

Sustainability

Hitzukuri (Fostering People)

SDGs of particular focus for achievement



Activity report FY2018

Human resource development

Priority theme

Contents

Basic approach／Objective／Progress／Promotion System／Development of global human resources／Cultivating Managers／Career Support System

[Data]

- Total training expenses in FY 2018 (approximate)
- Training expenses per employee
- Number of new hires
- Total turnover rate for regular employees
- Voluntary turnover rate for regular employees
- Average years of continuous employment

Achievement of Diversity

Priority theme

Contents

Basic approach／Objective／Progress／Promotion System／Promotion of Diversity in Japan／Working style reform／External Evaluation／Dialogue between Labor and Management

[Data]

- Use of various programs
- Number of program users by gender
 - Percentage of annual paid vacation days taken
- Employee Data
- Number of the Fuji Oil Group employees by region
 - Breakdown of employee (as of March 31, 2019)
 - Number of the Fuji Oil Group managers
 - Fuji Oil Co., Ltd. Ratio of women in managerial positions
 - Number of FUJI OIL HOLDINGS INC. Directors (as of March 31, 2019)
 - Rehiring

For more details →

- Recruitment of disabled people

For more details →

Sustainability

Human resource development

CONTENTS LIST

- ▽ Basic approach
- ▽ Objective
- ▽ Progress
- ▽ Promotion System
- ▽ Specific Initiatives
 - Development of global human resources
 - Cultivating Managers
 - Career Support System
- ▽ Data

Basic approach

The Fuji Oil Group believes that to continue contributing to society while responding to every change in the business environment, it is important to develop an organization and people capable of responding flexibly to any unforeseen circumstances. Based on this belief, in addition to supporting employees' autonomous learning, we focus our efforts on the fostering of managers, who support global business expansion, to strengthen our organizational capability and the development of global human resources.

The Fuji Oil Group considers its human resources to be the key to creating value for society. We have established our Human Resources Policy based on the idea that a company and its employees support each other's growth.

Human Resources Policy

1. Providing highly motivated employees with a workplace where they are encouraged to make the most of their abilities.
2. As a global company, providing a working environment where a diverse range of employees are encouraged to play an active role.
3. Establishing and operating a fair and equitable personnel system (appraisal/benefits/training).
4. Providing well-structured educational and training programs and creating a corporate culture that supports the fostering of one's skills and capabilities.
5. Supporting diversified working styles and providing a safe workplace that is comfortable to work in.

Objective

By 2020, build the foundation of a global personnel system, and identify and develop human resources with the potential to play an active role globally and in each area.

Progress

As in last fiscal year, in FY 2018 we focused on the development of globally competitive human resources and the fostering of managers. In addition to providing global human resource training to 14 selected employees, Fuji Oil Co., Ltd. provided training for newly appointed managers to develop their management skills.

Promotion System

Promotion System

Establishment of the global personnel framework

In order for the Fuji Oil Group to continue to contributing to society by practicing its Management Philosophy, the action principles that all Group officers and employees must follow, each Group company sets and commits to targets for the implementation of the Philosophy. All Group companies have set their targets for FY 2019.

We also encourage Group companies to hold in-house workshops on the Group Management Philosophy to provide employees with the opportunity to discuss what they can do to achieve the set targets, based on the culture and customs of each region and country. Group companies will decide the future direction, considering the insights gained from such discussions.

Moreover, amid the growing importance of Group-wide human resource development and utilization, we aim to build a global personnel framework for the identification, selection, training and appointment of executive candidates. To this end, we begin by conducting interviews with executive candidates.

<Comments from participants in Fuji Oil Group Management Philosophy workshops>

- We have the responsibility not only to follow the Group's safety, quality and environmental policy, but also to communicate the Group's Philosophy to our suppliers and customers. I think that, sales personnel, who interact directly with customers, should play the role of explaining the Philosophy to customers. (Brazil)

