 1976 and the following year, he became the factory manager at the Saraya factory where he runs a private laboratory.

In 1969, Saraya introduced to the world the Yashinomi detergent, which is very kind to the skin and high in biodegradability. It was the first of its kind in Japan with a plant based fatty acid. It does not contain phosphoric acid which is one of the main causes of water pollution, and does not form sewage sludge as caused by soap wastewater. Since then, Yashinomi detergent has been an iconic and best-selling product for generations in Saraya’s long history.

In 2010, we developed a bio-surfactant called “SOFORO” for laundry detergent for the first time, and it has been added to various Saraya products, including the “Lactoferrin Lab.” cosmetic brand.



The trend of the number of outbreaks of akashio (red tides) in the Seto inland sea
Source: Japan Fisheries Agency “Red tide in Seto inland sea”

Red Tide Duration Trends

Red Tide duration (1973 to 1882)										
Days	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
-5	143	173	170	216	119	86	74	117	94	87
6-10	35	67	41	35	32	23	41	35	37	31
11-30	25	23	33	34	31	30	44	27	31	43
31-	7	6	11	14	14	12	13	9	9	5
Total	210	269	255	299	196	151	172	188	171	166

Red Tide duration (2007 to 2016)										
Days	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
-5	52	35	35	44	47	35	41	45	34	42
6-10	24	13	13	20	23	22	19	22	13	12
11-30	30	34	34	37	25	22	18	27	24	24
31-	9	12	9	15	9	12	11	22	12	19
Total	115	94	99	116	104	91	89	116	83	97

Source: Japan Fisheries Agency “Akashio in Seto inland sea”



TV commercial of Yashinomi Detergent in 1980



Yashinomi Detergent and Happy Elephant Laundry Powder as of now

Saraya - a leader in industry and a family legacy

It was 1982 when I first learned about the Saraya company. As a privileged guest of the Osaka Junior Chamber, I was learning a great deal about the business and political world of the Kansai region and the rest of Japan. This provided me with an encounter with Yusuke Saraya, then a rising star in the JCI movement.

While at the time I had no interest in cleaning products or health foods, I was intrigued by the drive shown by Mr. Saraya in exploring new areas of expansion for the company. What particularly struck me was his keen interest in finding pragmatic solutions for the prefecture, the region and the country, through his business ventures. Due to the expanding business – both as a supplier of finished products and as a buyer of raw materials – Mr. Saraya's international network provided a solid basis for a company development strategy that went beyond simple business. Saraya is one of the first companies I worked with from Japan to practice corporate social responsibility, even before CSR was a well-established term.

In 1994, when the Rector of the United Nations University invited me to help prepare for the Kyoto Protocol, we quickly established a solid base for cooperation. First of all, I shared my experience with palm oil – as one of the pioneers of its use in detergents in Europe – and admired Saraya's approach of playing a proactive role in the Roundtable for Sustainable Palm Oil. Saraya subsequently created a platform in Malaysia to offer a sanctuary for elephants in the land around palm plantations. While the cutting edge proposals to create a corridor for wildlife along the rivers were not accepted by the RSPO, Yusuke Saraya persevered and has demonstrated that this strategy makes sense.



Over the years, I noted the shift in Saraya's messaging from "disinfecting" to a more all-encompassing "promoting health". This transformation of the enterprise was associated with the introduction of new products like Lakanto, a natural sweetener made from an extract of the Chinese luohanguo fruit. The rapid and clear deployment of the strategy demonstrated the application of the principle: "Be impatient to start. Be patient to get results". Indeed, a launch on the market that is very competitive does not bear immediate results. But Saraya has clearly demonstrated its commitment to becoming an agent of change. Explorations of other fields, like the production of charcoal, demonstrate this desire to take on one issue after the other.

The Saraya project that has been the most motivating to me is the "Wash a Million Hands!" initiative in Africa. This project, supported by UNICEF, introduces simple and practical steps for establishing local production and distribution. It shows that Saraya is not limiting its operations to the industrialized world, but is ready to venture into Africa and take on greater responsibility.

