

Sustainability

Human Rights Management

Management information

Relation between themes and business activities

The Fuji Oil Group's business activities involve the participation of several stakeholders. We recognize that our business activities can have direct or indirect impacts on the human rights of a wide range of stakeholders, from employees through laborers in the supply chains to consumers.

Basic approach

As stated in our Group Management Philosophy, the Fuji Oil Group upholds a commitment to "Work for people" as one of its core values. In line with this commitment, we, as a globally operating company, will engage in business activities that respect human rights throughout the value chain. Our participation in the 2016 United Nations Forum on Business and Human Rights and the dialogue with our stakeholders gave us the opportunity to reformulate our way of thinking about human rights. As a result, we announced the Fuji Oil Group Human Rights Policy in April 2017.

▶ [Fuji Oil Group Human Rights Policy PDF \(400KB\)](#) 

Promotion system

Under the supervision of the Chief "ESG" Officer (C"ESG"O), who is the officer in charge of CSR at Fuji Oil Holdings, the ESG Management Group promotes Group-wide efforts to respect human rights and raise awareness of human rights issues, to identify and control human rights risks, and to ensure that human rights are respected at all workplaces and business sites.

In addition, respect for human rights in the value chain has been incorporated in the ESG management priority themes,* and the ESG Committee,*² which is an advisory body to

the Board of Directors, prepares progress reports and examines issues for submission to the Board of Directors.

* Refer to the URL below for details of ESG management priority themes.

▶ <https://www.fujioilholdings.com/en/csr/materiality/>

*2 Refer to the URL below for details of the ESG Committee.

▶ <https://www.fujioilholdings.com/en/csr/approach/>

Educational, promotional and awareness-raising activities

The Fuji Oil Group promotes educational and awareness-raising activities on business and human rights.

In FY 2019 we designated December 4 to 13, 2019 as Fuji Oil Group Human Rights Week. During this week we share our basic approaches embodied by the Human Rights Policy with all Group companies and heighten employees' awareness of our initiatives to promote the theme "business and human rights". The programs listed below were implemented under the co-sponsorship of the Chief Administrative Officer (CAO) and the C"ESG"O. Some employees' comments on the programs were: "The programs have made me aware of the relationship between the Group's commitment to "Work for people" shown in the Group Management Philosophy and human rights," and "The programs have enabled me to understand the company's intention to value human rights."

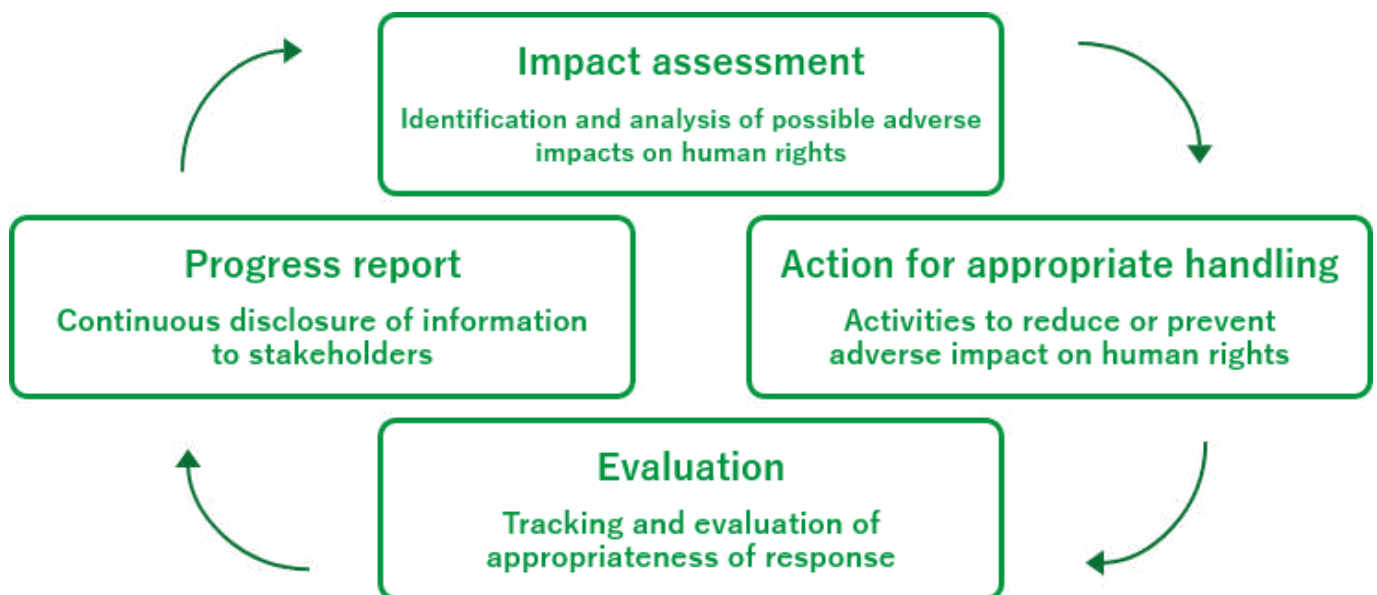
Human Rights Week programs	Targets
Management messages (messages from the CEO, CAO and C"ESG"O)	All Fuji Oil Group companies
Business and Human Rights e-learning movie	
Commentary article on business and human rights	
Daily e-newsletters on business and human rights	Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd.
Diversity seminar	