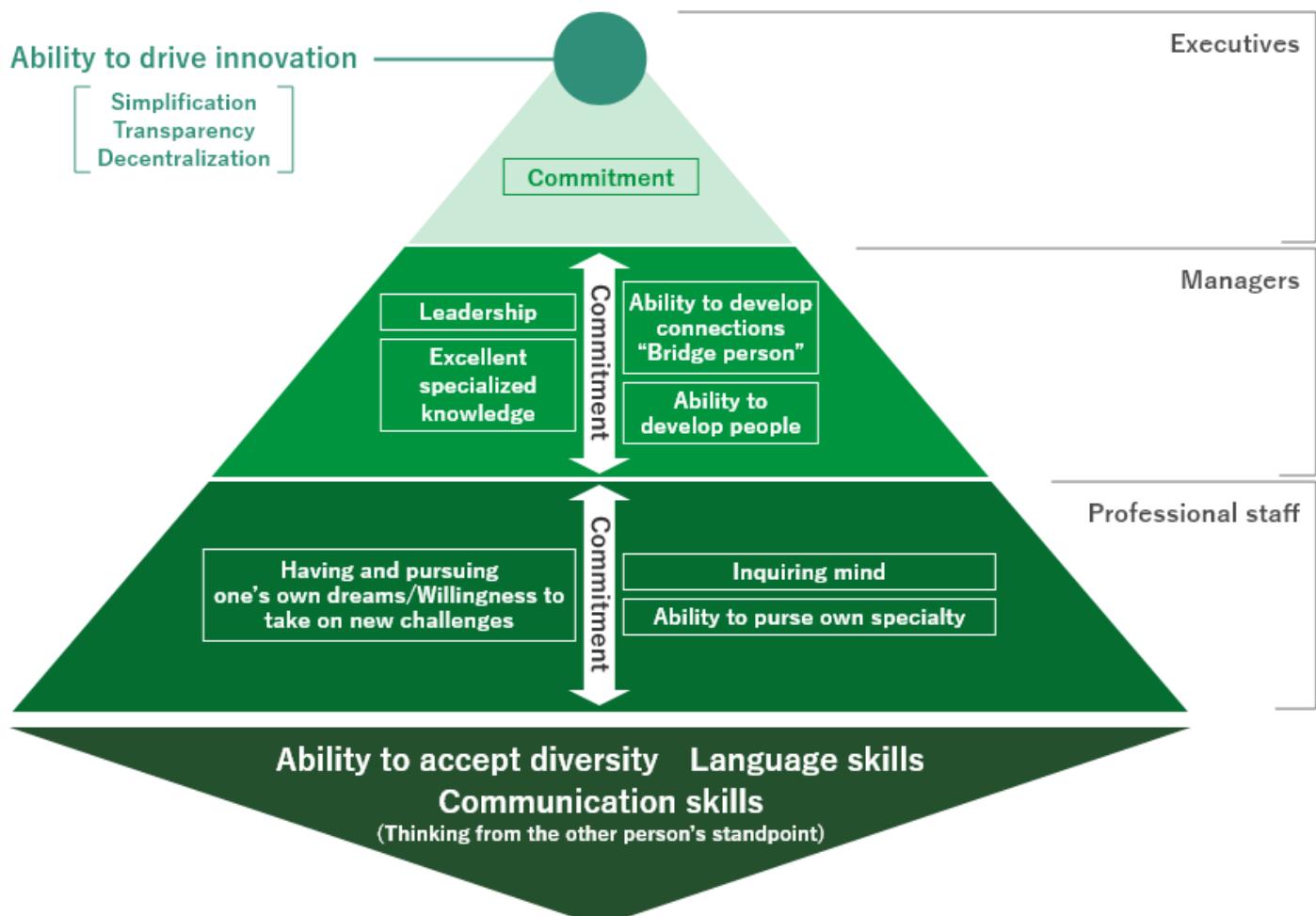
- I think that "Work for people" is a comprehensive idea that encompasses everything. Being safe yourself, making high-quality products, protecting the environment, generating new technologies, and contributing to the local community—I think everything connects to "Working for people."(The U.S.)

Specific Initiatives

Development of global human resources

The Fuji Oil Group advocates the development of global human resources in the personnel strategy of its Mid-Term Management Plan. Based on the idea that the growth of a company arises from the growth of its people, we are conducting initiatives to recruit, promote and develop human resources who can demonstrate their capabilities globally.

Skills and abilities that the Fuji Oil Group expect its employees to have in order to be global human resources



To cultivate global human resources who can consistently demonstrate high levels of performance, whether in Japan or overseas, Fuji Oil Co., Ltd. has conducted global human resources training as a new initiative since FY 2016.

This training program lasts about six months, and involves training on global communication, MBA knowledge, leadership skills and language skills (English), and the delivery of presentations for executives. In FY 2018, a total of 14 people participated in the training, including those with experience working overseas, those assigned to overseas posts, and those working with global business partners. We will develop competent global leaders by combining this training with career path training.



