

Nichirei Group
CSR Report 2021



NICHIREI CORPORATION

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Message from the President

Message from the President

Resolving Social Issues, Eyeing Further Growth

On December 1, 2020, we will celebrate Nichirei's 75th anniversary. And as I recall now, when I was appointed president, I announced our aim to be a Company that continues to do business for the next 100 years.

In fiscal 2020, we formulated what might be called a milestone in terms of long-term management goals toward 2030, and launched the new medium-term business plan WeWill 2021. We have identified materiality for realizing our vision for 2030, and have begun formulating measures and KPIs that need to be reflected in the next medium-term business plan.

Nichirei Group business activities involve a wide range of food which, by its very nature, brings with it a great social responsibility that forms a strong connection between the sustainable growth of the Company and the realization of a sustainable society. For this reason, the Nichirei Group will incorporate in its management strategy such approaches as will link business activities with the resolution of social issues.

As we face society and take on challenges without fear of failure, we shall continue to support people's good eating habits over the long term.

Kenya Okushi

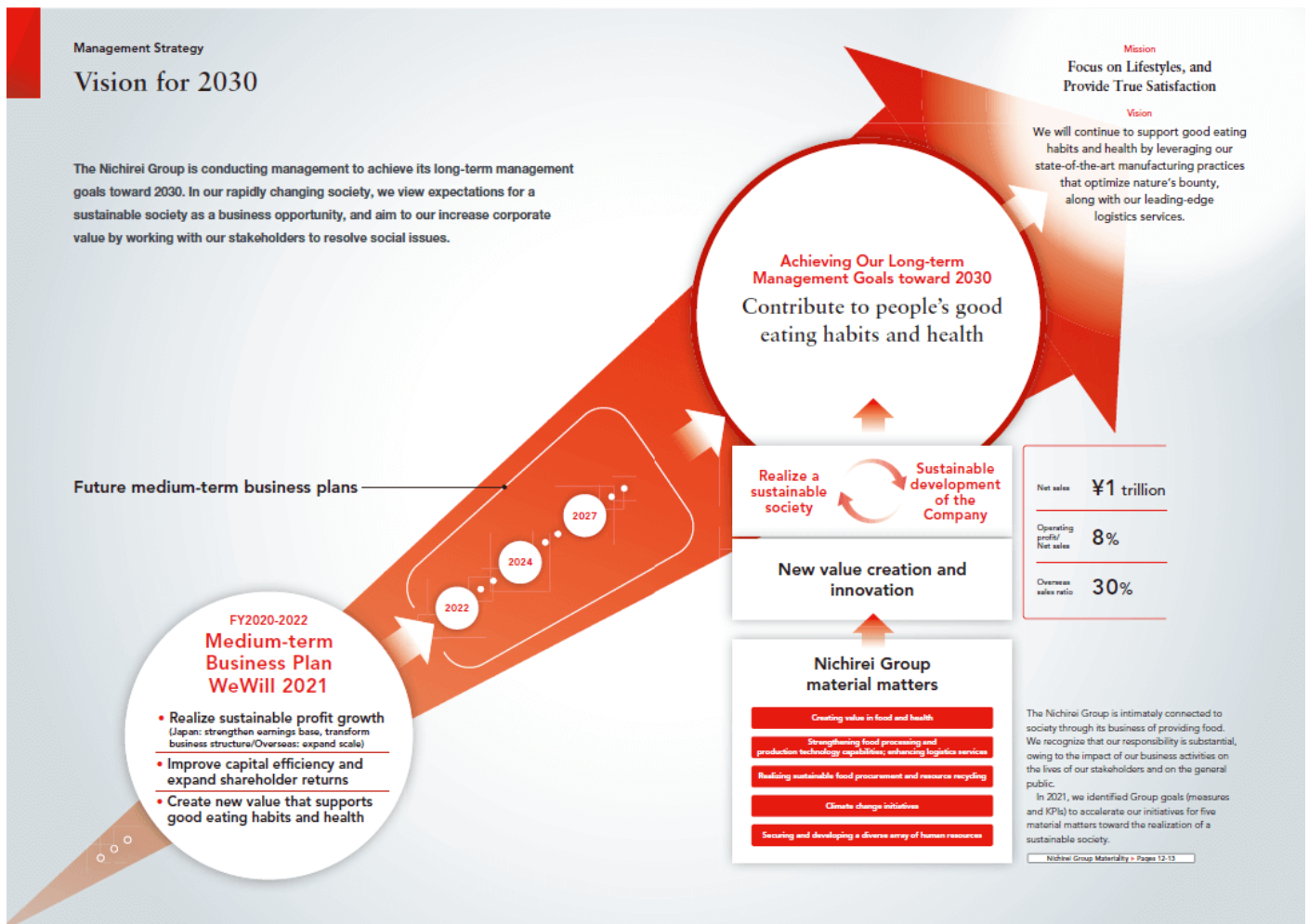
Representative Director, President
Nichirei Corporation

Nichirei Group Materiality

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Material Matters

Long-term Management Goals (Vision for 2030)















Material Matters

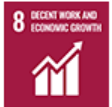
In June 2020, Nichirei identified five material matters fitting its concept of materiality through which it would realize its vision regarding long-term management goals for 2030. All officers, including outside directors, participated in the process.

Viewing rising expectations for the realization of a sustainable society as a business opportunity, Nichirei will work with stakeholders to resolve social issues and enhance corporate value. To do so, we will continue to formulate goals (measures and KPIs) that link Group strategies and business strategies.

We will leverage our strengths as we develop business in fields that support good eating habits and health and work on the following five material matters.

Material Matters		Vision for 2030	Group Measures	Group KPIs	Applicable SDGs
Creating value in food and health	Create new markets and customer value by taking on challenges outside existing business areas in both food and health	Continuing to create new products and services and to attract new customers in existing businesses, while developing and rolling out new businesses in new areas related to food and health	Create new high-value-added products and services by prioritizing allocation of resources to marketing (consumer understanding), digital transformation (DX) and R&D	<ul style="list-style-type: none"> Set targets and scope for creating new products and services in each business Set quantitative targets for creation of and milestones for the progress of new businesses 	
			Create businesses in new areas by promoting Group-wide innovation through the innovation management system (IMS) and other means * IMS : Innovation Management System		
Strengthening food processing and production technology capabilities; enhancing logistics services	Further refine core competencies in food processing, production and logistics to resolve social issues and improve profitability through competitive advantages in global markets	Ability to generate cash improved by concentrating management resources on core businesses	Promote capacity expansion, work process innovation, reduction of environmental impact and development of business foundations through proactive capital expenditures in the processed foods and logistics businesses	<ul style="list-style-type: none"> EBITDA margin: 12% EBITDA CAGR: 7% 	
		Overseas business has become a new pillar of earnings	Accelerate overseas expansion by securing and training global human resources, cultivating partner companies, conducting M&A and other means	<ul style="list-style-type: none"> Overseas sales ratio: 30% 	
Realizing sustainable food procurement and resources recycling	Resolving various social issues related to the supply chain, which is the foundation of our business, and contribute to sustainable food procurement and the realization of a recycling-based society	<p>All raw materials and ingredients are procured from suppliers and partner companies that comply with the Group Supplier Guidelines.</p> <p>* In 1st April 2022, the Group CSR Procurement Guidelines revised to the Group</p>	Establish a supply chain with consideration for human rights and the environment and conduct due diligence	<ul style="list-style-type: none"> Rate of procurement from suppliers and OEMs that comply with the Group Supplier Guidelines: 100% Rate of implementation of ESG due diligence for main raw materials and major suppliers: 100% 	

		Supplier Guidelines			
		Promoting a circular economy by creating new business models	Work to conduct sustainable resource procurement and help to realize a circular economy	<ul style="list-style-type: none"> Rate of attendance for the SDGs educational program aimed at realizing a circular economy: 100% Rate of waste recycling at all sites: 99% 	 
		Improved resilience of water resources through an understanding of water-related risks	Identify water-related risks through risk assessments at all sites and conserve water	<ul style="list-style-type: none"> Conduct regular water-related risk assessments at all sites, as well as in conservation activities and BCP 	 
Climate change initiatives	As a food and logistics company that is greatly affected by climate change, we will work with stakeholders to counter global warming and reduce energy consumption throughout the supply chain	Efforts underway to reduce CO ₂ emissions both inside and outside the Group toward the goal of becoming carbon neutral by 2050	Reduce CO ₂ emissions per unit of production and utilize renewable energy at food factories and logistics centers, and disclose information based on the TCFD recommendations	<ul style="list-style-type: none"> Reduction in CO₂ emissions: 50% (Compared with FY2016; Scope 1 and 2 in Japan) * In June 2021, the Board of Directors revised the CO₂ emissions reduction target upward from 30% to 50%. 	
		Elimination of CFCs progressing at production and logistics facilities as a global warming countermeasure	<ul style="list-style-type: none"> Replace all refrigerants used in freezing and refrigerating equipment in Japan with natural refrigerants Switch to natural refrigerants overseas as necessary, based on on-site confirmation 	<ul style="list-style-type: none"> Rate of conversion to natural refrigerants Production equipment (Japan): 100% Logistics (Global): 75% 	
Securing and developing a diverse array of human resources	Secure and develop a diverse human resources and foster an inclusive corporate culture to achieve sustainable growth	Diverse human resources with various characteristics and skills, maximizing their potential to improve their job satisfaction and support the sustainable growth of the Group	<ul style="list-style-type: none"> Introduce a Group-wide engagement survey* to monitor the effects of measures Establish a personnel system that enables Group employees to choose work styles according to their career outlook and 	<ul style="list-style-type: none"> Ratio of female directors and female Audit & Supervisory Board members (HD*): 30% Ratio of female line managers (HD*): 30% * HD: Nichirei Corporation 	 

			<p>contributes to productivity improvement</p> <ul style="list-style-type: none"> · Establish and provide support for application of rules * Engagement survey: A survey that shows degree of understanding of and resonance with the management philosophy and independent involvement in the organization (job satisfaction) 	(Holding Company)	
			<ul style="list-style-type: none"> · Promote communication activities and impartially provide learning opportunities in order to create a work environment and corporate culture in which employees are healthy, lively and satisfied with their jobs 	<ul style="list-style-type: none"> · Double investment in human resources by 2030 	

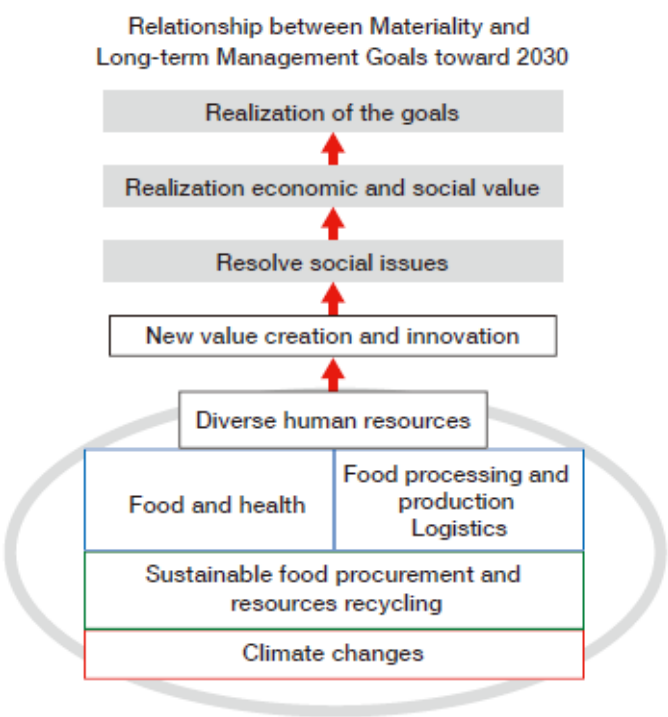
Examination System

Examination System

Examination System

With the representative director and president responsible for execution, two projects involving materiality and climate change scenarios were implemented simultaneously between September 2019 and June 2020. We conducted repeated examinations while linking information from both parties. The project to formulate the materiality was led by the executive officer who is the general manager of Strategic Planning, and was examined by members of the Board of Directors and all corporate officers, including executive officers.

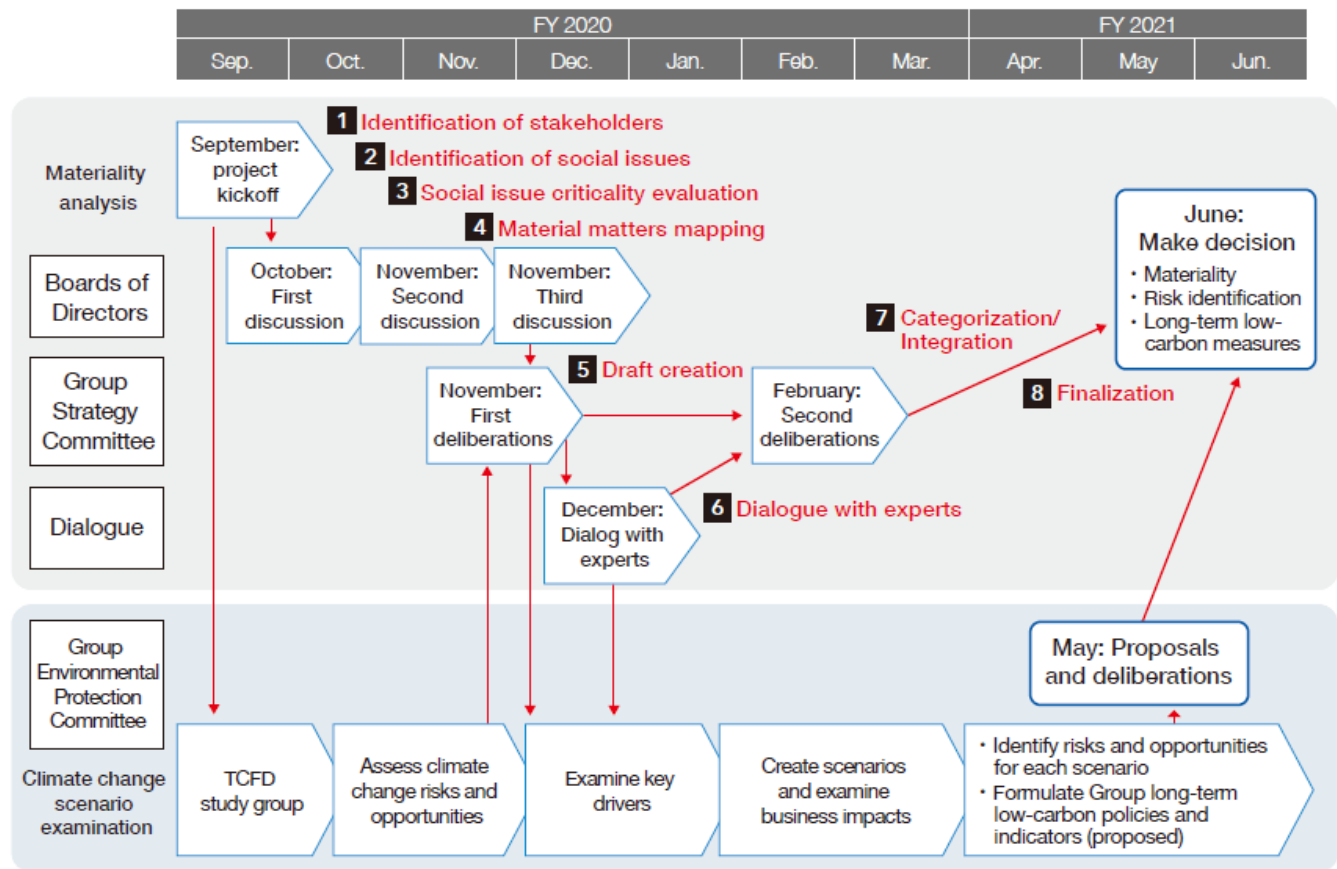
The climate change scenario examination project was led by the executive officer who is the director, and who serves as the managing director in charge of the environment. This was done according to advice from experts and the framework recommended by the TCFD. The reviews themselves were conducted mainly with Technology Management staffers in charge of the environment, as well as each Group company's Strategic Planning department and the managers undertaking environment-related activities.



Examination Schedule

Examination Schedule

Materiality Formulation and Climate Change Scenario Examination Project Grand Schedule



1 Identifying stakeholders

Since our business domain is food provision, we are aware of our tremendous social responsibility, being involved, as we are, with many stakeholders and impacting their lives and society at large. For this reason, we have identified stakeholders based on the size of their demand and the degree of impact we have on society.

2 Identifying social issues (risks and opportunities)

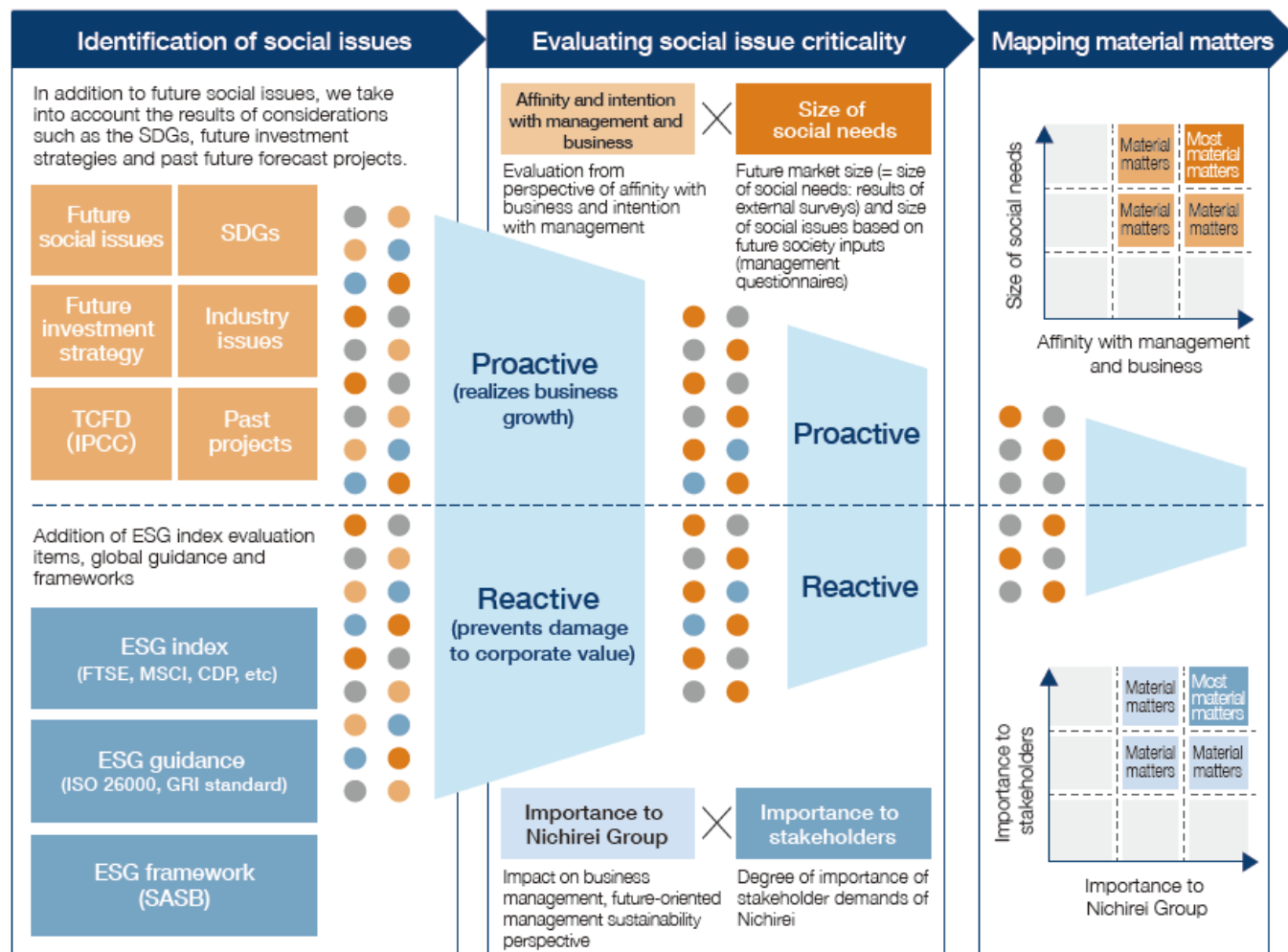
After pinpointing our stakeholders, we have identified social issues from future and global perspectives.

3 Evaluating social issue criticality

We then evaluated the importance of those social issues, based on the fact that proactive measures result in business growth, and reactive ones prevent corporate value from being damaged.

4 Mapping material matters

We mapped material matters that would require proactive and reactive steps to be taken and, in November 2019, held initial deliberations on the details of mapping during the Nichirei Group Strategy Committee meeting, at which we usually discuss overall management strategies.



References: United Nations Global Compact, United Nations Guidelines for Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO, Japan SDGs Action Plan 2019/2020, Ministry of Economy, Trade and Industry, TCFD Guidance, Society 5.0, etc.

5 Creating drafts

We created separate drafts for those issues that would require a proactive or reactive approach.

6 Dialog with Experts

In December 2019, outside experts evaluated the validity of the drafts under consideration and exchanged opinions with Company corporate officers, including the president.

Experts

Keisuke Takegahara Development Bank of Japan Inc. Executive Officer, Deputy Chief Research Officer, Chief Manager of Sustainability Management Office, Corporate Planning & Coordination Department	Hidemi Tomita Lloyd's Register Japan K.K. Director	Yumiko Murakami Organisation for Economic Co- operation and Development (OECD) Head, Tokyo Center
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Nichirei Group (Nichirei Corporation) members

Kunio Otani Representative Director, Chairman	Kenya Okushi Representative Director, President	Takumi Taguchi Director, Executive Officer, in charge of Nichirei Group planning and management division
Yoshifumi Kaneko Director, Executive Officer; Representative Director, President, Nichirei Fresh Inc.	Junji Kawasaki Director, Executive Officer, in charge of Nichirei Group technology management and quality assurance	Masahiko Takenaga Director, Executive Officer; Representative Director, President, Nichirei Foods Inc.
Kazuhiko Umezawa Director, Executive Officer; Representative Director, President, Nichirei Logistics Group Inc.	Masato Takenaga Executive Officer; Representative Director, President, Nichirei Biosciences Inc.	Kazunori Miki (facilitator) Executive Officer General Manager, Strategic Planning



Opinions of outside experts

Granularity of future measures

- Efforts should be made, for example, to reduce CO₂ emissions and switch to natural refrigerants to make developmental leaps part of a long-term strategy.

Timeline to 2030

- Perspectives should be divided into two groups: new management-related goals and the means by which they are to be achieved.
- A way should be devised to apply global standards, such as by using responsible business conduct as a guideline.

Quality assurance

- Quality and safety could be made the most important management issues.
- This is currently a basic proactive item. However, should new risks arise, quality assurance could be positioned as a proactive risk factor needed to strengthen quality control.

Sustainability

- Sustainable food production is linked to climate change response (CO₂ reduction) through expanding agricultural productivity.
- In maintaining temperature-controlled logistics, RE100 may be difficult. One should be aware of any linkage among target items.
- Since the food business is a high-risk industry, risks should be broken down in a way that is tied to particular areas of business.

Ethics

- There are still few Japanese companies making significant efforts in business ethics, which fact could lead to a competitive advantage for Nichirei.
- An ethical angle is missing in marketing. We should convey the message that Nichirei products are delicious and ethical by world standards.

Distinctive aspects of Nichirei

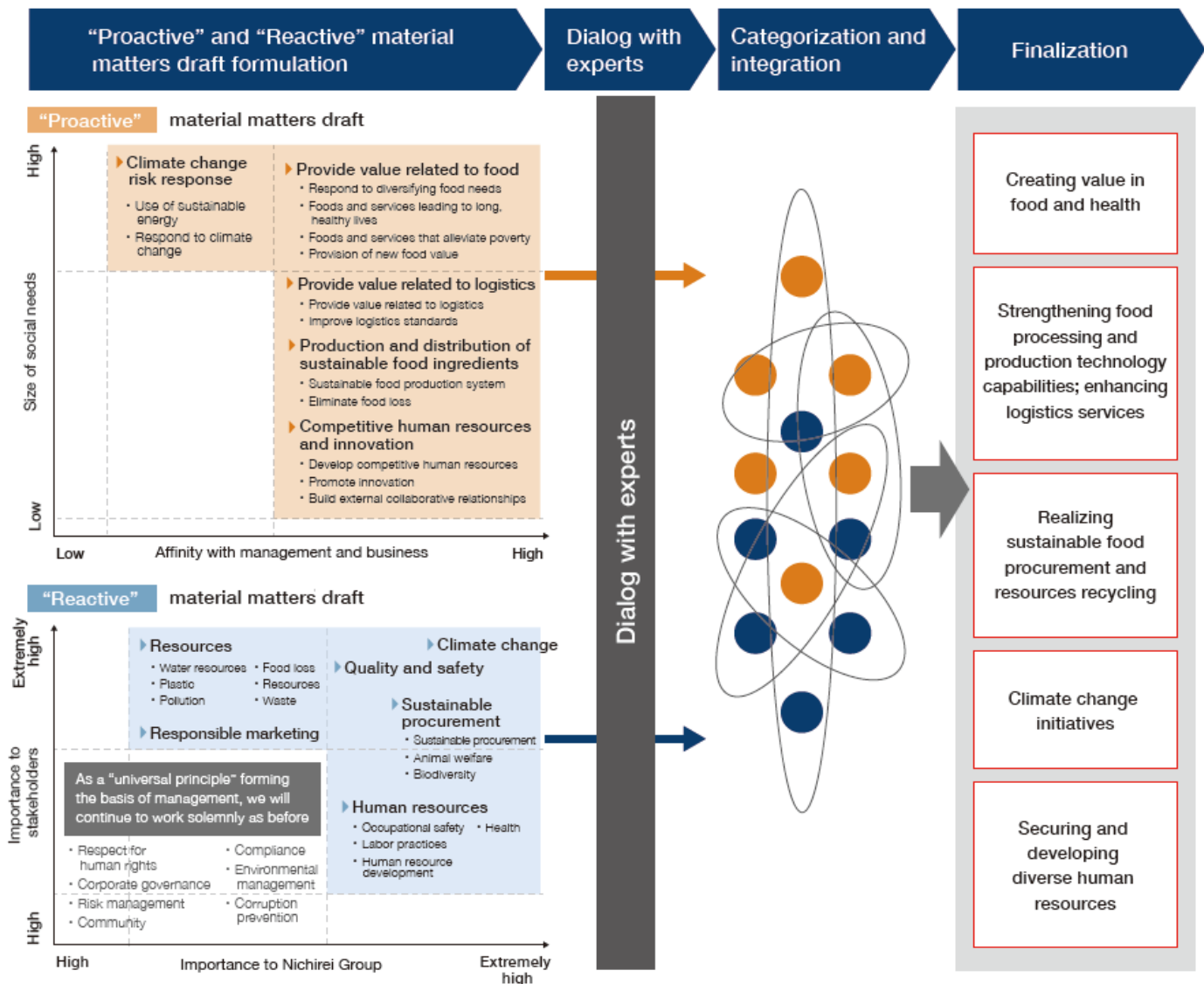
- The Company would benefit were its distinctive features put in a visual format. In addition to its processed foods, these features would include important issues related to temperature-controlled logistics, marine items, as well as meat and poultry products.
- Given that the company is a cold chain leader, one should be able to demonstrate distinctive aspects of Nichirei's temperaturecontrolled logistics within the TCFD framework. One might consider sending out a message regarding CFC issues.

7 Integration and Narrowing-down

Based on opinions received from experts, we integrated and narrowed down material matters as proactive or reactive.

8 Finalizing the draft

In February 2020, at the second Group Strategy Committee meeting, after repeated deliberation on both the validity evaluation by experts and opinions on distinctive Nichirei features, agreement resulted in a draft containing five material matters.



Designation of Materiality

Designation of Materiality

In June 2020, five material matters were designated by the Board of Directors chaired by the Representative Director, Chairman. Nichirei has set long-term Group goals for climate change initiatives, and will continue to consider long-term goals (measures and KPIs) for the other four material matters.

We are discussing the five material matters with Group companies and will incorporate them into each of their business strategies through the formulation of an organizational profile.

Ideas Inherent in the Materiality

Material matter	Ideas inherent in the materiality
Creating value in food and health	In Japan—which constitutes Nichirei's main market—changes are expected in the future, including reduced consumption reflecting the population decline, diversifying consumer needs, and the personalization of food and medical care. For the Group to continue growing in this environment, while building on the core areas of food and health, Nichirei will promote innovation and create new markets and customer value without being bound by the framework of existing businesses.
Strengthening food processing and production technology capabilities; enhancing logistics services	Expectations for frozen foods and temperature-controlled logistics are increasing in terms of meeting diversifying food industry needs and resolving new social issues. Through the utilization of new technologies such as AI, IoT and autonomous driving, we will realize our core competence of enhancing food processing and production technologies, and advancing logistics services, to establish a solid position in Japan and global markets.
Realizing sustainable food procurement and resources recycling	Sustainable food procurement efforts that take into consideration the environment and human rights are the foundation of our business, and are directly linked to the provision of customer value and to Group growth. This will also lead to the realization of a recycling-oriented society that circulates resources as much as possible, and to the strengthening of comprehensive business continuity management.
Climate change initiatives	While the entire planet is required to take measures to prevent global warming, as a food and logistics company greatly affected by climate change, Nichirei will accelerate efforts to reduce greenhouse gas emissions by setting long-term environmental targets. We aim to reduce CO ₂ emissions 30% by 2030 compared with 2015 levels.
Securing and developing diverse human resources	Human resources are the Group's most important management resource. In addition to respecting human rights, fair labor practices and ensuring health and safety, which are standard, Nichirei will promote the creation of workplace environments in which human resources with diverse backgrounds can work. We will also develop an organizational culture in which employees can demonstrate their creativity through the development of human resource systems and the development of skills that will lead to the creation of new value and the resolution of social issues.

A History of Creating Value

Value Creation Story

A History of Creating Value:

Establishing a Temperature-controlled Logistics Network

The Nichirei Group has resolved various issues in each era of its existence. These issues have included the challenge of meeting increased food demand in Japan's period of high economic growth through its ice-making, refrigeration and freezing businesses, and contributing to the improvement of health standards in the 1960s through the development of a cold chain logistics network. In recent years, globalization and social changes have made food logistics increasingly complex and sophisticated, and demands are growing for eco-friendliness, labor saving and efficient use of food resources. We will continue to provide value to society through the leading high-performance facility capacity we have established in Japan and a global rollout of our high-quality, detailed services.

1954 Established a Frozen Food Sales Company

In the early days of frozen foods, there were no vendors equipped to handle them. We therefore decided to establish a sales company specializing in frozen foods and start distribution.

1959

Developed Long-distance Frozen Cargo Vehicle

Nichirei's long-distance frozen cargo vehicle (reefer) Hayabusu, which was developed in-house, contributed to the creation of a cold chain logistics network that keeps food at low temperatures.



1964

Provided a Wide Range of Frozen Foods to the Athletes' Village at the Tokyo Olympics



We provided a wide range of frozen foods to the athletes' village at the Tokyo Olympics for a stable supply of safe and delicious meals to more than 5,000 athletes from around the world.

1965

Cold Chain Recommendation Issued by Japan Science and Technology Agency (merged in 2001 with the Ministry of Education, Science, Sports and Culture, the predecessor to the current Ministry of Education, Culture, Sports, Science and Technology)

Nichirei played a central role in establishing a cold chain logistics network, which included the introduction of forklifts, the construction of large-scale refrigerated warehouses and the establishment of an industry group. The cold chain network, which keeps food at a low temperature during distribution to maintain freshness from the production area to the table, also helps to reduce food loss.

Social Issues

- Reduction of food loss and waste
- CO₂ emission reduction
- Response to the labor shortage

More Sophisticated and Efficient Logistics

2021

Started Operation of Japan's First Trucks That Couple Room-Temperature and Low-Temperature Trailers



These 25-meter double-trailer trucks enable simultaneous bulk transportation of frozen and room temperature products. Since simultaneous transport is enabled by simply coupling and decoupling the second trailer, the trucks are expected to significantly lessen the burden on drivers and reduce environmental impact through an improved percentage of truckload capacity utilization and other transportation efficiency improvements.

2020s

2000s

2000

Entered the 3PL Business

We started a third-party logistics (3PL) business, which offers logistics strategy planning and logistics systems on behalf of customer companies. By providing them with comprehensive outsourcing services, we optimize the efficiency of their logistics.

1993

Full-scale Launch of Cross-Docking (XD) Business

Setting up a dedicated XD center between vendors and stores significantly improved delivery efficiency. It also contributed to more efficient store operations and reduction of CO₂ emissions.



