



FUJI OIL CO., LTD.

CSR Procurement Guidelines

(3rd Edition)

November 2021
FUJI OIL CO., LTD.

Introduction

We first would like to express our gratitude for your cooperation with our group's business activities.

Our mission at the Fuji Oil Group is to continually contribute to the happiness and well-being of people by offering delicious and healthy food. We believe that this is our societal responsibility. In accordance with this mission, we seek to make contributions to society through our business and we are accelerating the development of a sustainable society while cooperating with our stakeholders.

You, as our business partners are the key to realizing the sustainable society that is represented in the Sustainable Development Goals (SDGs). We are aiming at sustainable development of our business partners, society, and ourselves through co-creation with our business partners.

To continue making contributions to society through our business activities, we believe that it is vital to receive support from our business partners, mutually engaging in active bidirectional communication, and cooperating with business partners throughout the entire supply chain.

In April 2021, we laid out the "Fuji Oil Group Supplier Code of Conduct" as an upper-level policy for existing guidelines and policies. This was done with the intent of communicating the Fuji Oil Group's comprehensive approach to procurement with all of our business partners.

Accordingly, we revised our Corporate Social Responsibility (CSR) Procurement Guidelines to reflect the philosophy contained in the code of conduct and to substantiate the list of requests for our business partners in the Japan area.

The "CSR Procurement Guidelines (3rd Edition)" are comprised of following two items.

1. Basic Purchasing Policy: Our approach to raw materials procurement
2. CSR Procurement Guidelines: Details of guidelines that we ask all business partners to observe

We expect that our business partners understand and cooperate with the "CSR Procurement Guidelines (3rd Edition)" and we also trust that this is for the mutual prosperity of your company and ours.

President of FUJI OIL CO., LTD.

Tatsuji Omori

FUJI OIL CO., LTD. CSR Procurement Guidelines

1. Basic Purchasing Policy

- (1) Observance of laws, regulations and ethics
- (2) Assurance of quality and safety
- (3) Risk management
- (4) Consideration for the environment
- (5) Respect for human rights
- (6) Fairness and equity
- (7) Partnership
- (8) Societal responsibility

2. CSR Procurement Guidelines

- (1) Corporate ethics and compliance
- (2) Proper quality, pricing and Stable Supply
- (3) Risk management
- (4) Consideration for the environment
- (5) Respect for human rights and consideration for occupational safety and Health
- (6) Fair trade
- (7) Information security
- (8) Societal contributions
- (9) Dissemination of CSR among your own business partners

1. Basic Purchasing Policy:

We procure all raw materials needed for our companies' products in line with the following approach. We share this policy with our business partners in order to contribute to the realization of a society that is sustainably developed.

(1) **Observance of Laws, Regulations and Ethics**

We will observe all related national and regional laws.

We will sincerely execute contracts with business partners and suitably manage important information related to procurement.

(2) **Assurance of Quality and Safety**

We will engage in procurement with a priority on quality and safety to let our customers feel secured.

(3) **Risk Management**

With a focus on business continuity, we will aim to engage in procurement in line with a business continuity plan (BCP) in times of crisis, such as major disasters or epidemic.

(4) **Consideration for the Environment**

We conduct procurement activities while giving consideration to the global environment at all times.

For the purpose of enabling our business activities fit in the environment, we work to engage in raw materials procurement that gives consideration to efficient use of materials, water, and energy and we work to the prevention of global warming, to waste reductions, and to biodiversity.

(5) **Respect for Human Rights**

We respect basic human rights, work to eliminate discrimination, maintain and improve a safe and healthy work environment, and engage in initiatives to prevent unfair labor practices including forced labor, child labor and unjustly cheap labor.

(6) **Fairness and Equity**

We reject any acts that prevent free competition, and the supply and receipt of illicit benefits.

We stably procure high-quality raw materials at a suitable price by fair and equitable dealings.

(7) **Partnership**

We realize co-existence and mutual prosperity with our business partners through co-creation activities.

(8) **Societal Responsibility**

To create a society capable of sustainable development, we will put into practice the Fuji Oil Group Management Philosophy of "work for people" to "seek to develop the potential of food ingredients," and contribute to "the happiness and well-being of the people by offering delicious and healthy food."

2. CSR Procurement Guidelines (Requests for Business Partners)

In accordance with the Basic Purchasing Policy, we laid out the following “CSR Procurement Guidelines.” These are points that we would like all of you and your business partners to observe.

(1) Corporate Ethics and Compliance

We ask that you observe all national and regional laws as well as internal regulations applicable to the areas in which you operate. We also ask that you respect societal norms and operate honestly with a basis in corporate ethics. Additionally, do not conduct any dealings with any anti-social forces or organizations.

