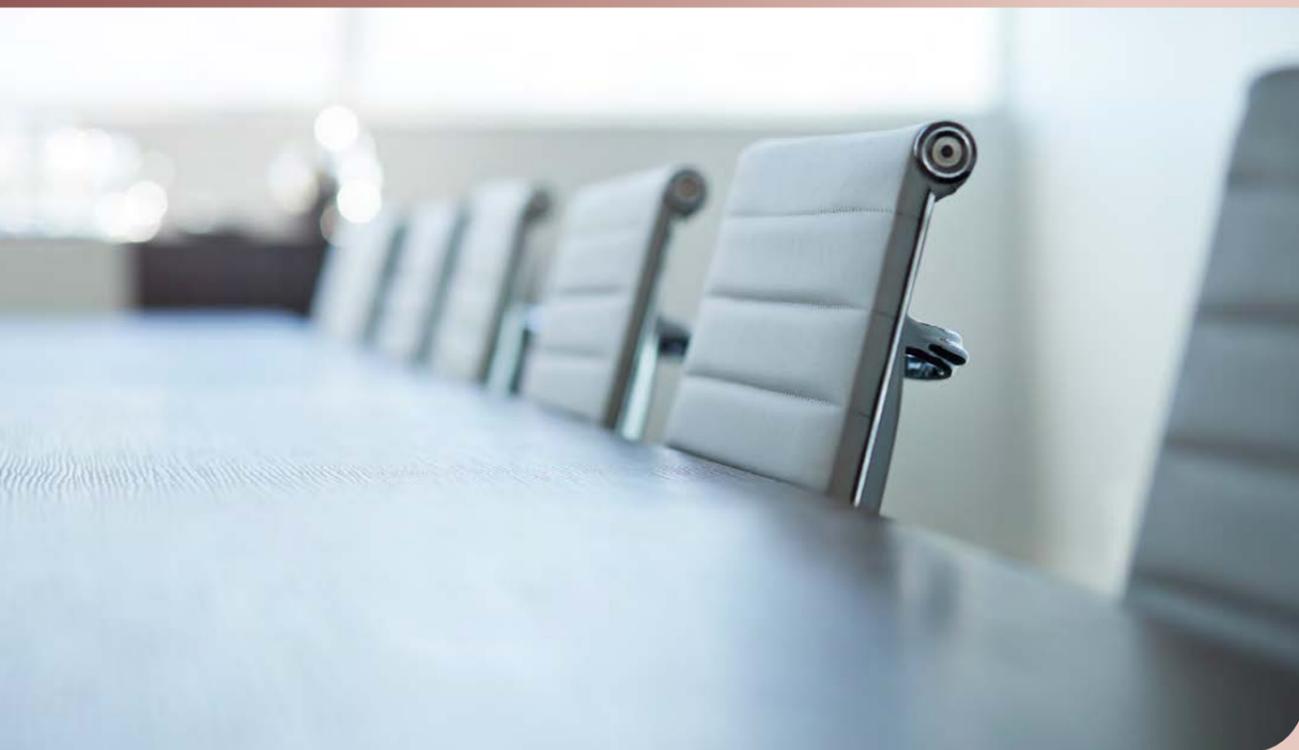




## CAO SECTION

Message from the CAO.....	83	Corporate Governance.....	88
Hitozukuri (Fostering People).....	84	Discussion between Outside Directors.....	90
Compliance.....	86	The Role of the Board of Directors.....	95
		Director Compensation System.....	96
		Directors, Audit & Supervisory Board Members, and Executive Officers.....	98
		Initiatives on Enhancing the Effectiveness of Three-Way Audits.....	100



## Message from the CAO

### Driving Innovation through Diversity

**Takeshi Takasugi**  
 Director and Senior Executive Officer  
 Chief Administrative Officer (CAO)



My name is Takeshi Takasugi and I was appointed the Chief Administrative Officer (CAO) of the Fuji Oil Group in April 2020. Previously, I was the head of the business development division at Fuji Oil Holdings and directed the Group's operations in the Americas region. While we are making progress with our localization efforts in each area, we believe we can take greater advantage of our human resources and opportunities across the globe. With this in mind, my biggest mission is to quickly move ahead with our efforts to raise awareness of diversity, which underpins Group growth, and put in place a system and infrastructure that facilitates the achievement of that goal.

Our global network currently consists of 40 consolidated subsidiaries in 15 countries and regions, which are supported by the hard work of nearly 6,000 employees. Some have worked at Fuji Oil for years while there are others who joined after building up experience elsewhere. At Fuji Oil, realizing diversity is not only about achieving gender equality; it involves the gathering of people from different nationalities and backgrounds to develop and grow together

toward a common goal. This will form the source of our capabilities for generating new products and sales methods and strengthen our technological skills and production technologies. The collaboration of companies with diverse cultures is certainly not an easy task as it leads to conflicts and confusion from time to time. However, I believe that overcoming this barrier will help the Group gradually improve its ability to realize diversity and achieve substantial growth.