1990s

1980s

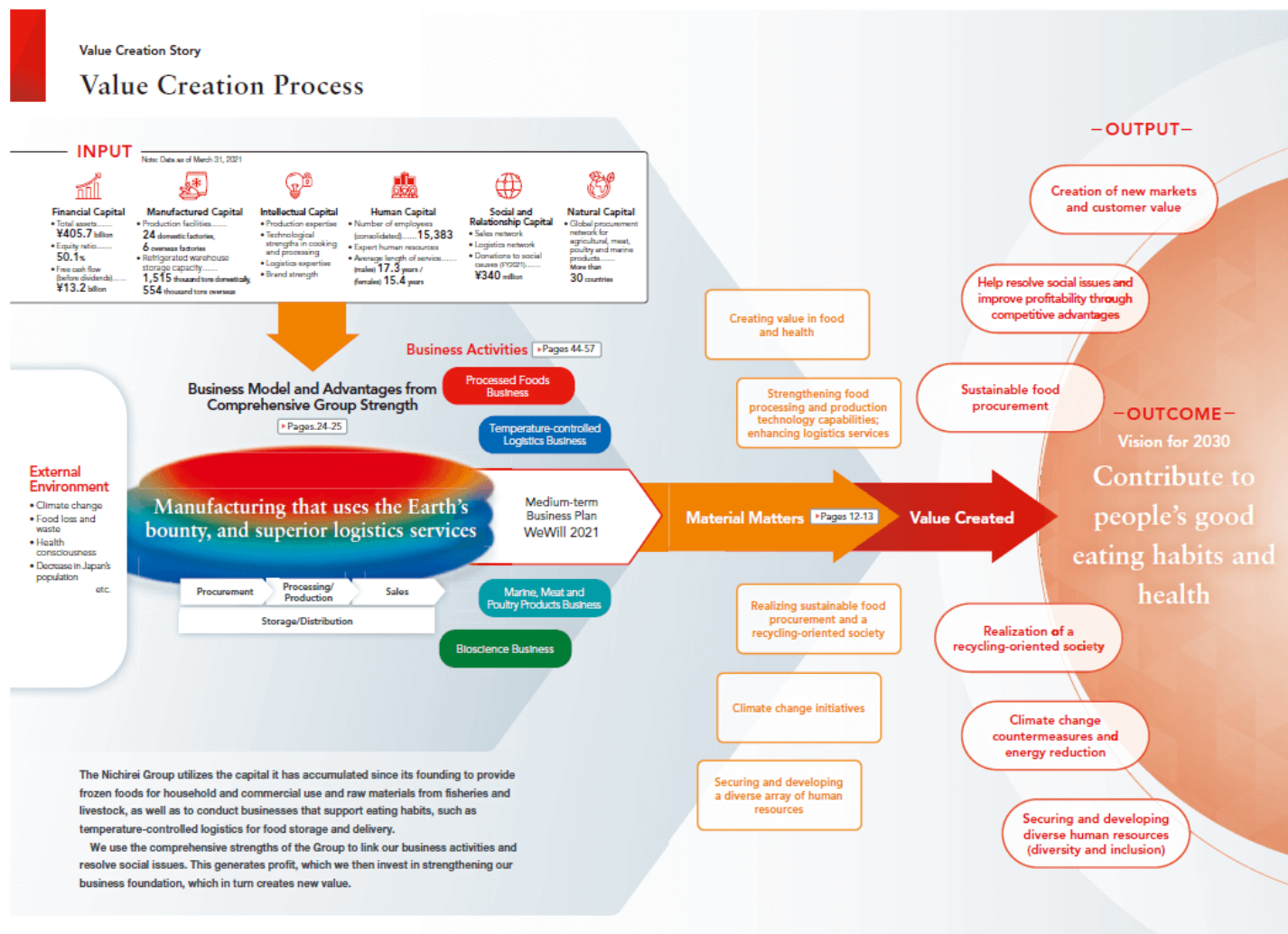
1988

Launched Logistics Business in Europe

The rollout of our logistics business in Europe started with the acquisition of a cold storage company in the Netherlands. Based on the know-how we have cultivated in Japan, we have rolled out our logistics business in China, Thailand and Malaysia as we spread the quality of Japanese logistics around the world.



Value Creation Process

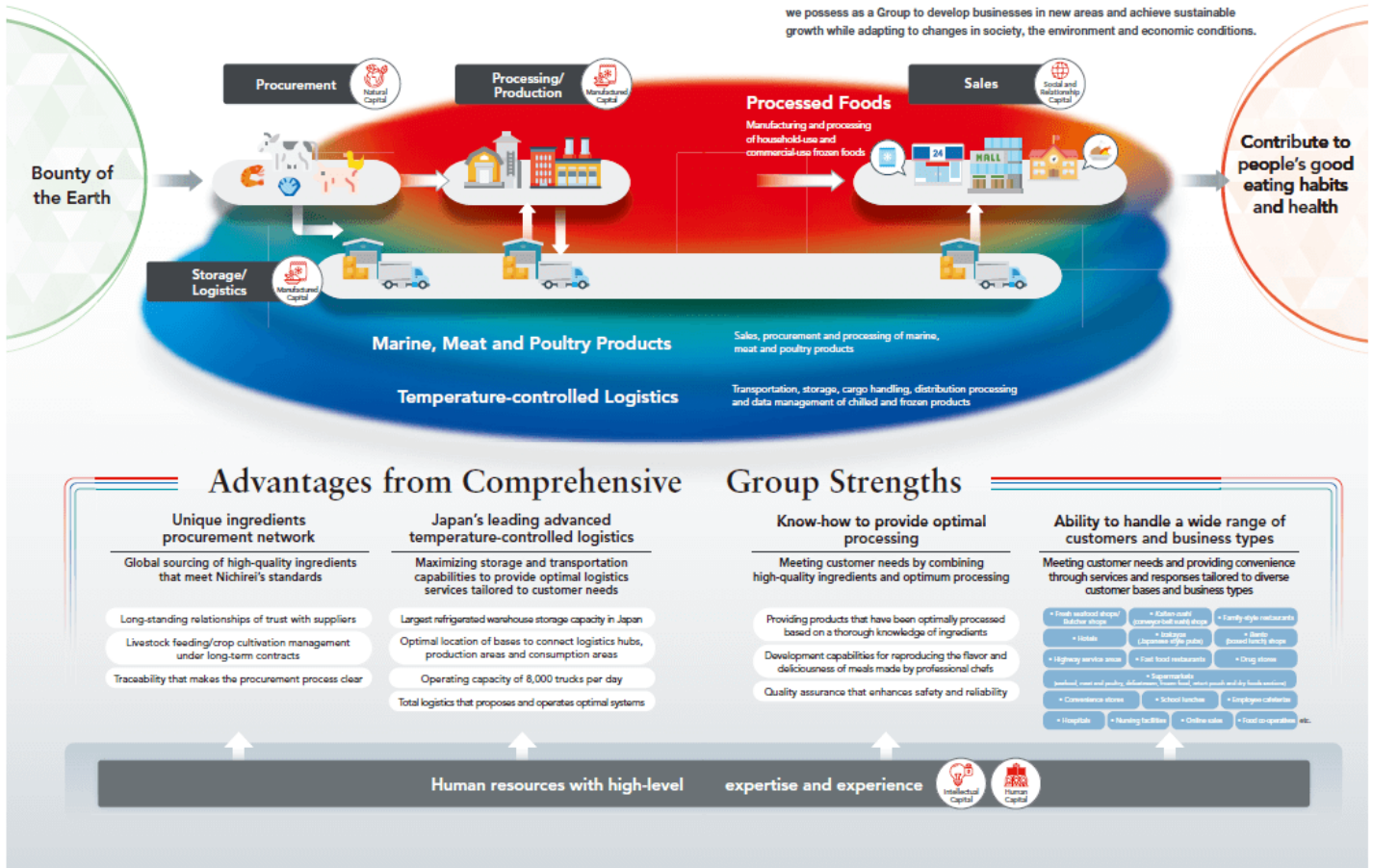


Nichirei's Business Model and Advantages

Value Creation Story

Nichirei's Business Model and Advantages

The Nichirei Group meets the needs of its diverse customers through operations spanning a wide range of fields from food procurement to processing, logistics and sales. Since our establishment, we have utilized the comprehensive strengths of the functions we possess as a Group to develop businesses in new areas and achieve sustainable growth while adapting to changes in society, the environment and economic conditions.



Providing New Value in Frozen Foods through Development Capabilities for Reproducing the Flavor of Meals Made by Professional Chefs -Honkaku-Itame Cha-Han-

Social Issues

- Demand for authenticity as eating habits diversify
- Increase in elderly and single-person households

In the 1990s, food options increased in Japan with the expansion of the convenience store, delicatessen, family-style restaurant and other outlet markets.

As eating habits diversified, demand for products with a more authentic taste began to appear in the early 2000s. In addition, the increasing number of elderly and single-person households spurred needs for meals that were convenient and easy to prepare.

Honkaku-Itame Cha-Han (fried rice) was launched in spring 2001 to address this demand. It was a runaway hit, offering the deliciousness and texture of fried rice from a Chinese restaurant at home just by heating it in a microwave. Since then, we have made ongoing improvements to keep customers smiling.

Advantages

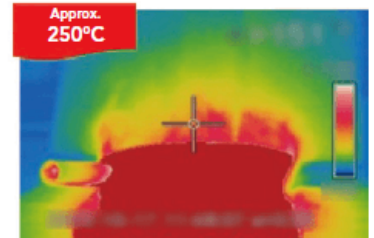
- In-house Development of a Cooking Line That Reproduces the Processes of Professional Chefs

Before the launch of Honkaku-Itame Cha-Han in spring 2001, frozen fried rice was closer to boiled rice with flavoring mixed in than to actual fried rice. To provide authentic taste, Nichirei Foods observed how fried rice was cooked at well-known restaurants, learning about the temperature and time required for heating the oil, when to add eggs, and other considerations. At a time when it was considered impossible to fry rice in large volumes, we perfected a unique frying process that incorporated the skills of professional chefs into a mass production line.



■ Major Renewal for a Three-stage Stir-fry Manufacturing Method in 2015

To further refine the deliciousness of Honkaku-Itame Cha-Han, which had been extremely popular since its launch, in 2015 Nichirei Foods invested about ¥3 billion to establish a three-stage stir-fry manufacturing method. In the first stage, the rice is coated with eggs. In the second stage, excess moisture is removed with a blast of hot air at 250°C or higher, the same temperature as a professional chef's wok when stir-frying, and in the third stage, the final frying is completed. This new process enhanced the deliciousness of Honkaku-Itame Cha-Han.



■ Commitment to Raw Material Quality

We use 100% first-class rice from Hokkaido for the main ingredient of Honkaku-Itame Cha-Han.

First-class rice has fewer cracked hulls, is less sticky when cooked, and has a non-sticky texture even when prepared in a microwave. It also features uniform-sized grains that enable more even application of seasonings.



Select first-class rice grown in Hokkaido

Value Provided

Supporting good eating habits in Japan with frozen food that applies the skills of professional chefs



Nichirei Integrated Report 2021 Providing New Value in Frozen Foods through Development Capabilities for Reproducing the Flavor of Meals Made by Professional Chefs -Honkaku-Itame Cha-Han-



Helping to Reduce Traffic Congestion and CO₂ Emissions by Introducing an Innovative Logistics System -Cross-Docking Business-

Social Issues

- Diversification of logistics needs due to structural changes in the retail industry
- Strong public demand for reducing traffic congestion and CO₂ emissions
- Need to reduce logistics costs and workloads at stores

In the 1980s, a drastic structural transformation occurred in Japan's retail industry, including the rapid rise of supermarkets and other retail chains, as the population became more concentrated in cities and car ownership increased. This brought about major changes in logistics needs, such as requirements for sorting for just-in-time delivery and stronger management of cargo freshness.

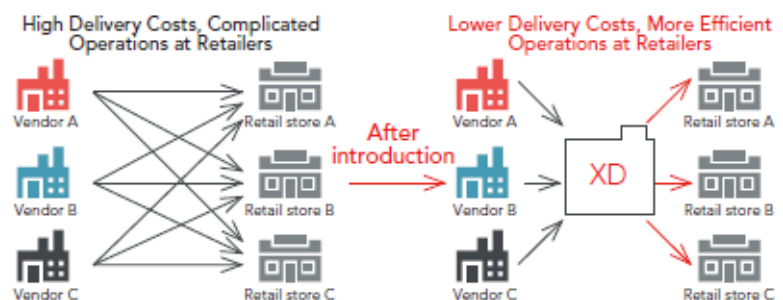
In addition, spurred by the first environmental summit held in France in 1989, noise, CO₂ emissions and traffic congestion due to trucks came to be recognized as major issues, with strong calls to the logistics industry for greater efficiency.



Initiatives

- Establishing Cross-Docking (XD) Centers in Line with the Structural Transformation of the Retail Industry

The greater prevalence of retail and restaurant chains from the 1980s rapidly increased the frequency of warehouse loading, unloading, transportation and delivery. Therefore, Nichirei Logistics Group established a new logistics system using cross-docking centers for rapid sorting and delivery of products without storage. In 1993, we began full-scale commercialization of the XD business tailored to a variety of business types including general merchandise stores, supermarkets, convenience stores and restaurant chains.



■ Reducing Both Costs and CO₂ Emissions through Optimized Logistics

Nichirei Logistics Group's XD business delivers products to various retail stores and restaurants, mainly the three perishables—produce, meat and seafood—and chilled foods. XD centers function as relay points to enable small lot deliveries with substantially fewer routes than conventional deliveries from manufacturers and wholesalers to each store. Because fewer trucks are used, this method not only reduces logistics costs, but also contributes significantly to reducing CO₂ emissions and traffic congestion.

■ Supporting Deliveries to Food Retailers in Train Stations and Department Store Food Floors

Today, our approximately 40 XD centers provide optimized logistics services customized to each customer 24 hours a day, 365 days a year. We also handle outsourced deliveries to commercial spaces inside train stations and food floors in department stores.

In addition, delivery by category and inventory item using the minimum number of trucks has the benefit of making it easy for stores to manage personnel for tasks such as checking and stocking shelves with incoming merchandise. This enables stores to use the staff hours saved for customer service.

■ Helping to Reduce Store Workloads with Our Process Center Function

Nichirei Logistics Group's XD business also operates a processing and packaging service called Process Centers. Process Centers provide rigorously temperature-controlled, one-stop services within a single XD Center ranging from processing meat, poultry and marine products to weighing, packing, packaging, labeling and delivery.

In addition to reducing workloads at stores, centralizing the processing work reduces the storage space required for inventory, thus enabling larger sales spaces.



Value Provided

Helping to improve customer operating efficiency and reduce CO₂ emissions through total services that include sorting, delivery and distribution processing



Nichirei Integrated Report 2021 Helping to Reduce Traffic Congestion and CO₂ Emissions by Introducing an Innovative Logistics System - Cross-Docking Business-



Procuring Food through a Sustainable Regional Agricultural and Livestock Cycle Project -Junwakei Chicken-

Social Issues

- Improving Japan's self-sufficiency for animal proteins
- Improving Japan's self-sufficiency for animal feed
- Harmonious coexistence with local communities
- Biodiversity (sustainability of breeds)
- Sustainable food production

According to a 2018 survey, Japan's self-sufficiency rate for broilers (chickens used for meat) is relatively high at 64%. However, the self-sufficiency rate for pure Japanese broiler breeders (the parents) that have been selectively bred domestically from the grandparents is only about 1-2%, based on the number of chickens shipped. Avian flu, which has spread repeatedly in Japan and abroad in recent years, has the potential to halt the import of grandparent stock. If this happens, it could devastate the domestic chicken farming industry and cause chicken dishes to disappear from Japanese dining tables.



Initiatives

- Born and Raised in Japan

In cooperation with an independent administrative agency in Hyogo Prefecture, we succeeded in breeding Junwakei chickens by crossing the Koyuki and Benizakura pure Japanese chicken breeds. Bred in Japan from grandparent stock, the Junwakei chicken brand was created for the domestic market for sustainable food self-sufficiency.

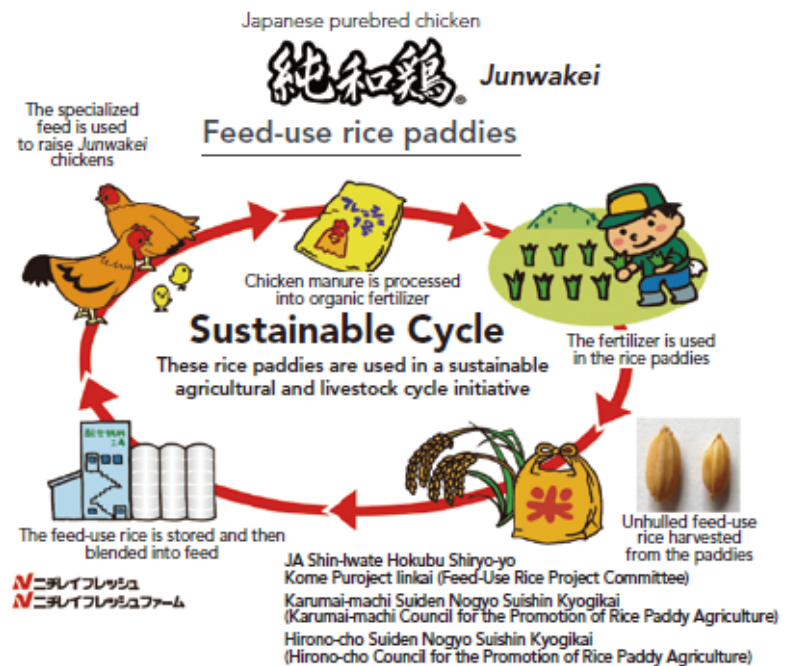


■ A Method of Raising Chickens That Minimizes Their Stress

Using an up-to-date computer-based poultry management system, we strive to create a comfortable environment for our chickens. Since their brooding period is about 60 days, which is longer than other breeds, we take the time to raise them with care. That is why Junwakei chicken meat has the quality and deliciousness Japanese consumers demand, with tender, richly flavorful thigh meat and finely textured, soft and juicy breast meat.

■ Sustainable Production Cycle Project

Using a state-of-the-art high-speed biomass processing plant, we can produce organic fertilizer in about eight hours, rather than the three months or more required by our former fermentation-based composting method. Manure from Junwakei chickens is processed into organic fertilizer for use in cultivating the feed-use rice that is then used in their feed. Most of the paddies we use to produce this feed-use rice are lying fallow due to rice production adjustments. The sustainable production cycle originating from Junwakei chicken is also helping to revitalize regional agriculture.



Sustainable Regional Agricultural and Livestock Cycle through Junwakei Chicken



■ Traceability for Safety and Reliability

To deliver safe and reliable chicken to consumers, every aspect from receipt of chicks to poultry farming records and management of vaccines and other drugs is conducted under a strict program. This enables traceability by lot back through the genealogy to foundation stock.

Providing chicken meat with consideration for resource recycling, food sustainability and animal welfare



First Specific Japanese Agricultural Standards (JAS) certification given to a poultry product for sustainability

Introductory video on Specific JAS sustainable chickens and eggs (Only Available in Japanese)



Junwakei chicken Nichirei Fresh (Only Available in Japanese)



Reference : Specific Japanese Agricultural Standards (JAS) certification for sustainability for chicken meat and eggs (Only Available in Japanese)



Nichirei Integrated Report 2021 Procuring Food through a Sustainable Regional Agricultural and Livestock Cycle Project -Junwakei Chicken-



Sustainable Procurement That Contributes to Local Community Development -Acerola Business-

Social Issues

- Poverty
- Educational issues
- Agriculture that takes the local environment into consideration
- Nutrition and health of local residents

Acerola, which has a strong antioxidant effect, is attracting renewed attention as a superfood rich in vitamin C. With the spread of the “clean label” movement to keep foods as additive-free as possible, acerola is being used as an alternative to synthetic vitamin C, which is an antioxidant. However, acerola fruit is very delicate and after being harvested can only be kept fresh for two to three days at room temperature. Nichirei Foods therefore utilizes the freezing technology it has cultivated to provide acerola without loss of the fruit or its vitamin C.

Poverty and educational issues are notable in Brazil, which is our main production area. Nichirei Foods’ acerola business helps create jobs for local residents.



Initiatives

■ A Pioneer in the Acerola Business

Nichirei was one of the first companies to introduce acerola to Japan, with the launch of an acerola drink in 1986. In 1990, we made a full-scale start into this business of using acerola as a raw material, and in 1991 we established a subsidiary in Brazil, Nichirei do Brasil Agricola Ltda. (“Niagro”), to conduct this business.

■ Building Relationships of Trust with Contract Farmers

Niagro distributes free seedlings to contract farmers, and its employees personally provide guidance for stable cultivation and harvesting of high-quality fruit. Moreover, Niagro purchases the entire crop, generating stable income for contract farmers and improving their cultivation skills. Through this initiative, Nichirei Foods provides a stable supply of high-quality products to customers worldwide.



■ Contributing to the Region

Niagro provides acerola puree and juice to local residents. Measures to support school operations include providing acerola juice once per week to schools attended by children from poor households and repairing school equipment. Niagro also creates employment through student internships.



■ Consideration for the Environment

We also conduct eco-friendly initiatives, which we consider the duty of a company that operates a business based on acerola, part of nature's bounty. We utilize the pomace (the pulpy residue left over from the processing stage) as feed for livestock, and we are collaborating with Kindai University on the development of Acerolaburi for use as feed for farmed yellowtail (buri). In addition, water used to wash the fruit and water extracted from the fruit when making concentrated juice is returned to rivers after microbial treatment.

Value Provided

Creating “clean label” products by providing vitamin C derived from acerola fruit and contributing to the economy of the production area



In the 2021 sustainability assessment by EcoVadis of France, Niagro received a gold rating, placing in the top 5% of all companies assessed.

Nichirei do Brasil Agricola Ltda. ("Niagro") Receives Gold Rating in EcoVadis Sustainability Assessment (2021)



Nichirei Integrated Report 2021 Sustainable Procurement That Contributes to Local Community Development -Acerola Business-



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Environmental Management

Basic Philosophy

Basic Philosophy

The Nichirei Group established a Group Environmental Policy focused on three priority issues: prevention of global warming, promoting sustainable recycling and living in harmony with nature.

Nichirei Group activities span the entire supply chain; it is involved in food factories, logistics centers and other worksites. We thus play a part in the environmental impact resulting from the activities of our customers and business partners. At the same time, since Group business activities that support food-related infrastructure depend on natural ecosystems for raw materials, our business is greatly affected by climate change. With its business interests in mind, the Group is engaged in the following activities together with its business partners.

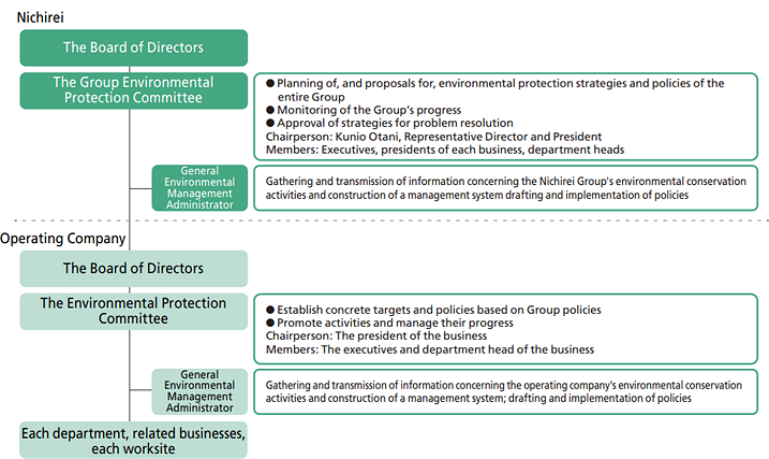
- Efficient energy use in the production of food products
- Reduction of greenhouse gases through increased efficiency in temperature-controlled storage and transportation
- Reduced impact of business activities on climate change through promoting the use of renewable energy, from procurement and production, through to storage, logistics and sales

The Nichirei Group's Environmental Policy / Nichirei Group Bio-diversity Policy

Management System

Management System

The Nichirei Group, comprising a wide variety of different businesses, promotes the design of environmental policies adapted to the business characteristics of each member company, as well as highly effective environmental activities. The initiatives of each company are reported by the Group Environmental Protection Committee, which meets three times a year. The Committee determines the environmental protection strategies and policies of the entire Group based on the content and progress of company initiatives, and shares social trends on the environment. The Representative Director and President serves as the chairperson of the Group Environmental Protection Committee, with executives and presidents of operating companies making up the rest of the Committee membership.



Medium-term Targets and Results

■ Group's medium-term environmental plan

Group medium-term environmental plan targets (FY2020–FY2022)		Applicable worksites
Reduction of CO ₂	Maintain FY2014 CO ₂ emission levels in FY2022 * Power coefficient: Fixed to the FY2014 coefficient	Worksites in Japan
Maintaining waste recycling rate and controlling waste discharging	Keep a recycling rate of 99% or higher	Worksites in Japan
	Reduce residue of material derived from animal and plant	Food plants in Japan
Water resource conservation	In consideration of the environmental conditions surrounding water in each community, the Group engages in water resource conservation through efficient water usage aimed at sustainable water usage	Food plants in Japan

* Fiscal years (FY) indicate years ended March 31.

Engaged in collecting data regarding the environment at overseas worksites

The reduction of CO₂ emissions refers to the target reduction of all emissions, and covers all energy consumed at worksites and by company-owned vehicles in Japan. The waste recycling rate continues to be maintained at 99% or higher. Food plants in Japan are also working to reduce residual animal and plant material. As for the conservation of water resources, as a food-related corporate group, Nichirei has formulated behavioral targets for using water efficiently and is promoting efforts toward achieving those targets so that the bounties of nature can be preserved for future generations. The entire Group is also engaged in collecting environmental data at its overseas worksites.

Efforts toward Group long-term environmental goals and low-carbon policies



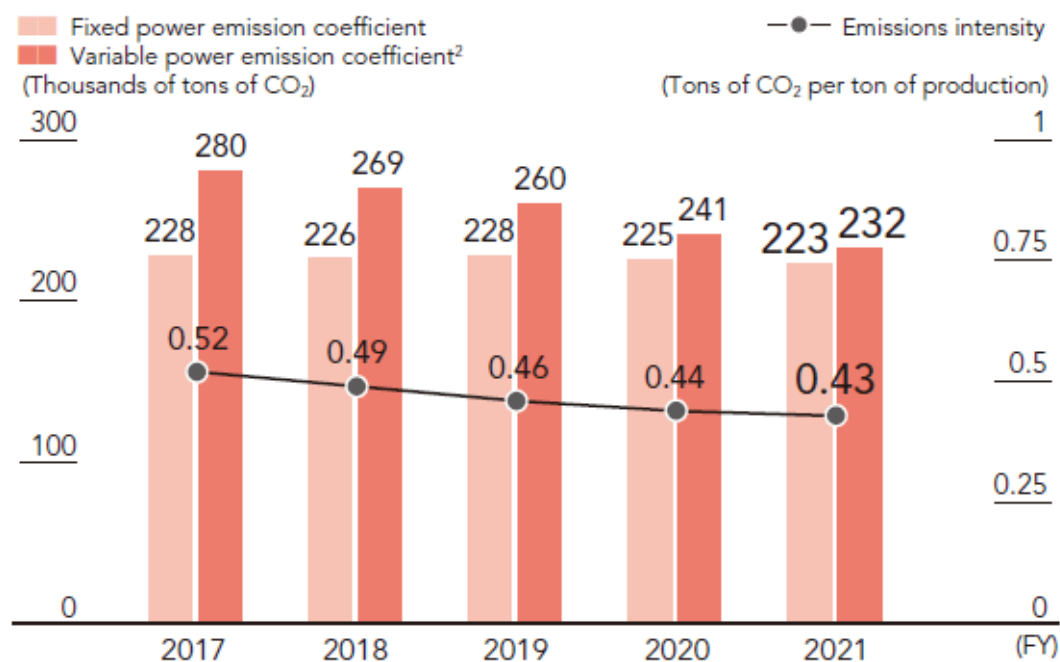
PRESS RELEASE : About the Formulation of Long-Term Environmental Goals and Endorsement of TCFD Recommendations



Prevention of Global Warming

In addition to the Group working to reduce CO₂ emissions at its places of business, such as factories and logistics centers, all operating companies have identified the major issues they are facing and are working toward reducing their CO₂ emissions. We set a new goal of a 50% reduction by FY2031 (compared with FY2016). In FY2021, we conserved energy by introducing energy-saving equipment and by improving efficiency. In addition, we utilized Renewable Energy Certificates to expand our use of renewable energy.

● Nichirei Group CO₂ Emission Trends



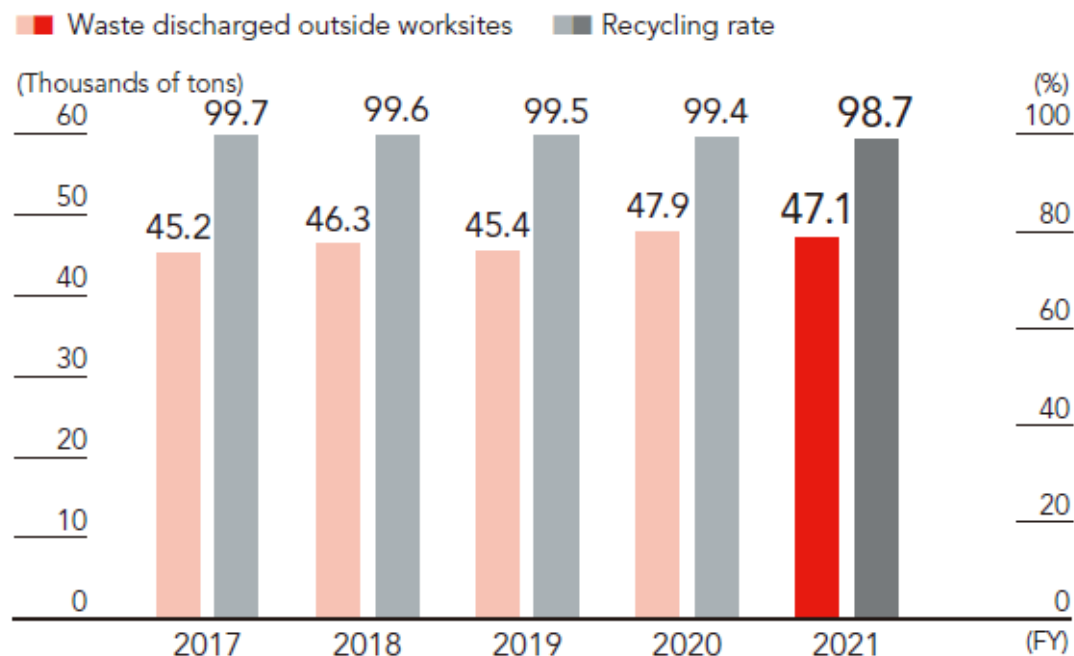
Notes:

1. Fixed power emission coefficient: The CO₂ emission intensity unit of 0.412 [t-CO₂/MWh] announced by the Federation of Electric Power Companies of Japan in FY2010, used nationwide.
2. Variable power emission coefficient: Power conversion coefficient used by power companies in fiscal year utilized at each worksite.
3. Scope of power emission intensity: Nichirei Foods (Nichirei Foods-operated factories and affiliated factories in Japan) and Nichirei Fresh (affiliated factories in Japan). Excluding the following factories: Nichirei Foods: Nichirei Ice Inc., Nichirei Fresh: Nichirei Fresh Farm Inc., Fresh Chicken Karumai Inc., Fresh Meat Sakudaira Inc.

Promotion of Sustainable Recycling of Resources

As a material matter for the Nichirei Group, we have set a KPI for and are actively working to reduce the amount of and recycle the food residue and waste generated by our business activities.

● Nichirei Group Waste Discharged outside Worksites and Recycling Rate



Water Resource Conservation

The Nichirei Group grasps and manages its consumption of water and quality of its wastewater through regular monitoring in compliance with various food safety and environmental protection laws and regulations. At worksites in Japan, positive steps are being taken to conserve water. Going forward, the Group will examine the availability of necessary water resources at each regional base and how to assess the impact of risks.

Initiatives for Water Resource Conservation



Initiatives

Material Balance

INPUT



OUTPUT



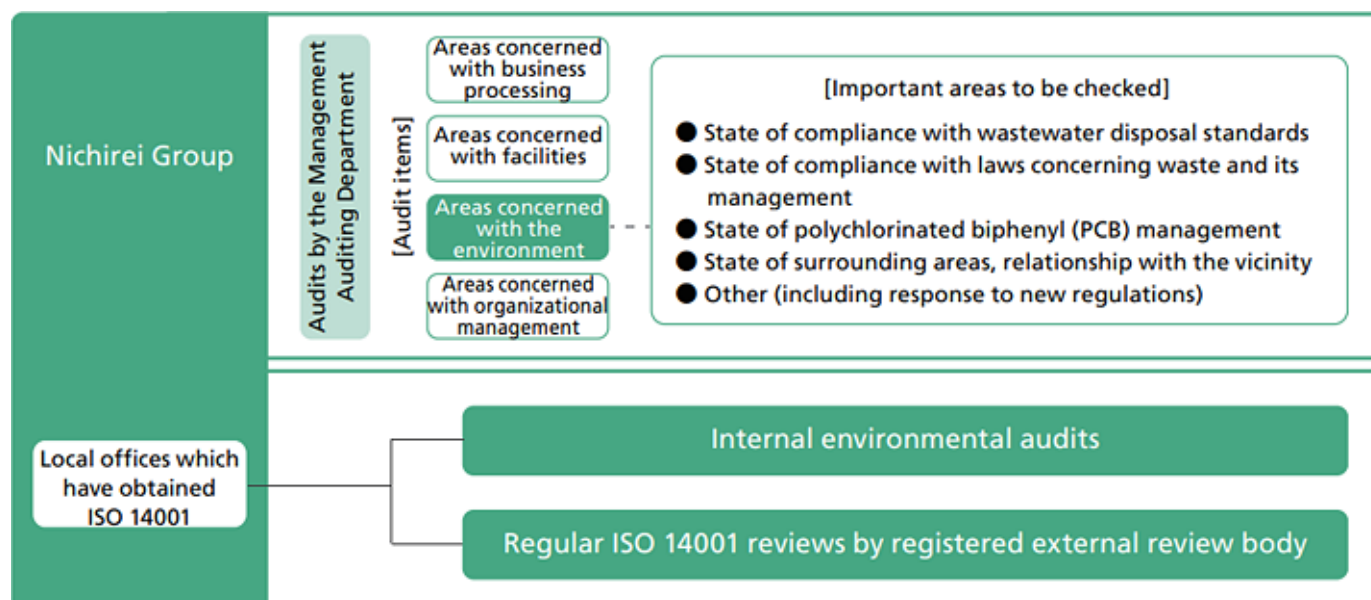
ISO 14001 Certification, etc.

Number of ISO 14001 and ISO 13485 certification



Environmental Audits

In addition to covering areas such as organizational management and business processing, the Nichirei Management Auditing Department also does Group management audits of important areas, such as compliance with environment-related law and conservation activities. Worksites that have obtained ISO 14001 certification undergo internal environmental audits as well as yearly external reviews by a registered external review body.



