

Management information

Relevance to our business

Fair and transparent business activities form the foundation of corporations as public institutions in the global community. To that end, we are engaged in various measures related to compliance throughout the Group.

Basic approach

The Fuji Oil Group believes it is important that we act with high ethical standards not only to comply with laws and regulations as well as internal policies and rules in daily business operations but also to meet the expectations and needs of society (stakeholders). This notion of employee ethics and compliance is embedded in the Fuji Oil Group Management Philosophy.*

Furthermore, we defined the Fuji Oil Group Three Principles of the Code of Conduct to clarify specific behavior that all Group members are expected to display in order to ensure ethics and compliance.

* Refer to the link below for the Fuji Oil Group Management Philosophy.

> <https://www.fujioilholdings.com/en/about/constitution/>

Fuji Oil Group Three Principles of the Code of Conduct (Developed in February 2003)

1. Follow the rules.
 - Observe the laws and regulations applicable in the respective countries and regions.
 - Act according to the rules and procedures established by the company.
 - Follow social norms and live up to society's expectations and trust.
2. Act honestly.
 - Act on one's own conscience.
 - Do not hide one's mistakes or failures.
 - Give reports and explanations which are properly based on the facts, and in a timely manner.
3. Act fairly.
 - Engage in fair and proper transactions.
 - Draw a line between public and private matters and do not commit any illegal conduct.
 - Respect the human rights of the people involved in business activities and consider racial, gender, and religious sensitivities.
 - Do not do anything that may lead to constraint, bribery, or any other form of corruption.
 - Do not allow any antisocial forces to intervene and disrupt the workplace.

Management system

Initiatives for compliance were overseen by the Chief Administrative Officer (CAO) in FY2021. Since FY2022, that role has been transferred to the Legal & General Affairs Division Head of Fuji Oil Holdings Inc. The Legal Affairs Department of Fuji Oil Holdings Inc. plans various measures to increase compliance awareness and works to address compliance issues throughout the Group. The Sustainability Committee,*¹ an advisory body to the Board of Directors, monitors the progress and results of initiatives as a material ESG issue,*² including initiatives to assess compliance risks in our business operations and formulate measures against bribery, corruption, and other risks relating to fair transactions.

*¹ Follow the link below to learn more about the Sustainability Committee.

> https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*² Follow the link below to learn more about material ESG issues.

> <https://www.fujioilholdings.com/en/sustainability/materiality/>

Goals / Results

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

FY2021 Goals	FY2021 Results	Self-assessment
Strengthen collaboration with the Legal Affairs Department of Fuji Oil Holdings Inc. by appointing staff responsible for legal affairs at the regional headquarters or their subsidiary Group companies	Appointed staff responsible for legal affairs at each Group company, and set up communication lines between Fuji Oil Holdings Inc. and these staff	○
Have regional headquarters or their subsidiary Group companies conduct a self-assessment on compliance management, and have the Legal Affairs Department of Fuji Oil Holdings Inc. review the results	Conducted self-assessment on the risk of bribery of public officials at each Group company. Also conducted additional self-assessment on preventive systems for higher-risk workplaces	○
Conduct compliance training	<ul style="list-style-type: none"> Held antitrust compliance group trainings in Japan, China, North America and Singapore Carried out e-learning for anti-bribery at each Fuji Oil Group company 	○

Analysis

In FY2021, we set up communication lines with legal staff at each Group company and were able to lay down the foundation for future collaboration. However, we will not handle companies uniformly going forward, since the scale and human resources of each company are different. We believe that it is necessary and important to provide the appropriate legal support from Fuji Oil Holdings Inc. according to the level of maturity and unique circumstances of each company's legal function.

Next step

We recognize that to strengthen our compliance, we need to develop a compliance risk management system (including prevention of bribery and other corruption) for the entire Group. To address this issue, we set the following goals for FY2022.