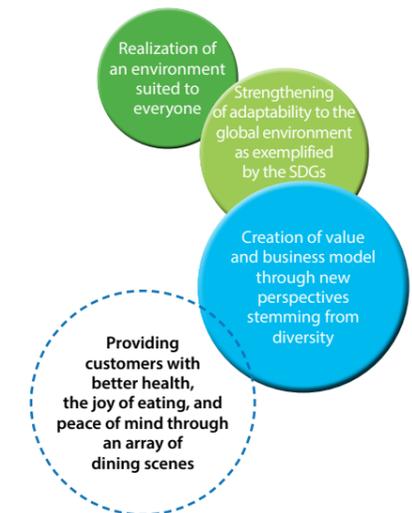
We have adopted "Embracing Diversity" as the theme of this year's Fuji Oil Group Diversity Vision. Because diversity is not something that can be easily achieved, the joy that comes from its achievement is simply amazing. Our ultimate aim is to realize diversity by way of having our diverse global workforce challenge each other to generate new innovations. To that end, we will continue with our efforts outlined in the medium-term management plan of establishing a human resource system that enables our global employees to grow and contribute in the most optimal way possible and forming a strong leadership team that can steer the global Fuji Oil Group forward.

## The Fuji Oil Group's Diversity Vision

### Embracing Diversity

Encouraging our diverse global human resources to challenge each other to generate new innovations.

While embracing this process, we will continue to "work for people" and contribute to society with our sights set on providing deliciousness and health in an array of dining scenes to our diverse customers across the globe.



# Hitozukuri (Fostering People)

## Global Human Resource Strategy Centered on Diversity

In our aim to establish a global structure on the back of our 2015 acquisition of Harald and the transition to a holding company structure, we felt the need to address the issue of our human resource strategy and system being based on a traditional Japanese approach. With this in mind, as part of our medium-term management plan, we forged ahead with the development of a global structure that can respond flexibly and swiftly to the changing business environment by establishing a framework that develops employees to become globally active through collaboration with each region.

### Matters to Be Achieved/Resolved by FY2020

Globalization, diversification and localization of Fuji Oil Group human resources and the improvement of organizational productivity

### Basic Policies of the Medium-Term Management Plan

- Develop systems and mechanisms for the finding and development of talent capable of performing on the global stage
- Build a global personnel system through regional collaboration
- Build a global structure that can respond flexibly and swiftly to changes in the operating environment through the promotion of diversity

## Our Achievements to Date

### ① Promoting Localization

In order to evolve our business of food ingredient sales, which caters to the needs of food and social issues in all corners of the globe, we must have a sound understanding of the various cultures and customs, preferences, and sales channels, and make swift decisions and manage our business by adapting to the changing values and operating environment. For that reason, we pressed forward with localization based on our policy of appointing local employees to lead our major overseas Group companies. Looking ahead, we will continue to develop a solid group of leaders that will guide our global organization forward.



Fuji Oil Europe  
**Jon van den Bremen**



Fuji Oil (Singapore) Pte. Ltd.  
**Teo Yong Wah**



Fuji Oil (Zhang Jia Gang) Co., Ltd.  
**Yan Shangwen**



Blommer Chocolate Company  
**Peter Blommer**



Fuji Vegetable Oil, Inc.  
**Andrew Bunger**



Fuji Oil Ghana Ltd.  
**Ronny Voorspoels**



PT. Freyabadi Indotama  
**William Chuang**



Industrial Food Services Pty. Ltd.  
**Andrew Ellis**



Harald Indústria e Comércio de Alimentos Ltda  
**Sergio Tango**

### ② Standardizing Compensation Systems and Evaluation Methods

The compensation system for the presidents of major overseas Group companies consists of a quantitative evaluation of results according to the business characteristics of each country as well as a qualitative evaluation, which includes implementation of the Fuji Oil Group Management Philosophy. Moreover, in order to set competitive standards of compensation that are appropriate for securing exceptional human resources and to provide appropriate incentives for achieving Groupwide management targets, we have begun the formulation of our Fuji Oil Holdings Guidelines. As we move forward, we will step up our efforts in human resource governance by providing fair compensation and clarifying and ensuring the transparency of our compensation determination process.

