

## **Progress Report Saraya**

2011/2012

### **On the Leadership Declaration of the 'Biodiversity in Good Company' Initiative**

It is generally understood when a company is founded, it has the hopes and ambitions to continue to grow decades into the future. In this sense, Saraya believes a company should be responsible for the natural habitats it claims its resources from and pursue the conservation of biodiversity through its corporate activities, for both ecological reasons, and for the preservation of the company's business model.

Sustainable raw materials are essential to finding coexistence between consumers, the modern economy and the ecosystem. Supporting the development of sustainable goods while directly pursuing the preservation of biodiversity where raw materials originate is at the center of Saraya's corporate DNA. As a member of the 'Biodiversity in Good Company' Initiative, Saraya has adopted the content of the Leadership Declaration and is committed, in its entirety, to the seven points. Below outlines Saraya's activities from 2011 to 2012 in support of the Leadership Declaration.

### **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.

### **1. Analyzing corporate activities with regard to their impacts on biological diversity**

#### Historical Background

Environmental considerations have made a large impact on Saraya's corporate identity, and early in Saraya's existence choices regarding the company's relationship to the environment directed itself towards its current state. Pledging to the Leadership Declaration was a process that started in 1971 when Saraya developed a new biodegradable detergent, Yashinomi, made from coconut oil and later palm kernel oil rather than petroleum. At that time, non-biodegradable petroleum based dish and laundry detergents in the drain water from homes were polluting rivers and coastal waters with large amounts of white foam.

Even with years of continuous development and marketing for a wide range of biodegradable, “environmentally friendly” hygiene products, made from palm oil, Saraya was oblivious to the ecosystem that produced the raw palm oil.

Upon discovering that palm oil is almost exclusively harvested from on plantation land reclaimed from the world’s oldest rainforests, Saraya adjusted its purchasing, marketing and CSR practices to support the preservation of biodiversity in the Borneo rainforest. These are the activities from 2011 and 2012.

#### Activities in 2011

The Tohoku area of Japan suffered a devastating earthquake and subsequent tsunami. Fortunately, Saraya’s staff was spared, but a large part of the company’s CSR budget and energy was directed towards the relief efforts in the afflicted region.

Still, Saraya began supporting to build a wildlife rescue center in Sabah, Malaysia. This center will rehabilitate the Borneo pigmy elephant. Construction started in 2012, and completion of the project and the start of operations are expected in 2013.



In 2011, Saraya continued development of sustainable products, and that year received its first shipment of Roundtable on Sustainable Palm Oil (RSPO) supply chain certified systems (SCCS) palm oil, “segregation” grade.

The WWF issued The Palm Oil Buyer’s Scorecard in 2011, ranking individual companies who handle palm oil as a raw material for consumer or industrial goods. Saraya received nine out of nine points for small manufacturers. Realizing the sustainable procurement of raw materials is considered by Saraya an essential part of creating a world where society and biodiversity can coexist. It’s what Saraya considers a best practice for the maintaining stability and a secure future for the company. Sustainable palm oil used in daily household goods produced by Saraya show the potential for a sustainable society even where the rules of our modern economy continue to be used.

### Activities in 2012

Despite the setbacks of 2011, throughout 2012 Saraya made extensive progress towards the development and release of sustainable products made with RSPO SCCS palm oil.

The Happy Elephant line of household cleaning articles made its debut in 2012. These dish and laundry detergents, based on RSPO SCCS palm oil, were designed to inspire sustainable households.



The new line of sustainable products is made with a unique type of sophorolipid developed by Saraya. Sophorolipids are a biosurfactant (naturally-based cleaning agents) made by fermenting a 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 a 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 extensive purification to reach its currently traded state. Saraya's sophorolipids potentially allow palm oil to be bought directly from small plantation owners, supporting the local economy and rewarding these small owners for participating in the RSPO.

Sophorolipids have been adapted to professional detergents for the healthcare industry as well as industry where products are traditionally preferred for their power and efficiency than their impact on the environment. The Power Quick line of surgical instrument cleaning aids are widely used in Japan and feature sophorolipid detergent made from RSPO SCCS palm oil. Saraya is showing the potential for sustainability in all extensions of our modern society.

Where sustainable palm oil cannot be used due to import restrictions or obstacles

regarding factory certification, such products are backed with Green Palm certificates, displacing all Saraya's palm based resources with sustainably grown stock.

As with every year, marketing campaigns continued using Saraya's products as an educational platform to teach consumers in Japan about the risks non-sustainable palm oil has towards biodiversity. Saraya's identity is solidified in its frequent public campaigns to bring attention to the Borneo Conservation Trust (BCT).

## **2. Including the protection of biological diversity within their environmental management system**

The environmental management system of Saraya acknowledges that environmental issues should be approached through a deep cooperation between businesses and NPOs. Saraya works closely with the BCT in Japan and Malaysia, allowing employees to both learn about and participate in biodiversity and its conservation.

The message of biodiversity is part of Saraya's identity and how the customers identify the company. A percentage the sale of palm oil based product is donated to the BCT and conservation of biological diversity is the company's most visible cause related marketing and consumer education campaign.

