

Strengthening Compliance

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). We defined the Fuji Oil Group Three Principles of the Code of Conduct to clarify specific behaviors that all Group members are expected to follow to ensure that they act ethically and practice compliance. The basic values and spirit underlying these ethics and compliance have also been embedded in the Fuji Oil Group Management Philosophy* established in November 2015.

* <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

In FY2023, the Legal Division of Fuji Oil Holdings Inc. is planning various measures to increase compliance awareness and is working to address compliance issues throughout the Group under the supervision of the division head. 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

*¹ https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*² <https://www.fujioilholdings.com/en/sustainability/materiality/>

Goals / Results

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

FY2022 Goals	FY2022 Results	Self-assessment
No serious compliance violations	There were no serious violations of laws and regulations affecting Fuji Oil Group business operations	○
Conduct a risk assessment and monitoring of fair transactions and other significant Group compliance risks	<ul style="list-style-type: none">Conducted cartel risk assessments at Group companies and relevant individual interviews at sites assessed as high riskIntroduced measures in response to the above results	○
Raise employee awareness of compliance	We received a 93.2% positive response rate to the question, "When business and compliance are in conflict, is there a culture of prioritizing compliance?" (a 2.6 point increase over previous year)	○

Analysis

In FY2022 we focused on strengthening initiatives in the area of antitrust compliance by establishing Basic Regulations for Compliance with Competition Laws (not externally disclosed) that apply to the entire Fuji Oil Group, performing a cartel risk assessment and conducting awareness-raising activities in response to the risk. Engaging in fair and proper transactions is one of the pillars of our Group business operations and is also stipulated in the Fuji Oil Group Three Principles of the Code of Conduct, and we will continue our efforts in the future.

There were no serious legal or regulatory violations affecting Fuji Oil Group operations in FY2022. The compliance awareness of employees throughout the Group is also on a slight upward trend, and a compliance culture is steadily being fostered step by step.

Next step

We are again aiming for zero cases of serious compliance violations in FY2023. We recognize that we need to develop a compliance risk management system (including prevention of bribery and other corruption) for the entire Group to achieve this, and will work on the following specific goals and measures.

- No serious compliance violations
- Conduct a compliance program including training for the entire Group
- 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 are available in nine languages that are spoken in the countries and regions in which we operate, and are adapted to their laws and regulations. The guidelines are also proactively used by Group companies, which conduct workshops on case studies included in the guidelines. The guidelines are distributed to employees in booklet or PDF forms.

Compliance training

We conduct Group wide e-learning training for employees* globally (available in nine languages) on key compliance issues, including laws and regulations related to fair business transactions, such as anti-bribery, anti-corruption, and antitrust laws with the aim of enhancing compliance sensitivity of all Fuji Oil Group employees. Our FY2022 e-learning on antitrust laws had a 95.6% participation rate.

In addition, the Legal Division collaborates with other relevant departments to provide the necessary compliance education for the necessary departments through face-to-face trainings or e-learning. In FY2022, for the Europe-Africa region we invited lawyers from external law firms as lecturers for online group training covering antitrust laws. Twenty employees from sales and other divisions within the Europe-Africa region participated and contributed to an active Q&A session.

* Targeted at officers, executive officers and employees who have a company email address and use a computer in their day-to-day operations.



Group training for sales division personnel of Fuji Oil Co., Ltd.

Monitoring

We conduct compliance monitoring of Group companies worldwide in cooperation with Audit and Supervisory Committee members and departments responsible for internal audits, risk management and other relevant divisions.

Moreover, the Legal Division 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. We have also provided third-party partners in some specific areas with access to the Fair Trade Helpline, as part of the effort to promote fair transactions (since January 2019).

The Fuji Oil Group's Compliance Helpline has been available for employees at Group companies outside Japan (since May 2015). Some of these companies also operate their own whistleblowing system in addition to the Compliance Helpline.

We created an environment that facilitates reporting both in and outside Japan that ensures the confidentiality and anonymity of informants and accepts reports 24 hours a day, 365 days a year. Upon reception, we promptly investigate the details of the report, make necessary corrective measures, and provide feedback to the whistleblower.

Fuji Oil Holdings Inc.'s Whistle-blowing Regulations guarantee the confidentiality and anonymity of whistleblower and prohibit the dismissal and unfair treatment of an employee due to 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 FY2022, we received 32 whistleblowing reports throughout the entire Group. The Fuji Oil Holdings Inc. Legal Division annually reports to the Board of Directors on the number of whistleblowing received across the Group, their summaries and corrective measures. The Board of Directors supervises operation of the whistleblowing system. In FY2022, the Board of Directors discussed how to promote the whistleblowing hotline outsourced to an outside law firm, and made new efforts to raise awareness of it. This included the publication of an article on the Group's internal communication site (in Japanese, English, Chinese and Portuguese) that introduces the outsourced hotline, including related Q&A. We also introduce the Group's whistleblowing system at every compliance training session to ensure that the system is well known.

Corruption prevention

Preventing bribery and corruption is one of our key compliance issues related to fair transactions. We have established the basic regulations for preventing bribery (not externally disclosed) 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.

To instill these anti-bribery 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. The e-learning on preventing bribery and corruption held in FY2021 had a 95.4%* participation rate.

In addition, employees can use the whistleblowing system described above to anonymously raise concerns and grievances related to bribery and corruption in the company. The Fuji Oil Holdings Inc. Board of Directors receives reports from the Legal Division on measures against bribery, and supervises the establishment and execution of such measures.

* Targeted at officers, executive officers and employees who have a company email address and use a computer in their day-to-day operations.

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 affecting the Fuji Oil Group's business operations in FY2022.

Related documents

ESG Data Book (PDF 4.57MB) 