■ In-house Environmental Education

Name	Content
Environmental e-learning	Held since FY2010 for all employees. Focuses on such pressing issues as prevention of global warming, resource recycling, and biodiversity.
Campaign to save energy in employee households	Energy-saving campaigns for employee households have been held from FY2012 to FY2019, to improve employees' awareness of the environment. The aim is to have participants share energy-saving tips, and have energy consumption reduction targets.
Training for new employees	They are taught about the company's environmental policies and goals, and the connections between business and the environment.
Hands-on training on company land in Urabanda	Hands-on training for employees was held on company-owned land in the Urabandai region of Fukushima Prefecture between FY2014 and FY2017. There they help eliminate the Signal crayfish, a specified foreign organism, as well as go on hikes in forests surrounding company land.
Hands-on training to support the <i>Cypripedium macranthos</i> an endangered orchid, in the town of Fujimi, Nagano Prefecture	Nichirei has helped restore the endangered <i>Cypripedium hotei atsumorianum</i> —Fujimi, Nagano Prefecture's Cypripedium Restoration Conference—since they were established. The town of Fujimi conducted a hands-on environment-related training program for Nichirei employees that included activities for the protection of the <i>Cypripedium macranthos</i> . Participating in activities to protect the allows one to experience the difficulty of restoring the balance of nature once it has been destroyed.
Hands-on training (Biodiverse forests)	As part of the Good for lunches! Good for the forest! Program which protects biodiverse forests, Nichirei Foods hold a hands-on nature training program for employees in forests it supports.

—— Status of Environment-related Incidents, Legal Violations ——

In FY2020, there were no legal violations or environment-related incidents, fines and penalties that had a serious impact on the environment.

Status of Environment-related Incidents, Legal Violations



Initiatives for Energy and Climate Change

Basic Philosophy

Basic Philosophy

The Nichirei Group formulated the Nichirei Group Environmental Policy with a focus on three priority issues: prevention of global warming, promotion of sustainable recycling, and living in harmony with nature. Since the Group’s activities span the entire supply chain—food factories, logistics centers, and other worksites—it must play a part in the environmental initiatives and activities of both customers and business partners. The Group is aware of the substantial impact that climate change is having on its business, as its support of food-related infrastructure depends on natural ecosystems for raw materials. Accordingly, the Group and its business partners undertake the following:

- Use energy efficiently in the production of food products
- Reduce greenhouse gas emissions by using more efficient temperature-controlled storage and transportation
- Reduce climate load throughout the supply chain by promoting the use of renewable energy

Nichirei Group Environmental Policy and Nichirei Group Bio-diversity Policy



Environmental management system



Management System

Management System

Environmental management system



TCFD Climate Change Initiatives

Climate Change Scenario Establishment and Information Disclosure



The effects of climate change are becoming increasingly serious and climate change is considered to be a contributing factor in the frequent abnormal weather patterns and natural disasters currently occurring. Together, these events are impacting the supply chain for food, which is the foundation of the value provided by the Nichirei Group. We recognize the importance of appropriately responding to risks posed by shifts in the external environment caused by climate change. At the same time, we are considering and preparing multiple scenarios in which climate change could give rise to business opportunities. To this end, we are assessing climate change scenarios with respect to the four aspects of the recommended framework put forward by the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets. By conducting appropriate disclosures of relevant information, we hope to continue building a constructive dialogue with our stakeholders. It is in line with these ideas and because we support its recommendations that, in June 2020, we announced our participation in the TCFD Consortium. The Group has positioned climate change initiatives as one of the material matters for achieving its vision for long-term management goals toward 2030. As such, we are actively promoting initiatives to help resolve social issues related to climate change.

Governance

In October 2019, we began analyzing climate change scenarios as an interdepartmental Group project, headed by the president, and are reviewing the scenarios across the Nichirei Group. Following discussion and review by the Group Environmental Protection Committee in May 2020, the Board of Directors approved low-carbon policies as a long-term environmental goal in June and disclosed them in August of the same year. In October 2020, the director, executive officer responsible for implementing climate change strategies was appointed as project head. The project reviewed and analyzed climate change scenarios in relation to water-related risks arising from abnormal weather, which, out of the risks identified in FY2020, would have a particularly significant financial impact on the Group. Following discussion and review by the Group Environmental Protection Committee in May 2021, the Board of Directors approved goals (measures and KPIs) for water-related risks as one of the Nichirei Group material measures in June and disclosed those measures and KPIs in August of the same year. The director, executive officer in charge reports at least once a year on the progress of the initiatives at Board of Directors meetings. Relevant strategies, goals and plans are revised as appropriate on the basis of these reports.

FY2021–2022 Project Organization

Project name	Project for the Analysis of Climate Change Scenarios
Project head	Director, Executive Officer
Project leader	General Manager, Technology Management
Department in charge	Technology Management
Departments participating in the project	Group Communication
Controlling committee	Group Environmental Protection Committee (meets twice annually)
Reports to Board of Directors	At least once a year

Identification of Material Risks and Opportunities

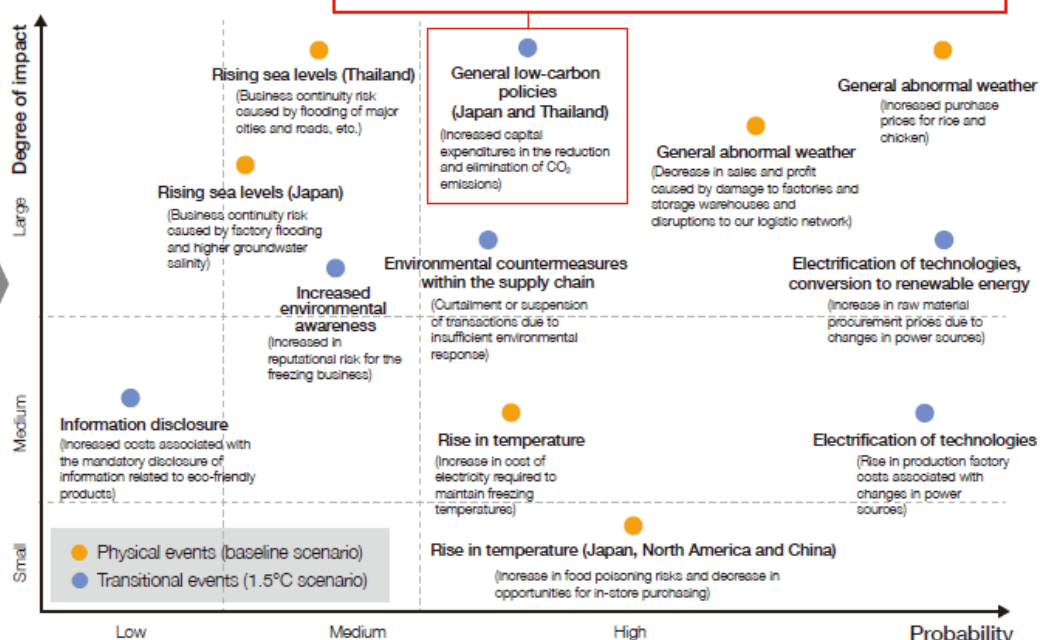
Worldwide, the Nichirei Group is developing a range of food-centered businesses that it expects will be impacted by climate change in various ways. We are conducting scenario analyses of how climate change might affect our business activities. We hope to better quantify the risks and opportunities identified in order to incorporate appropriate responses in our management strategy. In this way, we aim to become a sustainable corporate group.

FY2021

We assessed the material risks and opportunities of the Nichirei Group based on two climate change scenarios, and identified general low-carbon policies (CO₂ emission reduction) as the most significant area of Group-wide risks and opportunities. We established long-term CO₂ reduction goals and launched initiatives.



Matrix of material risks and opportunities



Business		Risks		
Foods Business	Chicken	Baseline scenario	General abnormal weather※	· Reduction of agricultural and dairy production, and steep rise in purchase prices due to deterioration in quality
	Rice			· Difficulty in obtaining raw materials and production delays due to logistic network disruptions
	Shrimp		Flooding, rising sea levels	· Reductions in production efficiency and volume and submerged aquafarms
	Vegetables, marine products, and meat and poultry products			· Submerged agriculture farms, aquafarms and processing factories · Difficulty in obtaining raw materials and production delays due to supply chain disruptions
	Common	1.5℃ scenario	Low-carbon policies	· Increased cost for measures for converting to renewable energy and equipment electrification, elimination of emissions
			Environmental countermeasures within the supply chain	· Curtailment of transactions; higher cost of measures such as the maintenance of global certifications
Logistics		Baseline scenario	General abnormal weather※	· Damage to refrigerated warehouses and logistics centers
				· Difficulty securing human resources in disaster risk areas
		1.5℃ scenario	Low-carbon policies	· Opportunity loss caused by the slow increase of investment in natural refrigerants and the slow adoption of technological platforms such as electrical and low-carbon vehicles

Business	Opportunity		
Foods Business	Baseline scenario	Changes in weather patterns	· Increased demand for frozen and processed foods
	1.5°C scenario	Strengthening of environmental countermeasures within our supply chain	· Increase demand for ethical products that are compliant with the SEDEX platform and are created using globally certified raw materials
			· Increase demand for the curtailment of food loss within the supply chain through the development of eco-friendly products and technological development
		Increased environmental awareness	· Develop and expand demand for products created using sustainable raw materials
Logistics	Baseline scenario	General abnormal weather	· Increase in sales thanks to customer base expansion achieved through strengthened disaster countermeasures and resilience
	1.5°C scenario	Modal shift	· Cost reduction achieved through a modal shift that improves transportation efficiency
		Increased environmental awareness	· Increase in number of business partners due to higher evaluations as a company that actively discloses information related to environmental countermeasures

Note: The bioscience business is characteristically resistant to impact from climate change-related events.

Accordingly, we have not currently identified any material factors in our bioscience business based on the FY2021 Group climate change scenarios.

* Risks common to both the Foods and Logistics businesses

Climate Change Scenarios in Relation to Water-Related Risks Arising from Abnormal Weather

	①Risk of Future River Flooding		②Risk of Future Rising Sea Levels (Tidal Flooding)		③Risk of Future Shortages of Water Resources	
	Description	Results	Description	Results	Description	Results
Assessment criteria	The location criterion is the scale of rainfall assumed to result in flooding according to the hazard maps of municipalities in the region where the facility is located. The assessment is conducted based on predicted rainfall amounts.	When creating hazard maps for regions where the facilities are located, <u>three facilities in Japan</u> were found in locations where the number of rainfall events exceeding the anticipated maximum rainfall amount was expected to be around the same as the current number of rainfall events or potentially higher in the future.	For facilities in areas with either no risk or unknown risk of flooding according to the municipal hazard map of the region where they are located, an assessment was conducted of the risk of flooding assuming the occurrence of a typhoon on the scale of the Ise Bay Typhoon, one of the most destructive typhoons in Japanese history, and future rising sea levels (set at 1 meter by the Japan Meteorological Agency in Climate Change in Japan 2020).	<u>39 of the 145 facilities</u> were in flood areas according to municipal hazard maps. * <u>No facilities overseas</u> * Based on an Ise Bay Typhoon-scale typhoon and rising sea levels, a simple calculation was performed for the facilities outside of flood areas according to municipal hazard maps or in areas for which hazard maps had not been prepared (106 facilities). As a result, <u>27 facilities</u> were found to be in flood areas when rising sea levels were not considered, and <u>32</u> when rising sea levels associated with climate change were considered.	Based on actual rainfall amounts during past droughts, an assessment was conducted based on predicted rainfall amounts using annual rainfall of 700 millimeters as the criteria.	<u>Three facilities</u> were found to be in areas where the number of rainfall events below an annual rainfall amount of 700 millimeters was expected to be the same as the current number or potentially higher in the future. ※ This review is a simple assessment based on expected rainfall amounts and does not include the impact of social conditions (such as water intake). It also does not take into account transfers of water between watersheds. Such factors are important in water resource assessments, and therefore must be included when conducting a detailed assessment.
Facilities to be assessed	21 facilities in Japan (8 plants and 13 refrigerated warehouses)		145 facilities in Japan 1 facility overseas		21 facilities in Japan 3 facilities overseas	
Facility selection criteria	<ul style="list-style-type: none"> * Facilities located in regions where hazard maps have been prepared * Food factories with large production volume * Refrigerated warehouses (distribution centers) in areas with high base flood elevation according to current hazard maps * Selected to avoid overrepresentation of certain regions 		<ul style="list-style-type: none"> * All facilities in Japan, and facilities where significant financial risk and distance from the coast were considered (Thailand: Chicken production facility) 		<ul style="list-style-type: none"> * The 30 facilities in Japan with the largest water intake quantity and the facilities overseas with the highest financial risk were selected (Thailand: Chicken production facility) 	

■ Financial Impact

- We regularly review the financial impact of water-related risks arising from abnormal weather and with respect to our business continuity plan. (BCP).
- The 2018 Japan floods caused some flooding and damage from storm surges at refrigerated warehouses in western Japan.
- In the future, we will work on climate change scenarios for each raw material.

Risk Management

Nichirei is a global operator of food-related businesses. Accordingly, we ensure that appropriate divisions manage the impact of a variety of risks (including climate change-related risks encountered through business activities) on business management from a holistic perspective, employing both rational and optimal methods. The risks are also discussed and reviewed by the Group Risk Management Committee, which is chaired by the president. We believe that risks associated with climate change scenarios are major and could impact the entire Group. Thus, the Group Environmental Protection Committee, chaired by the president, reviews both physical and transition risks twice a year, based on information gleaned from relevant reports and experts' advice. In addition, at least once a year the director, executive officer supervising environmental management reports to the Board of Directors. We hope to better quantify the risks and opportunities identified in order to incorporate appropriate responses in our management strategy. In this way, we aim to become a sustainable corporate group.



Indicators and Targets

We have set forth climate change initiatives as one of our material matters and have established the indicators and targets below for our key initiatives.

〈Group Measures〉

Promote reduction of CO₂ emissions per unit of production and utilization of renewable energy at food factories and logistics centers, and disclose information based on the TCFD recommendations.

〈Group KPI〉

50% reduction in CO₂ emissions (compared with FY2016; Scope 1 and 2 in Japan)

* In June 2021, the Board of Directors revised the CO₂ emissions reduction target upward from 30% to 50%.



Nichirei Group Materiality



Climate Change Scenarios for FY2020

Climate Change Scenarios for FY2020



Long-term CO₂ Emission Reduction Target

Nichirei Corporation is expanding their business globally in a wide range of food supply chains. We recognize that it is important to consider the impact of climate change in order to carry out sustainable business in the future. With using climate change scenario analysis put forward by TCFD to examine the current and future climate change risks and opportunities to us, we concluded that it was important to reduce CO₂ emissions in efforts to realize a low carbon society. On June 24, 2020 Nichirei Group established long-term environmental targets and disclosed the CO₂ emission reduction targets as described below. In this study, the IPCC Fifth Assessment Report (current scenario of 3-4°C) and the IPCC Special Report of 1.5°C (1.5°C stricter scenario) were used as reference data.

■ Nichirei Group's Long-term CO₂ Emission Reduction Target / Target period: 2021-2030 (10 years)

Baseline Year	2015
Target Year	2030
% Reduction	50%
Short Target Description	This target was established in consideration of the estimated CO ₂ emissions of Nichirei Corporation based on past results, the assumed reduction amount in case the power coefficient of the power company is reduced as targeted, the amount of renewable energy used and so on.
Target Scope (Scope1,2 or 3)	Japanese domestic Scope1, 2
Category (Absolute emission or Intensity)	CO ₂
Source (URL)	<ul style="list-style-type: none"> · IPCC AR5 https://www.ipcc.ch/report/ar5/syr/ · IPCC SR15 https://www.ipcc.ch/sr15/ · Carbon Tracker (2019), "LAND OF THE RISING SUN AND OFFSHORE WIND" https://carbontracker.org/reports/land-of-the-rising-sun
Science-based target* (Y/N)	Yes

* In June 2021, the Board of Directors revised the CO₂ emissions reduction target upward from 30% to 50%.

Initiatives

The Nichirei Group's approach to environmental conservation



Long-term Environmental Goals and Low-carbon Policies

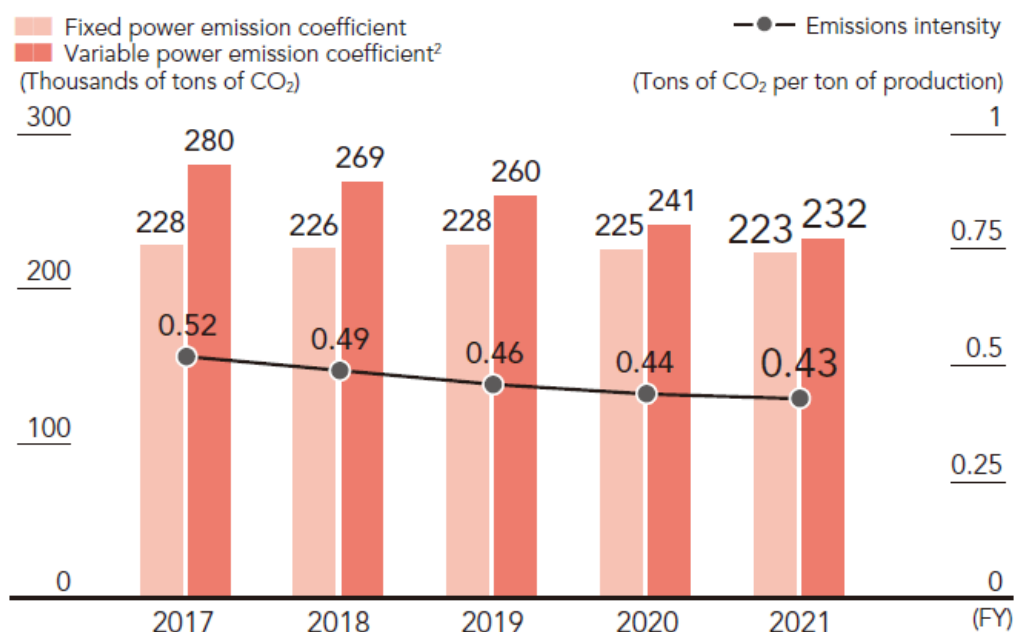
We will implement low-carbon policies in response to one of the material matters and in pursuit of our long-term environmental goals. We will actively implement the three measures during the 10-year span extending from 2021 through 2030.

**Having endorsed TCFD recommendations,
the Nichirei Group is promoting the following low-carbon policies**

Pillar of low-carbon policy	Overview	Target scope
1. The establishment of long-term CO ₂ reduction goals	50% reduction in CO ₂ emissions (compared to fiscal 2016) in Japan, Scope 1 and 2 in 2030	Japan Scope 1 and 2
2. The promotion of CO ₂ reduction countermeasures overseas	<ul style="list-style-type: none"> Promote data collection and other efforts at overseas worksites Review and promote CO₂ reduction countermeasures at overseas worksites 	Overseas Scope 1 and 2
3. The promotion of CO ₂ reduction countermeasures within Scope 3	<ul style="list-style-type: none"> Promote data collection and other efforts within Scope 3 Review and promote CO₂ reduction countermeasures within Scope 3 	Scope3

* In June 2021, the Board of Directors revised the CO₂ emissions reduction target upward from 30% to 50%.

● Nichirei Group CO₂ Emission Trends



*1 Fixed power emission coefficient: The CO₂ emission intensity unit of 0.412 [t-CO₂/MWh] announced by the Federation of Electric Power Companies of Japan in FY2010, used nationwide.

*2 Variable power emission coefficient: Power conversion coefficient used by power companies in fiscal year utilized at each worksite.

*3 Scope of power emission intensity: Nichirei Foods (Nichirei Foods-operated factories and affiliated factories in Japan) and Nichirei Fresh (affiliated factories in Japan). Excluding the following factories: Nichirei Foods: Nichirei Ice Inc.; Nichirei Fresh: Nichirei Fresh Farm Inc., Fresh Chicken Karumai Inc., Fresh Meat Sakudaira Inc.

■ Initiatives in Production Regions

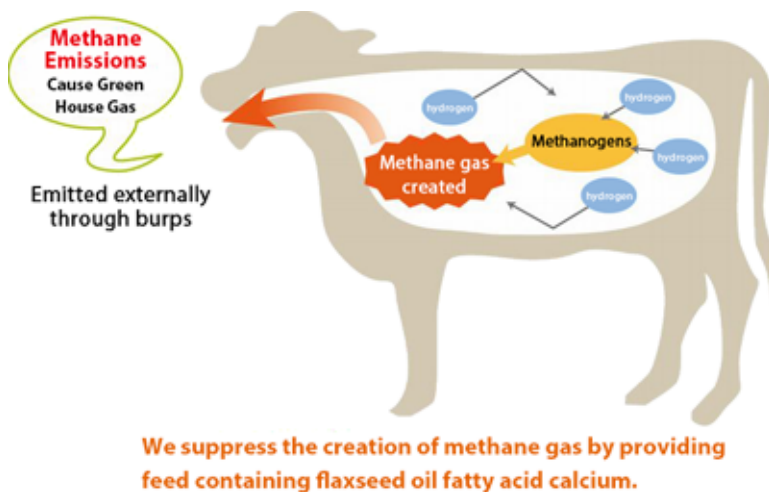
Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)

Ruminants, such as cattle and sheep, are known for their production of methane gas, which has 21 times the greenhouse effects of CO₂. The gas is produced in their stomachs, released internally when their food is broken down and digested, and then release externally. Since prevention of global warming has become a worldwide issue, Nichirei is undertaking the suppression of methane gas emissions produced by cattle.

The hydrogen generated by the activity of microbes in the rumen (the first stomach) during the digestive process is turned into methane gas by methanogen, and released externally through burps. If cattle are given flaxseed oil fatty acid calcium^{*1}, the hydrogen in their rumen combines with the unsaturated fatty acids in the oil to form saturated fatty acids. Since research results show that methane gas production can be suppressed, to this end Nichirei has been testing crossbred cattle (male Wagyu and female dairy cattle) on domestic farms since FY2010.

Using Kyoto University's life-cycle assessment (LCA)^{*2} method developed in 2010 to gauge fattening methods, Nichirei has been able to confirm that the environmental impact of these crossbred cattle is 10% less than when conventional fattening methods are used. Further, there is an improved omega balance^{*3}, while feed costs are lower due to the shorter fattening period resulting from improved growth^{*4}. Nichirei is now moving toward the sale of beef produced through a nationwide rearing program using flaxseed oil fatty acid calcium. In addition to cross-breeding, Nichirei is also expanding this production method to crossbred Wagyu and Holstein cattle (bulls).

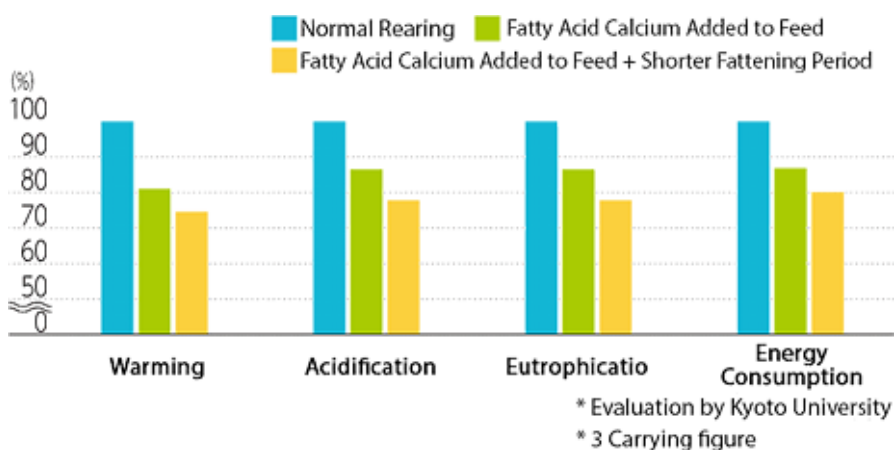
● Methane Gas Production



Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh) (Only available in Japanese)



● Evaluation of Impact on Global Environment



- *1 Flaxseed oil fatty acid calcium: A fusion of calcium with the oil extracted from flax seeds rich in alpha-linolenic acid (omega-3 fatty acid).
- *2 Life cycle assessment (LCA) is the technique of comprehensively analyzing and assessing a product's environmental impact throughout its entire life cycle, from the raw materials, manufacture and distribution, through to disposal.
- *3 Omega balance: The balance between omega-6 and omega-3 fatty acids, which are particularly important essential fatty acids for the human body.
- *4 This results from the development of low-cost techniques for cattle production, based on a superior balance of omega-6 and omega-3 fatty acids, and the subsequently reduced environmental impact. Source: Ibaraki Prefecture Hitachiomiya Regional Agricultural Research and Promulgation Conference report, 2011.

■ Reducing Plastic Used in Frozen Food Containers and Packaging

Since 2006, Nichirei Foods Inc. has been striving to reduce the amount of plastic used for commercial frozen food product containers and packaging.

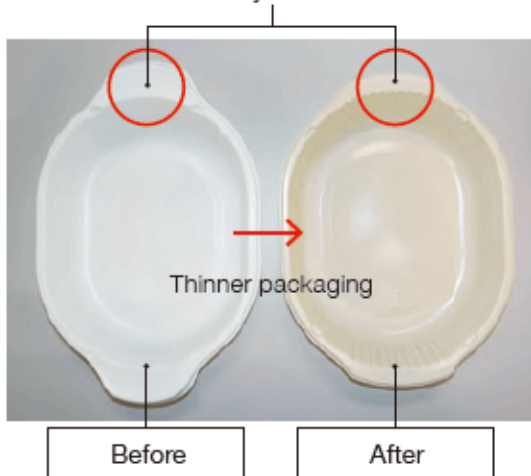
Most recently, the efforts have succeeded for containers and packaging used for seven target items. Some 200 tons less is now used compared with the amount previously used. Nichirei is still working to cut back the amount of plastic it uses to reduce even further its discharge of CO₂.

■ Past Plastic Reduction Initiatives

Fiscal year	Products	Measures
Since FY2007	<i>Imagawa-Yaki</i> (Japanese waffle)	Elimination of trays
Since FY2010	<i>Yaki-Onigiri</i> (grilled rice ball) 10-pack	Elimination of trays
Since FY2012	<i>Honkaku-Itame Cha-Han</i> (fried rice)	Thinner packaging
Since FY2015	<i>Yaki-Onigiri</i> (grilled rice ball) 10-pack	Thinner packaging
Since FY2016	<i>Honkaku-Itame Cha-Han</i> (fried rice)	Thinner packaging (second time)
Since FY2019	<i>Ebi-Pilaf</i> (shrimp pilaf) and <i>Chicken-Rice</i> (chicken rice)	Thinner packaging
Since FY2020	<i>Ebi-to-Cheese-no Gratin</i> (shrimp gratin) and <i>Ebi-to-Cheese-no Doria</i> (shrimp rice gratin)	Thinner trays, reduced tray handle width



Reduced tray handle width



■ Switching to Biomass Film and Ink

We use biomass ink on some product packaging such as for our Obento ni Good! series. Biomass ink is made from renewable, plant-derived materials, and its use helps reduce environmental impact.



Biomass ink logo

■ Initiatives at Food Factories

Factories at Nichirei Foods are equipped with refrigeration and cold storage facilities.

High-efficiency equipment was previously installed in an attempt to conduct more thorough operations management. In FY2015, an analysis of data from all factories was conducted, operational issues were extracted, and measures were implemented to improve those issues. Outcomes from verifications conducted at a number of factories have been expanded to other factories.

In FY2018, in addition to reducing energy consumption by relocating food factory lines, consolidating and reviewing manufacturing processes, adjusting boiler-related operations and undertaking other energy-saving activities, Nichirei Foods also adjusted the amount of hot water used for washing and updated the air conditioning. Through various initiatives at its factories, the company is reducing its CO₂ emissions intensity.

Fuel Conversion from Liquid Fuel (Fuel Oil, Kerosene) to Municipal Gas and LPG

Nichirei is in the process of converting to municipal gas and LPG, which have low CO₂ emission rates compared with fuel oil and kerosene.

In FY2013, Nichirei transitioned from using fuel oil to municipal gas to run the boilers at the Nagasaki plant, later implementing the same change at its Funabashi and Yamagata plants. Along with fuel conversion, the switch to high-efficiency equipment and the promotion of energy-saving activities have resulted in substantial reductions of CO₂ emissions.

Utilizing Waste Heat

Nichirei Foods Inc. is using high-temperature, high-pressure steam to heat the oil in deep fryer equipment installed at its Funabashi No. 2 Plant. The drainage produced by this kind of steam is normally collected and then emitted as is, without using the flash steam that forms when it is exposed to the air. Nichirei Foods, however, installed a system for collecting the flash steam, with a view to reusing it in preprocessing steamers. The system releases the high-temperature, high-pressure drainage into a collection tank, returns the high-temperature drainage down an existing route using a pump, and sends the resultant flash steam to the preprocessing steamer via a pipe so that it can be used. Use of this system has enabled the company to reduce the amount of steam used in its steamers, and cut CO₂ emissions by 21 tons per year.

Greening Initiatives

Nichirei's CO₂ reduction initiatives include developing CO₂ sinks and reducing emissions. In addition to managing green spaces on its properties, it participates in planting trees and flowers and weeding together with its neighbors.



Greening of the Kansai plant



Initiatives in Cold Storage Facilities and Logistics Centers

Chlorofluorocarbon (CFC) Initiatives

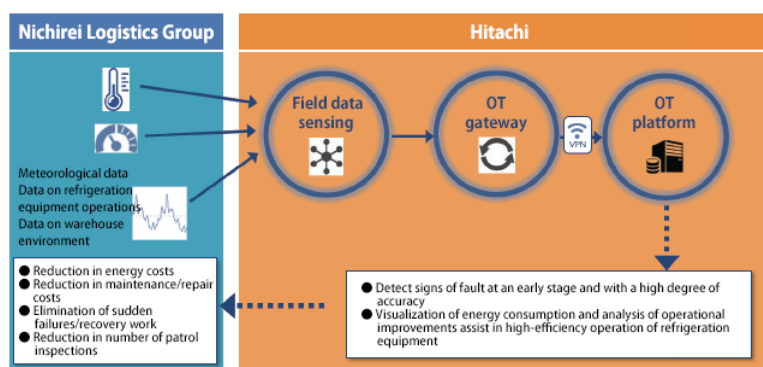
Preventing Refrigerant Leaks to Boost Operating Efficiency

The Nichirei Logistics Group is stringently checking equipment to reduce refrigerant leaks at all domestic centers. In FY2014, the Group installed high-sensitivity detectors, which are 10 times more accurate than those previously used, and can detect even minor leaks. By managing the amount of refrigerant used and eliminating leaks, the Group can achieve near-optimum equipment functioning. At the same time, the Group is working to avoid the unnecessary use of electricity. The Group has non-regular staff carry out inspections, since they notice energy-saving points that regular staff may overlook. Energy-saving inspections of the entire center are conducted in parallel with the refrigerant checks as both contribute to CO₂ reduction and the prevention of global warming.

Since September 2018, the Nichirei Logistics Group has been conducting a joint demonstration in collaboration with Hitachi, Ltd. at Funabashi DC, utilizing state-of-the-art IoT technology for the early diagnosis of faults in refrigeration equipment and to improve the efficiency of equipment operations and maintenance. Visualizing energy consumption and analyzing operational improvements will assist the high-efficiency operation of cold storage facilities and will help reduce CO₂ emissions.



Conceptual Diagram of Joint Demonstration



Switching to Natural Refrigerants

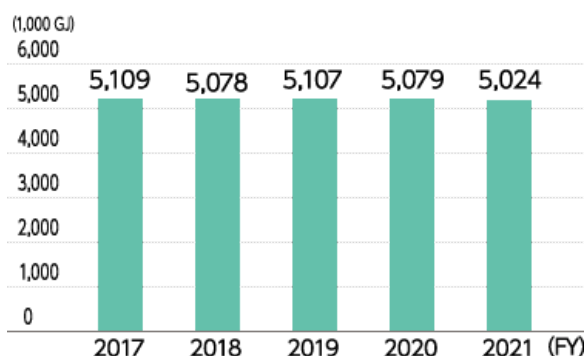
The Nichirei Group is adopting natural refrigerants at newly constructed or expanded food factories and refrigerated warehouses. We are also systematically replacing equipment that uses CFC refrigerants with equipment that uses natural refrigerants. By 2030, we will have switched to natural refrigerants for 75% of equipment used by Nichirei Logistics Group (based on tons of equipment excluding leased equipment), including overseas facilities, and 100% of the freezers used at Nichirei Foods' domestic food factories and investee factories.

