

Ensuring Product Safety and Quality Control

 **Material Issue**
Product Safety and Quality

Policy

The Fuji Oil Group has established the Basic Policy of Safety, Quality, and Environment.*

* Fuji Oil Group Basic Policy of Safety, Quality and Environment (PDF, 331KB) 

Governance

GRI:3-3

The Group's Sustainability Committee*¹ is an advisory body to the Board of Directors that is chaired by the President and CEO. It deliberates on and monitors the material ESG issue*² of Product Safety and Quality from a multi-stakeholder perspective, and recommends the results to the Board. The ESG Division Head oversees the progress of initiatives for Ensuring Product Safety and Quality Control, a priority action within this material issue.

*1 Governance, Strategy, Metrics and Targets, Risk Management > Governance
https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*2 Governance, Strategy, Metrics and Targets, Risk Management > Strategy, metrics and targets
https://www.fujioilholdings.com/en/sustainability/sustainability_management/

Strategy

As a participant in food supply chains, we have a potential impact on food safety. We believe that it is important for us to ensure food safety and quality control in full consideration of all processes of our products, from product design, through raw material procurement, manufacturing, and shipping, to consumers.

Failing in our duty to provide consumers with safe and reliable products may result in significant cost increases and loss of trust from customers and society, which could lead to decreased corporate value and profitability. Conversely, continuing to provide safe and high-quality products can boost customer and social confidence, leading to opportunities for stable revenue and increased corporate value.

We have established a quality assurance system that we continually work to improve. This system covers the processes ranging from product design to delivery to the customer (both B-to-B customers and end consumers), with the highest priority placed on product safety and quality consistency. We will further ensure food safety and quality control by improving management based on our Group-wide Quality Assurance Regulations, and by continuing to promote activities to raise employees' quality awareness.

Risk management

Risk management and countermeasures

Enhanced quality management system

To ensure that the Fuji Oil Group Basic Policy of Safety, Quality and Environment is applied to business activities, since the early 1990s, our Group companies have been building and strengthening quality management systems by acquiring ISO 9001 (the international standard for quality management systems), FSSC 22000 (the international standard for food safety management systems) or similar certifications. In addition, the Group follows its Quality Assurance Regulations in order to monitor the management status of each Group company through safety, quality and environmental audits.

Customer complaints and quality related inquiries are received by the Group's sales division and customer service desks. This information is examined by the Quality Assurance Department or other teams responsible for quality assurance at each Group company and then further investigated by the relevant departments. From there, the department responsible for the quality-related issues carries out checks, and the sales division provides a response to the customer. Each Group company also collects and analyzes data on the customer complaints they receive. Fuji Oil Holdings Inc. aggregates and analyzes this data and recommends it to the Management Committee Meeting for sharing across the entire Group.

Fuji Oil Holdings Inc. also works to build the Group's network of quality managers and share initiatives, best practices, and management know-how across organizational boundaries within the Group, with the aim of promoting holistic information sharing among quality managers and improving the quality assurance system. We are leveraging this network to share experiential insights across Group companies and update each Group company on the latest food regulations and international trends in food. This enables us to reduce and eliminate new issues and potential risks related to product safety and quality, and make continuous improvements toward higher standards of safety and customer trust. Furthermore, this allows us to resolve problems that do arise more quickly and collaboratively by sharing analytical methods and dispatching experts, avoiding any inconvenience to our customers.



Acquisition of Management Certifications

Group companies' management certification status

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

Risk management methods for food safety

Our Group companies and their relevant organizational units manage and respond to food safety risks as part of the Group's overall risk management system.*

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

Food safety-related risks and countermeasures

In FY2023, the risk assessment once again identified food safety-related risks, including contamination with foreign matter, allergens and inappropriate raw materials. We have been working to reduce these risks by acquiring certifications on food safety and quality management, conducting focused evaluations, providing guidance and implementing improvements on these risks through internal audits, and intensifying the implementation of 3S and 5S methodologies.

Education

Within the Group, the Quality Assurance Department or the department in charge of quality assurance at each Group company plans and provides appropriate training to employees to further raise quality awareness in accordance with local conditions. For example, Fuji Oil Co., Ltd. supports activities at each plant conducted in accordance with the action guidelines and holds lectures on hygiene and other matters. The hygiene lecture that had been canceled due to COVID-19 was held once again in FY2023 with around 100 employees participating, mainly from production plants. In addition, every November we participate in Quality Month, which is organized by the Quality Month Committee, a Japanese industry organization. During Quality Month, we conduct various activities focusing on predefined themes to raise awareness on quality among our employees.

Group companies outside Japan also hold awareness-raising events, such as Quality and Safety Month (Fuji Oil (Zhang Jia Gang) Co., Ltd. in China), Quality and Food Safety Day (Harald Indústria e Comércio de Alimentos Ltda in Brazil), and the Quality and Food Safety Culture Awareness Program (PT. Freyabadi Indotama in Indonesia).



An educational session at PT. Freyabadi Indotama (Indonesia)

Product labeling

GRI:417-1

Information indicated on labels of products varies considerably depending on the country where the product is sold. The Quality Assurance Department or the department in charge of quality assurance at each Group company collects information to ensure that product labels comply with the laws and regulations of each country and region.

At Fuji Oil Co., Ltd., the Quality Assurance Department collects information daily on relevant laws and regulations, and issues updates on any revisions to the relevant departments via regularly distributed Food Safety Information newsletter, in order to ensure that these revisions are promptly and accurately reflected in product labels. We also have a system in place to ensure that the staff in the development, production and quality assurance departments check the content of product labels before printing to avoid any errors that would violate laws or regulations. We strive to enhance transparency by disclosing information to our customers in a timely manner through product specifications and the Fuji Oil Co., Ltd. website.

In FY2023, no serious labeling violations occurred at Group companies in or outside Japan.

Metrics and targets

GRI:416-2

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

FY2023 Goals	FY2023 Results	Self-assessment
No serious quality-related complaints*	No serious quality-related complaints received	○

* Incidents concerning food products that are harmful to health or violate the law, and require a recall.

Analysis

There were no serious quality-related complaints (recalls) in FY2023 thanks to efforts to maintain hygiene at production sites. We have continued to implement corrective and preventative measures to eliminate non-conformities identified by safety and quality patrols, internal audits and audits by external organizations, as well as to prevent recurrence of previous customer complaints. Moreover, the quality-related information sharing platform we developed to improve quality assurance levels and share quality information across the Group has now made it possible to regularly send and share quality information across companies and national borders. We also strove to raise quality assurance levels by creating opportunities for quality managers to learn from other companies by sharing examples from their own company on specific topics.

Next steps

We are again aiming for no serious quality-related complaints in FY2024. To achieve this goal, our challenge is to reduce all quality-related complaints and improve the level of quality assurance in Group companies. To address these issues, we set the following goals for FY2024.

- Raise quality and food safety awareness of employees in order to achieve zero serious quality-related complaints
- Strengthen communication with quality managers at Group companies and promote a food safety culture and the sharing of quality-related information

Related documents

ESG Data Book (PDF 2.85MB) 