

# Human Rights Management

✓ Policy ✓ Governance ✓ Strategy ✓ Risk management ✓ Metrics and targets

## Policy

In the values that inform our actions in the Fuji Oil Group Management Philosophy, we express our commitment to work for people — the many people who form the backbone of the Fuji Oil Group. In April 2017 we established the Fuji Oil Group Human Rights Policy, which lays out our basic approach to human rights.

We require our suppliers to respect human rights in the Fuji Oil Group Supplier Code of Conduct, formulated in April 2021, and in the sourcing policies for our main raw materials. In March 2023, we established the Fuji Oil Group Human Rights Guidelines to serve as specific principles that guide the shared recognition for respect for human rights among all employees to fulfill our responsibility in our business operations.

[Fuji Oil Group Management Philosophy](#)

[Fuji Oil Group Human Rights Policy](#)

## Fuji Oil Group Supplier Code of Conduct

In April 2021, we established the Fuji Oil Group Supplier Code of Conduct.\* This Code outlines the requirements for respecting human rights (non-discrimination, occupational safety and health, labor standards, freedom of association and collective bargaining, forced labor, child labor, and local communities), as well as product safety and quality, the impact of environmental pollution on local communities, and information security and privacy. It also requires suppliers to implement remediation mechanisms. We strive to engage with our suppliers based on this Code of Conduct and to ensure that products and services we procure are provided in a manner that respects human rights and the environment.

\* Fuji Oil Group Supplier Code of Conduct

<https://www.fujioil.co.jp/en/sustainability/policy/supplier/>

\* Engagement with suppliers

[https://www.fujioil.co.jp/en/sustainability/procurement/#risk\\_management](https://www.fujioil.co.jp/en/sustainability/procurement/#risk_management)

## Fuji Oil Group Human Rights Guidelines

Based on the Fuji Oil Group Human Rights Policy, we established the Fuji Oil Group Human Rights Guidelines in March 2023 to address human rights issues related to Group workplaces and employees. The guidelines have been translated into nine languages so that all employees can understand them.

The Guidelines are a part of our response to the “human rights in the workplace (harassment, forced labor)” risks identified in our second human rights impact assessment, and aim to ensure that human rights are respected consistently across all Group companies, in our efforts to establish a comprehensive human rights management system. This was a point raised in our dialogue with BSR in FY2021.

[Fuji Oil Group Human Rights Guidelines](#)

[https://www.fujioil.co.jp/en/sustainability/policy/human\\_rights\\_guideline/](https://www.fujioil.co.jp/en/sustainability/policy/human_rights_guideline/)

## Governance

GRI: 3-3

The Fuji Oil Group has established the Sustainability Committee<sup>\*1</sup> as an advisory body to the Board of Directors that is chaired by the President and CEO. The committee identifies material ESG issues related to human rights based on feedback from diverse standpoints, including customers, human rights experts, and employees. It also deliberates on and monitors these issues from a multi-stakeholder perspective, and makes recommendations to the Board. We carry out our initiatives to reduce human rights risks under the oversight of chief officers in charge of priority actions that address the relevant material ESG issues.

The Sustainability Development Department oversees relevant divisions and identifies human rights risks across the Group. We reflect those identified significant human rights risks in priority actions that address material ESG issues, including human rights issues in the Group.

Additionally, we discuss and manage business risks and opportunities related to human rights issues in the Fuji Oil Group risk management structure.<sup>\*2</sup>

<sup>\*1</sup> Governance, Strategy, Risk Management, Metrics and Targets > Governance

[https://www.fujioil.co.jp/en/sustainability/sustainability\\_management/#governance](https://www.fujioil.co.jp/en/sustainability/sustainability_management/#governance)

<sup>\*2</sup> Fuji Oil Group risk management structure

[https://www.fujioil.co.jp/en/ir/policies\\_and\\_systems/risk/](https://www.fujioil.co.jp/en/ir/policies_and_systems/risk/)

## Strategy

GRI: 2-24

Human rights are the rights that all people are born with to live freely and with dignity. With a global supply chain, the Fuji Oil Group is directly or indirectly involved in the human rights issues of various stakeholders across the value chain of our business. In the Fuji Oil Group Management Philosophy, we set forth the following vision: Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy. Based on this vision, we have pursued sustainability-driven corporate management, striving to fulfill our responsibility to respect human rights across the Group's entire value chain. Failure to take action to respect human rights may increase human rights risks such as discrimination, harassment, forced labor, and child labor. In a business environment where human rights in business are gaining importance and human rights regulations are becoming more stringent worldwide, this could also lead to business risks, including the termination of business relationships with customers. Conversely, carefully addressing human rights issues throughout the Group can create opportunities to build trust with customers and stakeholders, while also enhancing employee engagement. In line with the Fuji Oil Group Human Rights Policy, as well as other international human rights policies and regulations, the Group identifies human rights issues across our value chain and manages our initiatives based on material ESG issues and Group significant risks.