Example of Switch to Refrigeration Equipment Using Natural Refrigerants

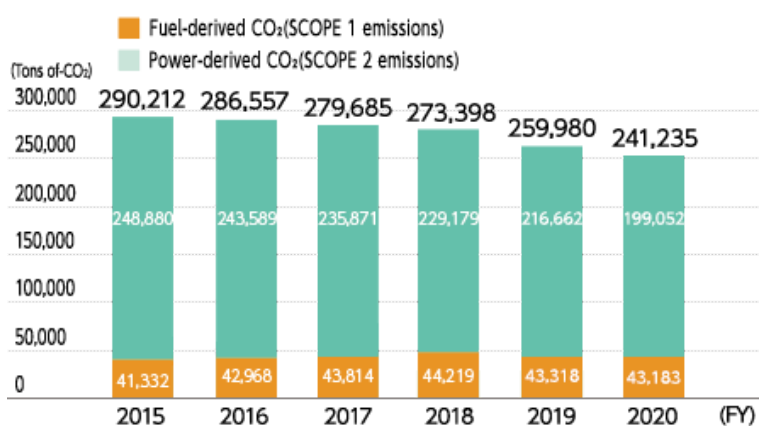
Fiscal Year	Logistics	Processed Foods
FY2014	Logistics Network Sugito TC	Subsidies for businesses that rationalize energy usage
FY2015	<ul style="list-style-type: none"> • Nichirei Logistics Kansai Sakishima DC • SCG Nichirei Logistics Co., Ltd. (Thailand) 	—
FY2016	<ul style="list-style-type: none"> • • Logistics Network Funabashi DC 8th Expansion Building • Nichirei Logistics Tokai Shiratori DC 8th Expansion Building 	Program for applying advanced technologies to promote wider application of equipment using energy-saving natural refrigerant
FY2017	<ul style="list-style-type: none"> • Nichirei Logistics Chushikoku Takamatsu-Nishi DC 2nd Building • Nichirei Logistics Tokai Haruhi DC 2nd Building • Logistics Network Funabashi DC 4th and 9th Building 	Program for applying advanced technologies to promote wider application of equipment using energy-saving natural refrigerant
FY2018	<ul style="list-style-type: none"> • Nichirei Logistics Tohoku Sendai DC 1st Building • Nichirei Logistics Tohoku Morioka DC 2nd Building • Nichirei Logistics Kanto Mito DC 1st Building 	Project to promote energy-efficient commercial refrigeration and air conditioning, for the creation of a CFC-free society
FY2019	<ul style="list-style-type: none"> • Nichirei Logistics Kyushu Kagoshima Futo DC 1st Building 	Project to Accelerate Introduction of Energy Saving-Type Natural Refrigerant Equipment To Realize Fluorocarbon-Free and Low Carbon Society
FY2020	<ul style="list-style-type: none"> • Nichirei Logistics Hokkaido Sapporo Oyachi DC 2nd Building • Nichirei Logistics Tokai Haruhi DC 1st Building • Nichirei Logistics Kansai Osaka Shinnanko DC 2nd Building 	Project to Accelerate Introduction of Energy Saving-Type Natural Refrigerant Equipment To Realize Fluorocarbon-Free and Low Carbon Society



● Energy Consumption of the Nichirei Group



● SCOPE 1 and SCOPE 2 CO₂ Emissions of the Nichirei Group



* Calculated based on the Act on Promotion of Global Warming Countermeasures.

Receives Special Review Committee Award

Nichirei Logistics Engineering Inc. (representative director, president: Tsutomu Ito), which handles engineering operations for Nichirei Logistics Group Inc., won the Special Review Committee Award in the 22nd Protect the Ozone Layer, Prevent Global Warming Awards sponsored by the NK Industrial Research Institute, operated by the Nikkan Kogyo Shimbun, Ltd. The award was received on September 12, 2019, in recognition of efforts to reduce CFC leaks and environmental impacts through the use of systems that predict and diagnose refrigerant leaks.

In addition to further reducing our environmental footprint and responding to customer demands, we plan to better oversee refrigeration equipment maintenance and repair plan proposals, so as to provide overall support that includes recommendations for energy conservation and cost reduction through low-price purchasing.



Change of Fuel Used in Manufacturing Equipment

Switching Boiler Fuels

Manufacturing at the food factories of Nichirei Foods entails a variety of processes, including frying and baking. We are systematically switching from kerosene and heavy oil to city gas and propane gas, which produce fewer CO₂ emissions, in the boilers that create the heat energy used in manufacturing.

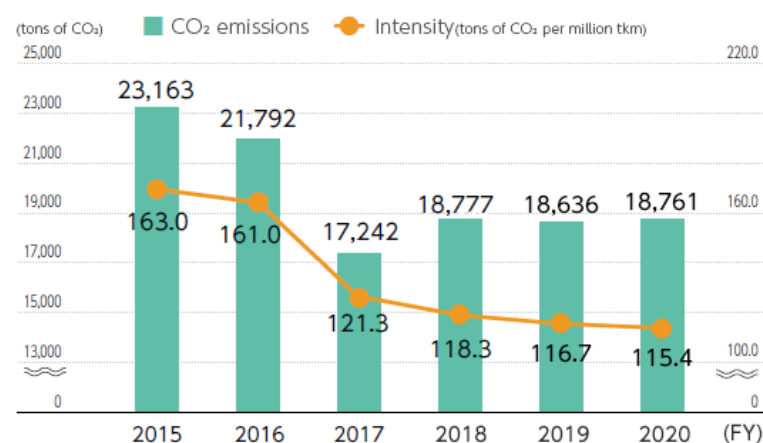


Initiatives in Transportation and Delivery Optimal Logistics for CO₂ Reduction

Nichirei Group cutting logistics-related CO₂ emissions Shipping-related CO₂ emission cuts seen as important priority. The Eco Ship Mark is a sign that the company contributes to environmental measures. It can only be used by shippers and logistics firms certified as using a minimum percentage of marine transportation. Prioritizing the reduction of CO₂ emissions during the transportation and delivery of products, Nichirei Foods has obtained Eco Ship Mark certification. During FY2018, despite having promoted a modal shift from trucks to rail for some of its transportation from factories in Hokkaido to Kanto and for some of its transportation from Kanto to Hiroshima, an increase in sales volume resulted in an increase in CO₂ emissions compared to the previous fiscal year. In FY2019, Nichirei Foods will promote a reduction in domestic transportation distances by changing the unloading ports for foreign imports, and will promote a greater use of rail by reviewing its logistics bases.

The Nichirei Logistics Group believes that contributing to the lives of consumers by shipping food is its most important duty. Using the best logistical solutions, such as transfer center functions and joint shipping, it is undertaking to provide consumers with optimal logistical efficiency, while also reducing CO₂ emissions. In addition, to increase shipping efficiency the Group is reducing the number of trucks it uses. This it can do thanks to increased loading efficiency, the improved circulation of vehicles, and reduced downtime. The change reflects a softening of delivery requirements (shipping timeslots, locations), which result in reduced CO₂ emissions.

CO₂ Emissions and Intensity during Transportation of Products by Nichirei Foods



* The method for calculating energy consumption was changed from the ton-kilometer method to the fuel method.

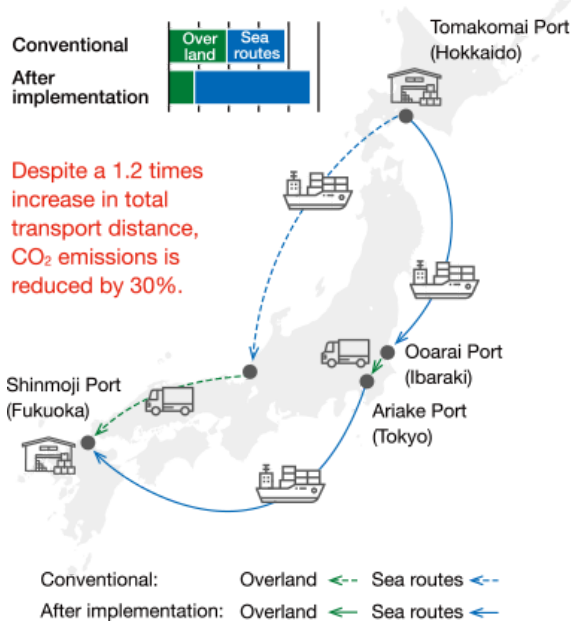
Promoting a modal shift¹

Since 2003, in a bid to reduce its environmental footprint, the Nichirei Logistics Group has been switching the means of transportation it uses from haulage by road to that by rail and sea. And, in 2009, the ferry transportation route from Hokkaido to Kyushu was extended, resulting in a 30% reduction² in CO₂ emissions.

Notes:

1. The conversion of road and air transportation by that by rail and sea.
2. The 30% reduction in CO₂ emissions due to modal shifts in Japan is based on per-route calculations.
3. An institution administered by the Ministry of Land, Infrastructure, Transport and Tourism and other bodies that awards excellent initiatives that promote CO₂ reduction in the logistics field.
4. 3PL: Third-Party Logistics

● Comparison of total transportation distances



Activities with European Logistics

The Nichirei Logistics Group's overseas business began with its expansion into the Netherlands in 1988. As of March 2020, Nichirei Holding Holland B.V. has eight companies—including cold storage facilities and low temperature shipping businesses—and is expanding from its hub in Rotterdam. Logistics in Europe center on shipping by truck, reflecting the advanced state of the local infrastructure. During the past few years, a modal shift has been promoted in the interests of the environment, resulting in a transition from highway truck transportation to maritime and railway transportation, making it possible to ship large volumes of goods. Mostly, when a containership docks at Rotterdam, the containers are offloaded and trucked to a warehouse. With containerships are getting progressively larger, and it is now possible to fit 9,000 forty-foot* containers on the larger vessels. Shipping these by truck would mean using 9,000 trucks, which would generate large amounts of CO₂.

Holland's Hiwa Rotterdam Port Cold Stores B.V. uses river barges to reduce its CO₂ emissions when moving containers from the container yard to their warehouses. With up to 25 containers piled on one barge, some 3.5 tons less CO₂ is produced than were 25 trucks used to transfer the containers. Currently there are two barge vessels in the Netherlands that have their own container cranes. Both of them are working for HIWA.

At Transports Godfroy in France, the environmental initiatives of its shipping business include introducing eco-driving training for its drivers in FY2012. Meanwhile, the social contribution activities of its shipping business include the donation to charities—of course with the permission of the consigners—of goods it has had in storage that are past their use-by date.

* 40 feet = 12.192 meters



Hiwa Rotterdam Port Cold Stores B.V.



River barge

Eco-driving Seminars, Tournaments Boost Driver Awareness

The Nichirei Logistics Group has formed a national network of affiliated transportation and delivery companies, and encourages them to obtain Green Management Certification.

In an effort to improve the quality of shipping by these companies, Logistics Network holds driver tournaments and eco-driving seminars at six locations across the country each year. In the driver tournaments, truck drivers compete against each other for points, which are accumulated from practical exams on general inspections and written tests covering basic safety and quality rules related to shipping services offered to customers.

These tournaments help the participants improve the safety of shipping services, maintain the high quality of those services, gain inspection skills, and increase their awareness of safe driving, while at the same time giving each individual pride in their work and a sense of social responsibility. The seventh national tournament was held in FY2020 with a view to further improve shipping quality.

In addition, Logistics Network began a full-fledged initiative in FY2015 for using pallets in its main shipping operations and establishing services with fixed arrival and departure times. The downtime at bases and time spent loading were vastly reduced, which led to an improvement in the work environment of long-haul drivers. In addition, the fact that vehicles were idle for less time led to their having less of an environmental impact.



Driver contest

Green Management Certification

(NK Trans is working to reduce the environmental impact of its business activities to better co-exist with society as a transportation business. It thus considers environmental conservation to be part of its corporate social responsibility. In addition to complying with such environment-related laws and regulations as pollution prevention ordinances, NK Trans promotes eco-driving and use of the idle-stop system, in addition to the use of low-emission vehicles, and compliance with the relevant waste disposal laws.

As a result, the Numazu Logistics Center obtained green management certification in January 2012, while the Niiza Office (transportation) obtained it in March 2014. Kyokurei's main office and logistics centers (in the Tokyo districts of Yamashita, Daikoku, Atsugi, and Nakai) have obtained Green Management Certification, as have all distribution centers of Kyokurei Operation.

- * Green management certification: The certifying organization, the Foundation for Promoting Personal Mobility and Ecological Transportation, conducts evaluations, certification, and registration of workplaces that carry out initiatives above a certain level, as defined in the Green Management Promotion Manual, published by Japan's Foundation for Promoting Personal Mobility and Ecological Transportation.

Driver Advance Reservation System

<https://www.nichirei.co.jp/news/2017/298.html>(Only Available in Japanese)

At distribution centers, truck arrivals tend to be concentrated at the same times. Being uncertain of what cargo is onboard further complicates the loading and unloading, and drivers have to wait around for long periods of time, which becomes a social problem.

To alleviate and eliminate this problem of trucks being on standby, the Nichirei Logistics Group began operating the Driver Advance Reservation System in October 2017. By using the system, trucks (shipper or shipping company) can reserve their preferred time against available loading/unloading times set for each distribution center. Details of the loaded cargo are also sent to the distribution center in advance, which means that the checking of orders by shipping companies, which used to be done once the truck had arrived, can now be performed ahead of time. This facilitates loading and unloading operations, which in turn, shortens the hours that each truck is on the road, and ultimately leads to a reduction in CO₂ emissions. Starting with the Logistics Network's Sugito DC and Osaka Futo DC, the system will be gradually rolled out to other distribution centers.



Corporate Collaboration for More Efficient Energy Consumption

The Nichirei Logistics Group is working to reduce electricity consumption during product storage, as well as CO₂ emissions and fuel consumption for transportation and production by increasing the efficiency, across the board, of the supply chain involved in logistics, production, and storage.

Thus, both Nichirei Foods and Hokkaido Foods, one of the former's sub-contractors, secured safety stock in order to prevent inventory shortages and the only partial sharing of information. In addition, the business fluctuations in production and shipping caused by sales resulted in a major burden for both companies' supply chains.

In FY2010, The Nichirei Logistics Group took over control of Hokkaido Foods' logistics and introduced several improvements. The result of their study of the business fluctuations of the logistics side of business, which had been an ongoing problem right from the beginning, led to a suggestion that there be collaborative management between three companies. This would cover operational information, sales plans, re-stocking and inventory plans, production plans, and even shipping plans, aimed at leveling out logistics. FY2012 saw the start of the three companies' improvement project begin. In October of 2012, it went into full operation, and improvement activities continue to this day.

■ Initiative

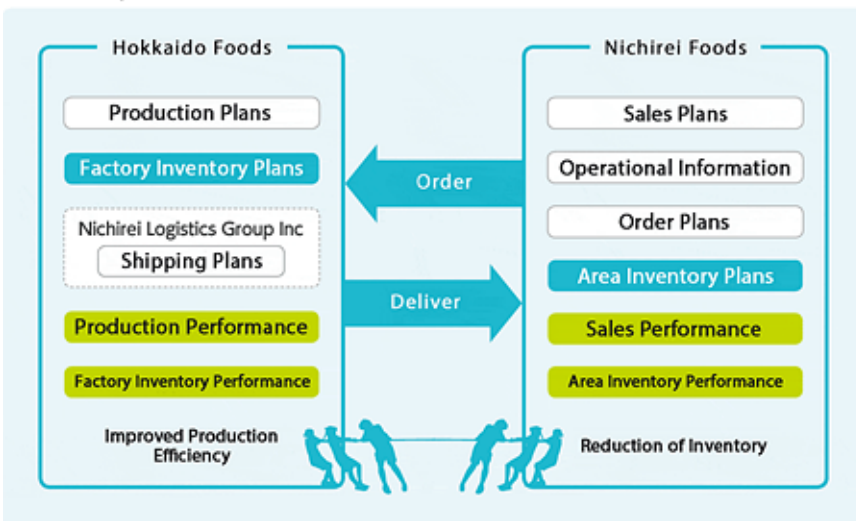
1. 3 Use groupware to make essential information of all three companies transparent; change to a comprehensive management system through daily data sharing and by linking production, inventory, and shipping planning.
2. Switch from Nichirei Foods' restocking plan; prioritize reducing logistics center stock; and restock, taking into account the efficiency of consolidated shipping and production.

■ Results

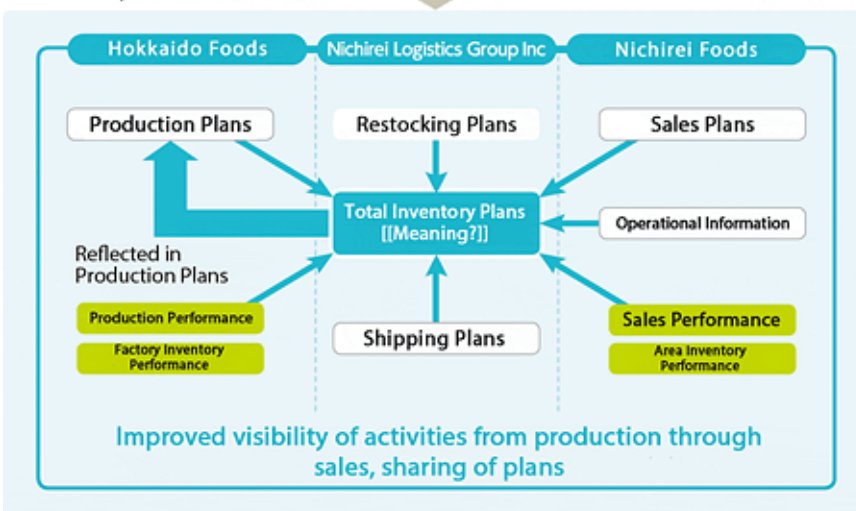
- Reduction of total inventory (down 25.7%)
- Leveling of logistics
- Improvement in loading efficiency
- Elimination of frequent shipping (restocking) and small lots
- Reduction of energy consumption at cold storage facilities and food factories
- Improved productivity
- Less clerical work

- Three Companies Collaborate for Cut Costs, Improve Shipping

(Before implementation)



(Before implementation)



Renewable Energy

Purchase of Green Energy

Since 2007, the Nichirei Group has been purchasing and stockpiling Renewable Energy Certificates (RECs)* every year for the purpose of promoting the use of renewable energy. As a result, in FY2021, the head office building (Nichirei Higashi Ginza Bldg.; tenants that are part of the Nichirei Group) shifted to renewable energy, making use of RECs, for all of its power usage. In addition, since March 2020, Nichirei Foods has purchased 10 GWh worth of RECs per year to cover all electricity used in production lines for Honkaku-Itame Cha-Han (fried rice). It is also making the shift to renewable energy.



* Green power is power generated from renewable energy sources, such as biomass, solar and wind. The CO₂ emission reductions achieved through the use of power generated from renewable energy are traded in the form of RECs.

Utilizing Electricity Generated from Solar Power

The Nichirei Group is working to reduce CO₂ emissions by installing solar power generation equipment on the premises of food factories and on the rooftops of refrigerated logistics warehouses.



Solar Power Generation and CO₂ Reduction



Nichirei Foods	<ul style="list-style-type: none"> • Funabashi Plant • Nichirei Ice Inc.
Nichirei Logistics Group	<ul style="list-style-type: none"> • Sugito DC • Matsue DC • Kushiro DC • Sakishima DC • Kyokurei Inc. Daikoku DC
Nichirei Biosciences	<ul style="list-style-type: none"> • Global Innovation Center



Sakishima DC



Matsue DC



Kushiro DC

■ Initiatives at Head Office, and Offices

The Nichirei Group uses energy-saving equipment in its buildings, conserves energy in its offices, and uses low-emission vehicles. At its head office building, the Group has a policy of changing room temperatures and lighting levels, and ensuring that lights are turned off. In addition, the Group introduced the use of hybrid vehicles at its operating branches, began using electric vehicles at its food plants and cold storage centers on a trial basis, and uses these vehicles to transportation customers.

In June 2011, Nichirei introduced demand controllers to monitor electricity consumption in real-time at its technology development center. The upper limit of electricity consumption can now be controlled during periods of high demand. Controllers are also used to curb the use of air conditioners, and to evaluate the operation of storage testing warehouses used for preservation testing and the cold or frozen storage of raw ingredients and test products during the summer. As part of its yearlong initiatives Nichirei is conducting more thorough operations management of the boilers that create the steam used in its food processing equipment.

■ Activities of Industry Organizations

As part of its activities to avert climate change, the Nichirei Group is a member of industry organizations, and collaborates in those organizations' measures for creating a low-carbon society. Nichirei and Nichirei Foods are full members of the Japan Frozen Food Association, and Nichirei Logistics Group Inc. and the main subsidiaries of the Nichirei Logistics Group are members of the Japan Association of Refrigerated Warehouses.

Ecology Committee to Run Environmental Conservation

As most of the energy used by Nichirei Biosciences is consumed at the Global Innovation Center (GIC), an R&D and production base, the Company organized an Ecology Committee, which mainly comprises members of the center. It functions as a decision-making body for matters related to environmental conservation, and acts as a pipeline between employees and the Company, making recommendations and providing feedback on decisions affecting the entire Company.

In fiscal 2020, in addition to energy-saving effects resulting from the installation of cutting-edge environmental apparatus, such as external window blinds and advanced lighting systems, we circulated a questionnaire among employees to ascertain whether they found the workplace environment comfortable.



A ceramic air conditioner grill



Discussion is encouraged at committee meetings

Sustainable Raw Ingredients

Basic Philosophy

Basic Philosophy

To provide value to society and to continue to survive, it is vitally important for the Nichirei Group to secure a sustainable source of ingredients. Moreover, given that raw ingredients are harvested from natural ecosystems for its business, the Group recognizes that it is similarly important for it to address environmental issues in the supply chain—specifically, that it puts effort into energy use and climate change issues, takes into account water usage and impacts on biodiversity, and that it tackles pollution, waste and the efficient use of resources.

Having selected “maintain a sustainable supply chain” as one of the top-priority important items in the Nichirei Pledge (its basic CSR policy), the company established the Nichirei Group Sustainable Supply Chain Policy on April 1, 2017.

Nichirei makes efforts not only for its own business activities, but also to address societal and environmental issues in its supply chain. In proper collaboration with its suppliers and partner companies, Nichirei will work to maintain a sustainable supply chain so that it can provide safe and high-quality products and services in a reliable manner.

Nichirei Group Sustainable Supply Chain Policy

Legal compliance:

We comply with the laws and social norms of each country and region where we operate.

Fair business practices:

We employ fair, transparent, and impartial business practices.

Human rights:

We respect human rights and provide safe, healthy work environments.

Environment:

We strive to reduce environmental impact and consider the health of the global environment.

Product quality and safety:

We work hard to deliver safe, high-quality products and services.

Information management:

We manage information properly and disclose information related to our business activities in a timely, appropriate manner.

Local communities:

We seek to build close cooperative relationships with local communities, as a good corporate citizen.

Management System

Management System

To promote efforts to maintain a sustainable supply chain for all of Nichirei Group, the Group established the CSR Management discussion meeting in FY2017. During this meeting, the Group's common basic policy is examined, issues being faced and efforts being made by each operating company are shared, and so on. The meeting is held six or more times per year, and the results of the discussions are reported to the Board of Directors and the management conference, providing support for operating companies' efforts to maintain a sustainable supply chain. The Nichirei Group Sustainable Supply Chain Policy was also established through the CSR Management discussion meeting. The Group procures products and services in accordance with the policy and asks suppliers to also assent to and comply with it.

Supply chain Meeting Launched

Since 2019, in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, the Nichirei Group has been promoting the understanding of, and working toward attaining, the Nichirei Group Sustainable Supply Chain Policy and ensuring that our supply chain business partners are in step with the Group's CSR procurement activities.

In FY2021 (ending in March 2021), we launched a Supply Chain Meeting to enable Group companies to participate in formulating Group CSR procurement guidelines, as well as to share with us and examine issues regarding the addressing of human rights due diligence.

In addition to Nichirei Foods having joined the July 2019 Sedex* London conference, the Group is engaged in ethical and responsible business practices throughout our global supply chain.

Nichirei Foods conducts quality assurance audits in the form of factory inspections on each factory of contracted producers about once every two years. As part of this it confirms the implementation status of its Sustainable Supply Chain Policy. In regard to environmental education within the Group, as part of its Training for New Managers, employees learn about sustainable raw ingredients as well as about the latest trends in Japan and overseas and issues faced by the Nichirei Group. In addition, the following goals have been set as a Group initiative.

* Supplier Ethical Data Exchange, a non-profit organization established in the United Kingdom in 2004 to provide a platform for managing and sharing corporate ethical information with the aim of realizing responsible business practices in supply chains.

Initiatives

Sustainable Procurement in Symbiosis with Nature and Neighborhoods

Mauritanian potted octopi are one of the quality materials used at Nichirei Fresh. For more than 40 years, the company has been working with locals to catch octopi using pots, allowing it to provide high-quality octopus ingredients. This technique is less likely to damage fishing areas and overfishing. The group is working hard to develop sustainable fishing practices by complying with no-fishing periods and no-fishing standards by, for example, using both Brazilian and Mexican wild shrimp. In addition to constantly offering a reliable supply of safe and secure foods, Nichirei Fresh Inc. will continue to develop and procure quality materials as it focuses on sustainable resources, as well as the importance of having a sustainable environment and society.

Efforts for MSC/ASC-certified Materials

Since 2006, Nichirei Fresh has been engaged in the Forest of Life Project*1 nature conservation activities involving sustainable black tiger prawn farming and mangrove tree planting in Kalimantan, Indonesia.

These activities were extended to whiteleg shrimp ponds in Sumatra, Indonesia, and obtained Aquaculture Stewardship Council (ASC) certification*2 in 2018. From 2020, mangrove planting will begin in earnest, with plans to plant about 280,000 trees.

In addition, we are gradually increasing the handling of marine products certified*3 by the Marine Stewardship Council (MSC) and, June 2019, we have been handling 17 fish species of marine products. In the years ahead, we plan to increase the variety of sustainable marine products we handle.

*1 Forest of Life Project : <https://www.nichireifresh.co.jp/inochinomori/>

*2 ASC certification requires that marine products used have been cultivated in a sustainable manner.

*3 MSC certification requires that wild seafood used has been caught using methods that do not deplete the natural supply.

■ Nichirei Fresh products that have obtained ASC/MSC certification (as of June 2019)

authentication	authentication acquisition number
ASC Certification Registry Number ASC-C-01632	Black tiger shrimp、Whiteleg shrimp、Pacific oyster
MSC Certification Registry Number MSC-C-52165	Salmon varieties (pink salmon, king salmon, coho salmon, chum salmon, sockeye salmon)、 Flatfish varieties (Kamchatka flounder, yellowfin sole, dusky sole, white flounder)、 Walleye pollack、Pacific cod、Scallops、 Herring、Capelins、Snow crabs、Arctic surf clams、Red king crab

ASC and MSC Certifications for Marine Products



Maintain a sustainable supply chain



Antibiotic-free Chicken

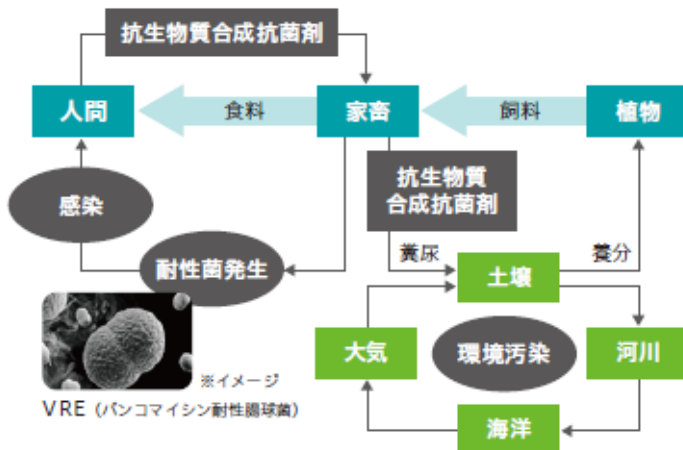
<https://www.nichireifresh.co.jp/product/livestock/detail/?id=376>(Only Available in Japanese)

Chemical agents, such as antibiotics and synthetic antibacterials, are used in general broiler chicken farming to treat diseases, prevent the spread of illnesses due to farming conducted in tight spaces, and promote growth. Nichirei Fresh has been selling antibiotic-free chicken since 2004. While vaccinated, our poultry is not exposed to chemical agents, including antibiotics and synthetic antibacterials, that could contribute to the emergence of antibiotic-resistant bacteria.* Instead, our poultry farming methods take full advantage of the innate immunocompetence of chickens.



Our farming technology takes into consideration the growing conditions and applies Nichirei Fresh's proprietary expertise to poultry farming, resulting in chickens with higher natural immunocompetence and greater natural resistance to diseases. This is achieved through the use of such feed ingredients as lactic acid, other probiotics, and plant-based herbal medicines that help maintain the health of chickens and boost their immunity. Since the manure of chickens exposed to antibiotics affects soil bacteria and groundwater, the poultry farming methods used to produce antibiotic-free chicken also contribute to the natural cycles intrinsic to ecosystems.

Antibiotic-resistant Bacteria That Threaten Ecosystem Cycles



* Drug-resistant bacteria: Protecting people from drug-resistant bacteria (not affected by antibacterial agents) is becoming an issue worldwide. Those with weakened immunocompetence who are exposed to such bacteria may not respond to treatment with antibiotics. Drug-resistant bacteria have been found in livestock continuously exposed to chemical agents such as antibiotics and synthetic antibacterials. As a result of growing consumer interest in the United States, meat from animals not exposed to antibiotics is becoming increasingly popular. We will continue to assess the issue of drug-resistant bacteria as we produce chicken that helps maintain human health.

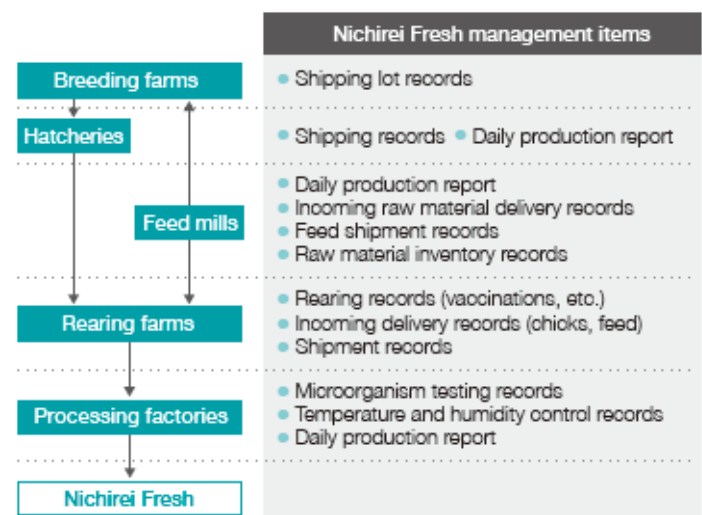
■ Reliable Management System: Inspections to Ensure Use of Antibiotic-free Chicken

Nichirei Fresh is performing its own inspections to ensure that poultry is antibiotic free. These inspections roughly break down into verification of production processes and product inspections.

Personnel responsible for the inspections regularly visit production areas to verify that all production processes (from those in feed mills to those in breeding farms and processing factories) are being performed to the Company’s standards.

In addition, the Nichirei Quality Assurance Division’s Food Safety Research Center performs product inspections involving testing for antibiotic residue in special feed used in the production of antibiotic-free chicken and in final chicken products. Nichirei Fresh ensures that quality control is adequate by inspecting all its processes, from the animal feed it uses to final product shipments.

● Quality Control: Antibiotic-free Chicken



FA (free from antibiotics) chickens (Only available in Japanese) 

— Suppression of Methane Gas Emissions by Cattle —

Suppression of methane gas emissions by cattle 

Initiatives for Water Resource Conservation

Basic Philosophy

Basic Philosophy

As one factor in achieving its goal of building sustainable supply chains, the Nichirei Group recognizes the importance of water resources in producing raw materials and conducting business, and strives to conserve them. In FY2020, the Group conducted water risk assessments at all of its facilities (152 facilities in Japan and overseas) and identified those facilities where water risk was high as a result of internal and external factors. In FY2021, interviews were conducted at the three facilities identified as having high water risk, and the Group confirmed that at this time, there are no water risks falling under the categories of quantity, quality or regulatory and reputational risks. In FY2022, investigations were conducted at domestic facilities with respect to river flooding and storm surge risk due to typhoons and heavy rains.

* WRI Aqueduct: A tool released by the World Resources Institute (WRI), an international environmental NGO, to easily evaluate the world's water risk from location coordinates or addresses.

Management System

Management System

Regarding water resources used in business, the volumes of water used and wastewater discharged at worksites in Japan are included in the Group's CSR Report for external publication. These figures, along with other details of the CSR Report, are approved by management and other members of the Group Environmental Protection Committee at its first meeting for the fiscal year which is held in May.

Forest conservation activities leading to the preservation of water resources are publicized internally and externally via the Group's website and intranet. Hands-on environmental education programs for employees are also conducted at the forests receiving support, designed to raise employee awareness for the environment. In FY2020, we worked on a water risk assessment and disclosed the results.

[Environmental Management > Management System](#)



[Environmental management > Medium-term targets and results](#)



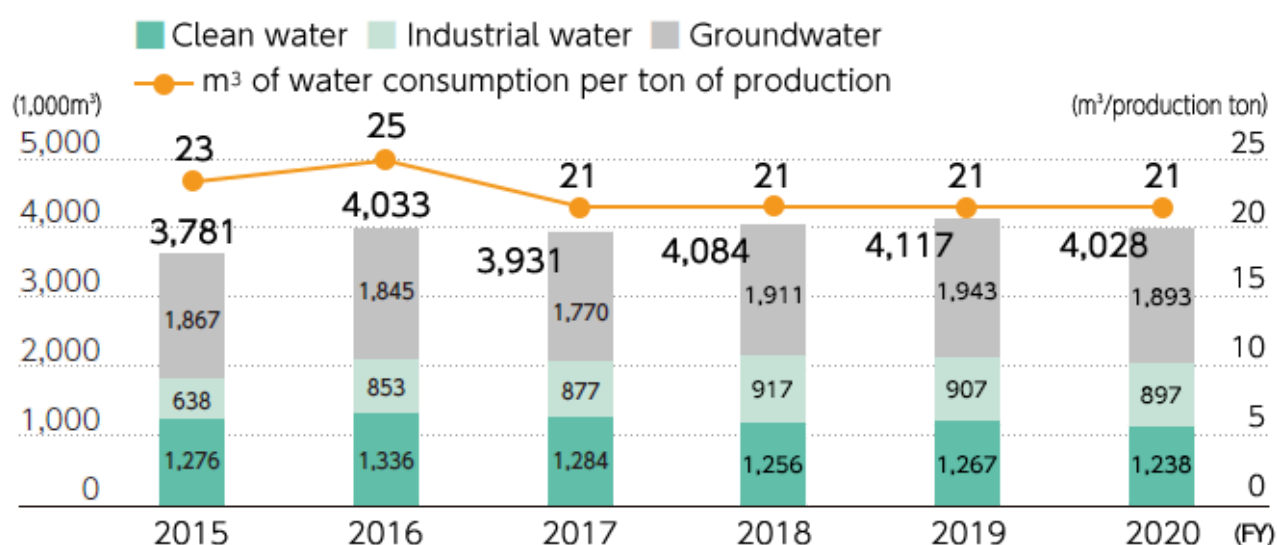
Initiatives

In terms of water-related initiatives associated with business activities, in addition to water-saving efforts at its food factories and distribution centers, the Group is raising employee awareness such as by displaying posters. At worksites in Japan, the Group keeps track and manages consumption of water and quality of wastewater through regular monitoring in compliance with various laws and regulations. Forest conservation activities have also been conducted, leading to the conservation of biodiversity through protecting and caring for water.

