

# Fuji Oil Group's "Business and Human Rights" Initiatives

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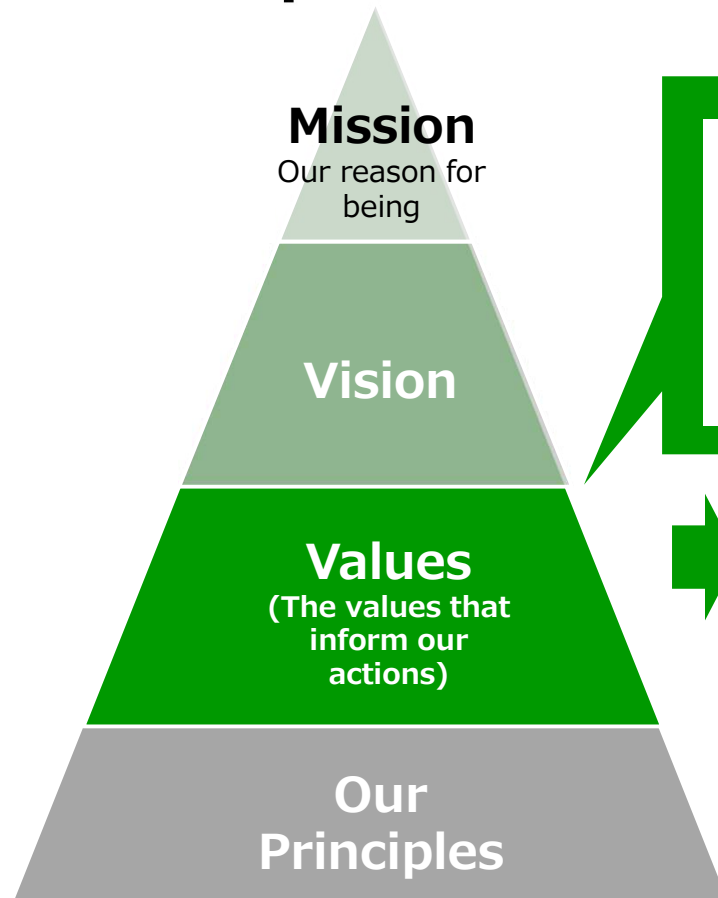
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# Contents

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- 1. Management Philosophy**
2. Overview of “Business and Human Rights” Initiatives
3. Sustainable procurement (Case studies)
4. Linking "Business and Human Rights" to Corporate Value~Demonstrate group synergy~

## Fuji Oil Group Management Philosophy = Principles of behavior of Group employees



**The value of  
“Work for people”**  
= Solving problems of people  
and society through our work.

As a member of society , we aim to contribute  
to the realization of a sustainable.  
⇒To be a company that is needed by society.



# Management Philosophy and “Business and Human Rights”

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**“Business and Human Rights” are the very practice of  
“Work for people” and are a factor in creating corporate value.**

**motive :**

**As a practice of corporate values  
=DNA of “Work for people”**

**A corporate culture that values people**

- Culture of safety, quality, and environment
- The base of our thought is the sanctity of human life



**Promoting “Business and Human Rights” through business**



**Expected Outcomes:  
Creation of social and  
corporate value**

**“Business and Human Rights” also  
affect corporate value**

- Reputational risk  
(suspension of business, import ban, etc.)  
Opportunities for sustainable markets  
(Growing need for sustainable raw materials)

# Contents

---

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## Awareness of “Business and Human Rights”

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It all started with the "Dialogue of the Experts" in September 2016  
"In Fuji Oil's Sustainability Report, there is no mention of business and human rights or the UNGPs".



Business and  
Human Rights ?  
UNGP ?

⇒Start studying **"Business and Human Rights"** and **"UNGP"**!

## UNGP : UN's Guiding Principles on Business and Human Rights

- Adopted by the UN Human Rights Council in 2011
- Consensus of the international community on human rights

| Key points of Guiding Principles |  | Activities required of companies by the Guiding Principles  |
|----------------------------------|--|---|
| State                            | 1. The state has a duty to protect human rights.   | —   |
| company                          | 2. Companies have a responsibility to respect human rights.<br>※Scope is the entire supply chain         | ① Formulation of<br>"Human Rights policies"<br>② Human rights Due Diligence<br>(Human Rights Risk Management) |
| State<br>company                 | 3. Both governments and companies are responsible for remedying human rights violations when they occur. | ③ Building a<br>Grievance Mechanism   |

## Formulation of “Human Rights policies”

- Formulated in March 2017
- Fulfill our responsibility to respect human rights based on the value of “Work for people” as expressed in the Fuji Oil Group Management Philosophy.