However, the most important role of Saraya has been to play a critical part in the creation of the Zero Emissions platform in Japan. Mr. Saraya is the President of ZERI Japan (Zero Emissions Research and Initiatives) and without his personal dedication we would never have reached the level of recognition and impact we have today.

When Prof Carl-Göran Hedén, then chair of the UN Scientific Advisory Council and Member of the Royal Academy of Sciences of Sweden, declared achieving zero emissions in industry and society is not only possible, it is indispensable for attaining sustainability, it was Mr. Saraya who put these words into action so that this long term goal can indeed be achieved. This year we celebrate the 20th anniversary of the creation of ZERI Japan. Society needs visionaries to achieve long term goals – not as captains of industry, but as captains of legacy. The Saraya company clearly offers this legacy!



The Global ZERI (Zero Emission Research and Initiative) Founder
Professor Gunter Pauli

Tears of Baby Elephants - The Hidden Pitfalls of Eco-friendliness

An ATV programme called “Toyota Eco Series, the Earth, what a wonderful spaceship” broadcast a documentary film titled “Tears of Baby Elephants - the hidden pitfalls of eco-friendliness” on 1 August 2004. It was about the rapid expansion of oil palm plantations destroying the habitat of the Borneo elephants in the Borneo tropical rainforest.

At the end of the programme, Mr. Saraya, as the president of a company selling detergents whose main ingredient is palm oil, was interviewed and asked what he thought about the fact that he was unwillingly helping bring those animals to the brink of extinction by selling so called eco-friendly products. He was genuine and honest and admitted that he had no idea how selling his company’s products in Japan was affecting these innocent animals in Borneo. Since then, he took a swift turn and set his company vision as truly friendly to both people and the environment. As a start, he launched biodiversity conservation activities in Sabah, Malaysia.

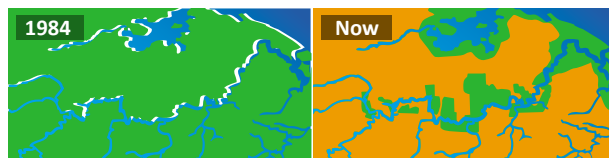
Right after the interview, Saraya immediately sought out Mr. Nobuo Nakanishi who is now a member of Saraya and a director of the Borneo Conservation Trust Japan. Then Saraya made contact with BBEC (Borneo Biodiversity and Ecosystems Conservation in Sabah, Malaysia) in JICA. At the end of the same year, he then applied to RSPO, which had just been founded in August 2004.

In Sabah

Mr. Nakanishi joined an elephant rescue mission organized by SWD (Sabah Wildlife Department) in autumn 2004. In the following January, Mr. Saraya made a public report on the rescue mission and the possibility of the extinction of the elephants at the RSPO Seminar in Kuala Lumpur. This report was also broadcast in the TV series as part 2 of “Tears of Baby Elephants - the hidden pitfalls of eco-friendliness”.

RSPO RT2 was held in November 2005. Mr. Saraya proposed the “Green corridor project” but initially faced a rejection from growers and couldn’t gain their approval. In February 2006, Mr. Saraya again proposed the “Green corridor project” at BBEC (Borneo Biodiversity and Ecosystems Conservation) and this time the same project received full approval at the conference. The success led to an aerial photo shooting from a helicopter including the Sabah State Secretary as a guest.

In February 2007, Saraya started a field trip to Sabah together with oil palm suppliers and selected eight Saraya consumer product customers.



Green areas represent rainforests. Orange areas represent palm plantations. Around 30 years ago this entire area was covered by native rainforest. It was a paradise for wildlife. Now there is very little rainforest remaining, limited to a small area along the main river.