We have set reduction targets for each site and are working to reduce water throughout the Group.

Please refer to the following websites for information on the Group's main initiatives.

● Water Usage (By water intake source)

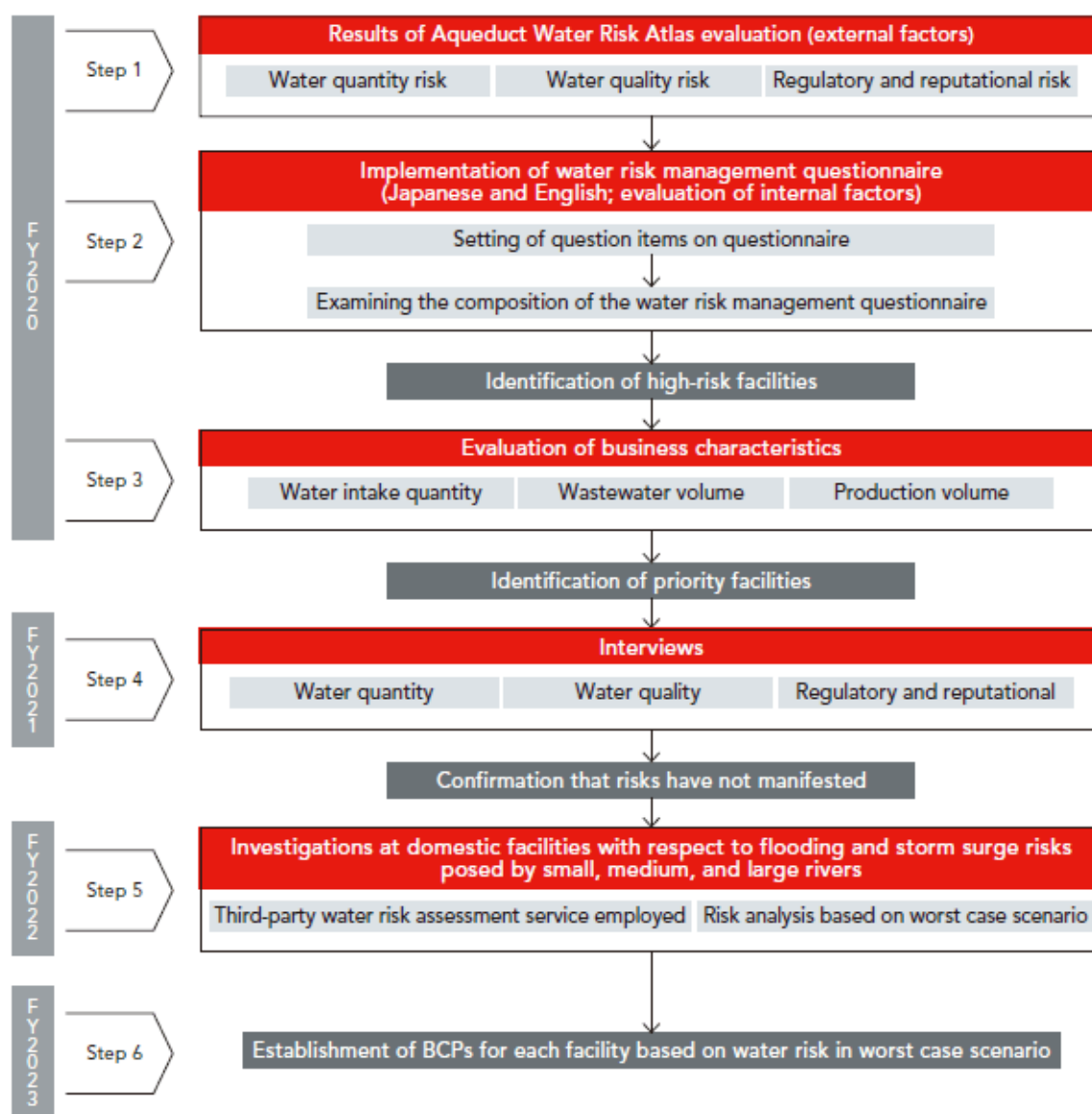


■ Water Risk Assessment

As one factor in achieving its goal of building sustainable supply chains, the Nichirei Group recognizes the importance of water resources in producing raw materials and conducting business, and strives to conserve them.

In FY2020, the Group conducted water risk assessments at all of its facilities (152 facilities in Japan and overseas) and identified those facilities where water risk was high as a result of internal and external factors. In FY2021, interviews were conducted at the three facilities identified as having high water risk, and the Group confirmed that at this time, there are no water risks falling under the categories of quantity, quality or regulatory and reputational risks. In FY2022, investigations were conducted at domestic facilities with respect to river flooding and storm surge risk due to typhoons and heavy rains.

● Water risk assessment flow chart



* WRI Aqueduct: A tool released by the World Resources Institute (WRI), an international environmental NGO, to easily evaluate the world's water risk from location coordinates or addresses.

Water stress and water intake (FY2020 Survey)

Water stress	Number of bases	Fiscal 2019 water intake [m ³ / year]			
		Surface water	Groundwater	Third party water	Total
Total	152	2,497,656	1,809,223	2,885,798	7,192,677
Extremely High (>80%)	3	2,371,459	0	468,382	2,839,841
High (40-80%)	0	0	0	0	0
Medium - High (20-40%)	54	0	458,403	1,491,420	1,949,823
Low - Medium (10-20%)	77	2,400	1,323,084	737,805	2,063,290
Low (<10%)	18	123,797	27,736	113,657	265,190

* Excludes sites where the business scale is planned to be reduced and offices / warehouses at overseas sites

Initiatives for Biodiversity Conservation

Basic Philosophy

Basic Philosophy

The Nichirei Group's Environmental Policy/Nichirei Group Bio-diversity Policy



Management System

Management System

As “living in symbiosis with nature” is one of the three priorities of the Nichirei Group’s Environmental Policy, the Group is committed to environmental conservation activities. Within its business activities, the Group actively procures sustainable materials and processed items, builds recycling systems in collaboration with business partners and local communities, and disseminates information and conducts activities for biodiversity conservation and environmental awareness raising at worksites and suppliers.

The initiatives are reported by each operating company’s Environmental Protection Committee and by the Group Environmental Protection Committee, which meets twice a year. The environmental protection policies and strategies of the entire Group are then determined based on the content and progress of these initiatives. Initiatives for biodiversity are carried out based on the formulated plans.

Initiatives

■ Collaboration with WWF Indonesia and WWF Japan Promoting Biodiversity Conservation in North Kalimantan through the More Than Decade-long Forest of Life Project

In the province of North Kalimantan, on the Indonesian island of Borneo, the natural environment is facing destruction from the expansion of plantations, afforestation, and shrimp farming. The rapid increase in the number of shrimp farms in coastal areas has led to the successive felling of forests and mangroves, and the rapid environmental changes are threatening valuable wildlife species with extinction.

In 2006, responding to concerns over the loss of mangroves in North Kalimantan, Nichirei Fresh initiated the Forest of Life Project in cooperation with its local supplier, PT. Mustika Minanusa Aurora (MMA) and the city of Tarakan, on Tarakan Island. The project assists in planting efforts and biodiversity conservation, by selling shrimp cultivated traditionally without using formula feed or electricity, and donating a portion of the proceeds to MMA's Mangrove Foundation. In partnership with WWF Indonesia and WWF Japan, Nichirei Fresh is currently promoting activities improving aquaculture as part of the WWF North Kalimantan Sea and Forest Conservation Project. Over a 10-year period, trees have been planted across an area stretching 302 hectares in an effort to restore mangrove forests. This has resulted in an increase in wildlife, including small birds, crabs and small fish, and even proboscis monkeys introduced from outside the region have begun breeding naturally.



About half of the island's forest has been lost over the past 50 years



North Kalimantan



Shrimp that have grown big



Regeneration of mangrove trees

Please refer to the following website for further details.

Nichirei Fresh Forest of Life Project (Only available in Japanese)



■ Fukushima: Environmental Research and Protection, Conserving Biodiversity

Nichirei owns land near Lake Hibara in Fukushima Prefecture's Urabandai region. The Company supports research on the natural environment in the surrounding areas and environmental and biodiversity conservation based on that research. Following the 1888 eruption of Mount Bandai, all vegetation disappeared from the Urabandai area, but more than 130 years on, one can see vegetation returning: red pine forests, white willows, reeded wetlands, and aquatic plant clusters in marshlands.

The red pine forests, planted by people who want to see the return of greenery, continue to spread.

But since the Company's land remains unforested, it provides a valuable area for observing the transition of virgin nature. Nichirei has supported the research activities—carried out since FY2012 in the Urabandai area—by the Support Division for Projects in Natural Symbiosis and Regeneration at Center for Practical and Project-Based Learning, Graduate School of Symbiotic Systems Science and Technology, Fukushima University.

In FY2020 (ended in March, 2020), we supported an investigation of insect fauna inhabiting reed marshes in Urabandai area Nichirei-owned land, as well as a study into the diversity of plant species conducted with the goal of publishing a book on Urabandai flora.



Water quality surveys in the Urabandai area wetlands



The Himeshiro dragonfly: a new species

■ Protecting Endangered Orchids

Since FY2004, the Nichirei Group has helped in the conservation and regeneration of the endangered orchid *Cypripedium macranthos* var. *macranthos* and other species through research on and the breeding of orchids and other plants in Fujimi-machi, Nagano Prefecture. In 2014, some artificially propagated orchids of this species flowered and, in FY2020, they produced 32 blooms. This led to Nichirei entering a biodiversity conservation partnership agreement with Fujimi-machi, Nagano Prefecture, and the Fujimi-machi Atsumorisou Regeneration Committee in February 2019. The Group will provide technologies necessary for the conservation and regeneration of *Cypripedium macranthos* orchids and cover a portion of the costs. In June 2021, the Committee began selling artificially propagated blooms and seedlings, which it hopes will help prevent excessive picking of wild indigenous species. In our artificial pollination efforts, we avoid mixing plants from the same lineage as much as possible in order to preserve genetic diversity.



Management of Wastewater, Waste Matter, and Chemical Substances

Basic Philosophy

Basic Philosophy

Established as an environmental initiative, the Nichirei Group’s Environmental Policy includes a theme of promoting sustainable recycling. The Group recognizes that corporate business activities have a considerable impact on the natural environment. Emitting pollutants and using chemicals through business activities has an effect on the air and soil, and expanding business activities results in more waste being generated and a greater effect on valuable resources. The Group’s business, in particular, relies heavily on natural ecosystems for the procurement of ingredients. Any loss of these ecosystems would be a significant business risk, and in addition, the generation of food waste is a major challenge. Recognizing the issues outlined above, the Group is making the best use of limited global resources in cooperation with its suppliers, partners companies and consumers, and in addition, through its business activities, is promoting reductions of waste and pollutants as well as the reuse and recycling of resources. The Group is also helping build recycling-oriented social systems by procuring recyclable resources and working to develop associated mechanisms.

Two medium-term environmental targets adopted by the Group are to maintain a waste recycling rate of at least 99% at its food factories and distribution centers, and to reduce residual animal and plant material at its food factories in Japan.

The Nichirei Group’s approach to environmental conservation



Management System

Management System

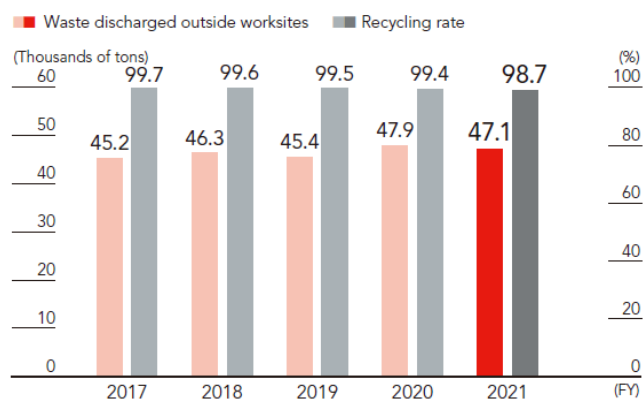
Environmental management system



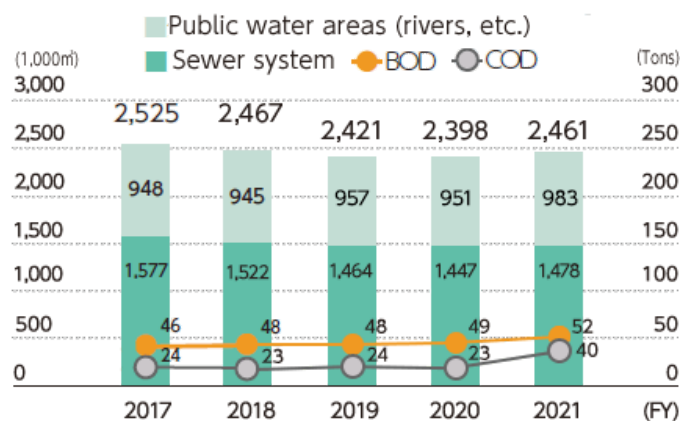
Initiatives

As a material matter for the Nichirei Group, we have set a KPI for and are actively working to reduce the amount of and recycle the food residue and waste generated by our business activities.

● Waste Discharged Outside Worksites and Recycling Rate



● Nichirei Group Wastewater and Drainage Load



■ Promoting Integrated Crop-livestock Production

The food residue and chicken guano received from factories and food material production facilities can be recycled as feed and fertilizer to reduce waste and make effective use of resources.

The Nichirei Group, which uses feed and fertilizer recycled from food products to produce food, aims to establish a food cycle involving livestock and humans. At Nichirei Fresh Farm Inc., set up as a poultry farm for the production of purebred domestic Japanese chickens, the Group is collaborating with local residents to build a regional recycling production system using chicken guano.

■ Project for Recycling-based Production via Chickens

At the Hirono facility operated by Nichirei Fresh Farm, chicken droppings are processed into organic fertilizer, which is used to produce feed stock rice for specialized chicken feed. Rice for the chicken feed is produced by partner farmers in the towns of Karumai and Hirono in Iwate Prefecture, in cooperation with JA Shiniwate. Much of this rice is grown using rice paddies lying fallow because of rice production adjustments. The recycling-based production cycle of chickens thus contributes sustainably to regeneration of the local farming industry.

■ Fertilizer, Feed Made from Factory Food Residue

To reduce waste generated at our production facilities, Nichirei Foods is undertaking various initiatives. These include production management, initiatives to prevent problems, and the recycling of processing residue, such as raw ingredients not turned into products.

Processing residue is disposed of with in-house treatment machinery at our Funabashi plant, and recycled for use as fertilizer and feed. Our other factories entrust the processing of residues to recycling companies that turn the leftovers into fertilizer and animal feed. The Group plans to continue reducing the amount of waste generated by setting target values, while making the most effective use of processing what residue is inevitably produced.

■ Factory Wastewater Released Only after Having Been Cleaned Using Special Equipment

The water used at food factories becomes wastewater containing food-related organic matter, detergents, and disinfectants. The Nichirei Group cleans its factory wastewater using disposal equipment and only releases it outside the factory once it complies with emissions standards stipulated by law.

■ Management of Pollutant Release and Transfer Register (PRTR) Substances

there were no materials subject to notification under the Pollutant Release and Transfer Register* (handling volume of 1ton or more).

We will continue to properly manage chemical substances in the future.

* The laws concerning the Pollutant Release and Transfer Register refer to the collection and publication of data related to the release into the environment of chemicals, from any source, which could possibly adversely affect the lives, growth, or development of humans, animals, or plants.

[Click here for details](#)



■ Management of PCBs

Polychlorinated biphenyls (PCBs), a group of man-made compounds, were previously used as insulating oil in transformers, but their use was banned in the 1970s, after their toxicity became apparent. In Japan, equipment that has been confirmed to contain PCBs is being appropriately stored in compliance with standards set by law. Currently, disposal is being carried out systematically, based on the capacity of the nation's five government-run PCB disposal plants. Three transformers collected from the Nichirei Group in FY2020 and FY2021 have been disposed of at a one of the government plants.

■ Management of Asbestos

The asbestos that was found to have been sprayed on the underside of the roof, and which had the possibility of spreading, was removed and disposed of during an inspection in FY2006. In addition, when demolishing office buildings that have been closed, the Nichirei Group does another survey and takes legally compliant and appropriate steps to dispose of any building materials containing asbestos.

■ Management of Contaminated Soil

In addition to fulfilling the appropriate disclosure requirements when selling, buying, or renting land, the Nichirei Group does evaluations of soil contamination and carries out the appropriate management.

In FY2020, we conducted soil analysis and performed appropriate treatment in the construction of the Nichirei Logistics Tokai Inc. Nagoya minato DC.

■ Management System

The Nichirei Group manages and stores PRTR substances and PCBs (polychlorinated biphenyls) in accordance with statutory standards for the management of chemical substances. Furthermore, during FY2021, there were no environmental accidents or violations of laws or regulations that could have a material impact on the environment.

■ Initiatives

■ Reduction of NOx, SOx, and PM Emissions

Nitrogen oxide (NOx) and sulfur oxide (SOx) are produced when fuel oil and gas are burned in food factory boilers. Through proper facility management at its factories, Nichirei is complying with emissions standards stipulated by law and aiming for an overall reduction in emissions volume. The Nichirei Logistics Group is promoting increased logistical efficiency through joint shipping and modal shifts making use of railways and ferries. The Group is making progress on the reduction of NOx and particulate matter (PM) emissions by using exhaust regulation-compliant vehicles, conducting proper vehicle maintenance, and promoting such initiatives as eco-driving. Furthermore, there are no emissions from the Nichirei Group's business corresponding to the volatile organic compound (VOC) emission standards.

SOx Emissions



■ Use and Management of CFCs

Chlorofluorocarbons (CFCs) are said to be among the substances destroying the ozone layer. Their production is being phased out, and management regulations have been put into effect in sequences, starting with freon, which is the most destructive of the ozone layer.

The Nichirei Group uses freon as a refrigerant in the cooling facilities at its food plants and logistics centers. Although appropriate equipment management ensures that the refrigerant, which circulates within sealed cooling equipment, does not leak, the Nichirei Group disposes of it as required by law when major equipment repairs are carried out.

Meanwhile, the fact that freon is one of the gases that causes global warming has also become an issue. Since the CO₂ of the energy sources used for cooling equipment are also linked to global warming, the Group is determining the refrigerant it prefers in new equipment based on its energy-saving properties.

Nichirei Foods is systematically updating several freezer refrigerators from freon equipment to natural refrigerant equipment every year. Furthermore, the basic policy of the Nichirei Logistics Group is to select natural refrigerants when building new cold storage facilities or when extending existing facilities. It is also promoting a switch from freezing facilities that use CFCs to freezing facilities that use natural refrigerants for all its other existing facilities.

Use of natural refrigerants



Initiatives in Products and Services

Basic Philosophy

Basic Philosophy

Committed to manufacturing and service solutions that are conscious of minimizing environmental impact throughout the entire supply chain, the Nichirei Group will contribute to reducing the environmental impact of society as a whole. As a food-related corporate group that is greatly affected by climate change, the Group is working on reducing CO₂ emissions in its products.

The Group is also putting effort into controlling its generation of waste and reusing and recycling resources so that the earth's limited resources can be used continuously as much as possible. For bioresources that the Group is unable to use efficiently and economically or is unable to use completely, it is focusing on reusing these bounties of nature in animal feed or fertilizer and returning them to nature.

Management System

Management System

Environmental management system



Initiatives

Reevaluating Packaging and Containers

Nichirei Foods has been able to reduce waste by reevaluating its packaging and containers. With some products, doing away with trays ultimately made it easier to store the product. This consequently led to both a reduction in petroleum-derived plastic materials and a reduction in CO₂ emissions during manufacturing.

Nichirei Foods has also exercised ingenuity in merchandising, for instance, shortening both ends of packaging while maintaining its strength has led to a reduction in the use of plastic materials, and dispensing with the aluminum coating on the inside of packaging has made it easier to recycle.



Ultrasonic sealing of plastic film packaging

Some sales proceeds support forest preservation (Only Available in Japanese)



Reducing plastics in containers and packaging



Forest of Life Project (Only Available in Japanese)



Society

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Food and Health: Creating New Value

Basic Philosophy

Basic Philosophy

Changes are occurring under the new normal, including diversification of consumer needs and personalization of food and medicine. Leveraging the accumulated strengths and functions of the Nichirei Group, we will continue to provide new value that addresses the changing market environment and helps resolve social issues.

Initiatives

Initiatives That Promote Health

Nichirei Foods' Initiatives

Nichirei Foods does not only pursue great taste, but also sells health management foods through its official online shop that carefully monitor the intake amount of calories, sugar, salt, fat, protein, and so on for those who are on diets, trying to control their caloric intake, or affected by diabetes. It is working on modifying its website with guidance from national registered dietitians so that customers are able to choose menu items according to their health needs. In addition, it is selling organic frozen health products as part of the **Genkibatake-no-Organic** series that use organic ingredients raised on farms without the use of chemically synthesized pesticides or fertilizer.

Initiatives at Nichirei Fresh

At Nichirei Fresh, emphasis is placed on the feed and livestock environment in meat production. With most chickens that are reared for meat, antibiotics, synthetic antibacterial agents, and other chemicals are used to treat illnesses as well as to prevent disease in factory farm conditions and promote growth. However, with Nichirei Fresh's **FA Chicken**, while vaccines are used, no antibiotics or synthetic antibacterial agents are used at all throughout the entirety of the rearing process. To pay attention to the rearing environment and boost the chickens' natural immunity and raise their resistance to disease, a feeding method is employed that utilizes lactic acid bacteria and other attenuated vaccines and plant-based natural medicines (such as traditional Chinese medicine).

In addition, to address the issue of people not getting sufficient omega-3 fatty acids from current dietary habits, Nichirei Fresh developed the **Omega Balance** meat series using special feed and original rearing methods to allow a higher intake of omega-3 fatty acids than typical meat.

Nichirei Fresh places emphasis on its feed and livestock rearing methods, and it strives to help make the livestock industry better for people, the animals, and the environment.

Nichirei Biosciences' Initiatives

At Nichirei Biosciences, an information website is managed under the supervision of doctors with the objective of providing the latest immunostaining-related information to those engaged in pathological examinations at hospitals and such, as well as those at universities and research institutions involved in pathological research for basic and clinical medicine.

Men-eki Senshoku Tamatebako (Immunostaining)(Only available in Japanese)



Meat Production: Focus on Omega-3 Fatty Acids

Amani no Megumi Meat

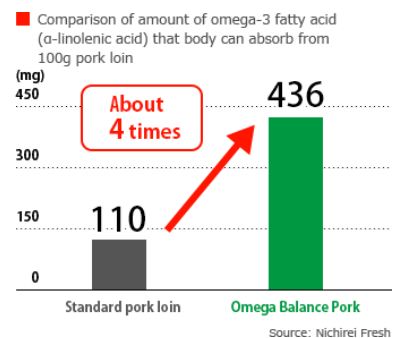
<http://www.goodbalancemeat.jp/> (Only Available in Japanese)

Nichirei Fresh produces and sells meat, and has been focusing on omega-3 fatty acids, which are essential for human health. We have improved the balance of omega-3 and omega-6 fatty acids in our meat by giving chickens, pigs and cattle* a formula feed that uses ingredients derived from flax, which is rich in α -linolenic acid. This results in tender and juicy meat, which we have been selling since 2006. Omega-3 fatty acids, abundant in blue-backed fish, flaxseed oil and perilla oil, are converted into eicosapentaenoic acid (EPA) and docosahexaenoic acid (DHA) in the body. However, the diet of people in Japan today is often lacking in essential fatty acids, which the body cannot synthesize, especially omega-3 fatty acids. By promoting everyday diets that include meat containing a balance of these fatty acids, Nichirei Fresh supports people's health.

*There are individual differences among cattle.



あまに
亜麻仁の恵み® 豚



Meat Analogue Containing No Animal Meat:

Daiz Meat

Nichirei Foods is developing meat analogue products as a new undertaking in frozen foods that will contribute to a more sustainable society. We reproduce the flavor and characteristics of meat without using animal meat by combining various kinds of soy meat, including that from germinated soybeans grown using the proprietary technology of DAIZ, which is engaged in advanced research on soybeans. Moreover, through the application of our know-how and technology for reproducing delicious flavors, we have developed products that are both healthy and tasty.



■ Possibilities of New Effects of Acerola

<https://www.nichirei.co.jp/news/2021/382.html>

In research into the body's high rate of absorption of vitamin C from acerola, Nichirei Foods analyzed the effects of acerola powder and acerola juice on gut microbiota. Our analysis showed that when human gut microbiota were supplied with acerola powder or acerola juice, there was an increase not only in beneficial enteric bacteria such as *Lactobacillus bifidus* but also metabolites such as acetic acid and butyric acid, which are known to be good for the body. We will delve deeper into these results and conduct even more sophisticated research. With this, we expect to be able to further clarify mechanisms and utilize the results in new research and development and product development. Food enriches people's lives and by approaching food from a scientific perspective, we aim to realize a healthier society.



■ Health through Nutrition

Composition-Controlled Foods

<https://wellness.nichirei.co.jp/shop/default.aspx> (Only Available in Japanese)

Since 2004, Nichirei Foods has been selling, by mail order, side dishes and rice that are not only calorie-controlled but also contain controlled levels of salt, fat and carbohydrate.

We have a registered dietitian in the company and offer meal consultations over the phone, thereby providing customers with the opportunity to easily manage their health.



Kikubari Gozen nutrition composition-controlled foods

■ Companion Diagnostics

Provision of diagnostics for personalized cancer treatments

<https://www.nichirei.co.jp/news/2018/321.html> (Only Available in Japanese)

In 2014, Nichirei Biosciences became the first Japanese company to manufacture and sell “companion diagnostics”, which are used to select treatments and drugs eligible for each patient with cancer in terms of their physical condition and pathology.

Furthermore, immune system-related technologies that we have developed so far are contributing to the advancement of personalized medicine that enables the selection of treatments and drugs that are highly effective and have few side effects.



Histofine ALK iAEP[®] Kit

Innovation

Needs relating to good eating habits have been growing and diversifying among customers and within society at large. In the drive to further strengthen its core competencies and proactively resolve social issues, Nichirei will leverage its production technologies and expertise, while drawing on new developments including those in AI, IoT, autonomous driving, and robotics.

* Artificial Intelligence (AI) is the use of computers to artificially realize the workings of human intelligence. Specifically, AI refers to computer programs that can understand natural human language, perform logical reasoning, and learn from experience.

Strengthening Food Processing and Production Technology Capabilities; Enhancing Logistics Services

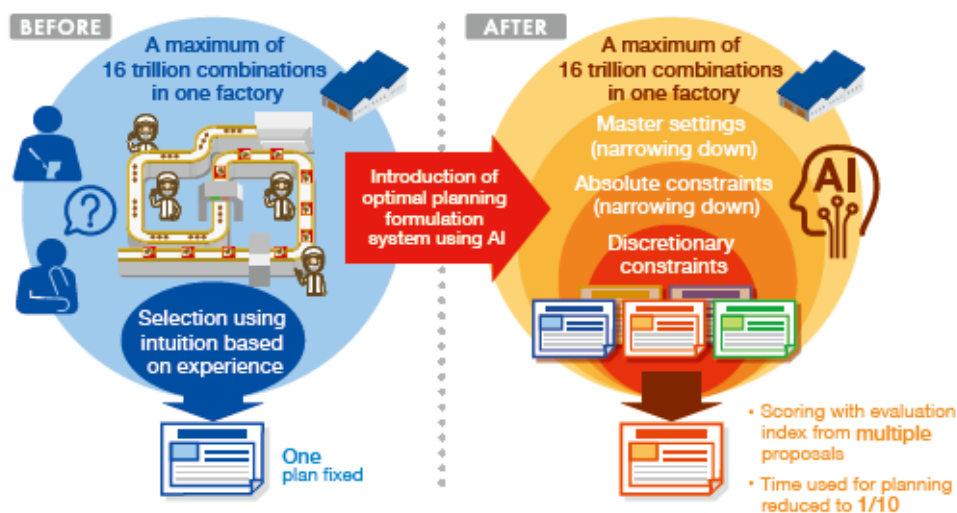
■ Harnessing AI to Automate and Optimize Production and Personnel Planning

https://www.nichireifoods.co.jp/news/2020/info_id8338/ (Only Available in Japanese)

Nichirei Foods has collaborated with Hitachi, Ltd. in creating a system that uses AI to automate and optimize production and personnel planning. In FY2021, the system was introduced at two model factories in Japan. It uses sophisticated AI technology to reproduce and refine plans previously formulated by experts based on complex constraints. In addition to legal and regulatory requirements involved in personnel planning, a variety of other conditions must also be considered, including individual ability, overtime, and paid leave. Until now, experts formulated plans based on such preconditions, often relying on experience-based intuition. The new system uses AI to automate planning and identify optimal solutions from among the various permutations, while also quantifying and incorporating intuition-based criteria. As a result, planning requires one-tenth of the time and can be conducted by non-expert employees. The system is expected to contribute to work style reforms such as by reducing the number of hours worked and encouraging more employees to use paid leave. Given that in recent years food manufacturers have been called upon to make and supply products while responding to fluctuations in demand, the system is contributing to improved customer satisfaction due to its application of advanced digital technologies and the creation of efficient production systems. Nichirei Foods will continue to harness digital technologies to promote further improvements in productivity, reductions in lead time and inventories, as well as work style reforms.



● Production Planning Formulation Image



From a maximum of 16 trillion combinations in one factory, production plans encompassing daily production products and volumes for each line and personnel plans involving shift schedules are formulated automatically.

■ Food Waste Reduction

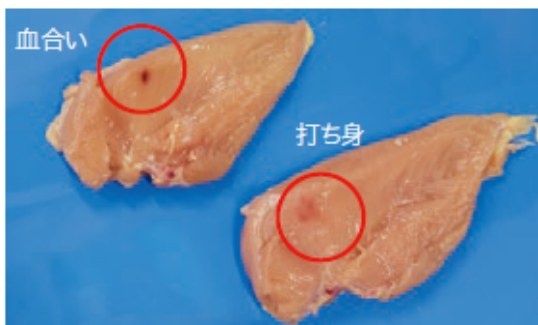
https://www.nichireifoods.co.jp/news/2018/info_id5715/ (Only Available in Japanese)

In February 2018, in partnership with Kindai University, Nichirei Foods developed technologies powered by artificial intelligence (AI)¹.

We maintain and control the quality of the ingredients for processed chicken products as we receive them, by using sorting technologies, such as metal detection, X-rays, near-infrared rays, optics and colors.

However, since the accuracy of these methods in distinguishing the quality of ingredients decreases depending on the position and angle of the foreign matter and impurities,² additional manual or visual inspection is often required.

In the selection of the ingredients for cuts of chicken, in particular, the three major impurities that must be eliminated are bones, feathers and bloodstains. Due to its ability to locate such impurities with pinpoint accuracy, AI-powered technology does not remove unnecessary amounts of impurity-free meat, leading to reduced food waste.



Notes:

1. Artificial Intelligence (AI) is the simulation of human intelligence processes by machines, especially computer systems. The computer programs used can understand human language, make logical inferences and learn from experience.
2. Impurities, the parts from the ingredients that are not normally edible, in the case of chicken referring to bones, feathers, etc.

■ Expiration Date Reader for Tablet Inspections*

<https://www.nichirei-logi.co.jp/news/2020/20200713.html> (Only Available in Japanese)

Following field tests, Nichirei Logistics Group began introducing an AI solution for automatically reading expiration dates from image data at 50 bases nationwide in FY2021. As part of its efforts to fully digitize warehouse operations, the Group is adopting tablet devices and AI solutions to expand functionality. Previously performed manually, expiration date input can now be completed using AI, enabling highly accurate readings of 93% or higher and fast processing speeds of about two seconds. This has led to improved quality control enabling anyone to capture expiration date images, simplifying overall operations, and facilitating stress-free work.



* Automated expiration date reader AI solution: AI-OCR (Optical Character Recognition/Reader) recognizes images using image preprocessing technology to identify the characters of the expiration date from the image and match the recognized expiration date with information in the cloud, to enable more accurate readings.

■ Autonomous Driving Forklifts

Nichirei Logistics Group began conducting field tests of autonomous driving forklifts at refrigerated warehouses in January 2018. In 2021, they were introduced at the Daikoku Distribution Center of Group company Kyokurei. A distinctive characteristic of autonomous driving forklifts is that they can be given instructions using a tablet device, thereby making safe use possible for employees who might otherwise lack the physical strength or operating skills to manually operate a forklift. Going forward, we will steadily increase the number of facilities with autonomous driving forklifts and tie that into reducing working hours, economizing on manpower for on-site work, and improving occupational health and safety at our warehouses.



An autonomous driving forklift at the Daikoku DC

■ Automated Guided Vehicles (AGVs)

In 2021, Nichirei Logistics Group introduced automated guided vehicles (AGVs) for transporting pallets supplied by Phoxter Corporation (Headquarters: Toyonaka City, Osaka; President & CEO: Junichi Sonoda), which develops image processing technology and automated guided vehicles, at the Sendai Distribution Center of Nichirei Logistics Tohoku. AGVs for transporting roll pallets have also been introduced at five transfer centers. The Group is focused on process innovation to address labor shortages, reduce the load on workers, and change on-site work so that anyone can do it. We will continue to work on building an optimal labor environment and system leveraging the characteristics of both humans and machines.



