

# Sustainable Procurement Management

## Management information

### Relationships between themes and business activities

Social issues related to the environment and human rights may arise at production sites for crops such as palm oil and cacao, which are key raw materials for the Fuji Oil Group. In addition, we consider stable procurement of high-quality and safe raw materials that have been produced in a sustainable manner to be important for fulfilling our responsibility to supply products.

### Basic approach

As a social entity, the Fuji Oil Group conducts environmentally, socially and economically sustainable procurement. There are many social concerns about environmental and human issues in the production of our main raw materials. We focus our efforts on the sustainable procurement of the main raw materials, palm oil, cacao, and soybeans.

### Various policies related to sustainable procurement and their scope

Policy name	Scope	For more details
<b>Responsible Palm Oil Sourcing Policy</b>	All suppliers of palm oil, palm kernel oil, and palm-derived materials purchased, traded, processed, and sold by the Fuji Oil Group	<a href="https://www.fujioilholdings.com/pdf/en/csr/sustainable/160310.pdf">https://www.fujioilholdings.com/pdf/en/csr/sustainable/160310.pdf</a> 
<b>Responsible Cacao Sourcing Policy</b>	All suppliers of cacao beans and cacao products purchased, traded, processed, and sold by the Fuji Oil Group	<a href="https://www.fujioilholdings.com/en/news/2018/_icsFiles/fieldfile/2018/08/07/180808_2.pdf">https://www.fujioilholdings.com/en/news/2018/_icsFiles/fieldfile/2018/08/07/180808_2.pdf</a> 

Policy name	Scope	For more details
<b>CSR Procurement Guidelines (2nd Edition)</b>	Business partners of Fuji Oil Co., Ltd., FUJI FRESH FOODS CO., LTD., Omu Milk Products Co., Ltd., and TORAKU FOODS CO., LTD*.	<a href="https://www.fujioilholdings.com/pdf/en/csr/sustainable/160405.pdf">https://www.fujioilholdings.com/pdf/en/csr/sustainable/160405.pdf</a> 

\* As of July 1, 2020, we have transferred all shares of TORAKU FOODS CO., LTD.

## Promotion system

We promote initiatives under the supervision of the Chief Strategy Officer (CSO) on sustainable procurement of our main raw materials, palm oil, cacao, and soybeans. Moreover, the ESG Committee\*, which is an advisory body to the Board of Directors, confirms the progress and results of these initiatives as a priority theme for ESG management.

\* Refer to the URL below for details of the ESG Committee.

▶ <https://www.fujioilholdings.com/en/csr/approach/>

## Specific initiatives

### Sustainable procurement of main raw materials

Refer to the following URLs for details on the sustainable procurement initiatives of palm oil, cacao, and soybeans, which are the main raw materials for the Fuji Oil Group.

Sustainable Procurement of Palm Oil

▶ [https://www.fujioilholdings.com/en/csr/environment/palm\\_oil/](https://www.fujioilholdings.com/en/csr/environment/palm_oil/)

Sustainable Procurement of Cacao

▶ <https://www.fujioilholdings.com/en/csr/environment/cacao/>

Sustainable Procurement of Soybeans

▶ <https://www.fujioilholdings.com/en/csr/environment/soy/>

### CSR Procurement Guidelines and supplier surveys

#### CSR Procurement Guidelines

We believe that cooperation with business partners is essential to achieve sustainable procurement. For this reason, we drew up and announced our CSR Procurement Guidelines (2nd Edition), which includes a list of matters requested from suppliers by four group companies in Japan – Fuji Oil Co., Ltd., TORAKU FOODS CO., LTD.\*, FUJI FRESH FOODS CO., LTD., and Omu Milk Products Co., Ltd.

\* As of July 1, 2020, we have transferred all shares of TORAKU FOODS CO., LTD.

▶ [CSR Procurement Guidelines \(2nd Edition\) PDF \(136KB\)](#) 

## **Building partnerships with suppliers toward CSR procurement**

The CSR Procurement Guidelines (2nd edition) are explained to our business partners (manufacturers and trading companies) to ensure alignment. Business partners are selected according to the guidelines and information collected through questionnaire surveys.

In FY 2019, we held a study session on environmentally friendly packaging materials with the aim of improving understanding within the company. We also held a briefing session in November 2019 to explain to our major suppliers about our policy on partnership for promoting activities to solve social issues, 101 major business partners participated. At this session, we explained the Fuji Oil Group's ESG Management from three perspectives: "economy" and "technology," which we use conventionally, and "sustainability," which focuses on social sustainability. We believe that the session helped our business partners understand our commitment to contributing to the SDGs, considering the environment, and engaging in fair transactions.