

# Sustainable Procurement of Soybeans

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## Policy

The Fuji Oil Group formulated the Responsible Soybeans and Soy Products Sourcing Policy in June 2021. (The policy was partially revised in April 2025.)

Responsible Soybeans and Soy Products Sourcing Policy

[https://www.fujioil.co.jp/en/sustainability/policy/soy\\_procurement/](https://www.fujioil.co.jp/en/sustainability/policy/soy_procurement/)

## Governance

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. From a multi-stakeholder perspective, the committee deliberates on and monitors Sustainable Procurement of Soybeans, a priority action to address material ESG issues,<sup>\*2</sup> and makes recommendations to the Board. The Group implements related initiatives under the oversight of the Head of Soy Ingredients Business Headquarters, the Executive Officer.

\*1 Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

\*2 Governance, Strategy, Risk Management, Metrics and Targets > Metrics and targets

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#index](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#index)

## Strategy

GRI: 2-6

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 soy 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 ingredients business with soy meat as a typical ingredient. In this business, we procure raw materials soybean-derived ingredients, such as defatted soybeans and soy protein made from defatted soybeans, and whole soybeans. We also procure soybean oil in our vegetable oils and fats business at several percent of the total weight of ingredients we procure.

We are aware of the social and environmental problems in some soybean-producing regions, such as the infringement of human rights of Indigenous Peoples and local communities, destruction of forests and ecosystems, and soil contamination of farmlands due to pesticides, and we recognize them as challenges for our corporate management. Failure to address these issues could affect the sustainable procurement of raw materials, posing a risk of damaging the Group's reputation and reducing profits. Conversely, working to address these issues could foster greater trust from our stakeholders, opening up opportunities for profit growth from new transactions and enhancing our corporate value.

The Fuji Oil Group set medium- to long-term goals and KPIs to achieve sustainable procurement of soybeans in June 2021 in order to meet customers' expectations amid the growing needs for soy products, while addressing the issues in soy-producing areas. We procure 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.

#### Soy ingredients procured by Fuji Oil Group and our products

Ingredients		Related Products	Major Sources
Defatted soybean	Made from whole soybeans with oil extracted	Raw materials for soy protein ingredients	North America, China, Japan
Soy protein	Protein ingredient extracted from defatted soybeans	Soy protein foods Textured soy protein products	
Whole soybeans	Soy in its whole bean form	Soy protein foods Products using the USS manufacturing method	
Soybean oil	Oil extracted from whole soybeans	Soy protein foods Oil-based products	

## Risk management

The Fuji Oil Group systematically manages risks and opportunities related to Sustainable Procurement, an area of sustainability matters that address material ESG issues, in alignment with Group significant risks.

Group significant risks

Risk type: Environment and human rights/ Procurement

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

Sustainable Procurement Management > Risk management

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Improving traceability of the supply chain to primary collection points

(Location/scope: The US., Canada, China)

Our Group has been engaging with suppliers based on the Responsible Soybeans and Soy Products Sourcing Policy.

For raw materials produced in North America and China, we are working to further improve traceability of the supply chain to primary collection points, where the soybeans are collected from the farm and stored.

Our progress in understanding the supply chain and improving traceability varies for each region, but in cooperation with our suppliers, 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 the community level.

## Gathering information through RTRS (Location/scope: The US, Canada, China)

In 2020, our Group joined the Round Table on Responsible Soy Association (RTRS), a global platform for sustainable soybean production, and received their support to gather information and to formulate the Responsible Soybeans and Soy Products Sourcing

Policy in June 2021. We will continue to collect information on global trends related to the sustainable procurement of soybeans.

## Metrics and targets

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

Medium- to long-term goals	KPI		FY2024 Goals	FY2024 Results	Self-assessment
	2030	2025			
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 standards	Better engage with suppliers through direct dialogues	Direct dialogues with suppliers in North America and China conducted, and understanding of traceability status improved	○
			Achieve at least 90% traceability to primary collection points	92.8% traceability achieved to primary collection points	○

## Analysis

In FY2024, we determined our progress in traceability through dialogues with suppliers. In North America, we deepened our relationships with suppliers through concrete dialogues on current issues and future directions, fostering a shared understanding of the importance of sustainability. In China, we were able to gain a more detailed understanding of the situation, including the extent of traceability in the upstream supply chain.

## Next steps

Enhancing traceability is the key to understanding the problems in each producing region. Companies are also expected to make positive impacts on the environment, so to address these issues, we have set the following goals for FY2025:

- Achieve 100% traceability to primary collection points
- Discuss actions to achieve Scope 3 reductions by implementing regenerative agriculture programs

## Specific initiatives

### Ensuring procurement of non-genetically modified soybeans

To meet our stakeholders’ demands, our Group’s soy ingredients business procures 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 our soy ingredients business, 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 the strict separation from GM soybeans. Regarding the procurement of soybeans from China, we continue to respond to strict management requirements in the market through close cooperation among our Group companies while adopting management know-how from Fuji Oil Co., Ltd.

\* Genetically modified (GM) soybeans: Soybeans that have been engineered through gene recombination to produce a more stable yield by adding functions such as herbicide resistance