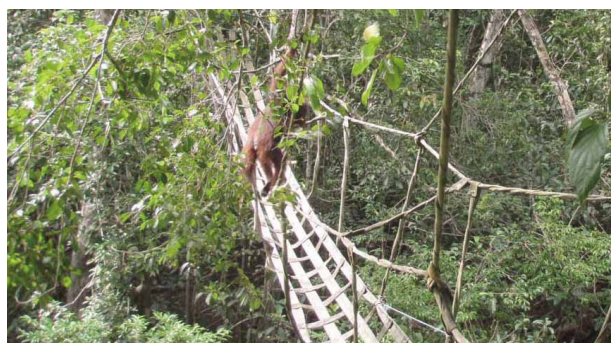
A baby elephant with its leg tied with a rope which was set as a trap by local hunters. If baby elephants escape from the traps but still have a rope tangled around a leg, this gets trapped under the skin as the elephant grows and ultimately causes the elephant’s death as it can no longer walk. These 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 Bay Elephants” comes from this story. This elephant was the very first to be rescued by Saraya and receive treatment. It was then released back to the care of its parents.



From right, Sabah State Secretary and Mr. Saraya. Photo taken in 2006.



Palm Oil Symposium 2007



An orangutan crossing a suspension bridge made from used fire hoses constructed with the help of Saraya in 2010. This project was carried out by a joint collaboration with smallholders and their local support.

Green Corridor

This map shows the 5km wide corridors on both banks of major rivers in Sabah. These areas are said to have the highest populations of wild animals such as elephant, rhino, tembadau, orangutan, colobine monkeys, sambar deer, clouded leopards and sun bears.

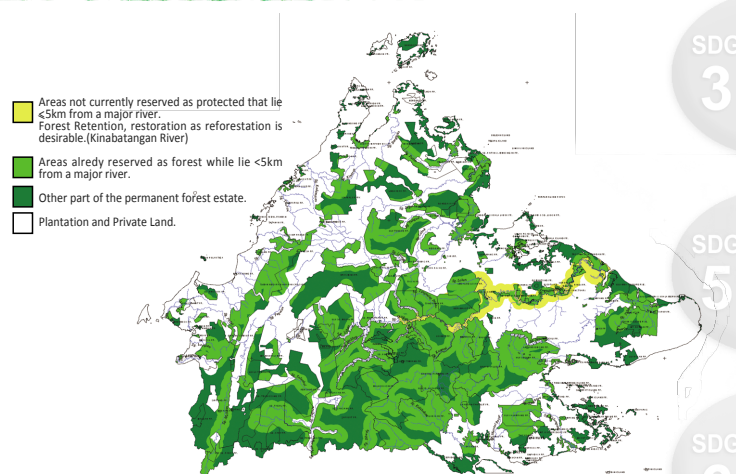
The yellow areas at the lower Kinabatangan River are where land has been developed as oil palm plantations. As you can see, the green highlighted conservation areas are divided by the plantations. However, these are essential habitats for wild animals and considerable numbers of wild animals are still living there – they are thus regarded as highly important for biodiversity conservation. The developed areas along the river must be preserved as secondary forests so that they can be a sanctuary for wildlife. This is why the Borneo Conservation Trust was established.

Borneo Conservation Trust

In September 2006, Mr. Saraya established the Borneo Conservation Trust, together with Mr. Patrick Mahedi Andau of SWD (Sabah Wildlife Department) and Dr Toshinori Tsubouchi, COO of then BBEC (Borneo Biodiversity and Ecosystems Conservation). Mr. Saraya was a trustee when the trust was launched, and then became Deputy Chairman in 2013. The trust was approved by the government as an NGO in October 2006. The headquarters was set up in the SWD (Sabah Wildlife Department) office in Kota Kinabalu, Sabah.

BCT's mission, other than the Green Corridors, includes wildlife conservation, such as rescuing injured elephants and isolated orangutans as well as promoting biodiversity conservation activities. Saraya has been donating 1% of Yashinomi detergents and Happy Elephant products' sales to BCT since May 2007.

BCT has acquired 80ha of forest under the Green Corridor project (of which Saraya's forests are approximately 12ha), which is merely 0.4% of its goal of 20k ha. One of the possible reasons for the slow growth is that the land price has risen incredibly and much less land is becoming available for sale. One of the reasons for this development is that at Sandakan, a transport hub in Sabah, the security situation has deteriorated and is having a negative impact on tourism in the lower Kinabatangan River area, and that leads people to shift to the cultivation of oil palms.