### 不二製油グループ本社株式会社

#### 不二製油グループ人権方針

##### ■ 人権に対する基本的な方針

不二製油グループは、不二製油グループ憲法の下、ステークホルダーの皆様と双方向のコミュニケーションを図りながら、事業活動を通じて社会に貢献し、社会と共に持続的に発展していくことを目指しています。当社グループ憲法にて表明する「人のために働く」の精神に則り、事業活動が影響を及ぼし得る人々の人権を尊重する責任があることを認識し、この責任を果たすように努めます。

当社グループは、「国際人権章典」（世界人権宣言と国際人権規約）、国際労働機関の「労働における基本的原則及び権利に関する宣言」を支持し、尊重しています。また、国連の「ビジネスと人権に関する指導原則」に基づく取り組みの実行を通じて、人権尊重の責任を果たします。

## Fuji Oil Group Human Rights Policy

### Basic Policy on Human Rights

Under the Fuji Oil Group Management Philosophy, Fuji Oil Group strives for realizing sustainable development in harmony with society by contributing to society through our core business while interactively communicating with stakeholders. In accordance with “Work for people”, one of the core values expressed in our Group Management Philosophy, we recognize our responsibility for respecting the human rights of people potentially affected by our business, and are committed to fulfilling this responsibility.

Fuji Oil Group supports and respects the International Bill of Human Rights (the Universal Declaration of Human Rights and the two International Human Rights Covenants), and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We are committed to fulfilling our responsibility to respect human rights by implementing the UN Guiding Principles on Business and Human Rights.



# In-house education on human rights

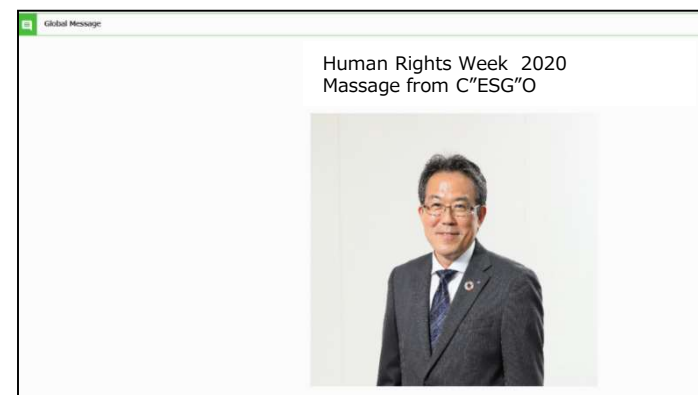
## ● Business and Human Rights e-learning movie

You can see it here.  
[https://www.fujioilholdings.com/en/csr/social/human\\_rights/](https://www.fujioilholdings.com/en/csr/social/human_rights/)  
Please refer to the "Business and Human Rights e-learning movie" section.



## ● Human Rights Week (Raising awareness of human rights policies throughout the Group on the occasion of World Human Rights Day on December 10)