(i) The Establishment of a Compliance System

Maintain a system (or organization) to educate on and promote Corporate Philosophy and observation of the law.

(ii) Observance of All Laws and Ordinances Applicable to Business Activities

Ensure that all staff fully understand the policies and codes of conduct of the company and have them conduct either self inspections for their respective departments or have inspections conducted by third persons (including internal audits) to check for potential problems.

(iii) Implementation of Internal Audits

Departments (or persons) responsible are to be decided through regulations, and that periodic internal checks and audits are performed to check for potential problems.

(iv) Prevention of Misconduct

Establish a person in charge of accepting whistle blowing, stipulate policies related to the protection of whistle blower, disseminate such activity internally, and prevent misconduct.

(v) Prohibition of Dealings with Anti-Social Individuals or Groups

Interacting with anti-social individuals or groups in any manner is prohibited in the code of conduct.

(2) Proper Quality, Pricing and Stable Supply

We ask that you offer products, services, and information that are safe and of high quality, that are priced competitively and that are always delivered on time, all under a stable supply system.

(i) Observation of Food Sanitation Act Laws and Ordinances

Maintain internal regulations, manuals, etc., establish departments in charge, for example Quality Assurance Department, while observing the Food Sanitation Act, and communicate the latest information to all concerned departments.

(ii) Construction and Operation of Quality Management

Obtain ISO9001 or a comparable certification (valid for more than the past three years). In the case of foods and food additives, engage in initiatives to check and guarantee continual safety through a combination of management systems such as FSSC22000 and ISO22000 or HACCP and ISO9001, or compatible methods related to food safety/.

(iii) Quality and Safety Risk Management

Stipulate in internal regulations and manuals risk management items relative to the products you handle and product quality and safety, and check them periodically and ensure that all staff understand them. Establish a response system through risk management activities to deal with possible serious accident.

- (iv) **Root Cause Investigation and Reoccurrence Prevention for Complaints**
Have departments in charge such as the Quality Assurance Department investigate the cause and take steps to prevent a reoccurrence.
- (v) **Raw Materials Transparency (Disclosure of Country of Origin, Manufacturing Plant, etc.)**
Use quality assurance system or its equivalents and manage changes and quick guidance.
- (vi) **Inspection and Ascertainment of Applicable Laws and Regulations for Destination Countries of our Products**
Appoint a person in charge of overseas laws and regulations. (Quality Assurance Department, etc. is also accepted)
- (vii) **Competitive Price Proposals**
Create an environment where the costs from raw materials procurement to product delivery can be monitored for price reduction efforts to make it competitive in the market.
- (viii) **Stable Supply**
Prepare supply capacity sufficient to deal with changes in demand, and establish a system that can respond flexibly to sudden changes in demand.

(3) Risk Management

We ask that you construct a risk management system for prevention of risk and quick response in the event of a major disaster or other unforeseen circumstances, and that you disclose information as appropriate.

- (i) Estimate cases in the event of disaster, review BCPs beforehand, and provide rapid communication and information disclosure through cooperation with your suppliers when a disaster occurs.
- (ii) Replacement of supplies: If you feel uncertain about your sources, take steps not to terminate your supply, for example by keeping a certain amount of inventory in your own warehouse or in a contracted warehouse.

(4) Consideration for the Environment

We ask that you work to reduce the environmental burden caused by business activities, promote environmental preservation activities, and establish systems to enable continuous improvement.

- (i) **Establishment and Implementation of Environmental Management**
Obtain ISO14000 certification or establish and implement a comparable management system.
- (ii) **Green House Gas Emission Reductions**
Set reduction targets, draft a plan and engage in continuous reduction.
- (iii) **Waste Reductions**
Set reduction targets, draft a plan and engage in continuous reduction.
- (iv) **Observance of Laws and Ordinances Related to the Quality of Waste Water and Air Pollutions**
Set a target that is higher than the legal standard and implement reduction measures.
- (v) **Environmentally Friendly Raw Materials Procurement**
Set targets, draft a plan and engage in continuous procurement.
- (vi) **Energy Conservation Initiatives**
Set targets, draft a plan and engage in continuous energy conservation.

(vii) **Management of Chemical Substances**

Maintain internal regulations and manuals and ensure that all staff understand them. We ask that you maintain mechanisms to suitably manage chemical substances designated by law, and periodically check to see if there are no operational problems.

