

# Sustainable Procurement of Soybeans



Material Issue  
Sustainable Procurement

## Management information

### Relevance to our business

Soybeans are cultivated in a wide range of regions, from cool temperate zones to the tropics, and are one of the most widely used raw materials for food products in the world. Soy meat, soymilk and other soybean products have recently attracted attention as plant-based alternatives to address global food issues as the world's population continues to grow. They are also increasingly associated with the rising global interest in health.

With the conviction that soybeans could be one of the answers to future global food shortages, the Fuji Oil Group has been at the forefront of companies pursuing the potential of soybeans as a food ingredient since 1957, growing our soy-based ingredients business with soy meat as a typical ingredient. In this business, we procure whole soybeans and soybean-derived raw materials, such as defatted soybeans and soy protein made from defatted soybeans. We also procure soybean oil at several percent of the total weight of ingredients in our vegetable oils and fats business.

On the other hand, we are aware that management issues in some soybean-producing regions lead to social and environmental problems, such as the infringement of human rights of indigenous people and local communities, destruction of forests and ecosystems, and soil contamination of farmlands due to pesticides.

### Soy-based ingredients procured by Fuji Oil Group and related products

Ingredients		Related Products	Major Sources
Whole soybeans	Soy in its whole bean form	Soy protein foods Products using the USS manufacturing method	U.S., Canada, China, Japan
Defatted soybeans	Made from whole soybeans with oil extracted and residues removed	Raw materials for soy protein ingredients	
Soy protein	Protein ingredient extracted from defatted soybeans	Soy protein foods	
Soybean oil	Oil extracted from whole soybeans	Soy protein foods Oil and fat products	

### Basic approach

The Fuji Oil Group formulated the Responsible Soybeans and Soy Products Sourcing Policy (in June 2021) in order to meet the customer's expectations amid the growing needs for soy products, while addressing the issues at soy production areas. After establishing the policy, we set medium- to long-term goals and KPIs to achieve sustainable procurement of soybeans.

The Group procures soybeans and soy products produced in a responsible manner from suppliers that take human rights and the environment into account, and continue to strive to identify problems and provide solutions across the supply chain through continuous engagement with our suppliers of raw materials.

Responsible Soybeans and Soy Products Sourcing Policy (PDF, 922KB) 

## Management system

The Chief Strategy Officer (CSO) oversees initiatives in this area.

The Sustainability Committee,<sup>\*1</sup> an advisory body to the Board of Directors, monitors the progress and results of initiatives as a material ESG issue.<sup>\*2</sup>

\*1 [https://www.fujioilholdings.com/en/sustainability/sustainability\\_management/](https://www.fujioilholdings.com/en/sustainability/sustainability_management/)

\*2 <https://www.fujioilholdings.com/en/sustainability/materiality>

## Goals / Results

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

Medium- to long-term goals	KPI		FY2022 Goals	FY2022 Results	Self-assessment
	2030年	2025年			
No deforestation, no exploitation	Traceability achieved to the community level, or 100% procurement of RTRS*-certified products or products certified to equivalent standards	Traceability achieved to primary collection points, or 100% procurement of RTRS-certified products or products certified to equivalent standard	Carry out initiatives to achieve traceability goals set as KPIs	70% traceability to primary collection points	○
			Evaluate results of supplier self-assessment and formulate plans to improve traceability focusing on better supplier engagement	<ul style="list-style-type: none"> <li>Completed evaluation of supplier self-assessments</li> <li>Formulated improvement plan for FY2023</li> </ul>	○

\* Round Table on Responsible Soy Association

## Analysis

In FY2022, we evaluated the results of supplier self-assessments and understood the status of each supplier. Following the improvement plan based on this evaluation, we will continue to work on addressing issues to enhance traceability.

## Next step

Enhancing traceability is the key to understanding the problems in each producing region. To address this issue, we set the following goals for FY2023.

- Better engagement with suppliers through self-assessment feedback
- Carry out initiatives to achieve traceability goals

## Specific initiatives

### Solution-based approaches to implementing the Responsible Soybeans and Soy Product Sourcing Policy

Social issue	Solution-based approach	Location/scope
Global environment and human rights	Tracing across the supply chain to primary collection points	U.S., Canada, China
	Gathering information through RTRS	U.S., Canada, China

#### Tracing across the supply chain to primary collection points

Since announcing its Responsible Soybeans and Soy Products Sourcing Policy, Fuji Oil Holdings Inc. has been working with suppliers. For raw materials produced in North America and China, we are working to trace across the supply chain to primary collection points, where the soybeans are collected from the farm and stored.

Our progress in tracing across the supply chain and improving traceability varies for each region, but we will continue to assess the risks involved in procurement in more detail and improve traceability. From 2025, we plan to conduct more extensive tracing further upstream to communities level.

#### Gathering information through RTRS

In 2020, the Fuji Oil Group joined the global platform RTRS and received their support to gather information and to formulate our sourcing policy. Our next step is to develop action plans for each region including North America and China.

### Procurement of non-genetically modified soybeans

The Fuji Oil Group's soy-based ingredients business procures only the soybean raw materials from North America, China, and Japan, all of which are non-genetically modified (non-GM) soybeans. In North America, both GM soybeans\* and non-GM soybeans are distributed in large quantities. Therefore, we place strict controls on soybeans produced in North America to ensure that non-GM soybeans shipped to us are cultivated, transported and stored separately from GM soybeans.

In China, which is a major source of soybeans for us, the cultivation of GM soybeans is prohibited. In recent years, however, GM soybeans have been imported to China as raw materials for oil extraction. Therefore, it becomes increasingly important to manage non-GM soybeans through strict separation from GM soybeans. Regarding the procurement of soybeans from China, we continue to respond to strict management requirements through close cooperation among our Group companies while adopting management know-how from Fuji Oil Co., Ltd.

\* Soybeans that have been engineered through gene recombination to produce a more stable yield by adding functions such as herbicide resistance