Threatened Species in Sabah and Sarawak, Malaysia (IUCN Red List)

	Amphibia	Reptilia	Mammalia	Aves	Total
Critically Endangered	2	1	2	1	6
Endangered	2	1	9	0	12
Vulnerable	2	3	11	2	18
Total	6	5	22	3	36



Press conference at the launch of the Borneo Conservation Trust, 12 September 2006



This Rescue Center was set up within the Borneo Elephant Sanctuary in LOT8 conservation area in 2013. Further construction work such as roofing and installing a sandpit was done in 2017. Saraya supported this construction work. The rescued elephants cannot be released back to the wild as they soon come back to the farmed areas.

* In 2013, an armed force called "Royal Sulu Sultanate Army" invaded Lahad Datu in Sabah from the Philippines. The Department of Foreign Affairs of Japan has since then released a travel warning: "Recommendation to consider whether it is wise to travel this area".



Business and Biodiversity

“Biodiversity in Good Company” Initiative

The German Federal Ministry for the Environment set up the Business and Biodiversity Initiative (BiGC= Biodiversity in Good Company Initiative). This initiative shares three common objectives from the UN Convention on Biological Diversity (CBD) and its grand opening and press conference was held at CBD at the 9th Conference of the Parties in Bonn, Germany in 2008. Saraya signed the ‘Biodiversity in Good Company’ Initiative Leadership Declaration and joined this initiative for the cross-sectional collaboration of companies. Mr. Saraya attended the grand opening and the press conference. At the beginning there were 41 global companies participating, including 10 Japanese companies in 2008, but by 2018, the total number of global companies shrank to 28 and only 3 Japanese companies remained. Saraya took part in COP10 (10th meeting of the Conference of the Parties to the Convention on Biological Diversity) at Nagoya (JPN), COP11 at Hyderabad (IND), COP12 at Pyeongchang (KOR) and COP13 at Cancun (MEX). Not only that, Saraya joined events held in parallel to the COPs and hosted side events during COP11 and COP12.

Cancun Business and Biodiversity Pledge

At CBD (Convention on Biological Diversity) COP13 held in 2016, the pledge signing ceremony took place on 2 December and Saraya joined the ceremony to sign the pledge, whose three objectives are “Conservation of biological diversity”, “Sustainable use of its components” and “Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources”. (<https://www.cbd.int/business/pledges.shtml>)

Mr. Saraya made his presentation in Session E (Supply Chains and Sustainable Production and Consumption) of the Business and Biodiversity Forum which was held over a period of three days.

‘BIODIVERSITY IN GOOD COMPANY’ INITIATIVE LEADERSHIP DECLARATION



All signatory companies acknowledge and support the three objectives of the international “Convention on Biological Diversity”:

1. Conservation of biological diversity
2. Sustainable use of its components
3. Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company’s annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company’s biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.



‘Biodiversity in Good Company’ initiative press conference in Bonn in 2008, Mr. Yusuke Saraya and Mr. Matthias Machnig (the then Senior Vice-Minister of Environment of Germany).



CBD COP13 Business and Biodiversity Forum, Session E

Leading by Example - Saraya's commitment to biodiversity

The 'Biodiversity in Good Company' Initiative was founded in 2008 as a pan-sectoral excellence initiative of companies committed to the preservation and sustainable use of biodiversity as part of their corporate strategies. The aim is to raise awareness of businesses and industry as a whole to their responsibility, and to strengthen biodiversity as a management issue. We are dedicated to the international Convention on Biological Diversity (CBD). The protection and sustainable use of biodiversity is of existential importance, and businesses must play their part in safeguarding species, ecosystems, and genetic diversity. Industry shares responsibility for the rapid disappearance of biological diversity, but also has the potential to develop and implement effective measures to prevent this from occurring.