## Risk management

The Fuji Oil Group manages human rights risks and opportunities through addressing the following material ESG issues and managing Group significant risks.

### Material ESG issues

Ensuring Product Safety and Quality Control, Reduction of Process Contaminants in Oils and Fats, Solutions for Healthy and Well-being, Creation of Diverse Plant-based Ingredients, Biodiversity Conservation and Restoration, Sustainable Procurement of Palm Oil, Sustainable Procurement of Cocoa, Sustainable Procurement of Soybeans, Sustainable Procurement of Shea Kernels, Promotion of DE&I, Securing and Developing Human Resources, Reducing Occupational Accidents and Property Damage, Information Security Management, Operation of a Trustworthy Whistleblowing System, Promoting Fair Business Practices

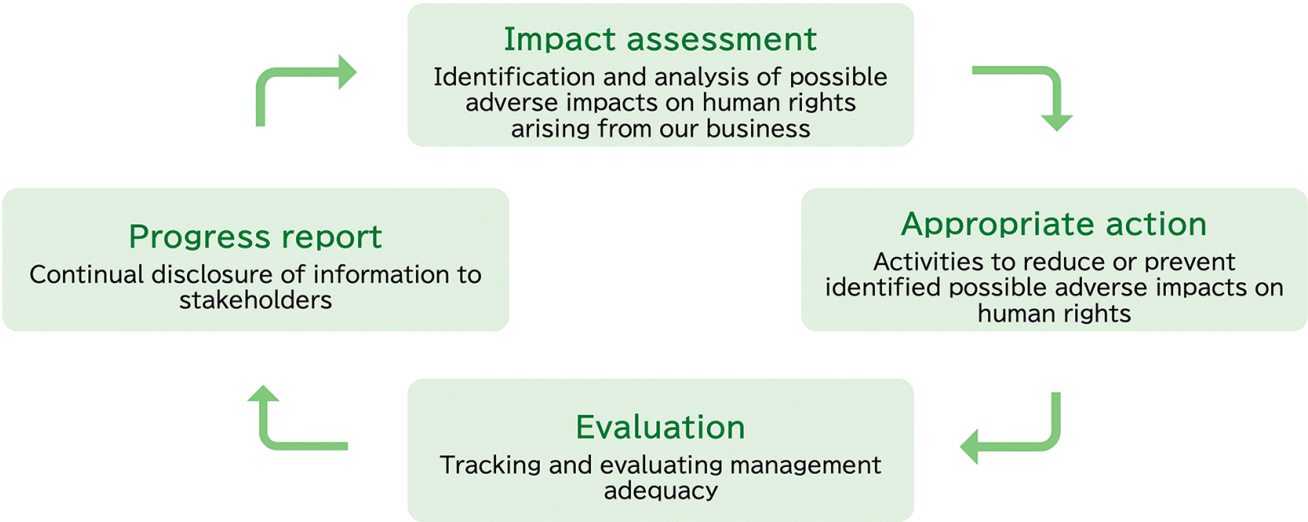
## Human rights due diligence

### Overview

The UN Guiding Principles on Business and Human Rights\*1 clearly state that businesses also have the responsibility to respect human rights. The principles require that businesses understand the social and moral significance of respecting human rights in fulfilling this responsibility, and doing so consists of three components: policy commitment, conducting human rights due diligence,\*2 and establishing a process that enables remediation. Our Group conducts human rights due diligence as part of the “implementation of the responsibility to respect human rights” specified in the Group’s Human Rights Policy.

\*1 Guiding Principles on Business and Human Rights: A set of international standards unanimously endorsed by the UN Human Rights Council in 2011.

\*2 Human rights due diligence: The act of identifying human rights risks in a company’s business throughout the supply chain, and explaining and disclosing information on the effectiveness of initiatives and approaches towards preventing and reducing those risks.