Global human resources training (Japan)

<Comments from a participant in FY 2018 global human resources training>

Global Talent Strategy Group, Fuji Oil Holdings

In this training, I was able to learn the essence of global communication, and practical business skills through hands-on training of actual business activities such as telephone meetings and presentations in English.

In global HR management work, I frequently work with HR department staff at overseas Group companies and conduct interviews with job applicants with foreign backgrounds. I use what I learned from this training in various scenes of work. I will strive to contribute to the Group-wide development of global human resources by applying the know-how I have gained through the training in my daily work.

Cultivating Managers

To train and develop candidates for future management positions, since FY 2016 we have conducted a training program that incorporates performance assessments.

This training is designed to help trainees understand what a manager should be like, and objectively identify their own strengths and weaknesses. This training program also involves post-training feedback meetings in which trainees receive feedback from their supervisors and HR Development staff members, and on-the-job training (from planning to review). We aim to achieve the steady growth of the trainees by ensuring the close involvement of supervisors and other relevant people in the training.

Human resource development program at Fuji Oil Europe (Belgium)

Fuji Oil Europe, a Fuji Oil Group company, developed a leadership program in FY 2016 to improve team performance.

The objective of the program is to build a strong organization capable of surviving in a complex and rapidly changing world, by supporting and improving employees' resilience (ability to adapt to environmental changes).

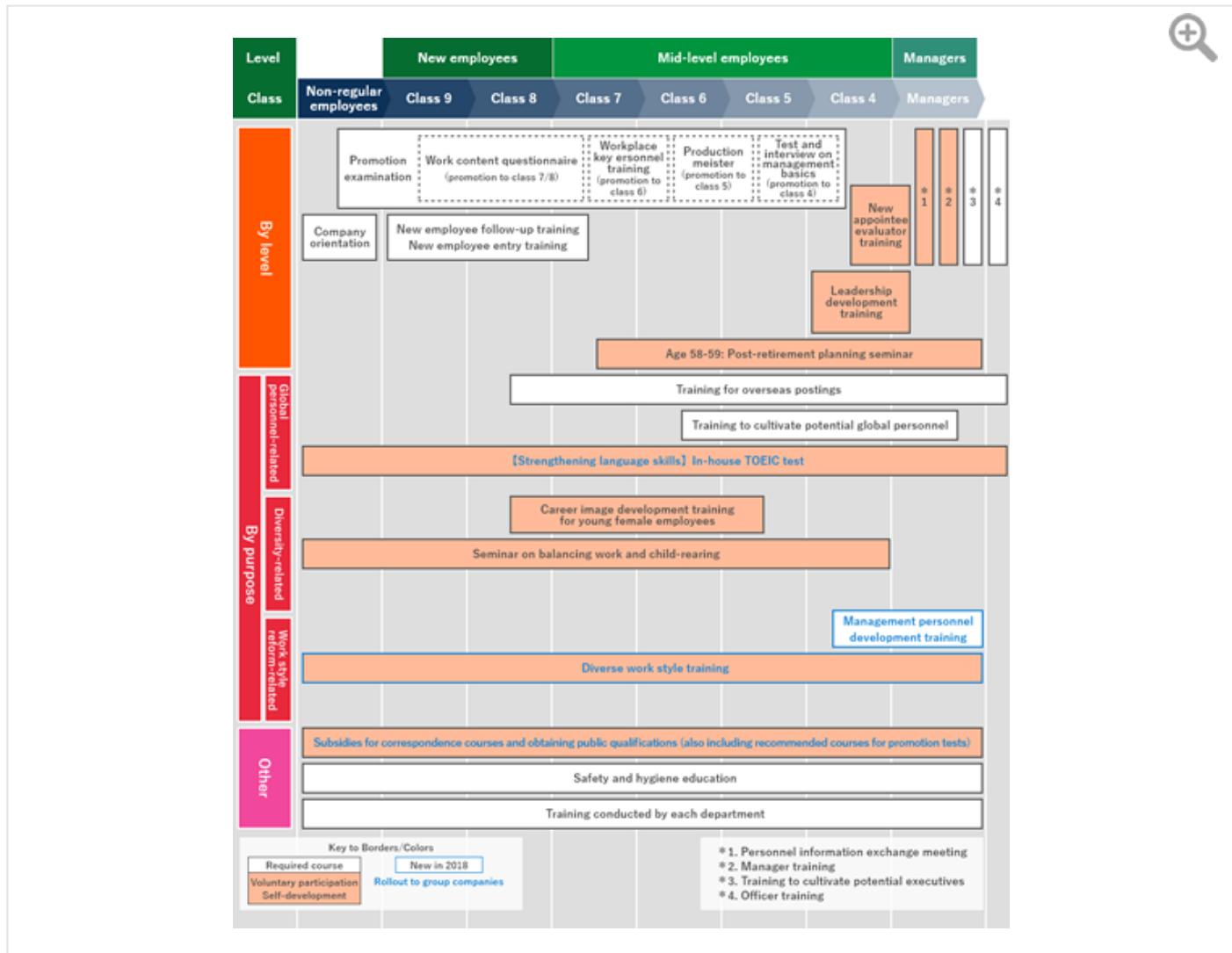
This training program begins by helping employees understand their own preferred style of leadership, using the behavior assessment tool "DISC Model." People will be more motivated to change their behaviors by understanding recognizable and adaptable behavioral characteristics and identifying the environment and method that ensures optimal performance,. Also, understanding your own preferred leadership style and those of your team members and sharing them within your team will help deepen your understanding of yourself and others, and improve communication within the team. Fuji Oil Europe will continue to conduct this program in all departments, to raise employee motivation.