For companies to make a difference, it is crucial that they understand their material impacts and sphere of influence. Our initiative wishes to strengthen biodiversity as a management topic, taking into consideration the whole value chain, and set the course for sustainable production and consumption. More than 80% of the earth's surface does not enjoy protected area status. So nature conservation demands action beyond the boundaries of protected areas. Each economic sector has to develop its own management approaches, including measurement and control instruments, to enable companies to make an effective contribution to the protection of biodiversity. This encompasses environmental and climate protection, combined with nature conservation measures aimed

at conserving or improving the status of species and habitats, as well as the sustainable use of natural resources.

Saraya has been active as a frontrunner for many years, opting for a proactive approach, and we are proud to have this company on board. The core responsibility of a business is doing good and avoiding harm in its core business and value chain. Saraya has identified its main impacts and is seriously concerned with improving its environmental performance over time. Thus, for example, it addresses the devastating impact of large-scale conversion of tropical forests into oil palm plantations. Also, the company deals extensively with enhancing the biodegradability of its products, while highlighting conflicting goals that may appear in developing new formulas. Furthermore, it is commendable that Saraya donates 1% of its total sales of palm oil based products to the Borneo Conservation Trust.

The family-run company demonstrates well how important the "people behind a company" are. Company President Yusuke Saraya is a board member of several non-profit organizations. He has spared no effort to personally attend and speak at various Conferences of the Parties to the CBD (CBD-COPs) in recent years. We need business people who actively engage in these kinds of dialogues and show business commitment to achieving global biodiversity goals.

We wish Mr. Saraya and his team all the best for the future.



Managing Director 'Biodiversity in Good Company' Initiative
Carolin Bossmeyer



Peace, Justice and Strong Institutions

Governance



Participant of the Global Compact

The UNGC (United Nations Global Compact) is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake partnerships in support of UN goals. There are 161 countries with 9,678 companies (as of April 2018) taking part worldwide.

Saraya joined UNGC in June 2009 and agreed on the 10 principles aimed at protecting human rights, getting rid of unlawful or unfair labor, promoting environmental responsibility and acting against all forms of corruption. Saraya has been continuously striving to promote these principles and put them into practice, and act through its Japanese local network called GCNJ (Global Compact Network Japan).

Mr. Saraya appeared and made a presentation at Session Part 1 of the “Global Compact China-Japan-Korea Roundtable Conference and Youth & Researcher CSR Forum” which was held in August 2014. Mr. Daishima from Saraya made a presentation at “SDG Industry Matrix ~Japanese Release Symposium~” co-organized with GCNJ in March 2017. In June 2017, Mr. Saraya gave a keynote speech at a symposium, co-organized by JCNJ and Sophia University, on the “Advanced Efforts of UN Organizations and Global Companies to Achieve SDGs”.

Saraya's Governance

Saraya is a private company and promotes compliance and ethical behavior in business practices by following the 10 principles of the UN Global Compact as a guideline. The Board of Directors is structured as shown below and a board meeting is held monthly.

There are designated staff members in the HR division who are responsible for receiving complaints of any form of harassment. This service is open to everyone and it is there to help not only Saraya employees, but also suppliers who do business with Saraya.

	Directors		
	Total	Woman	Auditors
Saraya	18	2	2
Tokyo Saraya	9	1	1
Smile Sangyo	4	1	1

UN Global Compact – 10 Principles		
Human Rights		page
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	17, 28
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;	17, 28
Principle 4	the elimination of all forms of forced and compulsory labour;	
Principle 5	the effective abolition of child labour; and	15, 28
Principle 6	the elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	12, 13, 22
Principle 8	undertake initiatives to promote greater environmental responsibility; and	18, 24
Principle 9	encourage the development and diffusion of environmentally friendly technologies	12, 13
Anti-Corruption		
Principle 10	Businesses should work against all forms of corruption, including extortion and bribery.	2, 3