### Human rights impact assessment

Our Group conducts human rights impact assessments following the process advocated by the UN Guiding Principles on Business and Human Rights with guidance from outside experts in order to identify and evaluate the possible adverse impacts of our business activities on human rights and to identify priority issues.

#### First and second human rights impact assessments and addressing human rights risks

We conducted our first assessment in FY2016 and our second in FY2020.

In the second assessment, we received third-party guidance from Business for Social Responsibility (BSR), a U.S.-based non-profit organization with expertise in business and human rights, and identified our human rights risks using the following procedure.

#### Second human rights impact assessment process

First stage	With BSR’s expertise, identified human rights risks based on the nature of the Group’s business activities and our operating locations
Second stage	Conducted interviews with internal stakeholders in collaboration with BSR to incorporate as much information from our actual operations as possible. Identified six categories where our business activities may impact human rights: 1) Occupational health and safety, 2) Human rights of supply chain workers, 3) Diversity and inclusion (D&I) and human rights in the workplace, 4) Food safety, 5) Governance, risk, and compliance, and 6) Climate impact on human rights

Third stage	Based on expert guidance, selected three categories of human rights risks to address as priority issues: 1) Occupational health and safety, 2) Human rights of supply chain workers, and 3) D&I and human rights in the workplace. Reported these identified risks to our executive team
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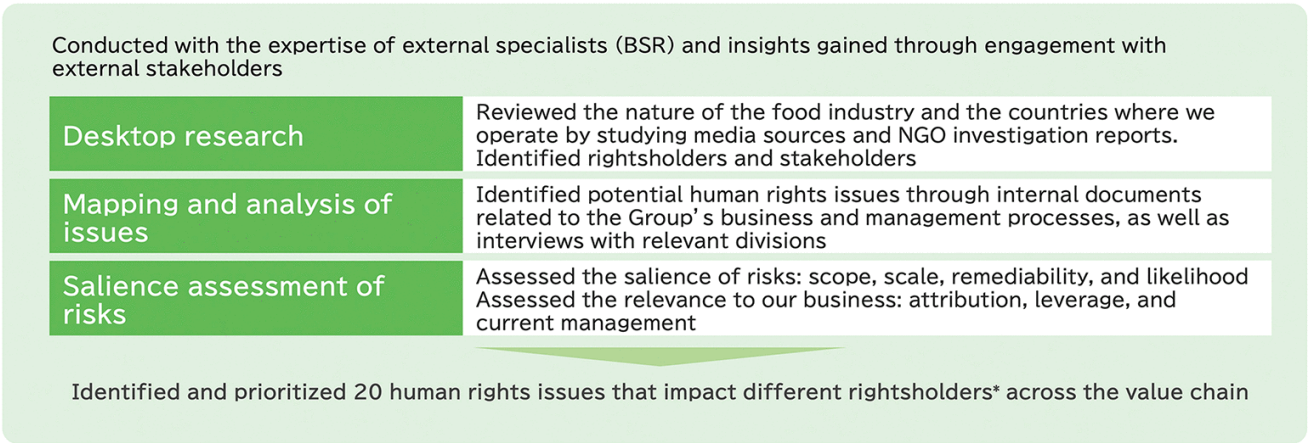


See the “Metrics and targets” section for our progress on the categories identified as priority risks.

### Third human rights impact assessment

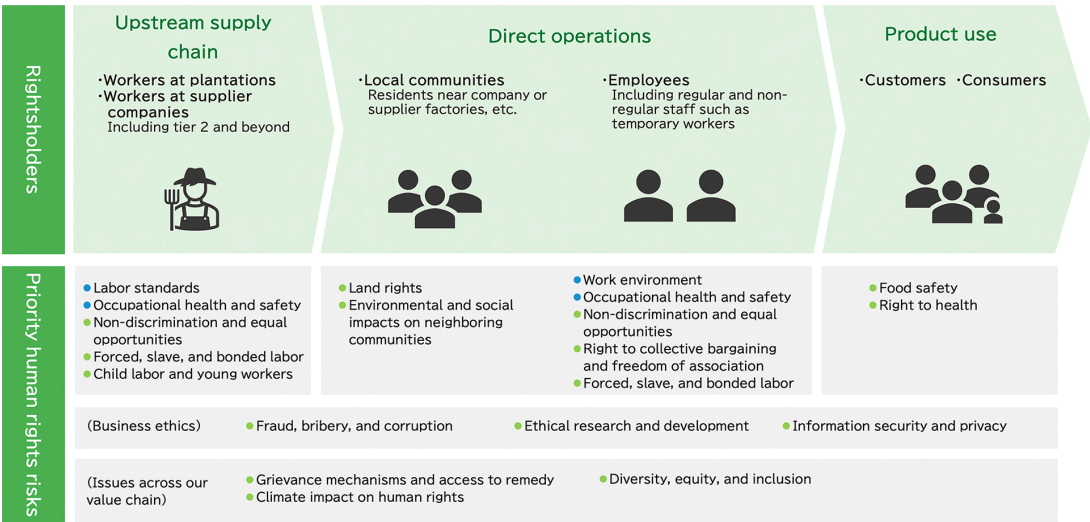
In FY2024, we conducted our third human rights impact assessment under the guidance of BSR to re-identify priority human rights risks to address.