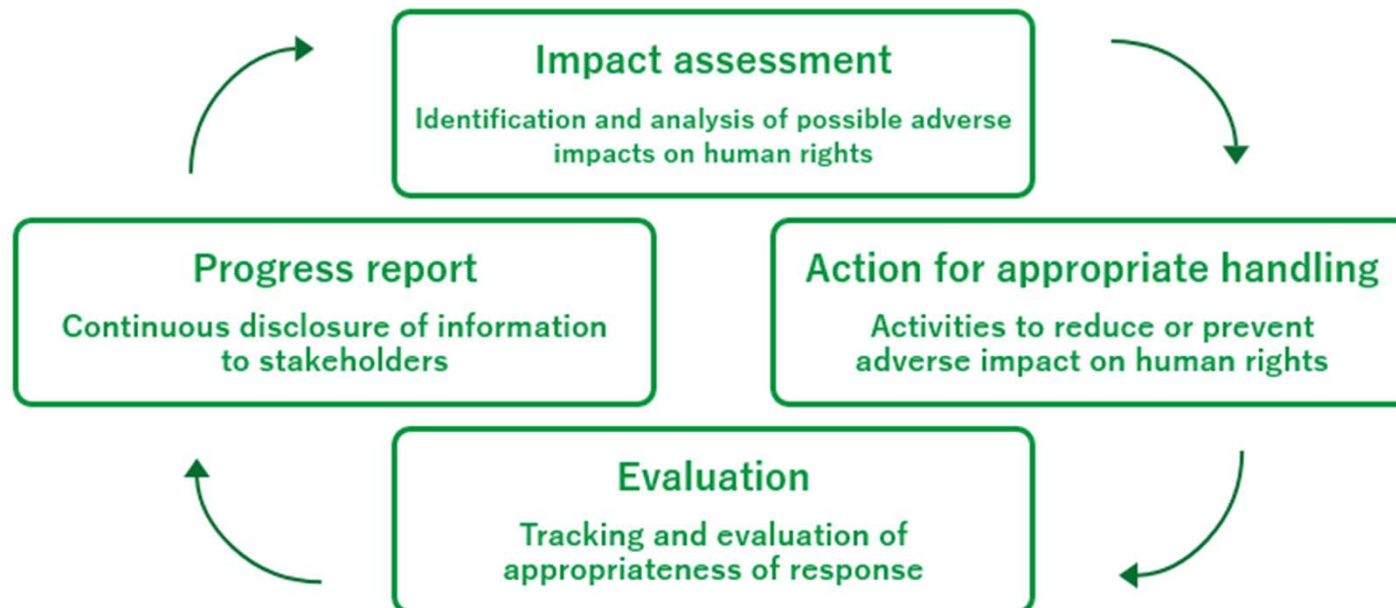
- Management messages
- Commentary article on business and human rights
- Mail Magazine "Human Rights to Pay Attention in the Workplace"
- Diversity and LGBT seminar



# Human Rights Due Diligence

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- With the support of experts, **the 1<sup>st</sup> impact assessment** was conducted in 2017.
- Since then, Action ⇒ Evaluation ⇒ Progress report has been conducted for the identified human rights risks.
- The **2<sup>nd</sup> impact assessment** was conducted in 2020.

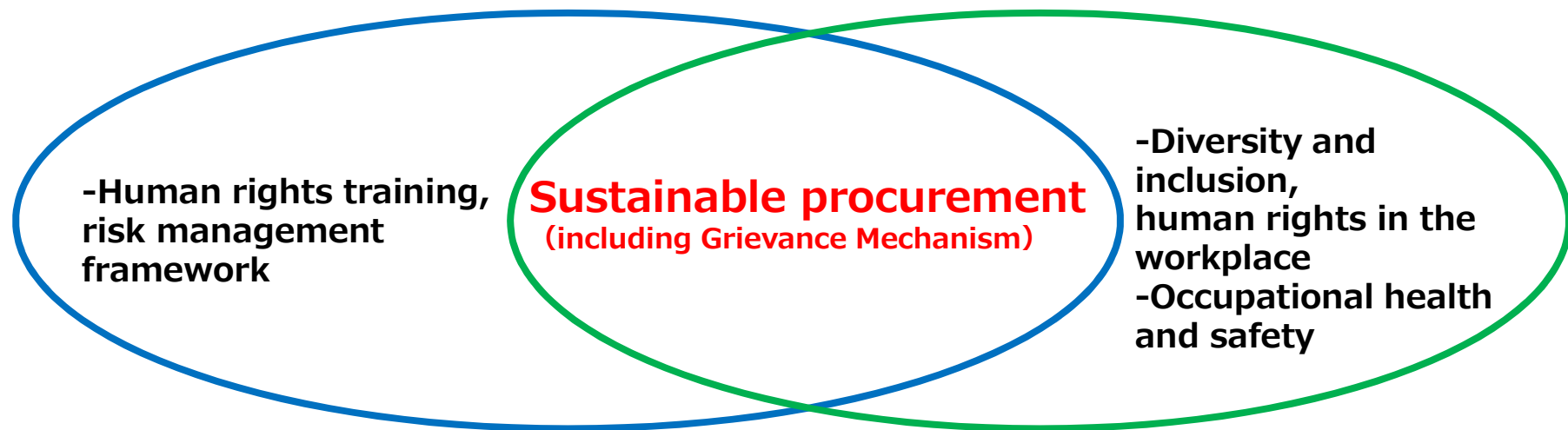


# Results of Human Rights Impact Assessment

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1st assessment (2017)

2nd assessment (2020)



## **Sustainable procurement :**

Procure raw materials that do not involve environmental issues such as deforestation or human rights issues such as child labor or forced labor in the supply chain.