Career Support System

In addition to providing hierarchical training programs for executives, managers, general employees and new hires, Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. support employees' skill development through various programs, including providing financial assistance to employees taking correspondence courses. In addition, we have introduced the "Career Advancement Communication Sheet" to help employees visualize their career progression. Each employee has a meeting with his/her supervisor once a year to review the progress made toward his/her goals and discuss his/her career aspirations, based on his/her career advancement communication sheet. This system aims to facilitate

employees' career development and promote the appropriate assignment of employees to ensure everyone can work to the best of his/her abilities.

Fuji Oil Co., Ltd. Training System (FY 2018)



Employee attitude surveys

FUJI OIL HOLDINGS INC. and Fuji Oil Co., Ltd. regularly conducts employee attitude surveys to help create a workplace where every employee can work energetically and in good health while demonstrating his/her abilities to the fullest. We solicit feedback through surveys, on a wide range of issues including workplace environment and systems, and use such feedback to improve existing systems/programs and develop new measures.

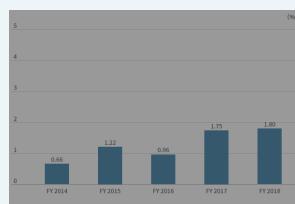
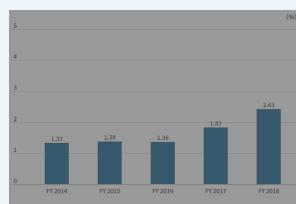
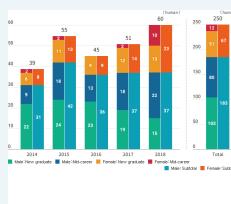
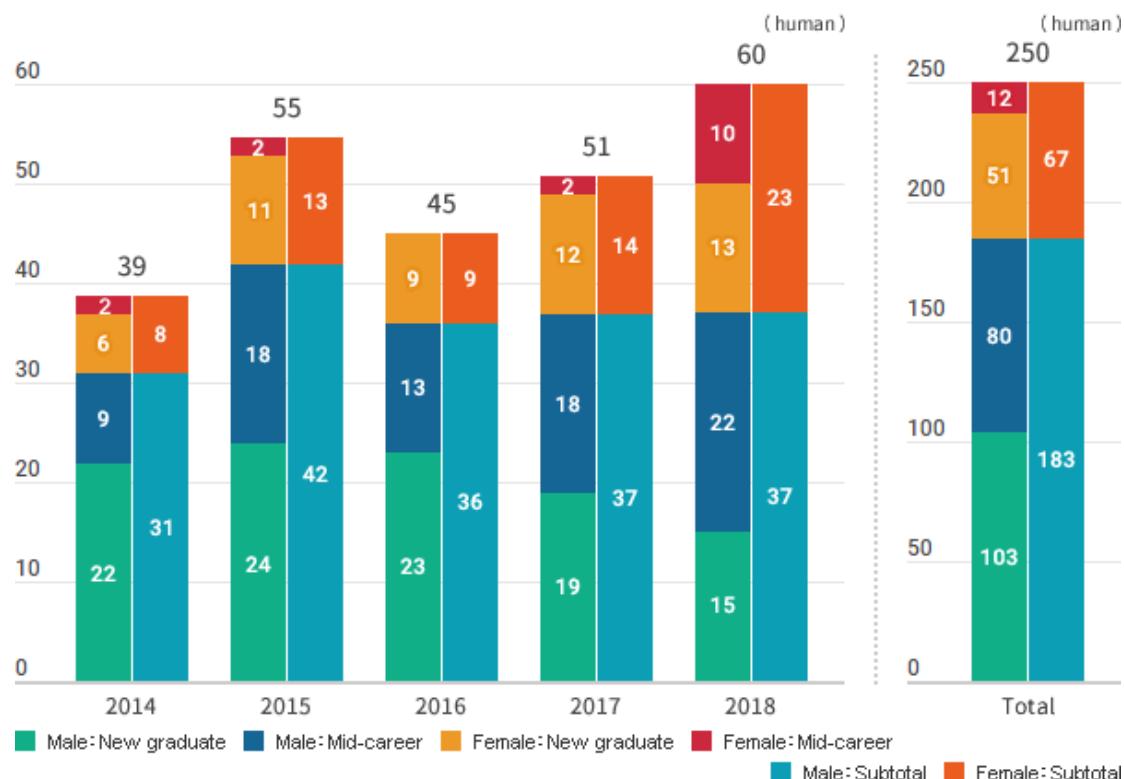
Data