### ③ Identifying Employees Brimming with Potential and Provision of Opportunities for Global Engagement

The Fuji Oil Group is pursuing to identify those employees who have the potential to eventually become a part of the management team and those who can thrive on a global scale. We have created a database consisting of certain employees working at major overseas Group companies up until fiscal 2019. We also conducted career-related questionnaires and interviews with some employees to get a grasp of their career vision. Through such efforts, we have worked aggressively to not only dispatch employees from Japan to our Group companies overseas, but to also promote the dispatch of employees between our Group companies worldwide. Moreover, we are expanding our initiatives involving the collaboration of representatives from each country, such as the efforts of our R&D Department. (Please see page 70 for more information.)

### ④ Strengthening Awareness of Group Management Philosophy through Global Training Systems

To the Fuji Oil Group, its Group Management Philosophy embodies the values and standards of conduct it shares throughout the organization toward the realization of its vision and raison d'être, and represents the foundation of its management. We believe the rigorous implementation and sharing of the Group Management Philosophy represents the root of our strengths as an organization and leads to the fulfillment of our Mission. With this in mind, we have incorporated programs into our various training systems to promote awareness of the Group Management Philosophy as a part of our management development efforts.

#### Working Sessions on Promotion of Group Management Philosophy

In fiscal 2018 and fiscal 2019, we held working sessions to discuss the value of the Fuji Oil Group Management Philosophy.



With the goal of raising awareness of the values of the Fuji Oil Group and incorporating them into its day-to-day activities, Harald held working sessions consisting of five phases through collaboration with members of Fuji Oil Holdings to express the true essence of these values.

These sessions enabled the employees to grow increasingly aware of their own actions and to ensure that the matters they engage in going forward align with the mission, vision, and values of the Group. I believe the sessions were a great experience as we were able to learn about the significance of Harald's contributions to people's lifestyles through the workplace and to realize even more about how rewarding it is to work there.



**Geise Andrade**

Harald Indústria e Comércio de Alimentos Ltda  
Senior Executive HR Manager

#### Training Program for New Presidents

In fiscal 2019, we conducted a training program at Fuji Oil Holdings for three newly appointed presidents of overseas Group companies. Among the items on the agenda were tours of our business sites in Japan and presentations to enhance their awareness of Fuji Oil's history and Group Management Philosophy.



The newly appointed president training program is critical to instilling an awareness of the Group's history, corporate culture, and management structure, and was inspired by the Group's principles, which embrace resolutions to issues facing the world in which we, as a company and as individuals, and future generations will live.

In keeping with these principles, Fuji Oil Europe pledges to further leverage its synergies and advance with the sharing of opportunities within the Group. We will embrace the full-fledged expansion of our capabilities in filling and compound products while continuing to provide sustainable solutions to oil and fat products. At the same time, we will fast-track our product development and innovation as an innovator of delicious, healthy, and sustainable food solutions for plant-based oils, fats, and cacao, and create a stimulating and pleasant workplace environment.



**Jon van den Bremen**

Fuji Oil Europe  
Managing Director

#### Training Program for a Select Team of Managers in China

We held a four-day training program for our management team in China with the aim of enhancing awareness of the Fuji Oil Group, including its Management Philosophy, strengthening leadership skills, and developing a human resource network throughout the Group.



Eleven managers, including myself, were selected from various locations in China to participate in a training program at Fuji Oil Holdings. Through this program, we were able to fine-tune our Group management capabilities and deepen our knowledge of the Group's history, policies, and businesses, as well as ESG management and the Group Management Philosophy. The program was also a success in terms of the strong ties we were able to establish between Group companies.

Moreover, as this was the first visit to our headquarters in Japan for many of the managers, we were able to learn about our core products and our rigorous safety management structure through tours of Fuji Oil Holdings and factories. The program helped instill more confidence in us and motivate us to do whatever is necessary to achieve sustainable growth of the Fuji Oil Group.



**Tang Zhengzheng**

Fuji Oil (China) Investment Co., Ltd.  
Finance and Accounting, Corporate Management Division