### Third human rights impact assessment process



\* Rightsholders: Individuals or groups whose human rights could be impacted or have been impacted by the company’s business, products, or services

### Rightsholders and priority human rights risks across the Fuji Oil Group value chain identified in the third human rights impact assessment



● Risks that should be addressed with the highest priority ● Risks that need to be addressed but are relatively low priority

In FY2024, along with our regular human rights impact assessment, we conducted a gap analysis of our human rights due diligence practices against the UN Guiding Principles on Business and Human Rights and current initiatives in the food industry. The results, in particular, highlighted the need to strengthen our human rights governance and implement more robust due diligence initiatives in areas and issues identified as high risk.

## **Human rights risk management system**

Since our first human rights impact assessment in FY2016, we have been working to understand expectations for the Group and gather input from stakeholders through ongoing dialogues that include experts in the field of business and human rights, industry groups, and NGOs active in regions where our key raw materials are produced. We have also been working to address the human rights issues we identified through initiatives to reduce negative impacts and create positive impacts.

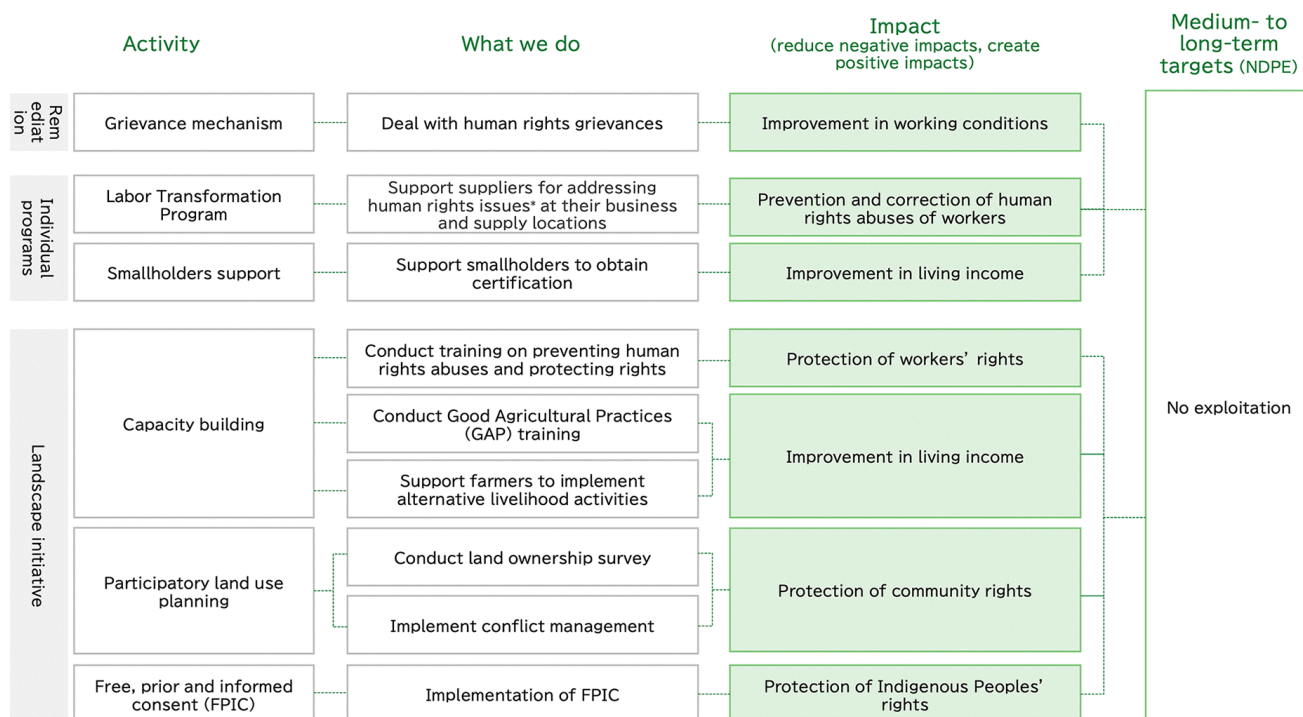
### **Identification of human rights risks based on expert dialogues and guidance**