Expenses for development of human resources

Total training expenses in FY 2018 (approximate) (FUJI OIL HOLDINGSINC. and Fuji Oil Co., Ltd.)	Approximately ¥25,858,000
Training expenses per employee (FUJI OIL HOLDINGSINC. and Fuji Oil Co., Ltd.)	Approximately ¥20,170

Recruiting and turnover

Number of new hires



Number of new hires

Total turnover rate for regular employees

Voluntary turnover rate for regular employees

Average years of continuous employment

*Figures for 2015 and thereafter are the total for FUJI OIL HOLDINGSINC. and Fuji Oil Co., Ltd.

*Figures for 2014 is for Fuji Oil Co., Ltd. before the shift to a holding company structure

Sustainability

Achievement of Diversity

CONTENTS LIST

- ▽ Basic approach
- ▽ Objective
- ▽ Progress
- ▽ Promotion System
- ▽ Specific Initiatives
 - Promotion of Diversity in Japan • Working style reform
 - External Evaluation • Dialogue between Labor and Management
- ▽ Data

Basic approach

As a corporate group operating globally, the Fuji Oil Group believes that respecting the diversity of attributes and values of human resources is its social responsibility. Amid constant changes in the values of society, in order for the Fuji Oil Group to continue to fulfill its corporate social responsibilities as a food ingredient manufacturer, it is essential to accurately understand changes in society and provide value that helps resolve social issues. Just responding to problems (apparent needs) is not enough. In the future, it will become increasingly important to demonstrate creativity in anticipating the rapid change in social situation, and identifying and tackling issues that need to be addressed (hidden needs). Homogeneous groups will demonstrate limited creativity. Diverse human resources with different values and individualities are the source of the Fuji Oil Group's competitiveness, enabling it to continue to create value for a sustainable society.

The Fuji Oil Group has expressed the core value of "Work for people" in its Group Management Philosophy, which is the action principle to be followed by all officers and employees of the Group. This means that in doing business, we must always look at things from the other person's point of view. This is the basic principle that guides us in our efforts to provide value to society while embracing diversity.

Fuji Oil Basic Diversity Policy

- We will accelerate the creation and delivery of new value to society by seeking talented individuals from diverse backgrounds and by fostering a corporate culture, where everyone can demonstrate their abilities to the fullest.

1. Pay attention to diversity in personnel composition at all stages of employment, including: recruitment, training and job assignment/promotion.
2. Implement flexible personnel systems so that diverse human resources can fully demonstrate their abilities.
3. Use diverse human resources in a strategic manner, thereby contributing to society and company growth.

Objective

Ratio of women in managerial positions of 20%* by 2020 (Japan)

Establishment by 2020 of an environment in which diverse employees, including older and disabled employees, can work with vigor (Japan)

*We promote, since FY 2016, the active participation of women with the aim of achieving a ratio of women in managerial positions of 20% by FY 2020 (Japan). The ratio of women in managerial positions increased to 10.53% as of April 2019. However, since it seems difficult to achieve the target of 20%, we plan to revise and set a new target by the end of FY 2019. Although employees' mindsets have changed considerably following the setting of the ambitious target of 20%, we have experienced several problems in securing the absolute number of eligible candidates, developing candidates, providing continuous career support for female employees, and promoting understanding in the workplace.