# Contents

---

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## Sustainable procurement Medium- to long-term target

### Palm Oil



#### Policy

##### Responsible Palm Oil Sourcing Policy (2016)

No deforestation  
No peatland development  
No exploitation

#### Medium- to long-term target

- ① Improve traceability to oil palm plantations (100% by 2030)
- ② Application rate of workplace environment improvement program (All direct suppliers) by 2025

### Cacao Bean



##### Responsible Cacao Sourcing Policy (2018)

-Improving the living conditions of farmers  
-Eliminating child labor in the supply chain  
-Prevention of deforestation and forest conservation

- ① To eliminate child labor in the supply chain by 2030, achieving zero worst forms of child labor by 2025
- ② Plan to plant one million trees for a variety of shade tree seedlings in cocoa-growing areas by 2030

# Sustainable Procurement of Palm Oil Examples of Activities

## Improving the supply chain

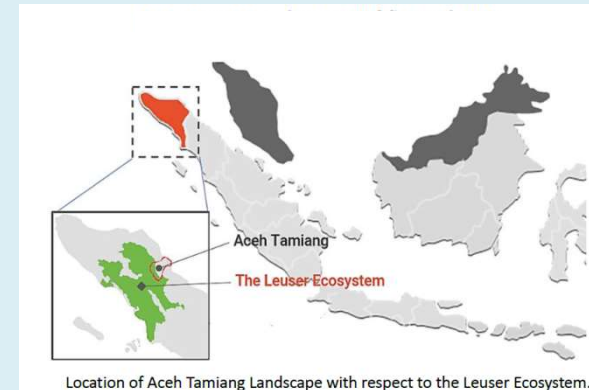
Promote risk reduction activities with stakeholders such as NPOs and suppliers

### 1. APT Landscape Initiative

Indonesia

**2018~**

- Recognized high forest risk in northern Sumatra as a result of traceability and dialogue with NGOs
- Participating in the Landscape Approach, which brings together NGOs, local governments, farms, small-scale farmers, communities, and user companies to address local forest protection and appropriate labor and social practices
- Satellite Monitoring



### 2. Transformation Activities for Palmaju Supply Chain

Malaysia

**2017~**

- Addressing forest issues
  - ⇒Cooperation with local government, satellite monitoring
- Response to forced labor
  - ⇒Working environment improvement program, return of passports



### 3. Support for small-scale farmers in Sabah

**2016~**

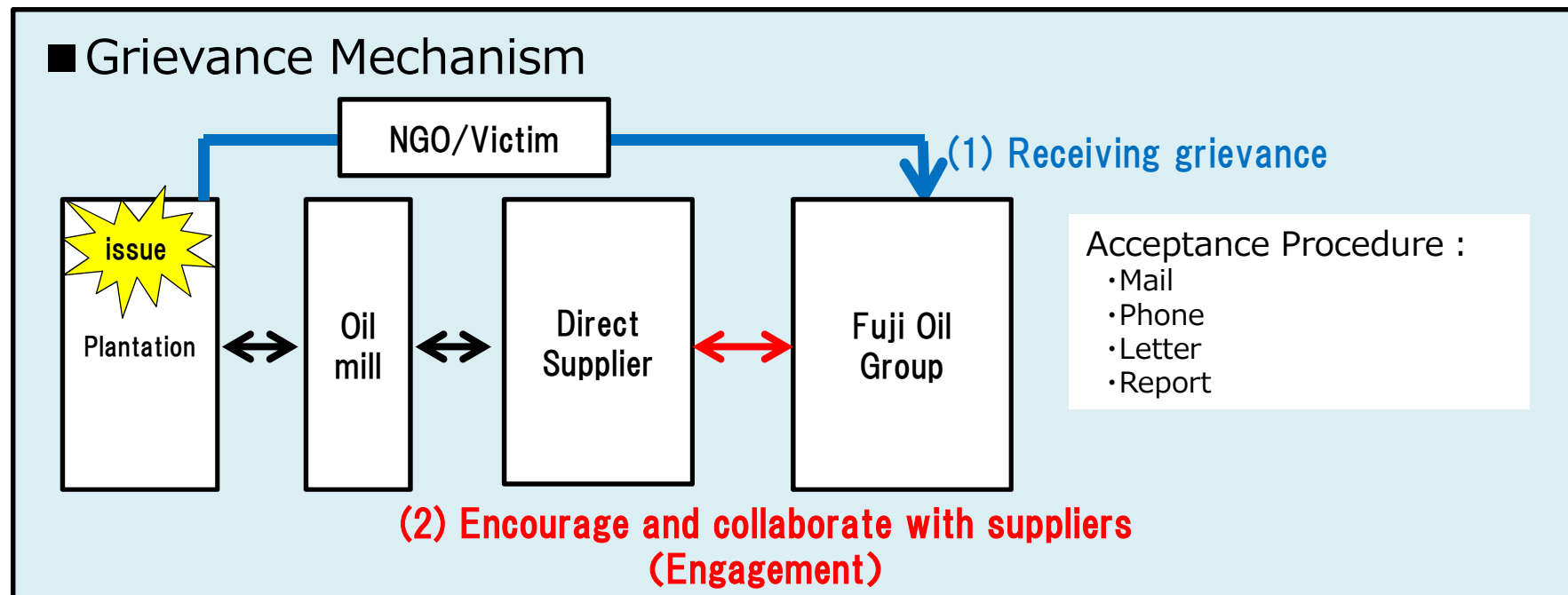
- Support small-scale farmers in improving their agricultural practices and obtaining certification
- A total of 191 farmers have newly obtained RSPO certification.



