

Sustainability

Sustainable Procurement of Shea Nuts

Management information

Relation between themes and business activities

Shea butter is an important raw material used mainly as a cocoa butter equivalent (CBE) in the Fuji Oil Group's vegetable oils and fats business. CBE is widely used in the confectionery industry and is also used for non-palm oil purposes. Shea butter is extracted from shea tree kernels.* The shea kernel is known as a women's crop because it is predominantly harvested by women. Shea trees grow in the shea belt located in West Africa in the sub-Saharan Desert and bear fruit once a year between May and June.

* Shea kernel: An embryo in the seed (shea nut) taken from the fruit of the shea tree. Main production areas are Nigeria, Mali, Burkina Faso, and Ghana.

Basic approach

Our commitment to a future-proof supply chain is an important pillar that supports the sustainability of the Group. By working on the sustainable procurement of shea nuts, we aim to achieve our sustainability goals and create shared value along the shea butter value chain.

As we move forward with our initiatives, we will focus on the following three improvements.

- Conservation of green areas with shea trees and deforestation
- Social and environmental footprint of shea butter
- Value creation in local communities

The Group's sustainable procurement is based on a strong platform with talented and engaged people. The platform is developed based on broad insight and stakeholder engagement.

Specific initiatives

Conservation of green areas with shea trees

The harvested shea kernels are heat-treated in rural homes and then processed into edible shea butter in oil mills. Trees, including shea trees, are used as fuel firewood in the heat treatment of shea kernels. The felling of trees for firewood is a serious threat to shea trees and other ecosystems. FUJI OIL GHANA LTD. is not only involved in initiatives to stabilize the supply of shea nuts, but also will work on planting shea trees and preserving the surrounding green areas.

Social and environmental footprint of shea butter

Firewood and water, which are fuels for the heat treatment of shea kernels, are essential resources in rural areas. FUJI OIL GHANA LTD. shares knowledge with local women involved in harvesting shea kernels in cooperation with villages, in order to reduce resource consumption, decrease farmers' workload, and improve shea quality.

We will promote the following initiatives in the future.

- Pursue the transparency of the supply network and the shortest supply route to build a fair supply network
- Raise awareness about human rights, ethics, and environmental impact, using the Supplier Code of Conduct
- Educate the local community on occupational safety and health, resource use, quality improvement, and workload reduction, as well as providing training on cooperative associations, businesses, and business development

Contribution to the local economy

FUJI OIL GHANA LTD. is located in Tetchiman, Ghana. We are involved in promoting the sophistication of the processing of shea butter in cooperation with local partners. Shea kernels procured in West Africa are pressed for oil extraction. We work to increase the added value of shea butter and create local employment. By-products of the oil extraction process are used not only as green energy sources and raw materials for soap, but also for food applications.

Collaboration with external organizations

FUJI OIL GHANA LTD. is member of the Global Shea Alliance (GSA)* and the Shea Network Ghana*². The activities of these organizations are :

- Storage of nuts that can be provided to women's groups
- Business training for women
- Occupational safety and health initiatives
- Development of equipment for tree planting
- Training on the management of green areas
- Pilot projects for green conservation

* Global Shea Alliance (GSA): Refer to the URL below for details of the organization.

▶ <https://globalshea.com/> 

*² Shea Network Ghana: Refer to the URL below for details of the organization.

▶ <http://sheanetworkghana.com/> 