Based on stakeholders' long-term expectations for achieving gender equality, which is one of the SDGs, by the end of FY 2019 we plan to (1) redefine our basic approach to diversity, (2) establish a diversity promotion system that includes the management of Group companies, and (3) identify diversity issues in each area and reformulate a medium-term roadmap and goals.

Progress

In FY 2018, we promoted the establishment of a foundation for promoting diversity in Japan, which we designated as a priority area in terms of diversity promotion. We worked to develop systems to promote diverse working styles, including the trial introduction of the telecommuting system at Fuji Oil Co., Ltd. Furthermore, based on dialogue with the labor union, we are working to develop a personnel system under which diverse human resources can work energetically and are evaluated fairly, according to their abilities and performance. We will continue to review our personnel system to create a workplace environment where individuals with diverse backgrounds can demonstrate their best performance.

Promotion System

Fuji Oil Holdings established the ESG Committee as an advisory body to the Board of Directors to promote ESG management. The ESG Committee meets regularly to discuss important matters relating to ESG, including diversity, and make reports and proposals to

the Board of Directors.

In Japan, the Fuji Active Network (FAN) was established, under the supervision of the HR Department, as a cross-departmental organization to promote diversity. The FAN recommends necessary measures to the HR Department and implements employee awareness-raising activities.

Personnel System to Support Diversity

Since FY 2015, Fuji Oil Co., Ltd. promotes the reforms of its personnel system to promote the active participation of diverse human resources capable of responding flexibly to changes in the business environment and to reflect employees' contribution to business success more appropriately in their treatment.

Progress of personnel system reforms

Fiscal year	Item implemented	Details
FY 2015 – FY 2017	Management Personnel system reform	Salary system reform (introduction of pay based on job classification) Evaluation system reform (clarification of responsibility for results) Human resource development promotion (multifaceted evaluation)
	Expansion of flextime system	Elimination of restrictions on reasons for using flextime
FY 2018	Union members Personnel system reform	Salary system reform (abolition of age-linked wages / allocation according to results / adjustment of allowances to fit individual circumstances)
FY 2019 (Plan)	Reduction of working hours Revision of the holiday and leave system	Work style reform, creation of an environment where employees can take leave more easily, revision of the welfare program

Specific Initiatives

Promotion of Diversity in Japan

Support for the active participation of women

For the Fuji Oil Group to continue contributing to society through business activities as a food ingredient manufacturer, it is important to accurately identify and quickly respond to changes in society. We believe that women's sensibilities, capabilities and creativities are essential to that end. Under this belief, we are focusing our efforts on empowering more women in the workplace, so they can fully demonstrate their unique sensibilities and capabilities.

In Japanese society and in our Group, key themes for diversity promotion are support for career continuation and expansion of work areas for women, as well as support for women's career progression to managerial positions.

Currently, we have been promoting workplace improvements by incorporating women's perspectives. As part of such efforts, we have promoted 5S activities (seiri [sort], seiton [set in order], seiketsu [shine], seiso [standardize], and shitsuke [sustain]). We will accelerate our efforts to create a workplace and work systems that enable female employees to continue working energetically, while at the same time promoting management reforms.

We have also been working to promote more female employees to managerial positions. Currently, with the aim of achieving the target of a female management ratio of at least^{*}20% by FY 2020, we are working on the provision of opportunities and the training and development of female employees. At first, when we set the target (in April 2016), the ratio of women in managerial positions was 3.78%, but increased to 10.53% in April 2019. However, we concluded that due to issues in the development of next-generation female managers, it is difficult to achieve the target. Therefore, we decided to revise the target by the end of FY 2019. In FY 2019, we also plan to (1) redefine our basic approach to diversity, (2) establish a diversity promotion system that includes the management of Group companies, and (3) identify diversity issues in each area and reformulate a medium-term roadmap and goals. In Japan, the priority area for our diversity efforts, we will develop a vision and specific measures for women's empowerment to ensure female employees can fully demonstrate their abilities.

Furthermore, Hiroshi Shimizu, President and CEO of Fuji Oil Holdings Inc. endorsed the "Declaration on Action" by "A Group of Male Leaders Who Will Create a Society in Which Women Shine,"**which was formed under the initiative of the Cabinet Office, and sends out a message to employees and society, regarding the importance of diversity in management.