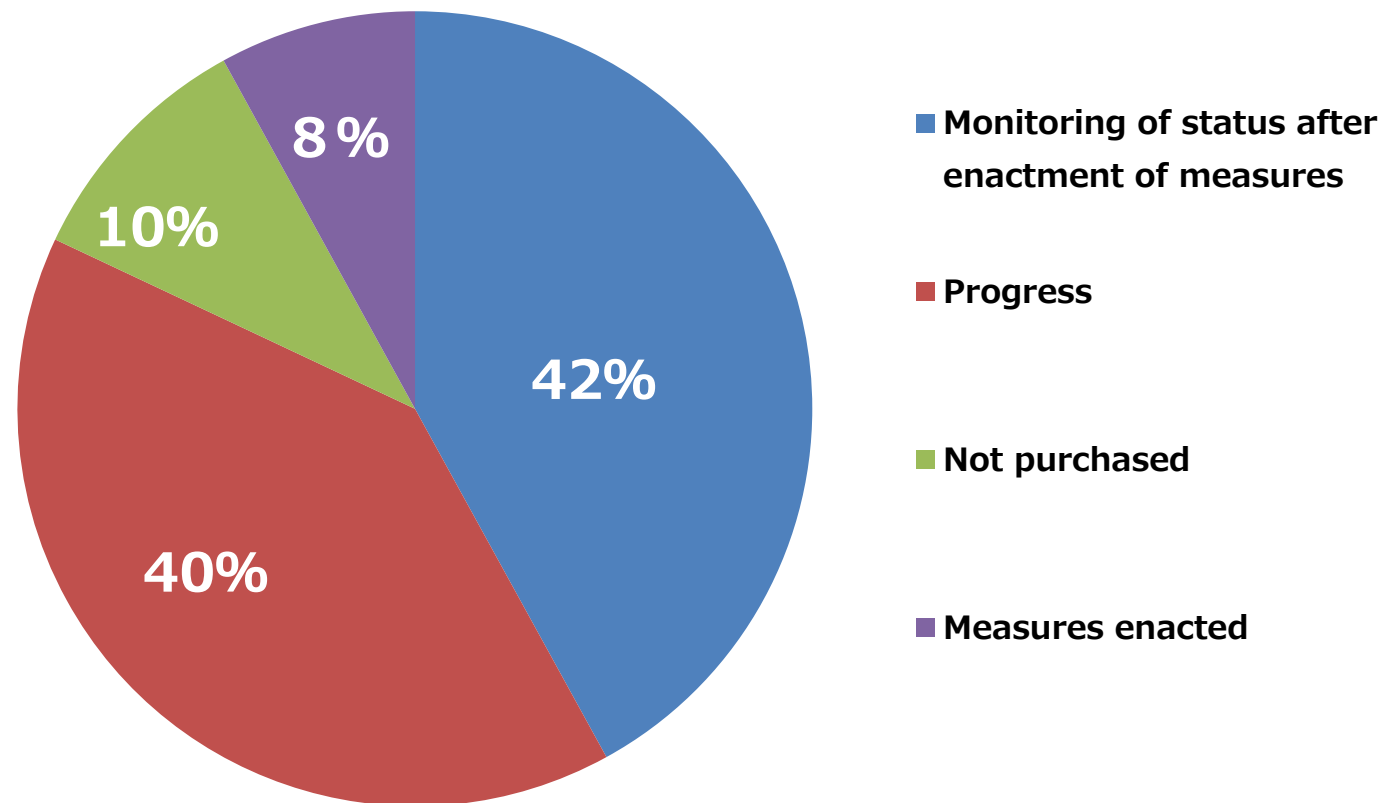
## Sustainable Procurement of Palm Oil Examples of Activities

