

Responsible Soybeans and Soy Products Sourcing Policy

July 1, 2021

Introduction

Fuji Oil Group aims at contributing to society through its business activities and to develop sustainably together with society, while pursuing continuous dialogue with stakeholders. The Mission of our companies is to develop the potential of foods, contributing to people's happiness and well-being by offering delicious and healthy food. Our company values shape our strategies to achieve our mission.

<Mission = Our reason for being>

The Fuji Oil Group seeks to develop the potential of food ingredients.

We will contribute to the happiness and well-being of the people by offering delicious and healthy food.

< Vision>

We seek to contribute to society by creating the future of delicious and healthy foods using our core technologies in oils & fats and soy.

< Values = The values that shape our actions>

- Safety, quality, and the environment
- Work for people
- Challenge and innovation
- Speed and timing

Positioning of soybeans in our business and social issues

Soybeans are one of the most widely used food ingredients in the world and an important raw material for our business. In recent years, soy-based alternatives to meat and dairy products, are increasingly significant foodstuffs to feed the ever-increasing world population. On the other hand, we recognize that the production of soybeans can lead to the destruction of forests and ecosystems, and to human rights issues such as the violation of the rights of indigenous peoples and communities in some areas.

Our sourcing policy

In order to meet the growing expectations for soybean products and to solve social issues at soybean production locations, we procure soybeans and soybean products through people- and environment-friendly suppliers with clearly defined responsibilities. This procurement policy applies to all suppliers of Group companies handling soybeans and soybean products that the Group purchases, trades, processes and/or sells worldwide.

Commitments

We are committed to procuring soybeans and soybean products produced in accordance with the following standards:

- Protection of biodiversity and zero deforestation
- Zero exploitation of indigenous peoples, local communities and workers
- Legal compliance

Our main target is to procure soybeans while contributing to the prevention of environmental degradation and exploitation of indigenous peoples, communities and workers in order.

To do so, we will deepen our engagement with suppliers to improve traceability in the supply chain. We will continue to work with our suppliers and other relevant stakeholders to realize our commitments.

Partnership with RTRS(*1)

The Fuji Oil Group joined the Roundtable for Sustainable Soy (RTRS) in May 2020. We work with RTRS to ensure sustainable business operations in the supply chain. RTRS positions itself as a key partner in sustainable soy and will continue to work with RTRS and other stakeholders to increase the offer of sustainable soy and support farmers in certification and concrete actions to improve.

KPIs and procedures

The following goals will be implemented for whole soybeans, defatted soybeans, and isolated soybean proteins used by the Group. Approximately 75% of the soybeans and soybean products currently purchased by the Group are included in the scope of this policy. KPIs and alternative recipes for the remaining 25% (soy bean oil and lecithin) shall be defined by the end of FY 2022

	Phase 1 (The year of 2025)	Phase 2 (The year of 2030)
soybeans and soy protein materials (*2)	Ensuring traceability to the primary collection point or 100% procurement of RTRS certified products or other equivalent certification	Ensuring traceability to the community level or 100% procurement of RTRS certified products or other equivalent certification

The primary collection point is also called the elevator, it is usually the first point of delivery from several farmers in a production area.

Currently, we have achieved 100% IP handling (*3) of soy products in the Japanese market and will

continue to do so. For the markets outside Japan, we aim to achieve 100% traceability to the first collection point by 2025, by procuring RTRS certified products or products with other equivalent certification (The selection of appropriate certifications will be thoroughly examined). Although there are differences in the progress of traceability from region to region, we shall continue to make improvements while identifying more specific risks that are hidden in procurement.

From 2025 onward, we shall promote traceability further upstream at the community level.

However, the definition of the community is not yet set at this time.

We will collect detailed data on soybean oil and soy lecithin, which account for the remaining 25%, and we plan to set KPIs by the end of FY2022, including alternative recipes.

While we engage with suppliers for improving traceability, HCV(*4) and HCSA(*5) methodologies shall be applied in the process on top of GAP (Good Agriculture Practices).

Through these policies and commitments, we endeavor to protect human rights and the environment in our soy procurement.

President and CEO



Mikio Sakai

(*1) RTRS is defined by Round Table on Responsible Soy. <https://responsiblesoy.org>

(*2) whole soybeans · defatted soybean · isolated soybean protein

(*3) IP handling refers to segregated production and distribution management, which involves segregated management at each stage from seed selection to production, distribution, and manufacturing.

(*4) HCV stands for High Conservation Value. It refers to the extremely important value that biological, ecological, social, cultural values or at the local level that have a remarkable significance at the national, regional, or global level. All natural habitats have inherent worth conservation values, including the presence of rare and endemic species, provision of ecosystem services, sacred sites, and resources harvested by local people. <https://hcvnetwork.org/>

(*5) HCSA stands for High Carbon Stock Approach. A scientific approach to protect forest areas, distinguishing them from low-carbon degraded lands. Respect the land rights and livelihoods of local communities. <http://highcarbonstock.org/>