- No serious compliance violations
- Conduct a risk assessment and monitoring of Group compliance risks, such as those related to fair transactions
- Raise employee awareness of compliance

Specific initiatives

Training

Business Ethics Guidelines

We established the Fuji Oil Group Business Ethics Guidelines. Based on the Fuji Oil Group Management Philosophy, these guidelines explain the importance of ethics and compliance using representative case studies encountered in daily duties. The guidelines comply with laws and regulations of the countries and regions in which we operate, and are available in nine languages spoken there. The guidelines are distributed to employees in booklet or PDF forms.

Compliance training

We have been conducting Groupwide e-learning training globally, available in nine languages, on key compliance issues, including anti-bribery, anti-corruption, and antitrust laws, as well as laws and regulations related to fair business transactions, with the aim of enhancing compliance sensitivity of all Fuji Oil Group employees. In addition, the Legal Affairs Department collaborates with other relevant departments to provide the necessary compliance education for the departments that need them through face-to-face trainings or e-learning.



Group training in China

Monitoring

We have been monitoring Group companies worldwide, in cooperation with Audit and Supervisory Committee members and departments responsible for internal audits.

Moreover, the Legal Affairs Department of Fuji Oil Holdings Inc. endeavors to identify compliance risks and verify the status of the compliance activities by reviewing the results of self-assessments and conducting interviews with each Group company.

Whistleblowing system

We set up the Fuji Oil Group Whistleblower Hotline in October 2006, as well as a whistleblowing hotline outsourced to an outside law firm in February 2008, at Group companies in Japan. Since 2019, third-party partners in some specific areas have been provided with access to the Fair Trade Helpline, as part of the effort to promote fair transactions.

The Fuji Oil Group's Compliance Helpline has been available for employees at Group companies outside Japan since May 2015.

We created an environment that facilitates reporting both in and outside Japan by appointing an outside organization that ensures the confidentiality and anonymity of informants and accepts reports 24 hours a day, 365 days a year.

Fuji Oil Holdings Inc.'s whistleblowing regulations prohibit the dismissal and unfair treatment of an employee due to the whistleblowing. They also stipulate that those who have unfairly treated or harassed a whistleblower may be punished in accordance with the work regulations and other rules. In FY2021, we received 22 whistleblowing reports throughout the entire Group. Upon reception, we promptly investigate the details of the report, make necessary corrective measures, and provide feedback to the whistleblower. After receiving reports for cases in Japan in FY2021, the Legal Affairs Department carried out related compliance training and explained company regulations once more to the concerned person and others in the same position. We then took the necessary measures, such as interactive discussions on the kind of actions that violate compliance or company rules, in order to prevent a recurrence and foster a good working environment. We also conduct a Group-wide yearly survey on the whistleblowing system to ensure that the system is well known and to improve its operation.

Corruption prevention

Preventing bribery and corruption is one of our key compliance issues related to fair transactions. We have established the basic regulations (undisclosed outside the company) for preventing bribery that prohibit acts of bribery throughout the Group.

Moreover, to ensure that our business partners who conduct business on behalf of the Group strictly comply with the basic regulations for preventing bribery, we also perform proper due diligence prior to making transactions and take the necessary precautions, such as including anti-bribery and anti-corruption clauses in contracts with our business partners.

Furthermore, we conducted risk assessments on bribery of public officials at each Group company in FY2021. We also monitored the anti-bribery systems at sites assessed as high risk.

To instill these anti-bribery policies and measures throughout the Group, we have also focused our efforts on education and raising awareness of bribery. The Fuji Oil Group Business Ethics Guidelines comprehensively cover bribery and corruption prevention along with case examples. We also provide e-learning and face to face trainings for employees.

In addition, employees can use the whistleblowing system described above to anonymously raise concerns and grievances related to bribery and corruption in the company.

Political donations

The Fuji Oil Group does not make political donations.

Compliance with laws and regulations

There were no serious violations of laws or regulations linked to the Fuji Oil Group's business operations in FY2021.

Related documents

ESG Data Book (PDF 2.76MB) 