### Grievance Mechanism

- A mechanism to accept and improve human rights and environmental issues in the Company's palm oil supply chain. Since May 2018.
- Since we do not own farms or oil mills, therefore, our basic approach is engagement with direct suppliers.
- The progress of the response is announced on our website.



### Progress of Grievance (108 as of the end of June 2020)





## Grievance Mechanism What I learned from practice (an example)

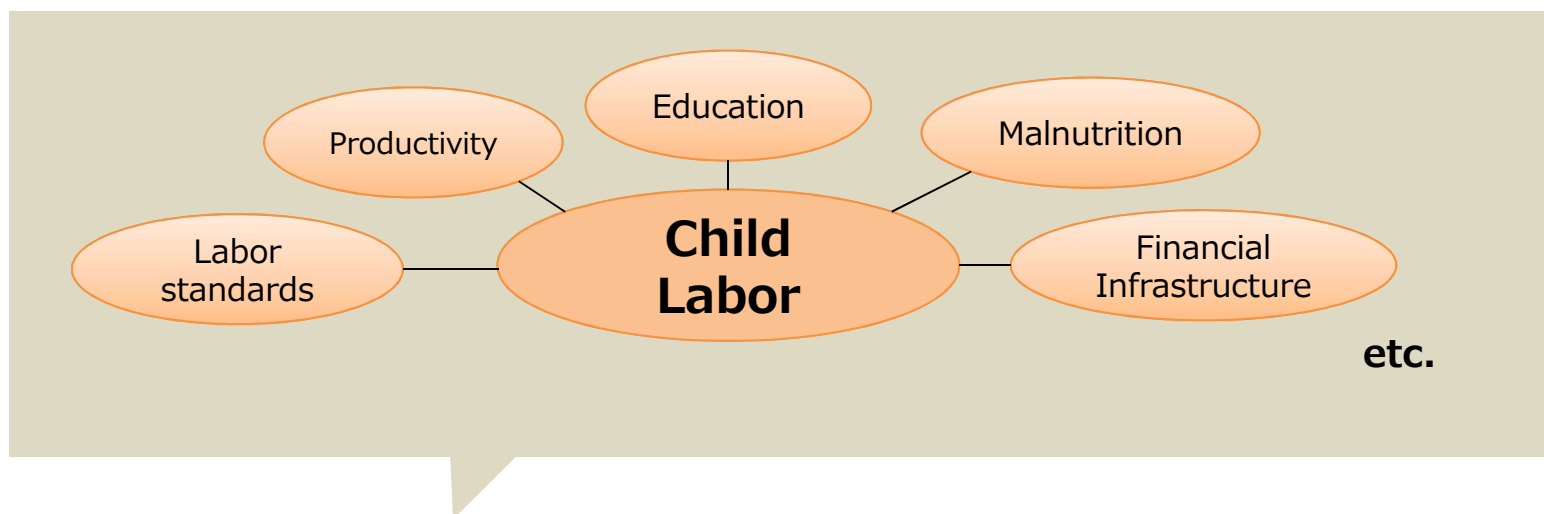
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| Major item       | Middle item              | Point  |
|------------------|--------------------------|--|
| Engagement       | Exercise of Influence    | Issues related to Buying Power   |
|                  | Suspend                  | <b>Two ways of thinking</b><br>(1) Suspend transactions as soon as possible<br>(2) Suspend transactions as a last resort |
| Target Grievance | Parent company Grievance | <ul style="list-style-type: none"> <li>• Responding outside of our own supply chain</li> </ul>                           |

# Sustainable Procurement of Cacao

## Utilizing Blommer's Knowledge to Achieve Zero Child Labor Commitment

Since various issues such as labor standards, financial infrastructure, and malnutrition are closely related to each other, a deep knowledge and multifaceted approach to local issues is required.



**Brammer's experience  
and expertise  
in Côte d'Ivoire**



**Apply to other  
areas**

**Ghana (FY2020~)**

**Ecuador (FY2018~)**

# Examples of Sustainable Origins Program Activities

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## People

- ✓ **Programs to improve the social status of women**  
(Ex.) Supporting literacy education for farm women.
- ✓ **Eliminate child labor and Educational Infrastructure**  
(Ex.) Support for improving access to education.  
Eliminating Child Labor by Monitoring Activities.