# Hitozukuri (Fostering People) / Compliance

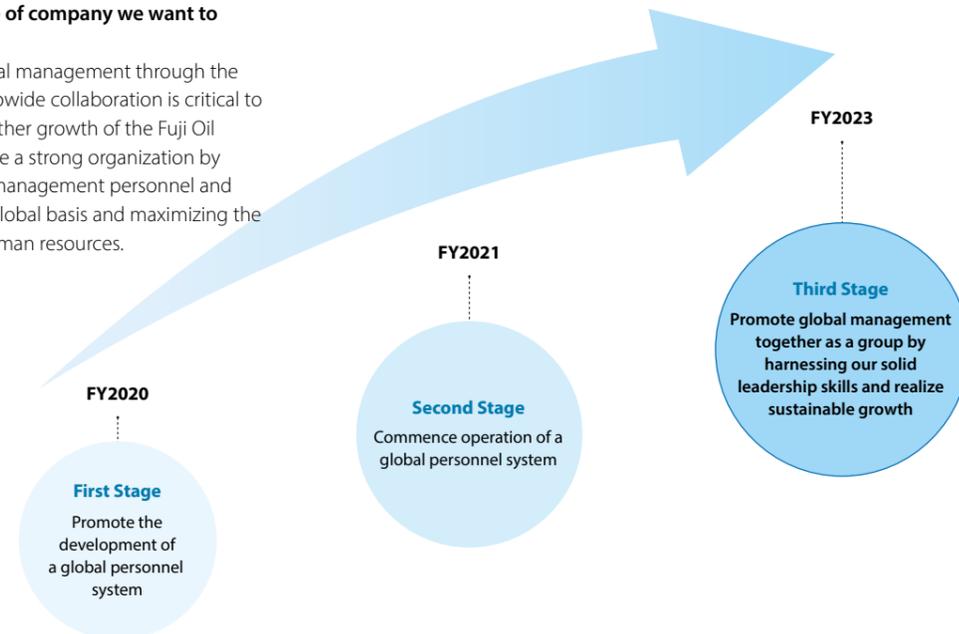
## Our Next Step

The Fuji Oil Group will undertake various measures with the goal of realizing its Future Vision in fiscal 2023.

## Our Future Vision

### Our vision of the type of company we want to be in FY2023

The promotion of global management through the strengthening of Groupwide collaboration is critical to the achievement of further growth of the Fuji Oil Group. We will assemble a strong organization by developing a team of management personnel and business leaders on a global basis and maximizing the value of our diverse human resources.



## Reinforcement of Infrastructure Underpinning Global Management

### Expanding Our Global Communication

Over the past five years, the Fuji Oil Group has welcomed Harald (Brazil), Industrial Food Services (Australia), Blommer (the United States), and other companies into the fold. All of these companies are well-known in their respective countries and they contribute to the Group not only financially but also through their success in various markets, human resource development, raw material procurement, and a wide range of other areas. From a public relations perspective, we must strengthen our external communication throughout the Group as well as our communication within as we proceed forward. We believe that gaining global recognition is a key element to expanding our business and securing human resources in the years ahead. We will strive to find new settings where we can convey our Group message to various stakeholders and raise awareness of the Fuji Oil Group. As for our internal communication, we will introduce new communication tools on top of our existing print media and intranet to raise the level of unity within the Group.



In May 2020, the heads of various regions delivered messages to encourage Group employees at high risk of contracting COVID-19.



A widening spirit of mutual support at Fuji Oil Group companies worldwide

### Global Laws and Regulations

Amid the acceleration of growth worldwide, we anticipate a higher number of projects in each region and the evolution of businesses possessing intellectual property going forward. Moreover, there will be greater urgency to globalize the Legal Affairs Department such as through adherence to the laws and regulations of each country. We will deploy a legal affairs manager at each business site and step up our networking capabilities with the legal affairs manager and law firms. In addition, we will work to improve the legal awareness of global core members at our various Group companies through training sessions.

## Enhancement of Compliance Awareness

An officer in charge of risk management and compliance has been appointed at Fuji Oil Holdings, under whom we implement compliance initiatives Groupwide. The Legal Affairs Department at Fuji Oil Holdings engages in the planning of various measures and the improvement of issues on raising awareness of compliance throughout the entire Group. Upon receipt of timely reports from the Legal Affairs Department, the Management Committee Meeting and the Board of Directors at Fuji Oil Holdings conduct a review of compliance initiatives.



### Monitoring

We monitor the status of compliance implementation including at overseas Group companies, in cooperation with the departments responsible for internal audits. Since fiscal 2018, we have visited Group companies overseas to conduct on-site inspections using our compliance checklist (prepared in consideration of laws, regulations, and risks specific to the region).

### Initiatives to Enhance Compliance Awareness

#### Business Ethics Guidelines

We compiled the Fuji Oil Group Business Ethics Guidelines (*Green Book*), which explain our principles of action in the Fuji Oil Group Management Philosophy using representative case studies of our daily business activities. The guidelines are available in eight languages and are distributed to all employees in booklet and PDF form. We also provide new employees with training on the content of the guidelines.



#### Compliance Training

The Legal Affairs Department collaborates with the Human Resources Department and other related departments to provide compliance training, visit domestic and overseas business sites to investigate their compliance status and needs, and help raise employee awareness in areas requiring immediate attention.



#### e-Learning

With the aim of enhancing compliance awareness throughout the Group, in fiscal 2018, we designated the month of October as "Compliance and Information Security Awareness Month." Since then, we have been conducting e-learning training programs (in Japanese, English, Chinese, and Portuguese) for Group employees.

In order to raise the level of our compliance awareness measures in the following fiscal year, we are evaluating the status of our training programs and the feedback received from our employees at business sites.