AGV for transporting roll pallets



AGV for transporting pallets

■ Truck Loading Dock Reservation System

<https://www.nichirei.co.jp/news/2017/298.html> (Only Available in Japanese)

At distribution centers, truck deliveries are concentrated at certain times, and without knowing each truck's cargo, smooth loading and unloading can be difficult, which has led to long wait times for truck drivers becoming a social issue. Aiming to alleviate and eliminate the problem of trucks having to wait, in October 2017 Nichirei Logistics Group began operating a truck reservation system. As of FY2021, the system has been introduced at 30 facilities nationwide. The system allows truck operators (the shipper or shipping company) to reserve a desired time for loading or unloading trucks, in line with the loading and unloading time slot framework at each distribution center. It also improves efficiency with regard to post-arrival administrative procedures by enabling truck operators to inform distribution centers of cargo details ahead of time. The introduction of the system has led to reductions in the time required for unloading and loading, truck operations, and truck exhaust gas emissions (CO₂ reductions).



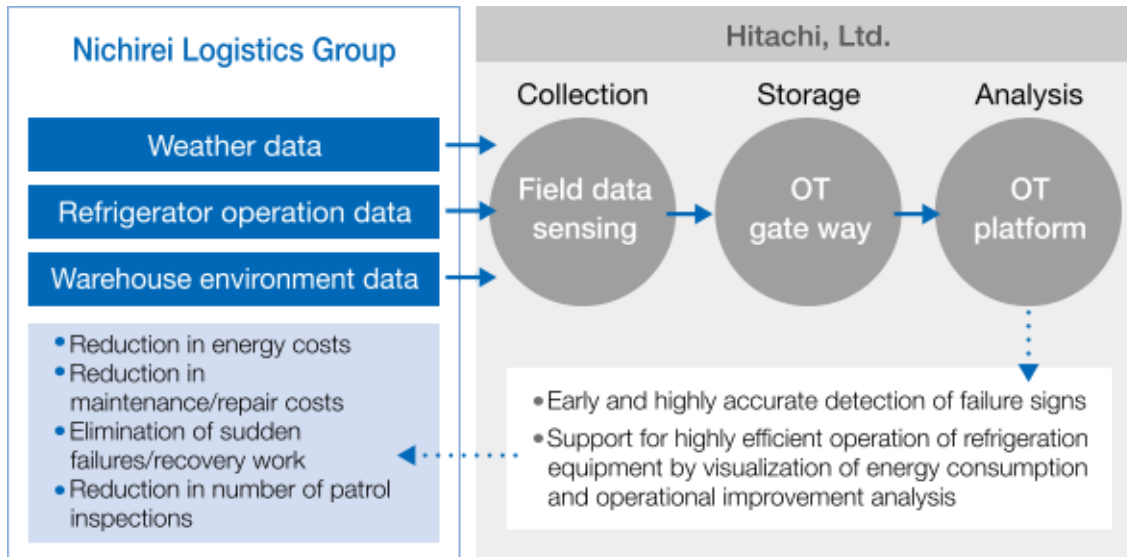
■ Using the IoT to Save Energy, Pass on Skills

Predicting refrigeration failures, saving energy

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=21>

In September 2018, the Nichirei Logistics Group worked jointly with Hitachi, Ltd. to install a system to predict refrigeration equipment failures using the IoT and to improve the operating efficiency of equipment.

This will allow operations and maintenance to be more efficient, while helping to overcome the shortage of skilled engineers and save energy.



TOPICS

Technology for Personalized Flavor

<https://www.nichirei.co.jp/newbiz/biz002/> (Only Available in Japanese)

We are developing a program that gives flavor recommendations to make people's selection of food more enjoyable. The associated service will commence in 2020.

The program uses the Nichirei Group's *MS Nose* proprietary technology, which measures retronasal aroma¹ which is a key element of flavor.

It also uses psychometrics,² the design and interpretation of tests that measure psychological values. Using technology to find flavors that one likes enables one to enjoy food better and represents an added value that has not previously been available.

Notes:

1. The sense is stimulated when aroma moves from the mouth to the olfactory receptors.
2. Technology developed in collaboration with the Faculty of Science and Engineering, Chuo University.



* Since the screen is still under development, the display results, etc. may change.

Initiatives for Innovation

Antibiotic-free Chicken

<https://www.nichireifresh.co.jp/product/livestock/detail/?id=376>(Only Available in Japanese)

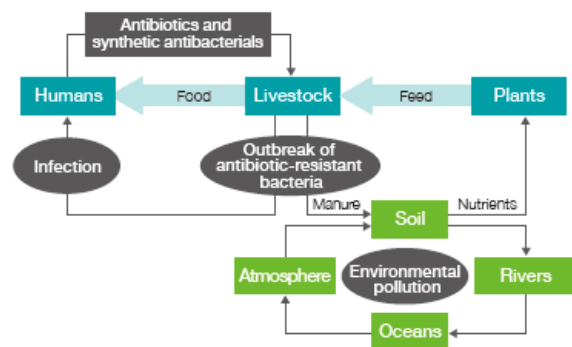
Chemical agents, such as antibiotics and synthetic antibacterials, are used in general broiler chicken farming to treat diseases, prevent the spread of illnesses due to farming conducted in tight spaces, and generate growth. Nichirei Fresh Inc. has been selling antibiotic-free chicken since 2004. While vaccinated, our poultry is not exposed to chemical agents, including antibiotics and synthetic antibacterials, that could generate antibiotic-resistant bacteria.* Instead, our poultry farming methods take full advantage of the innate immunocompetence of chickens.



Our farming technology takes into consideration the rearing environment and also applies its own expertise to poultry farming, thereby raising the natural immunocompetence of chickens and developing their natural resistance to diseases through the use of such substances as lactic acid, other probiotics, and plant-based herbal medicines that help maintain the health of chickens and boost their immunity.

Since the manure of chickens exposed to antibiotics affects soil bacteria and groundwater, the poultry farming methods used to produce antibiotic-free chicken also contribute to the natural cycles intrinsic to ecosystems.

● Antibiotic-resistant Bacteria That Threaten Ecosystem Cycles



* Drug-resistant bacteria: Protecting people from drug-resistant bacteria (not affected by antibacterial agents) is becoming an issue worldwide. Those with weakened immunocompetence who are exposed to such bacteria may not respond to treatment with antibiotics.

Drug-resistant bacteria have been found in livestock continuously exposed to chemical agents such as antibiotics and synthetic antibacterials. As a result of growing consumer interest in the United States, meat from animals not exposed to antibiotics is becoming increasingly popular.

We will continue to assess the issue of drug-resistant bacteria as we produce chicken that helps maintain human health.

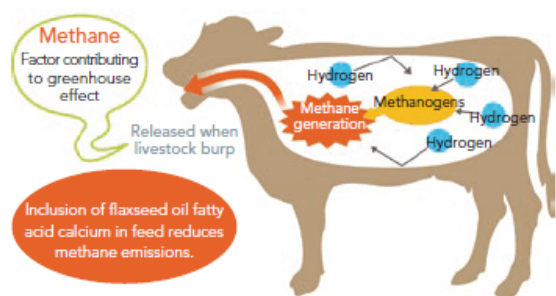
Reducing Methane Emissions in Beef Cattle Farming

■ Addition of Key Omega (Flaxseed Oil Fatty Acid Calcium) to Feed

Ruminants such as cattle and sheep have four stomach chambers. In the process of breaking down and digesting feed, microbes in the rumen (first chamber) produce hydrogen and carbon dioxide. Microorganisms called methanogens turn these gases into methane, which is released when the animal burps. Methane is said to have 21 times the greenhouse effect of CO₂, and around 16% of all methane produced around the world comes from ruminants. Cattle account for roughly 70% of this total and are considered a factor in the acceleration of global warming. Research has shown that including a certain portion of flaxseed oil fatty acid calcium (feed raw material processed from flaxseed oil) in beef cattle feed improves the efficiency of weight gain, reducing the fattening period, which in turn leads to a reduction of methane emissions. In 2009, with the aim of putting this technique to practical use, Nichirei Fresh conducted a series of fattening trials with the cooperation of domestic beef cattle farmers, JA (Japan Agricultural Cooperatives) and animal research centers in each region and established optimal fattening programs for each breed of beef cattle. Unsaturated fatty acids, which are abundant in flaxseed oil, combine with hydrogen in the rumen to suppress methane emissions. The process also prevents energy loss, which translates into a reduction of feed costs due to a reduced fattening period and increased shipping weights, bringing an economic benefit to livestock farmers.

Mechanism of Cattle Methane Production

(Illustration)



Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)



■ Reliable Management System: Inspections to Ensure Use of Antibiotic-free Chicken

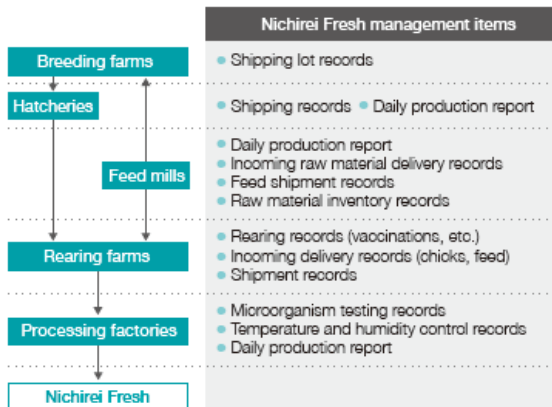
Nichirei Fresh is performing its own inspections to ensure that poultry is antibiotic free. These inspections roughly break down into verification of production processes and product inspections.

Personnel responsible for the inspections regularly visit production areas to verify that all production processes (from those in feed mills to those in breeding farms and processing factories) are being performed to the Company's standards.

In addition, the Nichirei Quality Assurance Division's Food Safety Research Center performs product inspections involving testing for antibiotic residue in special feed used in the production of antibiotic-free chicken and in final chicken products.

Nichirei Fresh ensures that quality control is adequate by inspecting all its processes, from the animal feed it uses to final product shipments.

● Quality Control: Antibiotic-free Chicken



FA (free from antibiotics) chickens (Only available in Japanese)



■ Food Shortage Response Initiatives

Joint Research and Development Associated with Germinated Soybeans

https://www.nichireifoods.co.jp/news/2020/info_id8335/ (Only Available in Japanese)

Recently, the search for alternatives to animal proteins has been receiving a large amount of attention due to a variety of factors, including the increasing world population, food issues caused by more frequent patterns of inclement weather, the need for measures to reduce environmental impact through better food production efficiency, and higher awareness regarding food diversity and health. In January 2020, Nichirei Foods invested in DAIZ Inc., a frontrunner in the search for alternative proteins that is conducting advanced research regarding soybeans.

The germinated soybeans that DAIZ Inc. owns and researches are delicious and nutritious and have the potential to resolve existing issues related to vegetable proteins, including peculiar flavors and unsatisfactory textures. Moving forward, we will conduct joint research and development aimed at creating new value along with DAIZ Inc.

Food Allergies

There are 27 foods listed as allergy triggers in Japan. Of these, the Consumer Affairs Agency requires that seven (shrimp, crab, wheat, buckwheat, eggs, milk, peanuts) be displayed on packaging due to the frequency and seriousness of the allergic reactions they cause.

The Nichirei Group both checks the raw ingredients it uses and assesses the likelihood of contamination during manufacture in order to accurately identify the food allergens on packaging, in compliance with the nation's food labeling laws. We have made every effort to itemize the food allergens contained in frozen foods for home use that are handled by Nichirei Foods.

Provide Safe Products and Services



Maintain a Sustainable Supply Chain

Basic Philosophy

Basic Philosophy

We recognize that the sustainable procurement of resources is extremely important for the Nichirei Group to continue to provide value to society. In addition, we recognize that, when conducting global business activities, it is important to work with stakeholders in our supply chain to respect the environment and human rights. In the years to come, we will continue to contribute to the realization of a sustainable society through efforts to resolve social issues along our supply chain.

Nichirei Group Sustainable Supply Chain Policy

The Nichirei Group is committed to building a sustainable supply chain. The Group procures products and services in accordance with the following policy and asks suppliers to agree and comply with this policy.

Legal compliance: We comply with the laws and social norms of each country and region where we operate.

Fair business practices: We employ fair, transparent, and impartial business practices.

Human rights: We respect human rights and provide safe, healthy work environments.

Environment: We strive to reduce environmental impact and consider the health of the global environment.

Product quality and safety: We work hard to deliver safe, high-quality products and services.

Information management: We manage information properly and disclose information related to our business activities in a timely, appropriate manner.

Local communities: We seek to build close cooperative relationships with local communities, as a good corporate citizen.

[English](#) [Chinese](#) [Thai](#) [Vietnamese](#) [Portuguese](#) [Spanish](#)

Nichirei Foods Inc. Supplier CSR Guidelines (published OCT. 2020)



[Japanese](#) [Chinese](#) [Vietnamese](#) [Thai](#)

Human Rights Initiatives



Management System

The Group is aware that it may have various impacts on society and the environment, including in its supply chain, through its domestic and international business activities, so it wishes to forge an appropriate relationship with stakeholders from a social and environmental perspective as well. In April 2017, the Group declared “maintaining a sustainable supply chain” as one of the important items in the Nichirei Pledge of its Basic CSR Policy, and as the foundation for progress on this front, it established the Nichirei Group Sustainable Supply Chain Policy. The Nichirei Group will cooperate with its suppliers and promote initiatives based on this Policy.

At its operating company Nichirei Foods, in terms of business activities that take CSR into account, suppliers and partner companies perform a self-check of the essential items concerning social responsibility related to procurement, and dialogue about the contents of the check sheet occurs during factory quality audits. In this process, the Nichirei Group Sustainable Supply Chain Basic Policy is shared with suppliers in Japan and overseas to obtain understanding and cooperation.

Regular Audits

Regular audits are conducted by each Group company based on an annual plan. The plans are determined by rationally and objectively evaluating the magnitude of possible risks, based on risk management, whether or not certification of international standards has been obtained, the quantity of products handled annually, and product characteristics. PDCA is also used in regular audits. Audit results are used as a reference when determining audit policies and target sites when developing audit plans for the upcoming year.

Quality assurance (number of audits, certifications, and training hours)



CSR Management Discussion Meetings

The Group has been holding “CSR Management discussion meetings” since FY2017 primarily to offer an opportunity for discussion on business activities that contribute to social responsibility, what group communication should be like, and building trust with society. This discussion consists mainly of the members of the holding company’s CSR Management promotion project and the Strategic Planning Divisions and Management Divisions of the Group’s four core companies. These meetings were held 12 times in FY2018, 5 times in FY2019, and there were discussions about initiatives related to maintaining a sustainable supply chain, as well as an examination of the Group companies’ environmental and social issues.

The Group Supply Chain Committee

The Group established a Group Supply Chain Committee in FY2021 to discuss the risks and opportunities related to social issues and human rights throughout the supply chain. This Group Supply Chain Committee also serves as an advisory committee to the Board of Directors and is chaired by the President and CEO.

Inaugural Supply Chain Meeting to Promote CSR Procurement

Since 2019, in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, the Nichirei Group has been promoting the understanding of, and working toward attaining, the Nichirei Group Sustainable Supply Chain Policy and ensuring that our supply chain business partners are in step with the Group’s CSR procurement activities. In FY2021 (ending in March 2021), we launched a Supply Chain Meeting to enable Group companies to participate in formulating Group CSR procurement guidelines, as well as to share with us and examine issues regarding the addressing of human rights due diligence. In addition to Nichirei Foods having joined the July 2019 Sedex* London conference, the Group is engaged in ethical and responsible business practices throughout our global supply chain.

* Supplier Ethical Data Exchange, a non-profit organization established in the United Kingdom in 2004 to provide a platform for managing and sharing corporate ethical information with the aim of realizing responsible business practices in supply chains.

Initiatives

■ Participation in Human Rights Program

As an external activity related to human rights, the Nichirei Group is participating in the Stakeholder Engagement Program operated by the Japan CSR Consortium, for which the Caux Round Table operates a bureau. In the Program, we discussed with NPOs/NGOs and other companies to identify sector specific human rights issues.

We worked on identifying human rights issues specific to the food industry and logistics business, we had discussions that delved into human rights issues. The result shall be considered in our human rights activities and we will continue to engage in stakeholder engagement to identify industry-specific human rights issues.

The report of stakeholder engagement program can be downloaded from the web site of CRT Japan.

2020 Human Rights Due Diligence Workshop



In addition, the Group participated in an international convention of human rights (hosted by CRT Japan) that was attended by NGOs and human rights experts.

■ Certified Sustainable Palm Oil (RSPO Oil Credits)

Palm oil from the fruit of the oil palm is used as a raw material in such products as cooking oil, soap and detergent. In recent years, the ongoing large-scale development of oil palm plantations has led to environmental issues, including deforestation of tropical rain forests and CO₂ emissions from peat areas, as well as forced labor and child labor among plantation workers, which are global issues. In August 2018, the Group became a member of the non-profit organization Roundtable on Sustainable Palm Oil (RSPO), which promotes the production and use of sustainable palm oil. We are advancing efforts to ensure that the palm oil used to make our products is sustainable. This includes calculating the total amount of palm oil used as frying oil at Nichirei Foods' factories (at consolidated subsidiaries in Japan and overseas), and purchasing a corresponding amount of RSPO oil credits (via the book and claim method).



4-1055-18-100-00

Membership profile page

<https://rspo.org/members/7750>

■ Questionnaire Survey and Progress with Major Suppliers

To work on building sustainable supply chains, the Nichirei Group undertakes the procurement of products and services in accordance with its policy and encourages its suppliers to understand the policy and put it into practice.

	FY2018	FY2019		FY2020	FY2021	FY2022
Nichirei Foods	Shared Nichirei Group Sustainable Supply Chain Policy with important suppliers in Japan and overseas, conducted surveys in a questionnaire format	Collected all questionnaires	Analyzed questionnaire content	• Join Sedex	Conducted SMETA audits at two domestic factories	Conducted SMETA audits at all remaining 13 domestic factories
Nichirei Fresh			Visited some suppliers and exchanged opinions	• Started creating Supplier CSR Guidelines Continuation of analysis of questionnaire contents	Conducted a questionnaire based on CSR guidelines to domestic suppliers A new list of domestic and international suppliers is being compiled	Ongoing collection of questionnaires A CSR questionnaire is being prepared

Nichirei Foods Inc. Supplier CSR Guidelines (published OCT. 2020)



■ Promoting CSR Procurement: Sedex Membership and SMETA

<https://www.nichirei.co.jp/sustainability/social/supplychain/supply.html>(Only available in Japanese)

Since FY2020, we have been promoting understanding of the Nichirei Group Sustainable Supply Chain Policy and our CSR procurement activities among business partners. In FY2021, we launched our Group Supply Chain Meeting, where we discuss shared issues in addressing human rights due diligence. In FY2022, we launched the Group Supply Chain Committee. In addition, Nichirei Foods joined Sedex¹ in July 2019. We established the Nichirei Foods Supplier CSR Guidelines in October 2020 and disclosed them in five languages. In FY2022, we began implementing SMETA² audits at our domestic food factories.

Notes:

1. Supplier Ethical Data Exchange (Sedex): A non-profit organization established in the United Kingdom in 2004 to provide a platform for managing and sharing corporate ethical information with the aim of realizing responsible business practices in supply chains.
2. Sedex Members Ethical Trade Audit (SMETA): An audit methodology developed by the Sedex Stakeholder Forum, whose members consist of brand-owners, companies, and audit firms, by consolidating best practices related to ethical audits.



ASC/MSC-certified Products

Aquaculture Stewardship Council, Marine Stewardship Council Certification

Since 2006, Nichirei Fresh has engaged in Inochi-no-Mori Project¹ nature conservation activities involving sustainable giant tiger prawn farming and mangrove tree planting in Kalimantan, Indonesia. These activities were extended to whiteleg shrimp ponds in Sumatra, Indonesia, and obtained Aquaculture Stewardship Council (ASC) certification² in 2018. Since 2020, we have planted about 280,000 mangroves. In addition, we are gradually increasing the number of marine products we handle that have obtained Marine Stewardship Council (MSC) certification.³ As of June 2020, we had obtained MSC certification for products of 17 species. We will continue to expand our lineup of MSC-certified processed marine products.

Notes:

1. Inochi-no-Mori Project: <https://www.nichireifresh.co.jp/inochinomori/> (Only Available in Japanese)
2. ASC certification requires that marine products used have been cultivated in a sustainable manner.
3. MSC certification requires that wild seafood used has been caught using methods that do not deplete the natural supply.

Nichirei Fresh Products That Have Obtained MSC/ASC Certification

Certification	MSC/ASC Certification
ASC Certification Number ASC-C-01632	Giant tiger prawn, whiteleg shrimp, Pacific cupped oyster, Atlantic salmon, coho salmon, rainbow trout salmon, rainbow trout
MSC Certification Number MSC-C-52165	Chinook salmon, silver salmon, pink salmon, chum salmon, sockeye-red salmon, Pacific cod, northern rock sole, yellowfin sole, English sole, walleye pollock, arrowtooth flounder, great Atlantic scallop, silver smelt, snow crab, herring, arctic surf clam, red king crab, longfin inshore squid, Pacific oyster



Shio Sujiko (salted sujiko), processed roe from MSC-certified Alaskan sockeye-red salmon

Supplier Rasing

Nichirei do Brasil Agricola Ltda. provides contractors with acerola seedlings and cultivation technology, and the fruits that are the result are all purchased by Nichirei do Brasil Agricola, and contributes to the local society including the guidance for the farmers, employment and income.

Sustainable Regional Agricultural and Livestock Cycle through Junwakei Chicken

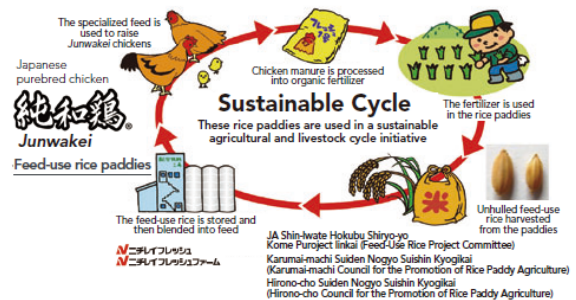
Over the 12 years since launching a feed rice project in collaboration with the JA cooperative in Iwate Prefecture and farmers from Karumai and Hirono in 2009, Nichirei Fresh has been implementing a sustainable regional agricultural and livestock cycle through the production of the Junwakei breed of chicken (a crossbreed of two native Japanese species). When the project was first launched, paddies for feed rice covered around 15 hectares. By FY2021, this area had expanded to around 200 hectares yielding a harvest of roughly 1,600 tons. Manure from the poultry farm is made into organic fertilizer at an on-site high-speed chicken manure processing plant. This fertilizer is spread over the feed rice paddies, providing nutrients for the soil, where previously they were resting rice fields. Rice harvested from these paddies is fed to Junwakei chickens as formula feed. Moreover, waste heat energy from the manure processing plant is used to heat the chicken coops.



High-speed chicken manure processing plant



Chicken manure made into organic fertilizer



Human Rights

Basic Philosophy

Basic Philosophy

The Nichirei Group believes that respecting the human rights not only of the Group's employees, but also all stakeholders involved in its businesses, including supply chains, is significant and absolutely essential.

In order to build a sustainable supply chain, the Group established the Nichirei Group Sustainable Supply Chain Policy in April 2017. The Group procures products and services in accordance with the following Policy and asks suppliers to assent to and comply with this policy. In one of the items, where it is stated that that "the Nichirei Group respects human rights and provides safe, healthy work environments," sexual harassment, child labor, and discrimination against women and people with disabilities is forbidden.

Human Rights Policy

Code of Conduct



Recognizing that our business processes may have direct or indirect effects on human rights, we have established the Nichirei Group Human Rights Policy (hereafter referred to as the "policy"), based on the United Nations Guiding Principles on Business and Human Rights. This policy guides us in our efforts to fulfill our responsibility to respect the human rights of all stakeholders of our business.

1. Scope	The policy is applicable to all employees and officers of the Nichirei Group. We will also require business partners to support the policy and work towards ensuring respect for human rights.
2. Basic Principles	<p>In addition to our efforts to promote respect for human rights based on the United Nations Guiding Principles on Business and Human Rights, the Nichirei Group supports and upholds the following international standards:</p> <p>The United Nations International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights);</p> <p>The International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and</p> <p>The United Nations General Assembly Resolution: The United Nations Declaration on the Rights of Indigenous Peoples.</p>
3. Identification of, Response to and Disclosure of Issues Related to Human Rights	<p>The Nichirei Group will establish a system of human rights due diligence to identify, prevent and mitigate adverse impact on human rights generated by our group in society.</p> <p>If any business activities of the Nichirei Group cause adverse impact on human rights or if it is discovered that the Nichirei Group is involved in causing adverse impact on human rights through our business transactions with stakeholders and the like, we will take steps to provide a remedy based on internationally recognized processes.</p> <p>The Nichirei Group will utilize the expertise and knowledge of independent, external human rights experts in implementing this policy and engage in earnest dialogue and consultation with stakeholders who may be affected by our business.</p> <p>The Nichirei Group will specifically assign officers with responsibility in implementing the policy and monitor implementation of this policy.</p> <p>The Nichirei Group will appropriately conduct education and training to ensure that this policy is being effectively implemented across all business activities of the Nichirei Group.</p> <p>The Nichirei Group will regularly disclose results of and progress made in, our efforts to promote respect for human rights based on this policy.</p> <p>The Nichirei Group will comply with all laws and regulations of countries and regions in which we conduct our business activities. Where there is a conflict between national laws/regulations and internationally recognized human rights standards, the Nichirei Group will seek ways to respect international human rights to the maximum extent possible.</p>



Management System

Management System

In the Group's endeavors to respect human rights in its business activities, the Group is aware that it may have various impacts on society and the environment, including in its supply chain, through its domestic and international business activities, so it wishes to forge an appropriate relationship with stakeholders from a social and environmental perspective as well. In 2018, the Group began performing due diligence with regard to human rights and established a human rights policy in April, 2019.

Initiatives

External Communications

■ Participation in Stakeholder Engagement Program

During the Caux Round Table stakeholder engagement program held between June and July 2019, there were proposals from NGOs and others, as well as dialogue among companies, we worked on identifying human rights issues specific to the food industry and logistics business, we had discussions that delved into human rights issues.

The result shall be considered in our human rights activities and we will continue to engage in stakeholder engagement to identify industry-specific human rights issues.

The report of stakeholder engagement program can be downloaded from the web site of CRT Japan.

2020 Human Rights Due Diligence Workshop



Also, we participate in the Business and Human Rights Conference (organized by the Japanese Committee of the CRT), which is attended by NPO/NGOs and human rights experts from Japan and abroad.

Business and Human Rights Conference



Initiatives for Human Rights of Employees

The Nichirei Group is aware that, when it comes to operating a global business, respecting the human rights not only of the Group's employees, but also all stakeholders involved in its businesses is absolutely essential, and that this philosophy applies to all people and companies. Based on this way of thinking, the Group has referenced both the "ILO Declaration on Fundamental Principles and Rights at Work"*¹ and the "UN Guiding Principles on Business and Human Rights"*², among other international human rights standards, and sets forth the Group's Code of Conduct as follows. The Nichirei Group respects human rights and does not discriminate at all based on race, skin color, gender, religion, political views, nationality, social status, background, or any other factor. The Nichirei Group rejects all forms of forced labor and child labor. Furthermore, discriminatory behavior, violent behavior, sexual harassment, power harassment, and other such behavior is forbidden, and regulatory standards are adhered to with regards to wages (including legal allowances) and working hours. In fiscal 2017 (FY18/3), the Group established "The Nichirei Group Workplace Improvement Policy" based on the Nichirei Pledge and aims to achieve its goals by FY22/3. In addition to each Group company promoting efforts that address their individual issues, Nichirei also facilitate exchanges of information and confirms each other's progress through the Group-wide Group Human Assets Committee and Diversity Promotion Conference.

- * 1 All member nations pledge to respect, promote, and realize the obligation to eliminate discrimination in hiring and employment, implement effective abolition of child labor, forbid forced labor, and effectively approve freedom of association and the right of collective bargaining.
- * 2 Established by the Special Representative of the Secretary-General John Ruggie with the objective of enforcing the "Protect, Respect and Remedy" framework established to strengthen the standards and customs related to multinational firms' businesses and human rights.

■ labor-management relations

In order to support the sound development of the Nichirei Group, the Nichirei Labor Union strives to ensure that the individual rights of every union member are respected. This is based on the principle of equality among members of labor and management, as well as the union's vision of a workplace environment with mutual incentives to work. The union considers labor-management negotiations to be important. It thus narrows down the demands of its members and pushes for workplace improvements, all the while maintaining a productive relationship with management.

Labor union activities; labor-management cooperation

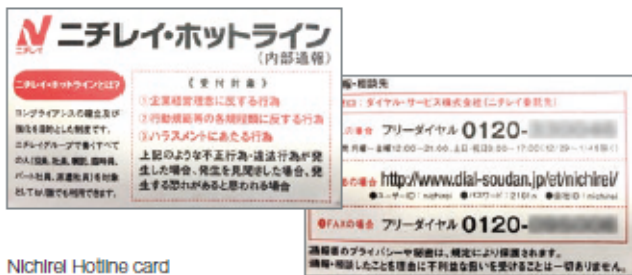


Internal Whistleblower Hotline and Consultation Service

In October 2003, the Company introduced an internal reporting and consultation hotline. This allows employees to report, or seek advice on, actions that violate laws or company regulations, or that are ethically questionable.

In FY2016, the Company updated its internal whistleblower hotline system in response to the requirements of Japan's new Corporate Governance Code, which specifies that internal whistleblower hotline systems are to be independent from a company's management. To ensure that all employees are aware of the new hotline, the Company created and distributed promotional posters for its workplaces and reminder cards for employees. In accordance with Company policy, all reports received are relayed to top management by the administration office, which also conducts an investigation to confirm the facts, implements corrective measures and provides feedback to the person who made the report (when not reported anonymously).

Anonymity is preserved to protect the identity of the person reporting, while the process is carefully managed to ensure there is no retaliation against or adverse treatment of the person reporting by those who are the subject of complaints.



Number of whistleblower reports and consultations regarding human rights issues

Number of Whistleblowing Cases, by Type

Compliance

e-learning

Provide Safe Products and Services

Basic Philosophy

Basic Philosophy

The Nichirei Group's fundamental policy on quality assurance is to ensure the quality and safety of the food products and services it provides, so that they are safe for consumers. At the same time, we are maintaining and improving Group-wide levels of quality control, quality assurance and customer satisfaction. We aim for further enhancements by implementing the PDCA cycle in our quality management system and food safety management system and encouraging improvements when deficiencies are found through internal audits and quality audits at factories.

Fundamental Policies on Quality Assurance

1. Compliance with the requirements of laws governing food products.
2. Recognizing the needs of customers and partners regarding food safety and security, and working to better the Group's quality management and assurance.
3. Applying the concepts of food defense, safety and crisis management, to prevent Group products from threatening the health of customers.

Fundamental Policies on Quality Assurance



The Reasoning behind the Nichirei Group Displaying Quality Assurance on Product Packaging

Providing appropriate information to customers is essential to making them feel at ease, just like sincerely listening to their concerns.

Simply meeting the standards set by the food labeling laws is not enough to convey the true flavor that the Nichirei Group most wants to evoke.

The Nichirei Group put its heart into conveying the delicious taste of its products, while also accurately passing along the information that customers need in an easy to understand manner.

Nichirei Foods employs various packaging strategies to help customers choose us from among the countless other brands of frozen food. In general, the following way of thinking is applied to all product packaging that receives the N mark.

1. Safety information clearly given

The Nichirei Group provides allergen-related and nutritional information, in compliance with the standards prescribed by all labeling laws. It also uses easy to understand diagrams and illustrations to convey important information concerning the cooking of its products.

2. Product origination

Customers each have their own criteria for choosing a product. The Nichirei Group uses easy to understand diagrams and drawings, and 2D bar codes used for mobile marketing to provide essential customer information, including where an item and its ingredients were produced, and how it should be prepared for serving.

3. Conveying products flavor

The Nichirei Group consults designers about how packaging can best convey a product’s flavor.

4. Contact information for customer inquiries

The Nichirei Group displays contact information for collecting various types of information from customers.

5. Meeting industry standards

In addition to accreditation marks, the Nichirei Group displays the information required for packaging to be sorted for appropriate disposal or recycling.