## Planet

- ✓ **Reducing Deforestation and Tree Planting**  
(Ex.) 1 million trees planted by 2030.  
Improving soil nutrition and water conservation through farmer support.

## Prosperity

- ✓ **Support for farmers to improve their income**  
(Ex.) Provide training and technology for good farming practices.
- ✓ **Establishing traceability**  
(Ex.) Plotting cocoa farmers on a GPS map and registering farmer household surveys in a database.

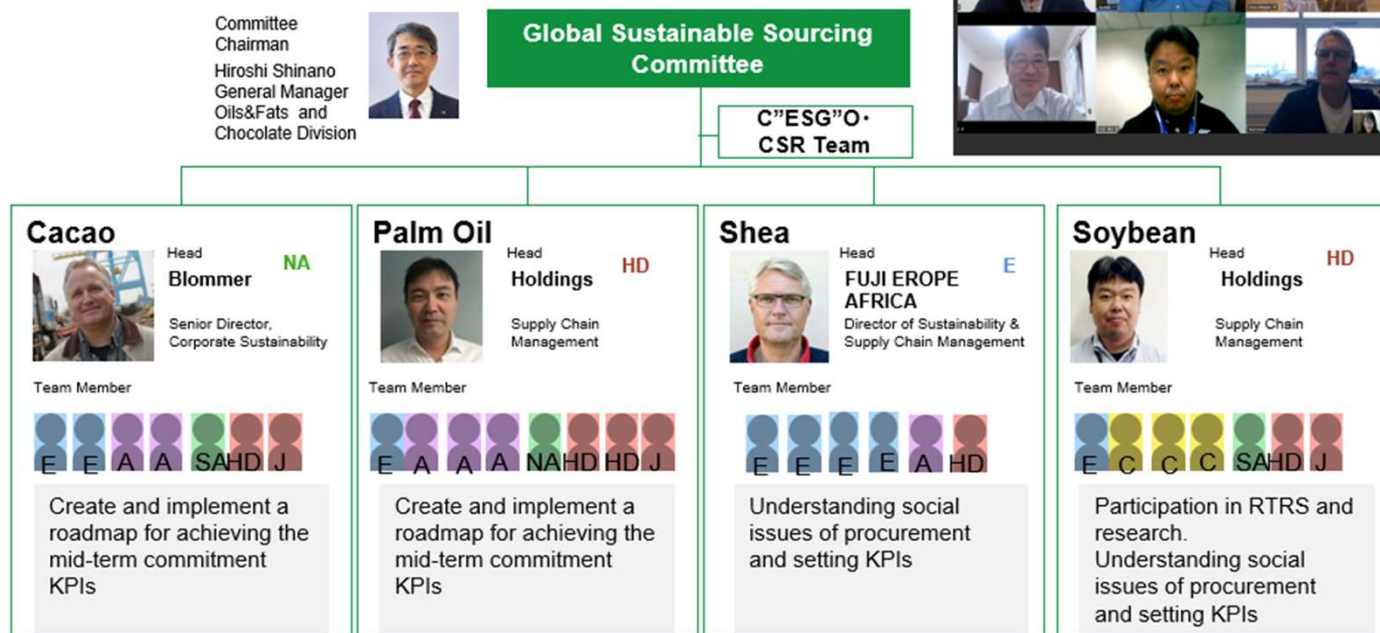
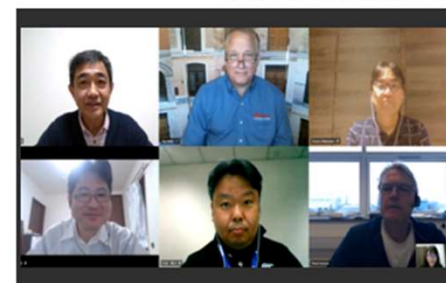
# Further Promotion of Sustainable procurement

Established **Global Sustainable Sourcing Committee** to further solidify the promotion of sustainable procurement globally, and formulated and published **Supplier Code of Conduct**.