Human rights due diligence

Overview of human rights due diligence

The Fuji Oil Group conducts human rights due diligence as part of our responsibility to respect human rights.



Process of impact assessment

Process of identifying human rights risks

In FY 2016, the Fuji Oil Group conducted a human rights impact assessment to identify and evaluate the possible adverse impacts of its business activities on human rights and to identify priority key issues. During the assessment, we gained insight not only from related internal departments but also from Verisk Maplecroft and Caux Round Table Japan as external experts.

In the first stage, based on Verisk Maplecroft's expertise, we quantitatively assessed the human rights risks in which the Group's business activities and operational areas could be involved. In the second stage, based on the results of the first stage, we conducted interviews with related in-house parties to reflect the actual situation of the Group in addressing human rights risks. The second stage was done in collaboration with Caux Round Table Japan.

Our business environment has changed since the impact assessment in FY 2016, due to M&A and other factors. For this reason, we plan to conduct a second impact assessment in FY 2020.

Human rights risks identified and progress of countermeasures

Human rights risks identified		Specific concerns	Countermeasures	Progress
1. Education and training of Group employees	<ul style="list-style-type: none">Risk that the Fuji Oil Group Human Rights Policy will not be reflected at an operational level in employee behavior due to absence of human rights training	(1) Insufficient mechanism for the Human Rights Policy to be reflected in employee behavior	Providing education and training	<ul style="list-style-type: none">In December 2019, we organized a Human Rights Week and shared information about business and human rights across entire Group. The objective was to raise Group-wide awareness of the Human Rights Policy and operational matters that require special attention. <p>* Refer to the article on "Education" on this page for details of the Human Rights Week.</p>

Human rights risks identified	Specific concerns	Countermeasures	Progress
<ul style="list-style-type: none"> • Risk of the occurrence of problems related to forced labor, human trafficking, occupational safety and health, appropriate wages, working hours, freedom of association and collective bargaining, particularly with respect to contract or temporary laborers used at overseas group companies in Southeast Asia, China and Africa • Risk of violations of the human rights of laborers related to working hours, appropriate wages, occupational safety and health, workplace discrimination, freedom of association and collective bargaining, forced labor and human trafficking at joint venture companies that are not substantially under the control of Fuji Oil Holdings or recently acquired group companies • Risk of unintentional violations of the human rights of laborers related to working hours and workplace discrimination, particularly at overseas group companies in Southeast Asia, China, and Africa 	<p>(2) Insufficient monitoring of human rights risks at joint venture companies and recently acquired group companies</p> <p>(3) Insufficient Human Rights Risk monitoring at temporary and contract laborers</p>	<p>Managing human rights risks using each company's risk management system</p>	<ul style="list-style-type: none"> • The ESG Management Group of Fuji Oil Holdings raised awareness about the human rights risks described on the left to all Risk Management Committees established in Group companies. (Number of Group companies subject to FY 2019 risk assessment that covered human rights risks: 27; percentage of Group companies subject to the risk assessment: 96%) • Each Group company implemented countermeasures against human rights risks. <ul style="list-style-type: none"> - Group companies receiving the Sedex Members Ethical Trade Audit (SMETA) took corrective action for the items pointed out in the audit in order to reduce human rights risks. - Group companies not receiving the SMETA conducted a survey on companies with which they have business relations (staffing agencies and contractors), using the Fuji Oil Group's own questionnaire. The objective was to ensure their understanding of the Group's policy and encourage their efforts to reduce human rights risks.

