

Fair Business Practices

Policy

In February 2003, Fuji Oil Group formulated the Fuji Oil Group Three Principles of the Code of Conduct to clarify specific behaviors that all Group employees 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 October 2015.

* 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.

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 Governance, Risk, and Compliance (GRC) from a multi-stakeholder perspective, and reports the results to the Board. The Legal Division Head oversees the progress of initiatives for Fair Business Practices, a priority action within this material issue. These initiatives include planning various measures to increase compliance awareness and working to address compliance issues throughout the Group.

*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

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.

The loss of fairness and transparency can lead not only to legal sanctions due to compliance violations, but also to the loss of trust from

stakeholders and other immeasurable negative social impacts.

The Fuji Oil Group strives to maintain fair and transparent business practices. We achieve this by putting into practice the basic values and spirit outlined in the Fuji Oil Group Three Principles of the Code of Conduct and the Fuji Oil Group Management Philosophy discussed above in our daily operations.

Risk Management

Corruption prevention

Preventing bribery and corruption is one of our key compliance issues. 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 global e-learning on preventing bribery and corruption held in FY2021 had a 95.4%* participation rate. We plan to hold another global e-learning course on anti-bribery and anti-corruption in FY2024.

In addition, employees in Group companies can use the whistleblowing system 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 of our Group who have a company email address and use a computer in their day-to-day operations.

Training

GRI:205-2

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 global 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 FY2023 global e-learning on Compliance: Code of Business Conduct (Preventing Harassment, Information Leaks, and Conflicts of Interest) had a 97.7% 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 FY2023, we conducted group training in China focusing on our principles in the Fuji Oil Group Management Philosophy, as well as regional issues such as the Personal Information Protection Law, confidential information management, and conflicts of interest. In Japan, we also provided training on the basics of the Act on the Protection of Personal Information and our corresponding internal company initiatives.

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



Group training on Japan's Act on the Protection of Personal Information at Fuji Oil Holdings Inc.

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, including cartels, bribery, and corruption, and verify the status of compliance activities. They do this by distributing and collecting legal compliance sheets for internal control to all Group companies twice a year and analyzing their responses, and by conducting interviews with each Group company.

Whistleblowing system

GRI:2-25, 2-26

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 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 actions, and provide feedback to the whistleblower.

Fuji Oil Holdings Inc.'s Whistleblowing Regulations guarantee the confidentiality and anonymity of a 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 FY2023, we received 37 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 actions. The Board of Directors supervises operation of the whistleblowing system. Our efforts to raise awareness of the whistleblowing system have been successful to date, resulting in an upward trend over the past few years and better awareness in FY2023. In FY2024, we plan to review the design of the whistleblowing system to enhance its original role in detecting signs of serious corporate misconduct.

Metrics and targets

GRI:2-27, 205-1, 206-1

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

FY2023 Goals	FY2023 Results	Self-assessment
No serious compliance violations	No serious compliance violations affecting Fuji Oil Group's business operations occurred	○
Conduct a compliance program including training for the entire Group	<ul style="list-style-type: none">Collected information and conducted interviews on the compliance system in place for personal information protection laws at each Group companyReviewed and enhanced privacy policies of Group companies	○
Raise employee awareness of compliance	Received a 91.3% positive response rate to the question, "Does your workplace have a culture in which compliance is given priority when business and compliance are in conflict?" (1.8% decrease over previous year)	△

Analysis

In FY2023, we focused on strengthening initiatives in the area of the personal information protection law. We revised the privacy policies of Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd., and conducted personal information-related trainings and awareness-raising programs. In addition, as part of our information management, we worked with related divisions to prevent breaches and leaks of trade secrets.

There were no serious legal or regulatory violations affecting Fuji Oil Group operations in FY2023. While a slight decrease in employee compliance awareness was observed across the Group, the average response rate over the past three years has remained high at 91.7% or more. Going forward, we will continue to consider other ways to raise employee awareness, especially for Group companies where positive response rates remain relatively low.

Next steps

In FY2024, we are again aiming for zero cases of serious compliance violations. We recognize the 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
- Develop a risk management system for violations of important laws and regulations
- Conduct a compliance program targeting the entire Group
- Raise employee awareness of compliance

Related documents

ESG Data Book (PDF 2.85MB) 