^{*}Scope of total: FUJI OIL HOLDINGS INC. + Fuji Oil Co., Ltd. – Employees temporarily transferred overseas

^{**}A Group of Male Leaders Who Will Create a Society in Which Women Shine Following the kick-off meeting for "Supporting Women to Shine" held on March 28, 2014 at the office of the Prime Minister in Japan, there has been a

nationwide movement by leaders in various industries to support women who will and do shine in various fields. Under these circumstances, the "Declaration on Action by a Group of Male Leaders Who Will Create a Society in Which Women Shine" was announced by male leaders of the companies actively engaged in promoting the empowerment of women.



Hiring of regional limited employees and regular employees

From FY 2017, Fuji Oil Co., Ltd. changed the status of its "semi-regular employees," who had fixed-term employment contracts, to "regional limited employees" without a fixed term. Moreover, the Group conducts a test once a year for highly motivated non-regular employees wishing to become regular employees. In FY 2019, six non-regular employees passed the test and were promoted to regular employees. We will continue to actively promote talented and highly motivated individuals to regular employees through this system.

Support for the active participation of older workers

Fuji Oil Co., Ltd. set its retirement age at 60, but has a reemployment system in place for older workers that allows employees to extend their employment to the maximum legislated retirement age of 65. Individual interviews are held one year before retirement and at the time of retirement to offer job assignments according to each person's motivation and abilities. In addition, since FY 2016 we have conducted a "Life Plan Seminar" for employees in their late fifties to consider their post-retirement life plans. The seminar provides an opportunity for participants to design their lives after retirement to help them achieve self-fulfillment and a better work-life balance after retirement.

Strategic employment of foreign nationals

Fuji Oil Co., Ltd. recruits people of various nationalities whose skills and capabilities meet its business needs. Non-Japanese employees are working in various fields such as research and development, planning and administration. There is no difference in treatment on grounds of nationality. We assign employees based on their skills, abilities and how these fit with the job requirements. We also work to create a workplace that

respects different religions and customs. In FY 2018, four new foreign employees joined the company. In FY 2019, several foreign nationals are scheduled to enter the company.

Support for the active participation of disabled people

For many years, Fuji Oil Co., Ltd. has consistently promoted the employment of people with disabilities. We have made steady efforts to raise employee awareness and increase opportunities for employees with disabilities to play active roles in the workplace while considering the characteristics of each individual.

Working style reform

Overview of promotion of working style reform

As one of the important measures Fuji Oil Co., Ltd. promotes a working style reform. In FY 2016, the "Creative Work Project" (current CWORK Promotion Committee) was established as a cross-departmental organization. Four reform initiatives were implemented to reduce the total actual working hours and improve the work-life balance while increasing productivity: awareness reform, operational reform, system reform and workplace reform.

In FY 2017, in conjunction with the expansion of the flex-time system, the telework system (work at home, satellite work, and mobile work) was introduced to the Sales Divisions on a trial basis. In FY 2018, the telework system was expanded to Development and Staff Divisions. In FY 2019, we plan to further expand the telework system to other divisions. The telework system has been well received by employees, with positive comments such as: "The telework system allows us to work flexibly in terms of time and place. It allows me to better balance my work and family life."

To promote telework, it is necessary to realize ways of working that are not bound by time and place. We are now working to improve the efficiency of communication and information sharing, by promoting the paperless initiative (electronization of work flow, etc.) and meeting reforms (introduction of video conferences) using IT. As part of such efforts, in FY 2019, we introduced Office365 company-wide, to improve work efficiency and thereby improve the productivity and work-life balance of employees.

<Comments from a user of short-time work program (Corporate Staff Division)>

Since returning to work after giving birth to my second child, I have used the telework system. I work in the early morning. Because my available time is limited, I have become able to work more efficiently. I feel more confident to take more

difficult and challenging tasks, without hesitating due to short work hours. This has led to increased job satisfaction, helping me gain confidence to step up my career while raising my children.

Support for active career development

Programs	
During pregnancy	<ul style="list-style-type: none">Interview prior to childcare leave (with HR staff, supervisor and leave-taker)Consultation services during pregnancy (poor physical condition, etc.)
During childcare leave	<ul style="list-style-type: none">Guaranteed bonus (20%)Extension of childcare leave (until the end of April in the child's second year)Information sharing through company-provided iPadChild-rearing concierge service (including support for finding a nursery school)Interview prior to returning to work (Confirmation of working style after returning to work, using the communication sheet)
After returning to work	<ul style="list-style-type: none">Shortened working hours (until the child enters the first year of elementary school)Follow-up exchange meeting for employees returning to work after childcare leave, with the participation of supervisorsSubsidy for babysitter and childcare support service expensesWork-at-home systemTemporary leave for accompanying spouse on overseas assignmentComeback Entry Program (Rehiring system)

External Evaluation

As an evaluation of the initiatives described above, Fuji Oil Co., Ltd. has been awarded "the Platinum Kurumin Mark", a certification with even higher requirements than the Kurumin Mark.*

*Kurumin Mark: A certification awarded by the Minister of Health, Labour and Welfare to companies complying with childcare support standards



Dialogue between Labor and Management

Fuji Oil Co., Ltd. recognizes the importance of dialogue between labor and management and, as such, focuses on building a relationship of mutual trust.