Human rights risks identified		Specific concerns	Countermeasures	Progress
2. Grievance mechanism	<ul style="list-style-type: none"> Risk of inability to accept and handle complaints from laborers at suppliers and from local residents (absence of grievance mechanism) 	Lack of grievance mechanisms for the supply chains despite the existence of the internal hotline system	Establishing grievance mechanisms for the supply chains	<ul style="list-style-type: none"> In May 2018, we established and announced a grievance mechanism* based on our Responsible Palm Oil Sourcing Policy. Since then, we have operated the mechanism. By the end of March 2020, we have received a total of 101 grievances, 73 of which have led to business closure or contract cancellation. <p>* Refer to the URL below for details of the grievance mechanism. https://www.fujioilholdings.com/en/csr/grievance_mechanism/</p>
3. Raw materials supply chains	<ul style="list-style-type: none"> Risk of human rights violations related to human trafficking, forced labor, child labor, inappropriate wages, long working hours and seizure of land in the upstream of the palm oil supply chain Risk of human rights violations related to child labor, forced labor, human trafficking, inappropriate wages and long working hours in the upstream of the cacao supply chain 	High human rights risks particularly in the palm oil and cacao supply chains	Promoting sustainable procurement	<ul style="list-style-type: none"> We promote improvement activities to address human rights risks in the palm oil supply chain, based on our Responsible Palm Oil Sourcing Policy. These activities include traceability improvement, supply chain improvement, and smallholder support. <p>* Refer to the URL below for details of these activities. https://www.fujioilholdings.com/en/csr/environment/palm_oil/</p> <ul style="list-style-type: none"> To address human rights risks in the cacao supply chain, we promote activities for community support and smallholder support based on our Responsible Cacao Sourcing Policy. <p>* Refer to the URL below for details of these activities. https://www.fujioilholdings.com/en/csr/environment/cacao/</p>

Establishment of a grievance mechanism

Internal hotline system for employees

We established a whistleblowing hotline system* for employees of Group companies inside and outside Japan and employees of some cooperating companies.

* Refer to the URL below for details of the internal hotline system.

▶ <https://www.fujioilholdings.com/en/csr/governance/compliance/>

Grievance mechanism for our supply chains

In May 2018, we established and announced a grievance mechanism* based on our Responsible Palm Oil Sourcing Policy. We set up a Grievance Mechanism web page in English on the Fuji Oil Group website to announce the mechanism and its progress.

* Refer to the URL below for details of the grievance mechanism.

▶ https://www.fujioilholdings.com/en/csr/grievance_mechanism/

Dialogue-based review of initiatives

Expert panel dialogue

In June 2019, we held a dialogue with experts on business and human rights to receive their advice on our current and future initiatives for business and human rights. This was the fourth dialogue that we have held on this theme since FY 2016. Mr. Dante Pesce, a member of the United Nations Working Group on Business and Human Rights, and Mr. Hidemi Tomita, Director of Lloyd's Register Japan, participated as experts in the dialogue. Participants from the Fuji Oil Group included the CEO, the C“ESG”O, the executive officer in charge of the Oils & Fats and Chocolate Division, and members of CSR departments. In the dialogue, the participants exchanged their views on comprehensive approaches toward business and human rights and the palm oil grievance mechanism, which the Group had launched as a specific human rights initiative in May 2018. Through the process of exchanging views with the experts, we confirmed the importance of dialogue with stakeholders and received advice on approaches toward the operation of the grievance mechanism. One of the most relevant inputs was that, based on the United Nations Guiding Principles on Business and Human Rights, it would be desirable that parent company-level grievances* are addressed appropriately even if they occur outside our supply chains. We used the input received during the dialogue to improve our activities. To address parent company-level grievances in particular, in FY 2019, we began offering related information to our direct suppliers and monitor the parent companies under suspicion of breaching human rights. Furthermore, the updated Grievance Procedure,*² which was disclosed in April 2020, announces that the Fuji Oil Group will address parent company-level grievances as grievances in line with the definition by RSPO.*³ We will continue implementing our initiatives for business and human rights while receiving advice and validation of our approaches from experts.

* Parent company-level grievances: Grievances that are filed against businesses that are operated outside our supply chains by the parent companies of suppliers in our supply chains, and do not comply with our policy

*2 Refer to the URL below for details of the updated Grievance Procedure.

▶ https://www.fujioilholdings.com/en/csr/grievance_mechanism/

*3 RSPO: Roundtable on Sustainable Palm Oil