(5) Respect for Human Rights and Consideration for Occupational Safety and Health

We ask that you respect basic human rights, work to eliminate discrimination, strive to maintain and improve a safe and healthy work environment, and that you engage in the prevention of forced labor, child labor, and unjustly cheap labor.

(i) **Prohibition of Forced Labor**

All staff should be employed of their own free will. Maintain mechanisms such as codes of conduct and disseminate to ensure that forced labor and human rights violations are not occurring.

(ii) **Prohibition of Child Labor**

Avoid utilizing any forms of child labor. Do not employ children under the age of 15. Do not have children under the age of 18 engage in dangerous or hazardous labor.

(iii) **Prohibition of Discrimination in Hiring**

Respect the laws and cultures of each country and region, and announce company policies and codes of conduct to all relevant parties that there will be no discrimination in employment opportunities, hiring, promotions, remuneration, etc with regards to ethnicity, race, nationality, religion, beliefs, birthplace, sex, age or physical disabilities.

(iv) **Prohibition of Inhumane Treatment and Harassment**

Respect the human rights of staff, and announce company policies and codes of conduct that state there will be no sexual harassment, mistreatment, physical abuse, mental abuse or slander in the workplace. Additionally, maintain mechanisms such as whistle blowing systems.

(v) **Working Hours**

Internal regulations and manuals should be maintained to ensure that working hour limits are laid out in law or agreements between labor and management and they are not violated. They should also be widely informed to staff. Additionally, each department should internally manage limits stipulated above are observed. Ensures that there are no problems.

(vi) **Fair Wage**

Regulate wages, including various benefits, pay more than the minimum wage, and make sure that no unjust reduction of wages is occurring. Maintain related internal regulations and manuals, and ensure that all staff understand them.

(vii) **Guarantee a Safe and Healthy Workplace**

Maintain safety and health policies and ensure that all staff understand them. Keep mechanisms to periodically evaluate workplace safety risks, such as accidents and health impairments that may occur on the job, health risks, such as substances and chemicals that are noxious to humans, and noise or odors. Take suitable countermeasures based on the evaluations.

(viii) **Occupational Hazards and Illnesses**

Maintain a system that responds to occupational hazards and illnesses (health impairments) with emergency treatment when they occur. Establish a system that urges suitable countermeasures.

(ix) **Management of Staff Health**

Maintain internal regulations and manuals, engage in initiatives to prevent the occurrence of health impairments. Periodically have all staff undergo medical examinations that include items laid out in laws and regulations. Additionally, carry out active health management initiatives.

(6) Fair Trade

We ask that you refrain from any acts that prevent free competition in the market, or from the supply and receipt of illicit benefits. We ask that you respect the intellectual property rights of other companies, such as patent rights, trademarks, and copyrights, and refrain from infringing upon these.

(i) Equitable and Fair Dealings

Disseminate information through company policies and codes of conduct and maintain a management system that protects the Subcontract Act and prevents any misconduct.

(ii) Prohibition of Corruption, Bribery, Etc.

Maintain internal regulations and manuals to ensure that healthy and normal relationships are kept with government and administration, avoid bribes and illegal political donations and the like, and ensure that all staff understand the importance.

(iii) Prohibition of Supply or Receipt of Illicit Benefits

Maintain internal regulations and manuals to prevent the supply or receipt of any illicit benefits and ensure that all staff understand the gravity.

(iv) Respect for Intellectual Property

Maintain internal regulations and manuals and ensure that all staff understand them. Perform preliminary inspections and controls to confirm that no misconduct or infringement is taking place.

(7) Information Security

We ask that you establish a system to appropriately manage and protect personal and confidential information and that you take defensive measures against computer network threats.

(i) Defense against Computer Network Threats

Take defensive measures such as installing a network firewall and taking countermeasures against spam emails. Conduct operational management in a way that causes no harm to your company or to your associate companies.

(ii) Leak Prevention for Confidential and Personal Information of your Customers and related Third Parties obtained through Dealings

Ensure that all staff understand data leak prevention policies and standards.

(8) Societal Contributions

We ask that you make contributions to the development of sustainable international and regional societies as good corporate citizens.

- (i) Engage in volunteer activities that contribute to the development of international and regional societies.

(9) Dissemination of CSR philosophy among your own Business Partners

We ask that you stipulate a diverse management policy that includes societal contributions with consideration for staff, laborers, global society, and the environment; one that isn't simply focused on the pursuit of profits. We also ask that you disseminate this philosophy not just within the company, but also to your suppliers.

(i) CSR Procurement Guidelines

Establish your own CSR procurement policies, work to share them with your own business partners and have them understood, and work to periodically check how they are being implemented.



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