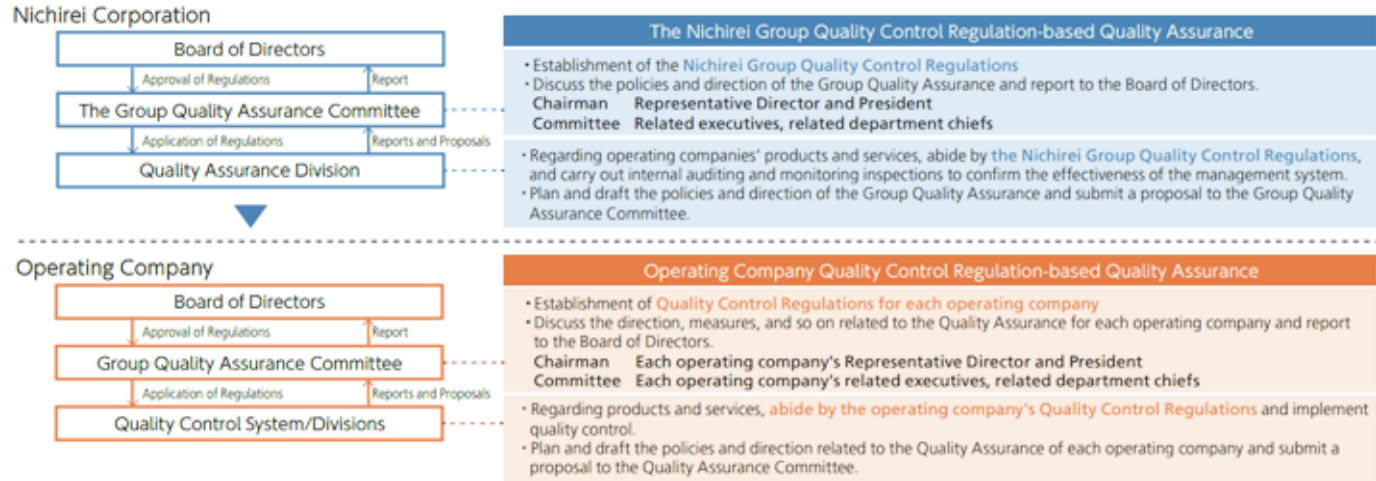
Management System

Management System

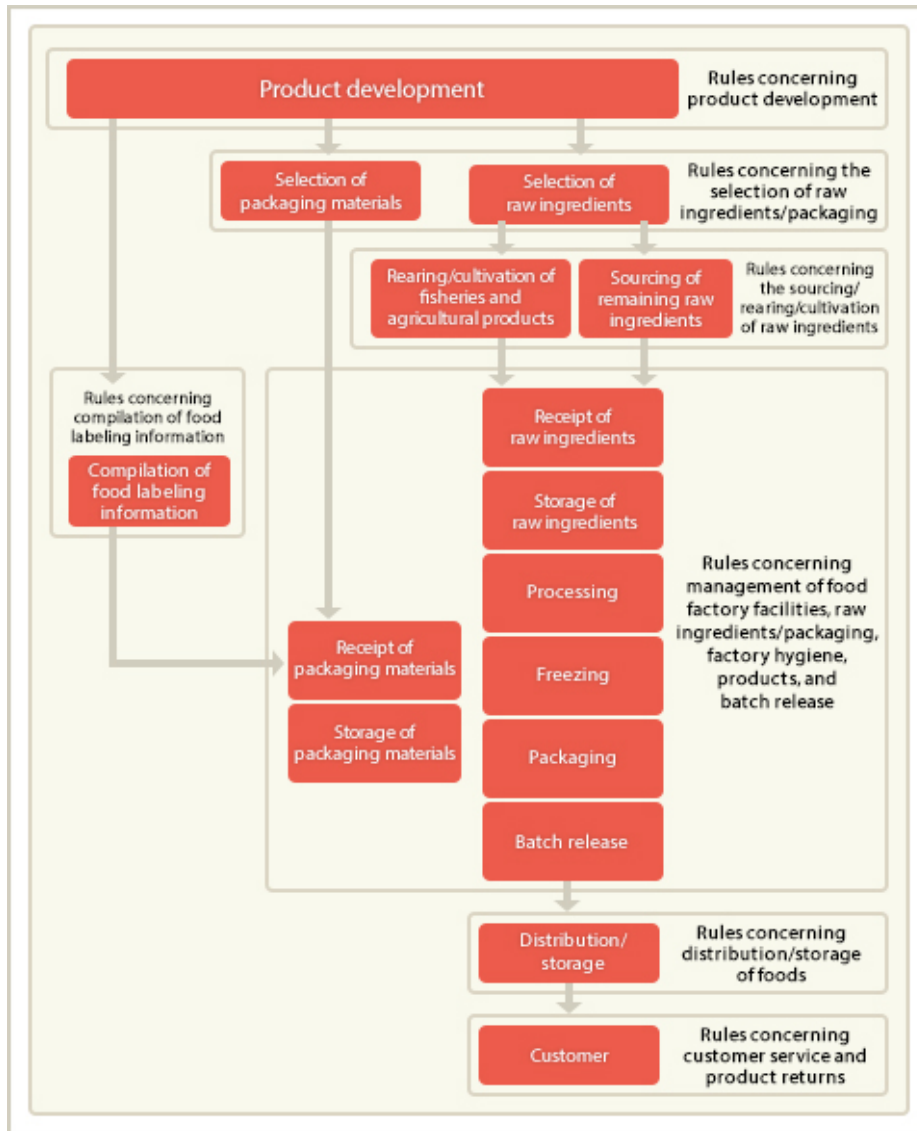
The Nichirei Group Quality Assurance System

The Nichirei Group Quality Assurance System Diagram

The Nichirei Group Quality Assurance System Diagram



- Product Quality Assurance



The Nichirei Group offers a variety of products and services. Each operating company has established rules and standards based on the characteristics of the products and services it provides.

The establishment of these rules and standards is based on the hazard analysis and critical control points (HACCP) system.

The Nichirei Group's systematic preventative approach to food safety emphasizes the biological, chemical, and physical hazards in production processes and the need for a quality management system. This philosophy generally applies to all food products, and initiatives proceed according to its rules.

The Nichirei Group is working to increase the degree of food safety that it can ensure, through initiatives designed to protect food from intentional tainting that cannot be avoided using food safety initiatives, and crisis management initiatives, which allow accurate information to be revealed quickly in the event of an accident/incident leading to health hazards. It is also working to increase the degree of food safety that it can ensure, and expand its risk communication abilities during emergencies.

The Nichirei Group Quality Assurance System



■ Building of Quality Control System through Proactive Introduction of International Standards

https://www.nichirei.co.jp/sites/default/files/inline-images/csr/esg/pdf/esg_13.pdf

The Nichirei Group offers a variety of products and services that possess distinguishing characteristics. In addition to the operation of internal rules and regulations that match those characteristics, we are actively promoting the acquisition of international standard certifications while working to strengthen our quality control system and provide safe products and services.

■ Certification Status

Quality assurance (number of audits, certifications, and training hours)



■ Food Defense Initiatives

<https://www.nichirei.co.jp/english/safety/system.html>

The Nichirei Group emphasizes people management to protect food. In areas where food is handled, in addition to restricting access to authorized individuals, we have made it possible to determine the when, who and where of such individuals at all times. In-house operation rules covering visitors and contractors, as well as self-checks are in place and audits of our plants are conducted regularly to confirm safety. We are also working to improve the workplace environment based on employee satisfaction surveys and interviews. We have installed cameras and face recognition systems at all of our plants in Japan and overseas. To protect food we have created a system that is based on the distinguishing characteristics of each product and enables follow-up investigations should issues arise. If an issue does occur, a link is established with our food crisis management system, which facilitates the dissemination of accurate information and quick responses.



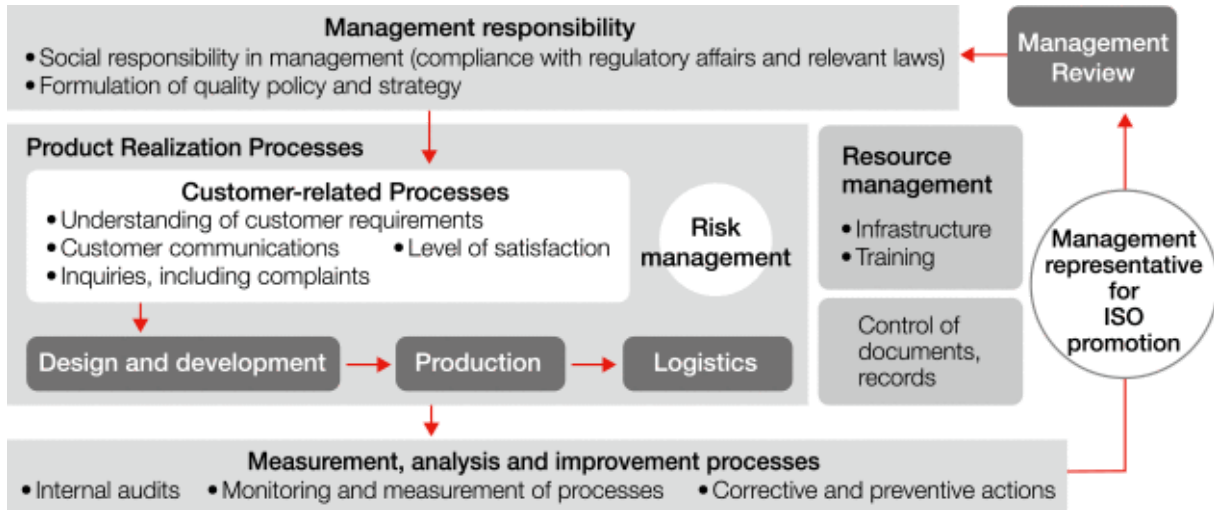
■ Quality Assurance System for Diagnostic Drugs Based on ISO 13485

https://www.nichirei.co.jp/sites/default/files/inline-images/csr/report/2017/pdf/pdf_2017_007.pdf(Only Available in Japanese)

Having obtained ISO 13485* certification, the international standard for quality management systems in medical devices, Nichirei Biosciences is building a thorough quality assurance system.

* The international standard for quality management systems in the medical field covering the continuous manufacture and supply of safe and useful medical devices and in vitro diagnostics.

● Overview of ISO 13485



■ Safe Workplaces, Better Service

<https://www.nichirei-logi.co.jp/company/csr.html> (Only available in Japanese)

Nichirei Logistics Group sets themes four times a year designed to prioritize safety and quality at warehouses. Accident prevention activities are conducted under these themes at all domestic facilities (114 locations).



Participants of the 6th contest which is held once a year



All-Japan Forklift Driving Competition (held once a year every three years)



Judging of inspection skills



Scene from the competition

■ Service Quality Assurance

Nichirei Logistics Group's new logistics center is outfitted with the most cutting-edge equipment, including advanced security functionality and a seismic isolation structure. In addition, in regard to quality, traceability functionality, inventory management functionality, and more along with temperature control that combines the Group's know-how and technology have allowed it to realize advanced logistics quality. When it comes to a logistics network, the approximately 4,000 trucks, including the Nichirei Group's own, that provide transportation and delivery all over the country every day, are the backbone of its logistics network, and collaborations with freight companies are essential. For this reason, the Nichirei Group established a cooperative organization with the freight companies and pursues initiatives such as driver contests and a system of training and awards to improve safety and quality, thereby establishing a close collaborative relationship.

■ Food Defense Initiatives

Since the Nichirei Group believes that the best way to protect food is by controlling people, it emphasizes people management. It values communication between people, and in addition to restricting access to areas where food is handled to authorized individuals, the Nichirei Group has made it possible to determine the when, who, and where of such individuals at all times. It has created a system to protect its food that is based on the distinctive characteristics of each product, and which allows follow-up investigations to be conducted should problems arise. The Nichirei Group is enhancing its face recognition system and other security measures at its logistics facilities as well.

■ Food Crisis Management Initiatives

The Nichirei Group has put in place a response system for use in the event that there is an incident or accident, involving the food it provides, that might lead to health hazards. The system is designed to confirm quickly the facts, should an incident lead to health hazards; to determine how best to respond to company and outside individuals and the media; to investigate the cause of the incident so that a recurrence might be prevented; and to speedily release relevant information.

■ Establishment of Quality Control Regulations

Nichirei Corporation's Quality Assurance Division has established rules and standards for quality control and quality assurance and performs internal audits and monitoring inspections based on quality management standards to ensure that the Group's quality management system is functioning effectively.

Each operating company's Quality Assurance Division performs quality inspections of its own products and services and reports and shares its implementation status with the Quality Assurance Committee and the Group Quality Assurance Committee, which assists with the further revision and enhancement of its quality assurance system.

■ Management of Raw Ingredients

Nichirei Foods researches the materials comprising the raw ingredients in three stages, and manages the distribution percentages, quality/microbial specifications, manufacturing process, and allergens contained. Raw ingredient suppliers are required to submit information on each ingredient in the form of ingredient quality specifications. This is placed in its database and used as the basis for nutritional information and to answer customer questions. When the Nichirei Group uses a new raw ingredient, it first evaluates the production facilities, confirms the ingredient quality, and checks samples. An overall assessment follows and, even after an ingredient has been approved for use, the Group continues to do factory evaluations, inspections, and factory improvements, to further enhance the ingredient. By checking the quality of an ingredient when it takes delivery, the Nichirei Group is able to verify the effect of its factory evaluations and inspections.

```

graph LR
    subgraph Suppliers [Raw ingredient suppliers]
        A[Creation of ingredient quality specifications]
        B[Revision of ingredient quality specifications]
    end

    A --> P[Procurement Division]
    P -- Verification --> P_OK[OK]
    P -- Verification --> P_NG[NG]
    P_OK --> D[Development Division]
    P_NG --> B
    D -- Verification --> D_OK[OK]
    D -- Verification --> D_NG[NG]
    D_OK --> QA[Quality Assurance Division]
    D_NG --> B
    QA -- Verification --> QA_OK[OK]
    QA -- Verification --> QA_NG[NG]
    QA_OK --> C[Data base registration]
    QA_NG --> B
    B --> A
  
```

Raw ingredient suppliers

- Creation of ingredient quality specifications
- Revision of ingredient quality specifications

Procurement Division

- Verification (OK/NG)

Development Division

- Verification (OK/NG)

Quality Assurance Division

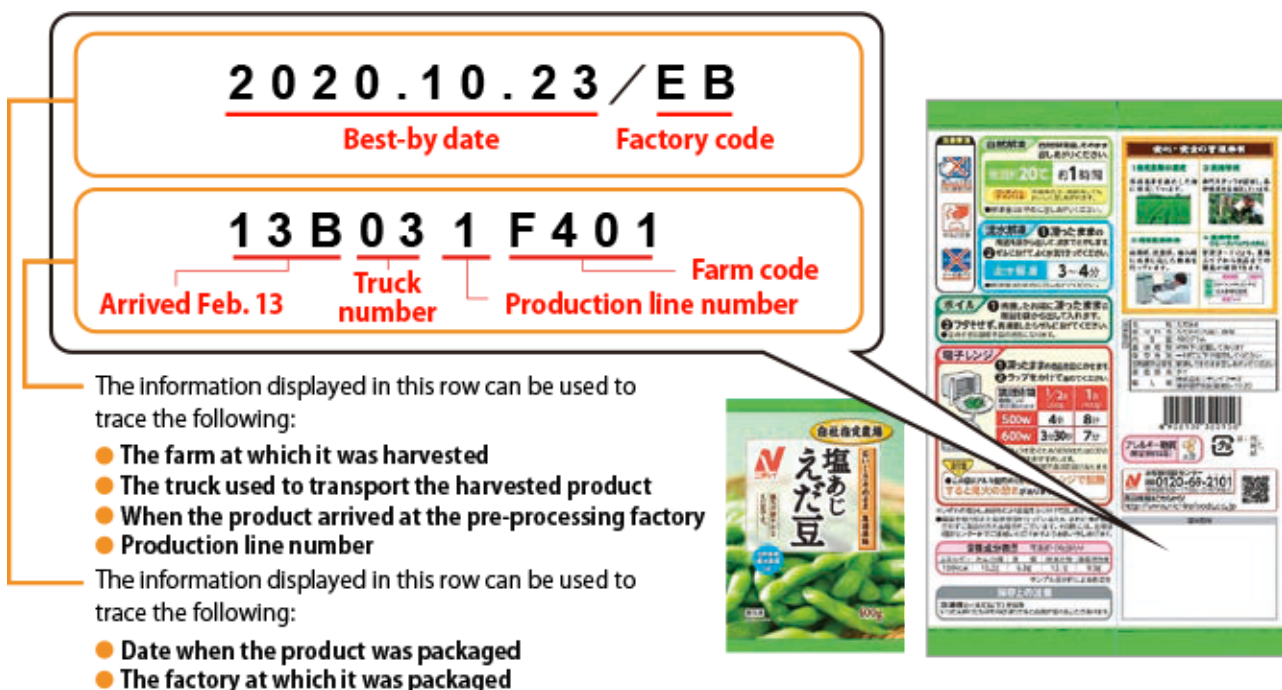
- Verification (OK/NG)

Data base registration

If a failing mark is given in any verification division, this cycle continues until completion

The Nichirei Group regularly holds study sessions to deepen shared awareness with regard to quality information. To digitize and link information, we are also promoting the utilization of our own system that can be centrally controlled.

- Traceability in the case of frozen green soybeans (illustration)



What the Trace Code Tells You

The trace code allows you to trace a product back to its place of cultivation. Trace codes are printed on these Nichirei Foods' frozen green soybeans to trace the cultivation and production management. If you know how to read these codes, you can trace the entire history of a product, from the cultivation management status in the field to the conditions in the factory. Nichirei Foods is using the trace codes to conduct ongoing improvements based on its discussions with local producers, in order to better respond to customers' needs.

Cultivation Management

The farms, in China and Thailand, where frozen vegetables are produced for Nichirei Foods have been selected based on their ability to meet Nichirei Foods' environmental standards (in terms of soil, water quality, etc.) and agro-chemical management requirements. A farm advisor, from the Group's frozen vegetable production facilities, is regularly sent to these farms to do on-the-spot checks of cultivation conditions and confirm that they are being adequately managed.

Production Management

Nichirei Foods provides quality-management guidance for the contract factories that produce its frozen vegetables. Records are kept detailing the importation, selection, cleansing, processing, freezing, packaging, inspection, and shipping of the vegetables cultivated. In addition, the Nichirei Group makes sure with local inspection agencies that there are no problems regarding residual agrochemicals during pre-processing. During shipping it also checks that there are no problems with the production facility inspection divisions that have received technical training from Nichirei. Furthermore, the Nichirei Food Safety Center systematically inspects the hygiene and residual agrochemicals of domestic produce and certifies their safety at the same time as confirming the proper functioning of the local systems.

Initiatives

Initiatives for Communication with Customers

Initiatives for Communication with Customers

Besides providing products with reliable quality, providing relevant information to customers is Nichirei Foods' top priority. Nichirei Foods has eliminated excessive advertising on its packaging and works to provide relevant information. In addition, through the activities of its Customer Support Center, the Nichirei Group uses its customers' opinions to provide feedback to work sites and improve quality.

Adding the N Mark to Packaging

A lot of information is concentrated on packaging. The information in the all-in-one displays on the side or back of packaging cannot afford to be mistaken, and thus undergoes stringent double-checking to ensure that all relevant legal stipulations are met. The name and place of origin of raw ingredients used in products are identified on the packaging, based on the information provided by the producers. Further, since the best-by date and lot number are displayed, it is possible to look up when and where a product was made, and which ingredients were used. Given the Group's belief that a customer's ability to communicate with it is of paramount importance, packaging clearly displays a toll free number for enquiries.

Text is written using an easily legible universal font and color universal design, a system developed for people with various types of color vision. This we complement with icons and illustrations.

Back Side

Icon

Displayed with intuitive illustrations

The Japan Frozen Food Association accreditation mark

Cooking methods

Nutritional information

Information identifying packaging materials

保存の注意
いったん解けたものを再び凍らせると品質が変わることがありますのでご注意ください。
-18℃以下で保存してください。

栄養成分表示 1個当たり(22g)
エネルギー 42kcal たんぱく質 2.6g 脂質 2.4g 炭水化物 2.5g ナトリウム 118mg
(食塩相当量 0.3g)

アレルギー物質 (27品目中)
小麦 卵 乳成分 牛肉 大豆 豚肉

調理時間
調理時間 1個 2個 4個
500w 40秒 1分 1分30秒
600w 40秒 50秒 1分20秒

フライパン
① 温めたフライパンに油をひき、凍ったままの商品を入れます。
② ふたをして弱火で焼いてください。
表と裏 約3分ずつ (調理時間は目安です)
● 加熱しすぎは調理不良の原因になります。

注意事項
オート(自動)不可
オート(自動)不可
やけど注意

冷凍食品
名称 ハンバーグ
原材料名 食肉(牛肉、豚肉)、たまねぎ、粒状植物性たん白、つなぎ(パン粉、鶏卵、粉末卵白)、糖類(ぶどう糖、砂糖)、豚脂、ソテオニオン、植物油、しょうゆ、食塩、トマトケチャップ、たん白加水分解物、ビーフエキス、香味油、酵母エキス、発酵調味料、香辛料、卵殻粉、しょうゆ加工品、加工でん粉、(原材料の一部に乳成分を含む)
内容量 132グラム 賞味期限 枠外右に記載してあります
保存方法 -18℃以下で保存してください
凍結前加熱の有無 加熱してあります
加熱調理の必要性 加熱して召しあがってください
製造者 株式会社ニチレイフーズ NRKA3
東京都中央区築地6-19-20
(株)ニチレイフーズ 船橋第二工場 (千葉県 船橋市) でつくっています。

アレルギー物質 (27品目中)
小麦 卵 乳成分 牛肉 大豆 豚肉

森にGood!
売上の一部で日本の森を守ります。詳しくは下記のホームページへ

お客様相談センター
0120-69-2101
受付時間 9:00~17:00(土日・祝日を除く)
原料原産地情報や商品情報はこちらから!
<http://www.nichireifoods.co.jp>

All-in-one display

A summary of all the information (raw ingredients, quantity, etc.) necessary for product selection

Name of production facility

Allergy information is conveyed in intuitively understandable illustrations

Toll free number for inquiries

2D bar-code

In order to better provide the information our customers want, a 2D bar-code can be found on the packaging that allows customers to check the origins of the raw ingredients and other product information, as well as the production facilities on our mobile site.

Part of the proceeds from sales of our Good for Lunches! line goes toward supporting forest preservation-related activities.

■ Main Laws Concerning Packaging Information

All-in-one display	Food Labeling Act, Measurement Law
Allergy information	Food Labeling Act
Nutritional information	Food Labeling Act
Information identifying packaging materials	Container Recycling Law, laws related to promoting the effective use of resources
Product marketing information	Act against Unjustifiable Premiums and Misleading Representations, prefectural regulations

In order to ensure the accuracy of information related to product safety and selection, the Nichirei Group conducts a number of checks between the time that information displays are created and products are shipped. It also checks to make sure that nothing on the packaging can cause misunderstanding. It is implementing display checks with these two points in mind in its examinations as well, and only those products that pass can be manufactured.

Verification before the N Mark Is Added to Packaging

栄養成分表示 1個当たり(22g)				
エネルギー	たん白質	脂 質	炭水化物	ナトリウム
42kcal	2.6g	2.4g	2.5g	118mg
(食塩相当量 0.3g)				

Creation

- First charts with detailed breakdowns and distribution percentages, based on the specifications of the raw ingredients and the recipes are created.
- Next, the information to be displayed on the packaging is decided.
- The checklist is based on legal requirements, industry guidelines, and facts the Nichirei Group has established independently (product highlights, cooking methods).
- Values derived from nutritional information (for home-use products) are also used.



アレルギー物質 (27品目中)					
小麦	卵	乳成分	牛肉	大豆	豚肉

Verification

- The information displayed is correct, based on distribution.
- The information displayed meets legal, policy, and in-house standards.
- Information about allergies, which can threaten health, is sufficient and correct.
- The Customer Support Center endorses the packaging of home-use products.



Display verification

Inspections

- The Nichirei Group checks the label contents for product packaging that receives the N mark. It performs thorough checks of labels that are regulated by law, including allergen displays and other content directly related to health hazards.
- The Nichirei Group checks all the information from a customer's perspective, to ensure that there will be no misunderstanding. In particular, it carefully checks sales pitches and other information with a bearing on product purchases to ensure there are no exaggerations or false statements.



Verification at the Factory: After Packaging and before Shipping



Printing, data checks

Factory

- The packaging film and boxes are checked to ensure they are as stipulated.
- Accuracy of the information printed at the factory (the best-by date, lot number, trace-back code) and printing quality (faint, smeared) are checked.
- Factory packaging is double- and triple-checked before shipping.

Conveying Accurate Product Information

In order to obtain information about raw ingredients, the Nichirei Group requires suppliers to provide detailed specifications. But, before using these as a resource for product packaging, it runs tests to confirm they are correct. Such scrutiny of information, as is relevant to highly processed ingredients, can require several months. In addition, it adapts to changes in laws related to food product labeling as they arise.

Examples of information on product ingredients and product areas, allergen displays (Only available in Japanese)



Food Safety Center Initiatives



The initiatives of the Nichirei Foods Customer Support Center



Nichirei Foods is making various efforts to make product packaging easier to see and understand. Its efforts to make packaging that increases visibility for everyone, including the elderly and colorblind, is one part of these efforts.

Universal Design Initiative (Only available in Japanese)



Reports Related to Advertisements/Publicity and Labeling

No laws were violated in the advertisements/publicity and labeling related to products and services.

Number of Violations of Laws and Regulations in Advertisements/Publicity and Labeling



Food Safety Center Initiatives

The Nichirei Quality Assurance Divisions Food Safety Center is the Group's inspection and analysis arm. It verifies that the appropriate quality assurance activities are being undertaken at operating companies. Inspectors mostly check for residual agricultural chemicals in frozen vegetables, and for veterinary drugs (such as antibiotics and synthetic antimicrobial drugs) in marine/livestock products and their processed derivatives.

Nichirei provides operating companies with feedback even if detected elements are within legally acceptable limits. This enables the companies to assess whether appropriate steps are being taken to manage the use of agrochemicals and drugs at sites, to discover the causes, and to prevent them from exceeding acceptable levels.

In addition, it checks for agrochemicals and veterinary drugs in over 400 items, and for radioactive substances, the Group monitors the products and raw ingredients it handles using an NaI (TI) scintillation spectrometer.

Quality Assurance Audits

Regular audits are conducted by each Group company based on an annual plan. The plans are determined by rationally and objectively evaluating the magnitude of possible risks, based on risk management, whether or not certification of international standards has been obtained, the quantity of products handled annually, and product characteristics. PDCA is also used in regular audits. Audit results are used as reference when determining audit policies and target sites when developing audit plans for the upcoming year.

Quality assurance (number of audits, certifications, and training hours)



Health Initiatives

As a company engaged in food-related businesses, the Nichirei Group believes that access to better nutrition is a very important part of people's health. Nichirei Foods develops and sells wellness products that promote health. In addition, Nichirei Biosciences provides the public with academic and technical information related to immunostaining and has made it available to health professionals through an information website, allowing it to contribute to a healthy society through its businesses.

Issues surrounding food safety and security



Nichirei Foods Wellness Food Product Development/Sales (Only available in Japanese)



Providing an information site to health professionals (Nichirei Biosciences)(Only available in Japanese)



Collaboration with Industry Organizations, etc.

The Nichirei Group actively participates in industry group activities and contributes to helping communities improve and solve the issues they face through proposals and recommendations/encouragement.

Nichirei and Nichirei Foods are official members of the Japan Frozen Food Association, both Nichirei Logistics Group and its main subsidiaries are members of the Japan Association of Refrigerated Warehouses, and Nichirei is a member of the Japan Food Industry Association.

Industry Organizations



The Initiatives of the Nichirei Foods Customer Support Center

Initiatives for Quality Improvement

The Nichirei Foods Customer Support Center aims to improve customer satisfaction and corporate value through quickly and appropriately responding to the opinions and reports of customers. In addition, Nichirei aims to provide accurate product information and a brand that is both safe and reliable.

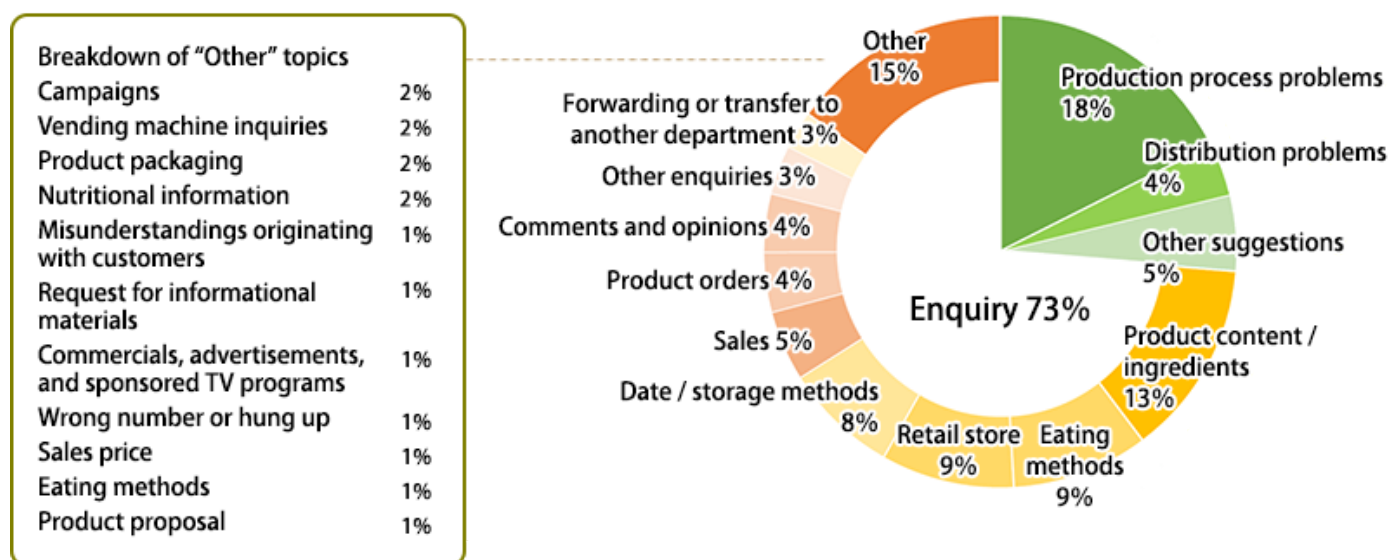
Customer Satisfaction Surveys

In order to improve customer service, the Customer Support Center runs customer satisfaction (CS) surveys.

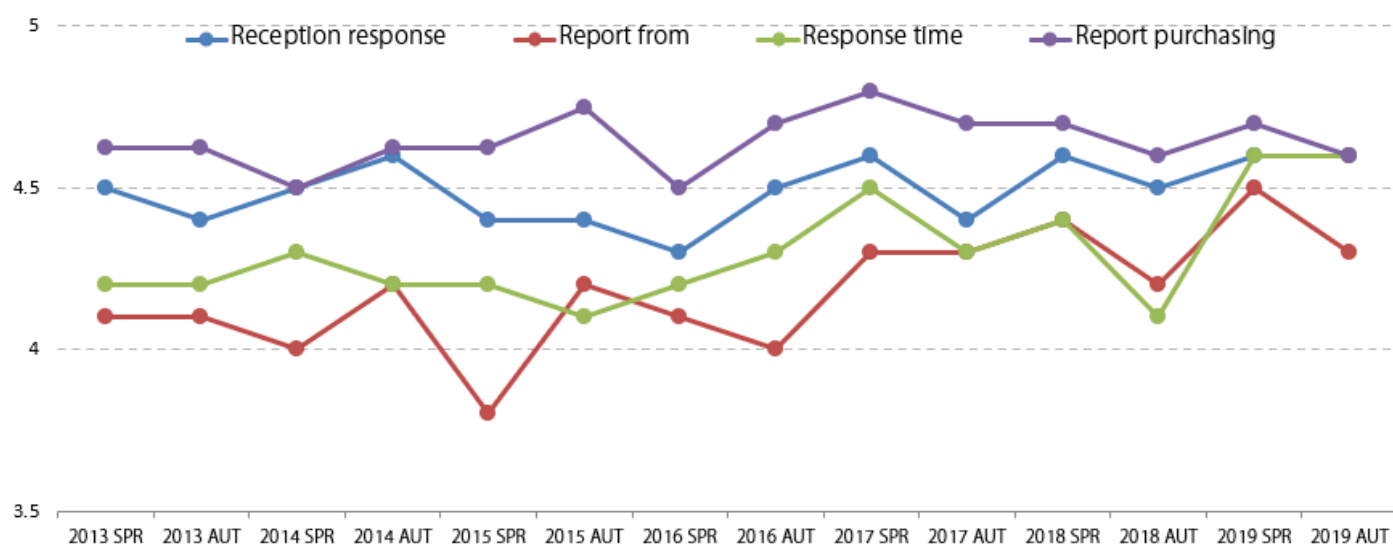
When customers make a suggestion about a product, Nichirei sends them a report form and a survey postcard, both of which it has them return.

The survey uses a five-point scale to evaluate four areas: initial impression contacted by telephone (reception response); items noted by the respondent (on the report form); time taken to submit report (response time); and future purchasing intentions (repeat purchase). Space is also provided for customers to include additional comments. The aggregate results are used to improve Customer Support Center services. Efforts on this direction are ongoing.

● Breakdown of Customer Interactions in 2019




● Evaluation of Customer Satisfaction Reception Response



Product Recall Information

These are the product recalls that have occurred in the past five years.

Date	Target
May 11, 2016	Frozen vegetables produced in America (Only available in Japanese) 
2017	None
2018	None
2019	None
2020	None

Protection of Personal Information

In FY2021, there were no issues related to the leaking of personal information, etc.

Personal Information Protection Leaks, etc. 

Staff Training for Quality Improvement

	Training	Description	FY2019		FY2020	
			Number of People	Hours	Number of People	Hours
Nichirei Foods	First- to third-year employee technical training session	Smooth communication, problem-solving technique, control of production line sanitation	78 people	924 hours	92 people	1,008 hours
	Leader candidate training	Management demonstration on educating young employees and accomplishing tasks	41 people	1,309 hours	41 people	1,320 hours
	Training for obtaining FSSC 22000 certification	Explanation of the items for the FSSC 22000 standard, cultivation of internal auditors, how to create HACCP-related documentation	183 people	72 hours	264 people	84 hours
Nichirei Fresh	First- to second-year employee training session	Basic knowledge of quality assurance, factory check, label, response to requests, etc.	17 people	42 hours	18 people	44 hours
	Mid-career employee training (livestock instructor, livestock processed product meister)	Factory audit / guidance points, selected materials, mechanism of metal / X-ray detector, basics of cleaning and sterilization, label creation, etc.	3 people	6 hours	7 people	26 hours
	Information session for revision of laws and regulations	Food labeling standards, addition of food allergies, etc.	25 people	25 hours	30 people	30 hours

* Since all Nichirei Fresh Group production plants are subsidiaries, each company conducts training such as FSSC certification and maintenance.

Basic Philosophy

Basic Philosophy

If employees are to maximize their abilities and potential, they must be physically and mentally healthy, and be able to work in a safe, comfortable environment. The Nichirei Group considers its employees to be irreplaceable and works with them to create safe, open and invigorating workplaces.

Basic Policy

1. We will promote the creation of a lively workplace where labor and management cooperate, based on the ideal that states that good work has its basis in a healthy mind and body.
2. Each of our employees will work hard to increase his/her health awareness, and will take an active role in creating a work environment that promotes good health.
3. We will strive for health management based on the three pillars of “health maintenance and improvement,” “mental health measures,” and “safety and hygiene control.”