Mr. Daishima from Saraya at SDG Industry Matrix Japanese Release Symposium



Mr. Saraya's presentation at Session Part 1 of the “Global Compact China-Japan-Korea Roundtable Conference and Youth & Researcher CSR Forum”



At Sophia University during United Nations Weeks in October 2017, Mr. Saraya delivered a keynote speech at a symposium, co-organized by GCNJ and Sophia University on the “Advanced Efforts of UN Organizations and Global Companies to Achieve SDGs”



Partnerships for Goals

Infection Control Training

Disinfection of Medical Instruments in Ugandan Hospitals

Saraya's project of disseminating full-automatic washing and disinfecting devices for medical instruments in health-care facilities for infection control and prevention was approved by JICA, and the pilot survey was carried out from 5 December 2013 to 30 November 2016 in 4 hospitals in Uganda (Mulago National Referral Hospital, Jinja Regional Referral Hospital, Entebbe General Hospital and Gombe General Hospital).

The device is specially designed for washing and disinfecting surgical instruments. Instead of the conventional method of using buckets to wash medical instruments by hand in Uganda, both washing and boiling water disinfection with 93 °C hot water for 10 minutes can be achieved fully automatically. What's more, it can save energy as well. Gombe General Hospital is a public hospital but it has no electricity and no clean water supply either. Thus it was necessary to build a solar panel and accumulator system first along with a supply tank and a pump.

Infection Control Training of Ugandan professionals in Japan

JICA provided a training program in collaboration with Saraya. The programme was focused on preventing healthcare-associated infections (HCAI). There were 9 participants in total and among them, two Principal Medical Officers from the Ugandan Health Ministry, and doctors and nurses. It took place from 23 May 2015 to 1 June 2015 mainly at Saraya Headquarters in Osaka, but also included training in a local hospital.

Infection Prevention Training in Uganda

Japanese hospital infection control personnel acted as trainers in a 3 day infection prevention programme hosted by the Ugandan Health Ministry and Saraya at Jinja Regional Referral Hospital and Jinja School of Nursing and Midwifery. It was tailor made to suit the local needs and attended by hospital managers and infection control officers from 14 major hospitals in Uganda, along with 4 Ministry of Health personnel. It was focused on guidelines for the prevention of hospital acquired infections so that the hospital workers can apply them in their own workplaces. The participants acquire knowledge as well as hands-on learning experience in practical training sessions. The certificate of completion of training was presented by the Ministry of Health together with Saraya, and was officially included in the criteria for eligibility to promotion in hospitals. There are high hopes that the trainees will be good ambassadors and pass on what they have learnt to others all over the country.



Washer Disinfector AR-40



Power Quick W
Alkaline cleaner for Washer Disinfector



A nurse operating a Saraya AR-40 at a local hospital in Uganda. (July 2016)

Program Curriculum of "Infection Control Training to Ugandan in Japan"

- | | |
|--|---|
| 1. Introduction to infection control management | 10. Environmental cleaning and disinfection |
| 2. HAI (hospital-acquired infection) Control Committee, system, actual approaches for prevention | 11. Hospital waste management, needle-stick injury prevention |
| 3. Microorganisms in hospital environments | 12. Reprocessing of reusable medical devices |
| 4. Surveillance of HAI | 13. Infection prevention along transmission routes |
| 5. Introduction to infection prevention | 14. Case study 1 |
| 6. Hand disinfection | 15. Case study 2 |
| 7. Infection prevention tools for individuals, proper application of hand | 16. 5S-KAIZEN-TQM |
| 8. Other standards for infection prevention | 17. Hospital visit |
| 9. Infection prevention along transmission routes | 18. Saraya Iga factory tour |
| | 19. Create your own action plan |
| | 20. Present your action plan |



2015 Infection Control Training to Ugandan in Japan



Infection Prevention Training at Jinja Hospital and Jinja School of Nursing and Midwifery in Uganda

SDG 3

SDG 5

SDG 6

SDG 8

SDG 10

SDG 12

SDG 13

SDG 14

SDG 15

SDG 16

SDG 17



We are committed to the SDGs!

Sustainability Report 2018