Saraya's products are designed and engineered to inspire sustainability while aspiring to be sustainable themselves. Saraya's highly biodegradable surfactants using RSPO SCCS palm oil, sophorolipids, made by fermenting sustainable palm oil with yeast. Promoted as Happy Elephant, this product improves on the negative environmental impacts of detergents used every day.

Since 2007, Saraya has been continuing to help the BCT protect the rainforest and extend the Sabah Mega Ecological Corridor where more than 85 % of Sabah's orangutan, elephant and rhinoceros population are living.



### **3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board**

Saraya's CSR objectives are managed and implemented Mr. Hirotsugu Daishima, the chief officer of the Social Relations department and member of the BCT Japan. He is responsible for planning and initiating activities in the biodiversity sector, with the assistance of Mr. Nobuo Nakanishi, a key correspondent for relations with Saraya's NPO partners around the world. Objectives come from both the management board and the CSR department, with a final decision made by Mr. Daishima and President Saraya.

The CSR department at Saraya maintains relations with participating initiatives such as the 'Biodiversity in Good Company' Initiative, the Global Compact, and the Japan Business Initiative for Biodiversity. Ms. Atsuko Takahashi, works exclusively to provides regular updates to publications and Saraya's websites. All official reporting and records keeping is maintained through her and the CSR department.

The president, Yusuke Saraya, is an active participant of the company's CSR initiatives, and, along with Mr. Daishima and Mr. Nakanishi, is visible to the public in most related activities. He is a board member of the Borneo Conservation Trust, allowing Saraya to work directly and efficiently with the NGO.

To learn about the relationship between biodiversity and palm oil, total of 18 board members have studied on excursions in Sabah, Borneo.

The purchasing department also promotes the biodiversity promotion and organized a supplier's mission tour to Borneo in 2008. They also promote the use of RSPO certified oil among to our suppliers.

### **4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years**

Saraya produces soaps and detergents that utilize palm oil and palm kernel oil. The Roundtable on Sustainable Palm Oil has 8 principles. Principle 5 has 6 criteria concerning environmental responsibility and the conservation of natural resources and biodiversity. Please refer to the link below for details regarding "RSPO Principles and Criteria for Sustainable Palm Oil Production".

[http://www.rspo.org/files/resource\\_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf](http://www.rspo.org/files/resource_centre/RSPO%20Principles%20&%20Criteria%20Document.pdf)

Since May 2012, all palm oil and the palm kernel oil used in Saraya's products have been RSPO certified palm oil segregation grade or backed with Green Palm certificates. Even with many major palm oil plantations certifying 100 % of their production, downstream consumer goods manufacturers still target 2015 for RSPO sustainable palm oil adoption. Saraya fully converted in 2012.

**5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report**

Saraya makes transparency and education through publications and communication a vital part of spreading its message and committing to set goals. Since 2002, Saraya has made all achievements in the biodiversity sector as well as environmental performance public by releasing a yearly corporate environmental report, which is available online: <http://www.saraya.com/env/images/report2012.pdf>

**6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step**

President Yusuke Saraya proposed the Green Corridor Project (Sabah Mega Ecological Corridor) at the RSPO Roundtable Conference in 2007, followed with Mr. Saraya and chief Borneo researcher for Saraya, Mr. Nakanishi, presenting the Borneo Conservation Trust. The company's goals in regards to biodiversity are very clear and an identifying part of Saraya.

Two suppliers have joined the RSPO at Saraya's request by the end of 2012. Saraya conducted workshops for main suppliers in Sabah, Malaysia where raw materials for detergents originate and is the key of biodiversity conservation in Borneo. One supplier received high marks from the WWF scorecard for palm oil processors.

**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-a-vis the biodiversity domain.**

Major activities for biodiversity

2007 OCT	Saraya holds the first Palm Oil and CSR Symposium in Tokyo.
2008 APR	Saraya joins the Japan Business Initiative for Biodiversity.
MAY	Mr. Yusuke Saraya signs the Leadership Declaration of the 'Biodiversity in Good Company' Initiative and presents at CBD COP9 Press Conference in Bonn, Germany.
2009 FEB	Saraya supports the Borneo Conservation Trust Japan by holding the second Sustainable Palm Oil Symposium in Tokyo.
OCT	Mr. Yusuke Saraya presents at the Orang Utan Conservation Colloquium in Sabah Malaysia.
2010 JUN	Yusuke Saraya presents at the International Conference on Sustainable and Consumption (SusCon) in Nurnberg, Germany.
OCT	Saraya supports the Borneo Conservation Trust Japan by holding the Green Corridor in Borneo Forum in the Interactive Fair for Biodiversity in Nagoya, Japan.
2011 FEB	Saraya holds the third Sustainable Palm Oil Symposium in Tokyo.
2012 FEB	Mr. Yusuke Saraya presents Green Productivity, Green Supply Chain, Eco-Products, and Green Procurement at ECO-PRODUCTS International in New Delhi, India.
JUL	Mr. Yusuke Saraya presents to 11th Forum of Research Institute for Humanity and Nature in Tokyo and Kyoto.

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OCT Saraya holds the side event “Palm Oil & Wildlife Conservation” at the CBD COP11 in Hyderabad, India.

Mr. Yusuke Saraya presents to the side event held by the Zoological Society of London (ZSL) at the CBD COP11 in Hyderabad, India.