The management and the labor union actively discuss labor issues, holding an informal central labor-management monthly session where both parties exchange information on the company's business conditions and its business policy. Furthermore, the management and the labor union hold labor-management consultation sessions to discuss the promotion of employees, bonus payments and a review of in-house rules, when necessary; in line with the labor contract. Both parties will enter negotiations and discussions on these matters after fully sharing information on the company's earnings position, business trends, various management-related issues and social trends. With the increasing globalization of business, accelerating population aging, and the growing importance of work-life balance, it is increasingly necessary to promote future diversity . Under these circumstances, we will continue striving to improve our personnel system, through labor-management dialogue.

Data

Use of various programs

Number of program users by gender (Fuji Oil Co., Ltd. + FUJI OIL HOLDINGS INC.)

(Employees)

	Male	Female	Total
Number of employees who took childcare leave in FY 2018 (including pre- and post-partum leave)	28	17	45
Number of employees using the shorter work hour system in FY 2018 (for childcare)	0	25	25
Number of employees who took nursing care leave in FY 2018	0	0	0
Three-year retention rate of employees who took childcare leave in FY 2015*	100.0%	88.9%	92.6%

*FY 2018 retention rate of employees who took childcare leave in FY 2015

Percentage of annual paid vacation days taken (FY 2018: Fuji Oil Co., Ltd. + FUJI OIL HOLDINGS INC.)

Percentage of annual paid vacation days taken	63.0%
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Employee Data

Number of the Fuji Oil Group employees by region

(as of March 31, 2019 for Group companies in Japan and December 31, 2018 for Group companies outside Japan)*

(Employees)

	Japan	Europe and America	Asia	Total (Consolidated)
Total	1,883	1,849	2,231	5,963
Male	1,510	1,403	1,685	4,598
Female	373	446	546	1,365

*The data for Blommer Chocolate Company are as of January 27, 2019.

FUJI OIL HOLDINGS INC. Breakdown of employee (as of March 31, 2019)

(Employees)

	Male	Female	Total
Regular employees*/temporary employees	101	34	135
Regional limited employees	0	1	1
Contract employees	0	1	1
Average age (of employees)	47 years, 1months	36 years, 5months	44 years, 4months

*Includes executive officers

Fuji Oil Co., Ltd. Breakdown of employees (as of March 31, 2019)

(Employees)

	Male	Female	Total
Regular employees*/temporary employees	950	192	1,142
Regional limited employees	109	53	162
Contract employees	49	33	82
Average age (of employees)	43 years, months	39 years, months	43 years, months

*Includes executive officers

Number of the Fuji Oil Group managers

(as of March 31, 2019 for Group companies in Japan and December 31, 2018 for Group companies outside Japan*)

(Employees)

	Japan	Europe and America	Asia
Male	361	161	174
Female	37	61	60
Total	398	222	234

*The data for Blommer Chocolate Company are as of January 27, 2019.

Fuji Oil Co., Ltd. Ratio of women in managerial positions

(%)

	April 2015	April 2016	April 2017	April 2018	April 2019
Ratio of women in managerial positions	3.15	3.78	5.56	8.24	10.53

*Figures before FY 2017: Fuji Oil Holdings Inc. + Fuji Oil Co., Ltd.; figures after FY 2018: Fuji Oil Holdings Inc. + Fuji Oil Co., Ltd. - employees on loan to overseas Group companies

Number of FUJI OIL HOLDINGS INC. Directors (as of March 31, 2019)

(Employees)

Male	8
Female	1
Female	9

Rehiring (FY 2018 / Fuji Oil Co., Ltd. + FUJI OIL HOLDINGS INC.)

People rehired	29
Rehiring rate	96.7%

Recruitment of disabled people (FY 2018 monthly average / Fuji Oil Co., Ltd. + FUJI OIL HOLDINGS INC.)

Disabled people recruited	35
Recruitment rate for disabled people	2.20%