## Improving the Effectiveness of Our Medium-Term Commitment Global Sustainable Sourcing Committee (founded in September 2020)

- Creating subcommittees for each of the main raw materials and promoting measures in line with the roadmap
- The Global Sustainable Sourcing Committee holds progress meetings every three months and reports to C "ESG" O

Progress meeting in November



(※E=「Europe Africa」、A=「Asia」、C=「China」、SA/NA=「South/North America」、HD/J=「Holdings/Japan」)

Regional officers directly participate in the Global Sustainability Team for each main raw material

# Contents

---

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# Evaluation from Society

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December 2020

Triple "A" score in CDP( Forests , Climate , Water Questionnaire)  
(10 out of about 5,800 companies, first in Japan)



September 2020

Grand Prize in the ESG category of The Japan Times Satoyama & ESG Awards 2020



Inclusion in ESG indices (as of April 2021)

• **MSCI**

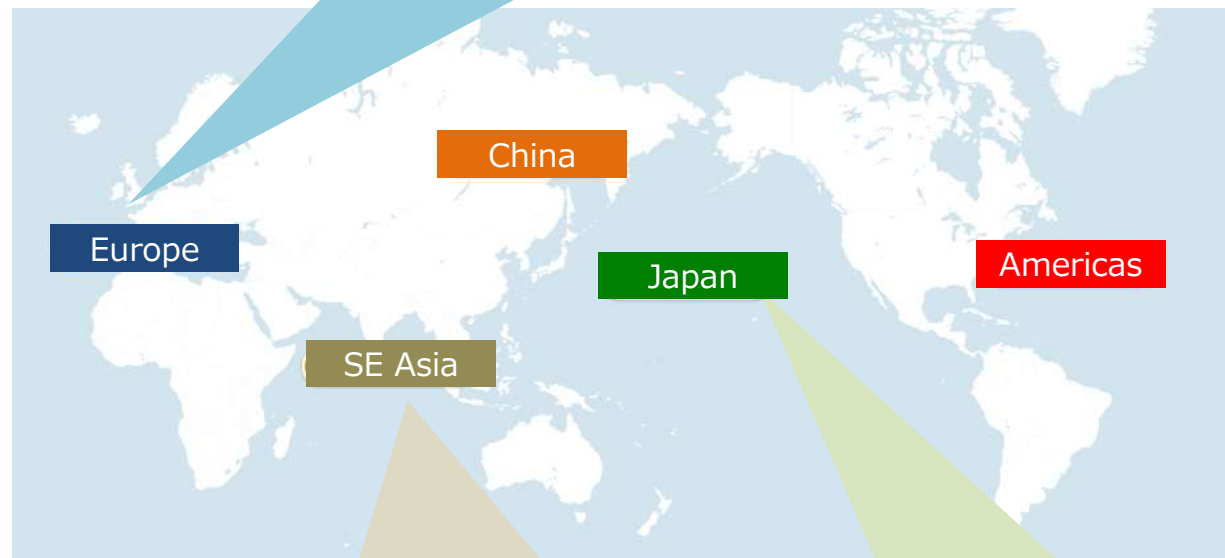
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- MSCI Japan Empowering Women (WIN) Select Index

• **S&P/JPX Carbon Efficient Index**

## Evaluation by customers

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**Supply of high quality sustainable palm oil under the UNIFUJI scheme is highly evaluated by customers**



**Sustainable Palm Oil Supply  
Recognized by a major global  
customer Awarded as "Good Supplier"**

**As more and more customers  
express their commitment to  
RSPO-certified oils and fats,  
sustainability and certified oils and  
fats will become the foundation of  
business**

# Synergy effects in the group



## Sustainability Group synergy expression (Gaining trust and reducing risks throughout the group)

- ✓ Secure SG-grade certified oils and fats
- ✓ Gaining the trust of advanced customers

## Connect to business opportunities at group companies

- ✓ Expand sales of certified oils and fats to new customers

## Manifestation of financial returns

- ✓ Contribution to business performance

- ✓ Formulate Group medium- to long-term goals at the global level by leveraging knowledge

- ✓ Improve communication with stakeholders and reduce risks

- ✓ Expanding the certified cocoa bean program



## Future challenges Visualizing the impact on corporate value

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**Specifically, how does it affect ?**

### **Theme (Ex.)**

#### **✓ Climate change**

**⇒ Use of TCFD**

- Results of analysis: Business opportunities 4 °C scenario < 2 °C scenario**
- What are the economic benefits of reducing CO2 emissions...?**

#### **✓ Biodiversity**

- Consideration of TNFD**
- What are the financial implications of forest and peatland conservation?**

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**Thank you very much  
for your kind attention.**