- Dialogue on human rights (September 2016)
- First human rights impact assessment (FY2016)
- Dialogue with experts on business and human rights (June 2019)
- Second human rights impact assessment (FY2020)
- Third human rights impact assessment (FY2024)

### **Initiatives for supply chain worker human rights based on stakeholder dialogues**

- Established the Responsible Palm Oil Sourcing Policy (March 2016)
- Launched the palm oil Labor Transformation Program (FY2017)
- Established the Fuji Oil Group Human Rights Policy and began conducting human rights due diligence (April 2017)
- Established and announced a palm oil grievance mechanism (May 2018)
- Published the Palm Oil Mill List (June 2018)
- Participated in the palm oil landscape initiative (FY2018)
- Established the Responsible Cocoa Beans Sourcing Policy (August 2018)
- Revised the palm oil grievance procedures (April 2020)
- Published the Fuji Oil Group Supplier Code of Conduct (April 2021)
- Established the Responsible Soybeans and Soy Products Sourcing Policy (June 2021)
- Established the Responsible Shea Kernels Sourcing Policy (June 2021)
- Launched the Tebma-Kandu program for shea kernels (FY2021)
- Revised the Fuji Oil Co., Ltd. CSR Procurement Guidelines (3rd Edition) (November 2021)
- Established the Fuji Oil Group Policy on Biodiversity (March 2023)
- Established the Fuji Oil Group Human Rights Guidelines (March 2023)

## Creating impact on stakeholder human rights issues (examples in the palm oil supply chain)



\* The scope of the Labor Transformation Program covers the following eight areas and works to identify and correct human rights issues: (1) employment contract management, (2) wages and working hours, (3) employee grievance management, (4) freedom of movement, (5) freedom of association, (6) ethical employment, (7) worker accommodation, (8) health and safety

(Related information) Stakeholder engagement

[https://www.fujioil.co.jp/en/sustainability/stakeholder\\_engagement/](https://www.fujioil.co.jp/en/sustainability/stakeholder_engagement/)

## Grievance mechanisms

GRI: 2-25, 26

### Whistleblowing system

The Fuji Oil Group has established a whistleblowing system to report violations of laws and regulations or misconduct, as well as acts that may violate or potentially violate laws, regulations, or the Group's Code of Conduct or policies, including harassment, discrimination, and other human rights violations by the officers and employees. This system is available to employees (including former employees) of Group companies and business partners worldwide.

\* Operation of a Trustworthy Whistleblowing System > Whistleblowing system

<https://www.fujioil.co.jp/en/about/governance/compliance/>

\* Governance

<https://www.fujioil.co.jp/en/about/governance/>

### Grievance mechanism for our supply chains

In May 2018, we established a grievance mechanism<sup>\*1</sup> based on our Responsible Palm Oil Sourcing Policy. This mechanism provides a way for stakeholders and other concerned parties to raise concerns about environmental or human rights issues within the Group's palm oil supply chain. We set up a grievance mechanism webpage in English<sup>\*2</sup> on our Group website to announce the mechanism and its progress.

\*1 Fuji Oil Group Grievance Mechanism

[https://www.fujioil.co.jp/en/sustainability/grievance\\_mechanism/](https://www.fujioil.co.jp/en/sustainability/grievance_mechanism/)

\*2 Sustainable Procurement of Palm Oil > Grievance mechanism

[https://www.fujioil.co.jp/en/sustainability/palm\\_oil/](https://www.fujioil.co.jp/en/sustainability/palm_oil/)

## Education, awareness raising

We designated the week of December 10, International Human Rights Day, as Fuji Oil Group Human Rights Week. During this period, leadership statements on business and human rights are shared with all Group employees, and e-mail messages are sent to draw attention to the event.



A leadership statement posted on our internal communication site (Japanese, English, Chinese, and Portuguese)

## Metrics and targets

GRI: 408-1, 409-1

Priority risk areas identified in 2nd human rights impact assessment in FY2020	Special points to confirm/consider (recommended by experts)	Objectives	Major initiatives (FY2020 – FY2024)
<p>Occupational health and safety</p> <p>Relevant stakeholder group: Employees</p> <p>➡ Reducing Occupational Accidents and Property Damage</p>	<ul style="list-style-type: none"> <li>Prevent spread of infection during COVID-19 pandemic</li> <li>Strengthen management system by third-party assessment</li> </ul>	<ul style="list-style-type: none"> <li>Continue applying strict measures to prevent infection in the workplace</li> <li>Continue to improve our occupational health and safety management system by incorporating perspectives of third-party organizations</li> </ul>	<ul style="list-style-type: none"> <li>Strict preventive measures against infection (during COVID-19 pandemic)</li> <li>Implementation of staggered working hours, remote work, flextime system</li> <li>Joint onsite audits of individual Group companies which included the global safety officers from regional headquarters</li> <li>Enhance measures to raise employee awareness of occupational safety</li> </ul>
<p>Human rights of supply chain workers (focusing on working environment, occupational health and safety, non-discrimination, and equal opportunity, forced and child labor, and land rights at plantations)</p> <p>Relevant stakeholder group: Supply chain workers</p> <p>➡ Sustainable Procurement Management</p>	<ul style="list-style-type: none"> <li>Establish supplier code of conduct that applies to all suppliers and expand grievance mechanisms</li> <li>Palm oil and cocoa: Implement measures based on sourcing policies and medium-to-long-term targets</li> <li>Soybeans: Formulate sourcing policy and establish monitoring system</li> </ul>	<ul style="list-style-type: none"> <li>Ensure suppliers are well informed of supplier code of conduct</li> <li>Evaluate effectiveness of revised palm oil grievance mechanism</li> <li>Monitor human rights due diligence trends in the EU and apply to the supply chain in a timely manner</li> <li>For child labor risks in West Africa, conduct traceability and mapping, promote the Child Labor Monitoring and Remediation System (CLMRS),</li> </ul>	<ul style="list-style-type: none"> <li>Development of medium- to long-term targets and KPIs for sustainable procurement of palm oil and cocoa</li> <li>Formulation of Responsible Soybeans and Soy Products Sourcing Policy, and Responsible Shea Kernels Sourcing Policy, and setting of KPIs</li> <li>Formulation and publication of the Fuji Oil Group Supplier Code of Conduct, and distribution to suppliers, collection of consent forms</li> <li>Palm oil: Dealing with the increase in number of grievances, and implementation of Labor</li> </ul>

Priority risk areas identified in 2nd human rights impact assessment in FY2020	Special points to confirm/consider (recommended by experts)	Objectives	Major initiatives (FY2020 – FY2024)
		and participate in educational assistance program <ul style="list-style-type: none"> <li>Establish and disclose responsible sourcing policy and KPIs for soybeans and soy products</li> <li>Establish and disclose responsible sourcing policy and KPIs (especially to empower women) for West African shea kernels</li> </ul>	Transformation Program (LTP) to suppliers <ul style="list-style-type: none"> <li>Cocoa: CLMRS coverage for 100% of farmer groups in our direct supply chain</li> <li>Shea kernels: Implementation of Tebma-Kandu program for shea kernel sustainability</li> <li>Establishment of a Sustainable Development Team within Group companies in Europe to serve as a hub for sustainability information</li> </ul>
D&I and human rights in the workplace (harassment, forced labor)  Relevant stakeholder group: Employees  <div>  Promotion of DE&amp;I              Securing and Developing Human Resources           </div>	<ul style="list-style-type: none"> <li>Strengthen system for promoting D&amp;I globally</li> <li>Strengthen harassment prevention measures</li> <li>Identify and reduce forced labor risks</li> </ul>	<ul style="list-style-type: none"> <li>Promote diversity, equity and inclusion (DE&amp;I) globally</li> <li>Consider possible mechanisms/ systems for identifying and addressing human rights issues in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of the Fuji Oil Group Human Rights Guidelines</li> <li>For DE&amp;I, a material ESG issue, identification of issues for each region and implementation of measures to address priority issues</li> <li>Implementation of Human Rights Week at Fuji Oil Group and division training for harassment prevention</li> <li>Implementation of measures based on engagement survey results</li> </ul>

## Related documents

ESG Data Book (PDF 411KB) 