Nichirei Group Health Declaration

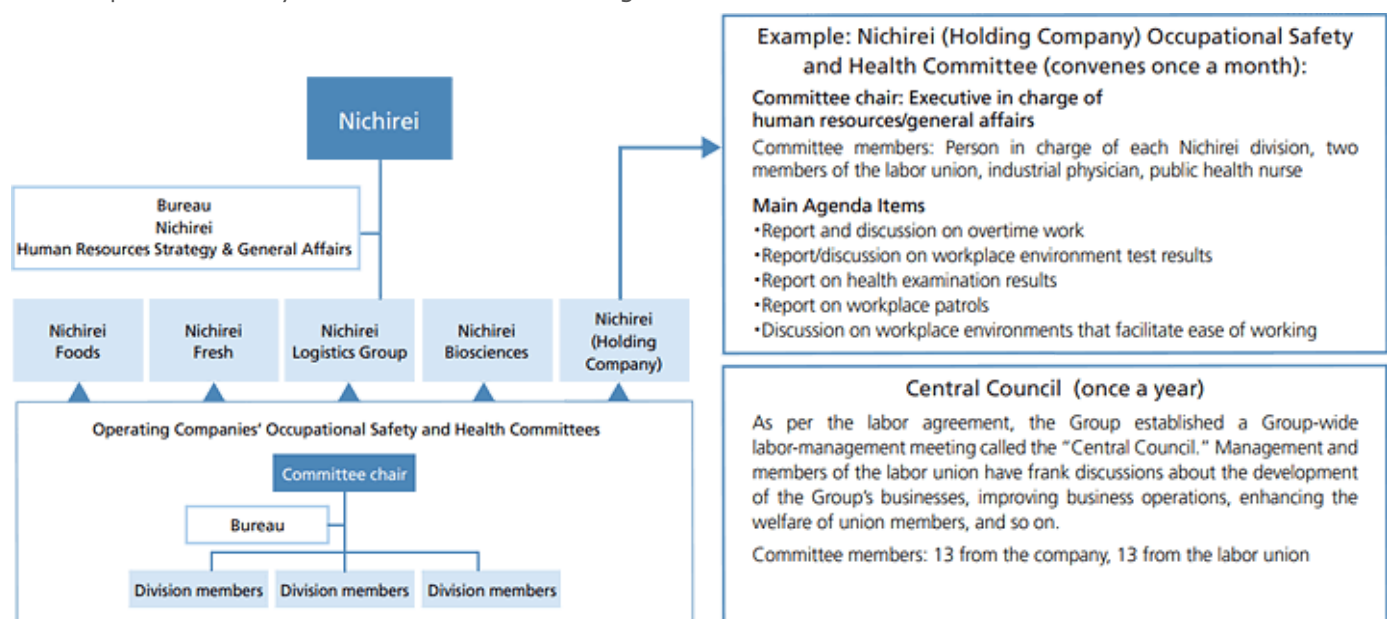


Management System

In accordance with the Industrial Safety and Health Law, we have established a Health and Safety Committee to promote health and safety management aimed at preventing occupational accidents and managing employee health. At the head office and branch offices, we have implemented working hour management, focusing on long working hours and no-overtime days. At food plants and cold storage warehouses, the main issue is reducing the number of work-related accidents. We are working to improve the workplace environment according to the circumstances of each workplace. In addition, based on the idea that customer satisfaction (CS) and employee satisfaction (ES) are the two wheels of the “vehicle” of improvement, the Group perform periodic ES surveys at each company. The Group aims to improve employees’ ability to attain their work goals, and create employee-focused workplaces by moving through a plan-do-check-act (PDCA) cycle, comprising conducting surveys → giving feedback on survey results → identifying issues and assigning priorities and, finally → planning and executing solutions. Risks related to health and safety are discussed and promoted through the Group Health Promotion Liaison Committee, and the situation is monitored by the Group Human Resources Committee composed of directors. Regarding the planning and execution of measures, the Group is implementing a variety of solutions, such as having each company’s President and Human Resources representative gather for meetings of the Group Human Assets Committee (held twice a year) to share their progress, as well as applying effective measures to companies. In addition, in fiscal 2015 (FY2016), the “Health Promotion Group” was established within the Human Resources Strategy & General Affairs to serve as the division in charge of overseeing health management. And in FY2017, the Group established the Nichirei Group Health Declaration and Group Health Management Standards. Along with spreading this declaration both inside and outside the company, the Group has instructed the top health promotion representative of its holding company and those responsible for and in charge of overseeing health promotion at each Group operating company to make progress with health management.

As a risk assessment for health and safety and health, we place emphasis on analysis of health check results. The contents of the analysis are described in the “Health White Paper” and published internally to provide education and initiatives related to health in line with employee health conditions, as well as to make the menu provided at the employee cafeteria healthier. It is also utilized as.

● Occupational Safety and Health Committee Organization Chart



Health Management Initiatives

Nichirei Group Health Declaration

Nichirei Group Health Declaration

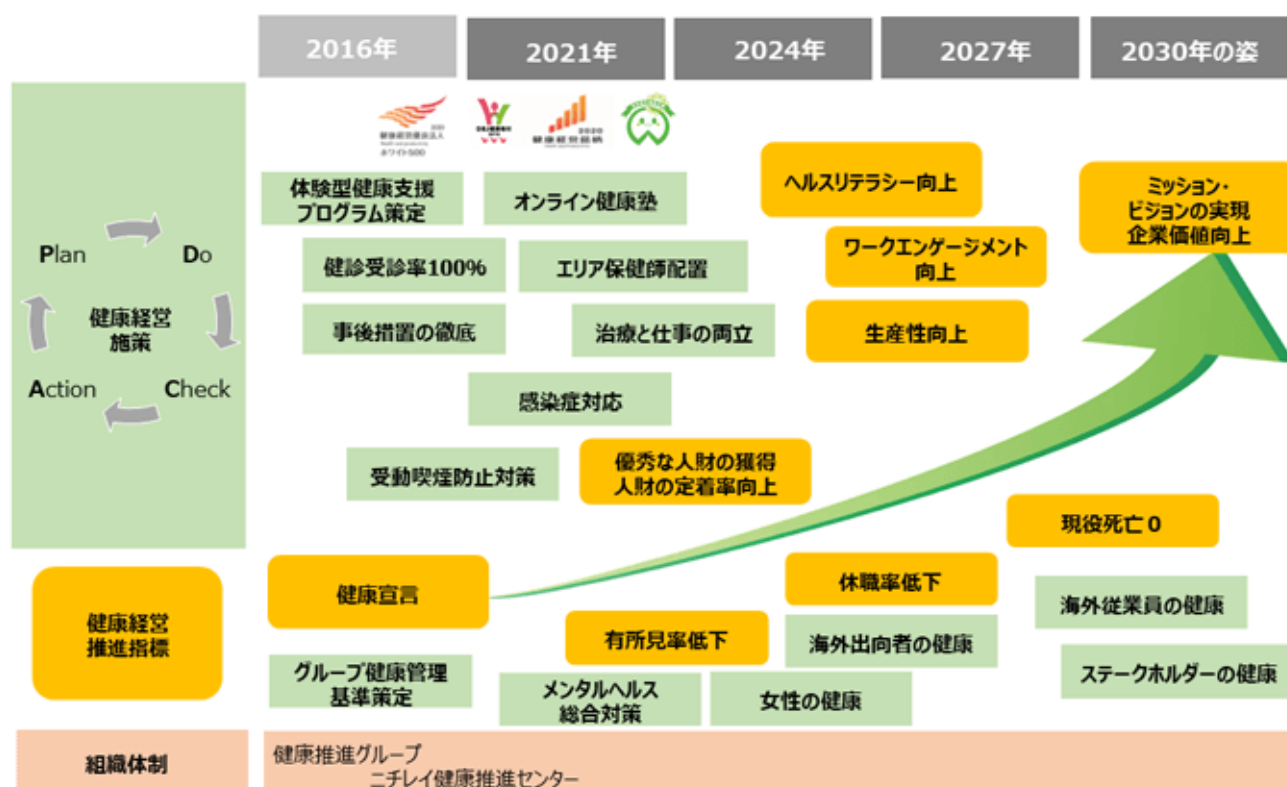
Creating Savory Moments.
With that core value deep in our hearts, every single person who works at Nichirei Group will strive for good health maintenance.

Basic policy

1. We will promote the creation of a workspace that has a lively cooperation between labor and management, based on the ideal that states that good work has its basis in a healthy mind and body.
2. Each of our employees will work hard to increase his/her health awareness, and will take an active role in creating a work environment that promotes good health.
3. We will strive for health management based on the three pillars of "health maintenance and improvement," "mental health measures," and "safety and hygiene control."

Image of promoting health management

To achieve our future vision by 2030, we will implement PDCA cycles in health management measures to promote health initiatives.



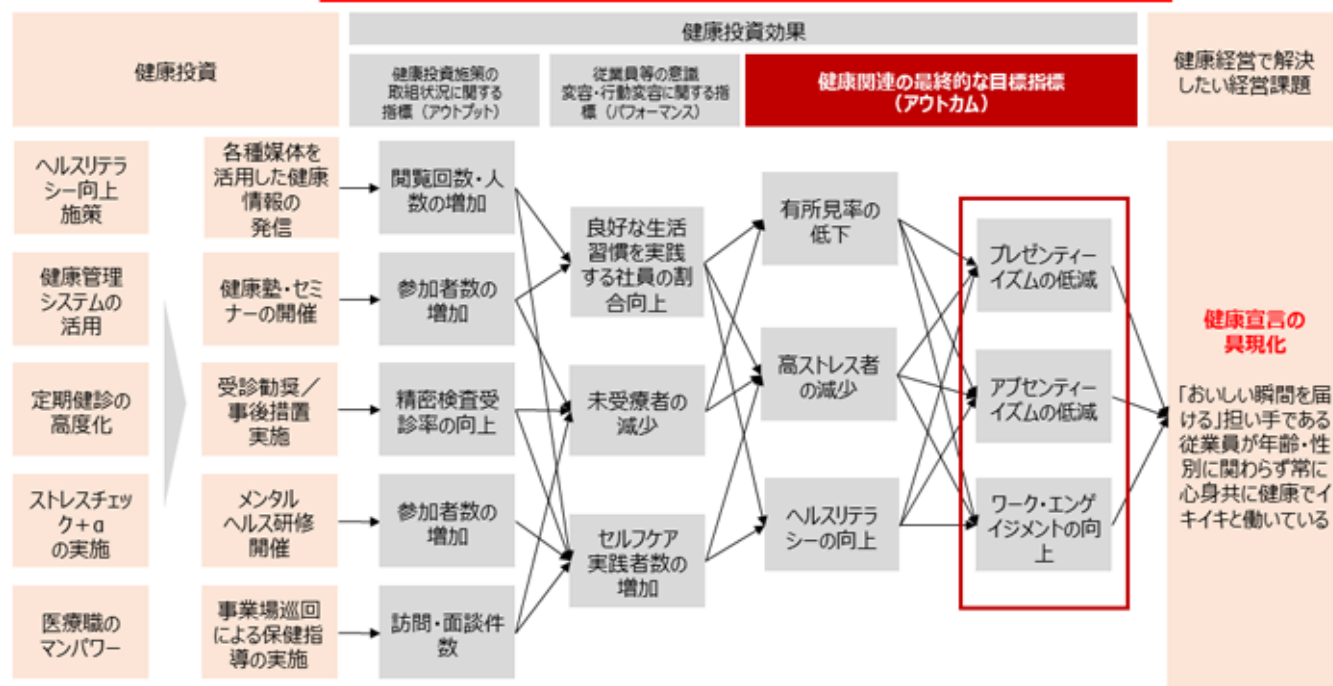
■ Nichirei Group Health Management Strategy Map

The management issues we want to solve through health management are defined as the embodiment of the Nichirei Group Health Declaration.

We aim to ensure that our employees, who are responsible for "delivering delicious moments," always work vigorously and in good physical and mental health regardless of age or gender.

～ニチレイグループ 健康宣言～

「おいしい瞬間を届けたい」、その想いを大切に、
ニチレイグループで働く一人ひとりの健康づくりに取り組みます



■ Health Management Initiatives

Recognizing employees as corporate assets and these people's health as an important management issue for a company seeking sustainable growth, in fiscal 2016 Nichirei set up the Health Promotion Group. It is a dedicated health management section within the Human Resources Strategy & General Affairs division.

In fiscal 2017, we formulated the Nichirei Group Health Declaration and Group Health Management Standards. In addition to disseminating the declaration both inside and outside the Company, to promote Group-wide health we have appointed a holding company health promotion manager, as well as health promotion managers and representatives at each Group company.

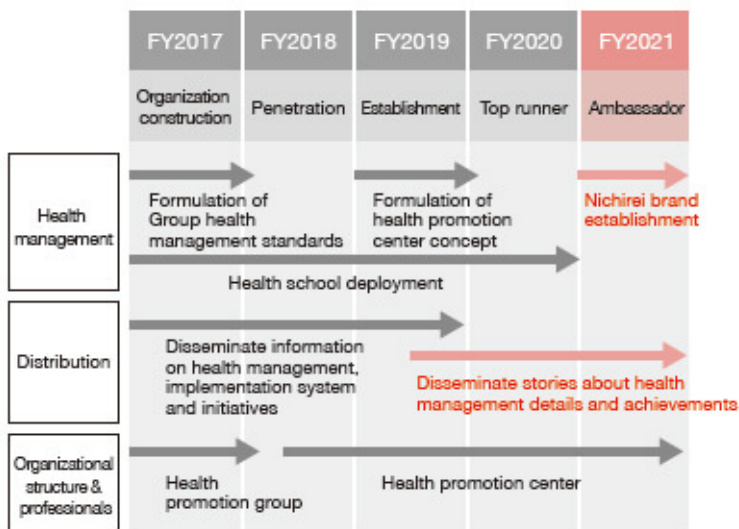
Regular medical checkups—including X-ray screening for the early detection of TB and cancer—together with thorough follow-up measures are led by occupational health staff. For our small offices and employees overseas, we conduct remote interviews using information and communication technology systems.

In recognition of these efforts, the Group was certified by the Ministry of Economy, Trade and Industry as "The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category (White 500)" (Only available in Japanese). (This is the second consecutive certification since fiscal 2016.)

List of Certifications



Health Management Action Plan (Five-Year)



Overall Health and Smoking Cessation Programs

Since 2016, the Nichirei Group has been providing lectures and participatory events led by professionals. These include public health nurses, registered dietitians, and health fitness professionals, who provide employees at risk for lifestyle-related diseases with specific health promotion opportunities.

In FY2020, a total of 1,200 people participated in 14 meetings on a wide range of themes, such as exercise guidance, diet, sleep improvement, and the health of working women.

In addition, we launched a smoking cessation program in 2019. Of the 88 people who participated, 34 succeeded in quitting smoking.



Health White Paper, Health Management Guidebook

Nichirei publishes a health white paper and a health management guidebook (provided to all employees in July 2020) in order to foster awareness of health issues among employees and encourage them to improve their health.



Health White Paper (Only available in Japanese)



Health Management Guidebook (Only available in Japanese)



■ Main Initiatives in FY2021

■ Countermeasures against COVID-19

In cooperation with the Group Risk Management Office, the occupational health staff of the Health Promotion Center built a support system to provide appropriate advice, prevent the spread of COVID-19, and prevent discrimination against individuals in the event that an employee contracts COVID-19.



Flowchart of countermeasures for COVID-19

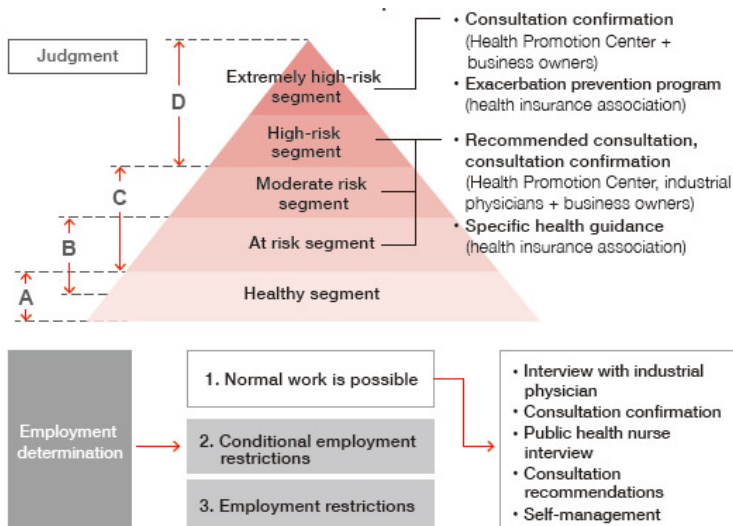
■ 100% Health Check-up Rate and Enhancement of Post-examination Follow-up

In 2020 and 2021, despite the COVID-19 pandemic, all employees completed annual health check-ups. In addition, under the post-examination follow-up system, those determined by an industrial physician to require additional support were remotely interviewed by public health nurses as appropriate using e-mail or other online tools. Employees who score a D on their health examinations and choose to undergo detailed examinations are eligible for a subsidy program as members of the Nichirei Health Insurance Association.



Effective ways to use check-up waiting times (health newsletter)

■ Post Medical Exam Follow-up



After health examinations, based on the judgment of an industrial physician, follow-ups will be conducted with those who should consider employment restrictions (some of D rank segment) via the persons in charge at each operating company. Afterwards, if ongoing support is required, a public health nurse will contact the employee via email or in writing. After confirming consultation status, interviews by public health nurses and industrial physicians will be conducted as needed.

Health-related Events

Since FY2017, the Nichirei Group has been holding regular health-related events, providing employees with specific health promotion opportunities and helping them avoid lifestyle-related diseases. During the COVID-19 pandemic, we have held events on themes such as adequate exercise, improving sleeping patterns and mental health. In questionnaires, more than 92% of participants at each event responded that the event was beneficial.



Health-related event in 2021 on mental health

Introduction of Subsidy Program for Outpatient Smoking Cessation Treatment

In FY2021, 34 employees participated in the smoking cessation program, and 24 were successful. In June 2021, the Nichirei Health Insurance Association introduced a subsidy program for outpatient smoking cessation treatment provided by hospital physicians. In these and other ways, we are supporting the health of our employees.

Health and Safety Initiatives

Promotion of acquisition of the Occupational Health and Safety Management System (OHSMS)

The Group aims to enhance its workplace and create a workplace that focuses on employees and offers a high level of satisfaction. Please see below for details on efforts.

In March 2005, the Nichirei Foods Shiroishi factory in particular became the first member of the Group to receive JISHA-approved OSHMS (Occupational Safety and Health Management System) certification, and the 49th business establishment overall in the country. Occupational safety and health initiatives are making progress with the aim of improving safety standards.

Nichirei Foods Shiroishi factory receives JISHA-approved OSHMS (Occupational Safety and Health Management System) certification



We have also acquired OHSAS18001*, an international standard for occupational safety and health, at one subsidiary in overseas. Acquisition base in FY2019: GFPT Nichirei (Thailand) Co., Ltd. The ratio of certified establishments is 0.6%.

* OHSAS18001 (Occupational Health and Safety Assessment Series)

■ Health and Safety Training for Low-temperature Logistics Operations

Logistics Center Safety and Quality-related Training

Placing importance on quality, the environment and safety, the Nichirei Logistics Group has opened safety and quality training centers across Japan. These facilities enable logistics staff to acquire knowledge regarding safety and quality, as well as to develop skills and an appropriate mindset.

The core training content includes “reconfirmation of basic knowledge through classroom learning,” information about “dangerous experiences” and the “reconfirmation of basic forklift operations.” Videos and illustrations are used to enable students to develop an intuitive understanding of the topics.

All training programs and teaching materials are original and veteran employees with a wealth of knowledge and experience give lectures while providing hands-on experience as part of a systematic curriculum.

At logistics centers, heavy loads are carried using forklifts to enable cargo to be sorted in upper floors. We thus strive to improve occupational safety and quality by incorporating into the curriculum practical training to ensure that equipment is correctly used to prevent items from falling.

Nichirei Logistics Group conducts safety training in a new employee training program, and in FY2020, 23 employees participated in the training. We also provide training on occupational safety and health through training for key personnel of quality improvement, and in FY2020, 28 employees participated in the training.



Confirming the usefulness of “falling prevention equipment” while suspended in midair



Specialized course for developing the skill of confirming safety while driving a forklift using the “point and call out” method

Nichirei Logistics Group is making efforts to improve the safety and awareness of operating vehicles through workshops and skill competitions. In addition, training related to occupational safety and health has been conducted in new employee training and quality keyman training. In FY2019, 55 employees attended. We also conduct quality safety center training from time to time to improve employee awareness.

Fork lift truck competition (hosted by Nichirei Logistics Group) (Only available in Japanese)



Driver safety training (Logistics Network)



■ Launch of Safety and Quality Training Using VR

In FY2022, Nichirei Logistics Group started using virtual reality (VR) for safety and quality training at its logistics work sites. Until now, practical training has been implemented through courses using a mock-up refrigerated warehouse at certain training facilities (safety and quality training centers). This made it difficult for employees stationed far away to participate. It was also difficult for trainees to envision what accidents might happen if rules or manuals were not followed correctly. With the introduction of a new tool that uses VR technology, employees can learn proper work procedures efficiently without having to attend a safety and quality training center. They can also experience virtual simulations of accidents that might occur as a result of unsafe behaviors. This has led to further improvement of safety awareness.



Using VR



Image seen through headset

■ Food Factory Safety

Nichirei Foods has identified three priority measures for safety-related activities at food factories: safety patrols, near-miss-related activities and the mandatory observation of safety rules. Monthly safety patrols are tailored to each factory, with effective checklist items determined based on site feedback. Patrols are conducted mainly in the early morning and late at night, when fewer managers are on staff. We also ask employees to share work-related issues and opinions. Held as needed, near-miss-related activities are designed to reinforce reporting practices and inform employees about possible dangers through the sharing of information about accident near misses. Activities reconfirm evaluation criteria, thus ensuring consistency in methodologies for classifying an incident as a near-miss. Preventive steps are then taken as needed.

■ Occupational Health and Safety Initiatives for Foreign Technical Interns

Foreign technical interns working in Japan at the Nichirei Group undergo training including occupational health and safety training. This helps to prevent occupational accidents and facilitate health management for those adjusting to life in another country, while at the same time helping them improve their Japanese-language skills. Our goal is to create workplaces where all Nichirei Group employees can work safely and healthily with purpose.



Bilingual poster in Japanese and Vietnamese



Holding Japanese language speech contests

■ Occupational Safety and Health Initiatives for Foreign Technical Interns

The Nichirei Group provides occupational safety- and health-related training for technical interns from abroad. We are doing this to prevent occupational accidents and facilitate health management for those unfamiliar with life in Japan, while at the same time helping the trainees improve their Japanese-language skills. Our goal is to create workplaces where all Nichirei Group employees can work safely and healthily with purpose.

Health Supervisor

ESG Data Collection Health Manager

Improving Work Satisfaction

Basic Philosophy

Basic Philosophy

In conducting business, the Nichirei Group places the greatest importance on human resources. Furthermore, in order to invigorate our organization, improve productivity, and create a vibrant workplace we not only depend on our values and ideas, but also, to a large extent, on our diverse human resources. In 2017, we formulated the Nichirei Group Workplace Improvement Policy, set targets for each Group company based on the policy, and commenced promoting a number of initiatives for the fiveyear period to FY2022. The Diversity Promotion Council and the Health Promotion Council have been organized under the Group Human Resources Committee to improve work satisfaction. They discuss human resourcerelated strategies to realize Group-wide sustainable growth, exchange opinions, and share information on specific measures, after which they confirm their progress.

Fundamental Policies for Workplace Improvement



Code of Conduct



Workplace Improvement Policy

Enable Diverse Working Styles	▶ Provide working condition options	Employees shall have a certain degree of freedom to choose their workplace and working hours, to suit personal circumstances. Systems to maintain these conditions are to be put in place.
	▶ Set up systems to prevent disruption of employee careers	Systems are to be established to prevent employees' careers from being disrupted or ended because of such circumstances as childbirth, childcare, nursing care, poor health, relocation of a spouse, or disease.
Prevent excessive working hours		Through collaborative labor and management initiatives for workplace improvement, working hours shall be limited to levels that allow each employee to demonstrate their ability and perform satisfying work in good health.
Ensure Equal Opportunity	▶ Promote the advancement of female employees	Female employees shall be given the same opportunities as their male peers and offered necessary training in recognition of their value to the Nichirei Group.
	▶ Provide stimulating employment opportunities for people with disabilities	Job positions and employment opportunities for people with disabilities shall be created to allow them to earn a living through stimulating work, with a vision to ultimately eliminate the distinction between people with or without disabilities in society.
	▶ Create employment opportunities for older people	As people live longer, healthy lives, opportunities shall be created to allow older people to play an active role in the workplace by drawing on their particular skills bearing in mind individual working styles and values.

Human Assets Committee

The Human Assets Committee, which promotes the increased job satisfaction-related part of the Nichirei Pledge, meets twice each year.

The Diversity Promotion Conference, under the Group Human Assets Committee, meets with labor and management twice a year to monitor measures undertaken at each Group company in relation to human rights, job satisfaction, the workstyle of each employee, support for active participation in the workforce by women, the employment of foreigners, workstyles that differ according to life stage and age, as well as the employment of and collaboration with, the disabled.

Human Assets Development

The president of each Nichirei Group operating company is responsible for building systems that develop optimal human assets for the Company.

These measures are reviewed annually, as required by the education and training policies of each operating company, while related plans and their results are monitored by the Group Human Assets Committee, which meets twice each year.

Level-Based Training

- New employee training, first career training (1-3 years after joining the Company)
- Management training
- New officer seminars

Objective-Based Training

- Facilitation training
- Nursing care seminars
- Career development programs for female employees

The Nichirei Group Workplace Improvement Policy



Management System

Management System

Each Group company promotes efforts adapted for its individual businesses, however, the Group has also established the Group-wide Group Human Assets Committee and Diversity Promotion Conference and shares information about and confirms the progress with each company's measures to continually enhance workplaces through these two councils.

Correction for long working hours and basic concept of working hours

Nichirei Group has established the “Nichirei Group Work Style Reform Policy”. One of the pillars is “Correction for long working hours”, and we aim to achieve appropriate working hours in which each employee is healthy, motivated, and can fully demonstrate their abilities through labor-management collaboration. As a specific measure, the Group conducts monitoring by holding a Group Labor-Management Council every other month from the viewpoint of legal compliance (observance of Article 36 and acquisition of more than 5 days off annually, etc.).

In addition, the Group has formulated the “Nichirei Group Working Hours Guidelines” and conducted e-learning for the purpose of disseminating the contents, thereby encouraging employees to correctly recognize working hours. In some cases of excessive working hours, we are working to reduce working hours and improve the annual leave rate.

■ Workstyle Reforms: Main Measures and Activity Progress (FY2019–FY2021)

Policy	Ideal State	Priority Measure	Main Activity		
			FY2019	FY2020	FY2021
Enable Diverse Styles of Working	Employees shall have a certain degree of freedom to choose their workplace and working hours, to suit personal circumstances. Systems to maintain these conditions are to be put in place.	Provide working condition options	<ul style="list-style-type: none"> New in-house childcare facility Opened in the Tokyo head office building in April 2018 	<ul style="list-style-type: none"> Full-scale introduction of telework All worksites except food factories and logistics offices 	<ul style="list-style-type: none"> Introduction of super flextime work system Core time eliminated except at some work sites such as factories and distribution centers
	Systems are to be established to prevent employees' careers from being disrupted or ended because of such circumstances as childbirth, childcare, nursing care, poor health, relocation of a spouse, or disease.	Set up systems to prevent disruption of employee careers	<ul style="list-style-type: none"> Implementation of career development programs for women Women's success event “Next Step for 2021” Target: 163 people Nursing care seminar Conducted four times, 115 participants 	<ul style="list-style-type: none"> Introduction of comeback system Purpose: Ongoing career support for life events and growth Leave system due to spouse transfer Purpose: Examination and introduction of multi-career formation in collaboration with other companies Nursing care seminars and nursing care handbook creation Conducted four times, 103 participants 	<ul style="list-style-type: none"> Expansion of childcare and nursing care leave <ul style="list-style-type: none"> Leave can be taken in hourly units Half days and whole days can be converted and taken as accumulated annual paid leave Nursing care seminars (held online) Conducted on November 18 and 26 (60 minutes each), 60 total participants Information (provided on intranet) on support for balancing nursing care with work

Policy	Ideal State	Priority Measure	Main Activity		
			FY2019	FY2020	FY2021
Prevent Excessive Working Hours	Through collaborative labor and management initiatives for workplace improvement, working hours shall be limited to levels that allow each employee to demonstrate their ability and perform satisfying work in good health.	Promotion of paid leave	<ul style="list-style-type: none"> 100% introduction of new working hours management system Guidance on long working hours through introduction of a working time management system Implementation of measures against overwork through labor-management collaboration Nichirei Group working hours guidelines formulated through labor-management collaboration 	<ul style="list-style-type: none"> Introduced new expense settlement system Introduced planned five-day annual leave system Implemented e-learning: Revised labor laws, working-hour awareness Target: Employees; 5,101 participants Implementation of measures against overwork through labor-management collaboration 	<ul style="list-style-type: none"> Set quantitative target (average annual paid leave use of at least 10 days across the Group), and encouraged employees to take annual leave Ongoing implementation of measures against overwork through labor-management collaboration Implementation of human resource management education via e-learning
Ensure Equal Opportunity	In providing employees with equal opportunities and education, we support their development into a valuable force for the Nichirei Group.	Promote the advancement of female employees	<ul style="list-style-type: none"> Logistics Group: 5th and 6th "Sakaseru Roji-Jo Forum" Target: Female employees; 129 participants (404 participants in total) Theme: Work values and workplace for women Nichirei Foods: LADY, GO UP! Target: Female employees at 6 food manufacturing companies (8 female Nichirei Foods employees participated) Summary: Seminar for building external networks and career development 	<ul style="list-style-type: none"> Logistics Group: 7th and 8th "Sakaseru Roji-Jo Forum" Target: Female employees; 118 participants (522 participants in total) Nichirei Foods: LADY, GO UP! Target: Female employees at 6 food manufacturing companies (8 female Nichirei Foods employees participated) Summary: Seminar for building external networks 	<ul style="list-style-type: none"> Nichirei Foods: LADY, GO UP! Target: Female employees at 6 food manufacturing companies (8 female Nichirei Foods employees participated) Summary: Lecture by external female officer and seminar for building external networks and career development

Policy	Ideal State	Priority Measure	Main Activity		
			FY2019	FY2020	FY2021
Ensure Equal Opportunity	In providing employees with equal opportunities and education, we support their development into a valuable force for the Nichirei Group.	Diversity and inclusion	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum Deepen understanding of various work styles centered on department and section managers at each of 6 food manufacturing companies. 35 Nichirei Foods employees (26 men, 9 women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum Deepen understanding of various work styles centered on department and section managers at each of 6 food manufacturing companies. 60 Nichirei Foods employees (46 men, 14 women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum <ul style="list-style-type: none"> Lecture held (February 25, 2021) Target: Officers (8 participants) and employees (approx. 140 participants) Nichirei Foods: Meeting of general managers from 6 food manufacturing companies <ul style="list-style-type: none"> Meeting of general managers of planning departments from 6 food manufacturing companies 2 executive officers, 5 general managers, 14 employees from secretariat (21 people from 6 companies) Nichirei Foods: 10th year of J-win <ul style="list-style-type: none"> Female leaders training program organized by non-profit organization J-win (one-year program)
	Job positions and employment opportunities for people with disabilities shall be created to enable them to earn a living through stimulating work, with a vision to ultimately eliminate the distinction between people with or without disabilities in society.	Provide stimulating employment opportunities for people with disabilities	<ul style="list-style-type: none"> Disabled employment rate: 2.56% (104 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.75% (101 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.80% (101 people with disabilities employed)

Policy	Ideal State	Priority Measure	Main Activity		
			FY2019	FY2020	FY2021
	As the healthy life span of people becomes longer, we will create workplaces that enable seniors to leverage their distinctive experience and play an active role reflecting their individual values and workstyles.	Create employment opportunities for older people	· 59 employees rehired after retirement (64 retirees)	· 57 employees rehired after retirement (65 retirees)	· 51 employees rehired after retirement (59 retirees)

Impartial Hiring Opportunities

The Group releases recruiting essentials and all other information on its website, accepts a wide variety of applications, and impartially selects new graduates.

Creating an Employee-Focused Workplace



Promotion of Diversity



Labor union activities; labor-management cooperation



Number of employees (by job type, rank, gender)



Number of Employees Hired (new graduates, mid-career)



Percentage of Non-company Employees



Diverse Styles of Working (Provide working condition options)

In-House Childcare Facility

In April 2018, Nichirei opened an in-house daycare center at its Head Office, located in the Tsukiji district of Tokyo's Chuo Ward. This is one of the Group's workstyle reforms, designed to enable the early return to work by those employees raising children and to support a work-life balance.

In an effort to assist members of the community, by helping alleviate the problem of long waiting lists at childcare facilities, we are also accepting a fixed number of local children at the daycare center.



Daycare children visit the workplace

The Nichirei Group provides training opportunities based on career path planning and development so that diverse human resources are able to play an active role in their respective workplaces, based on satisfying and stimulating work. In Japan, we strive to create workplaces that offer foreign technical interns a sense of job satisfaction. In addition, we provide introductions for foreign technical interns to Group company workplaces in their own countries, and opportunities that enable them to continue their careers utilizing expertise acquired in Japan. Training covers such topics as food hygiene management and occupational health and safety.

Nichirei Fresh Maruichi (Head Office: Onahama Plant in Fukushima Prefecture)

A Vietnamese technical intern who worked at the Fresh Maruichi Onahama Plant for four years starting in 2015 continues to perform quality control work at the newly established Nichirei Fresh fish processing plant in Vietnam. She plays an active role in her home country, utilizing what she learned at food manufacturing sites and by doing quality control-related work in Japan. In FY2021, one former foreign technical intern began work at the same Vietnamese plant. Nichirei plans to continue supporting the career advancement of its foreign technical interns.



Articles introducing the Onahama Plant in the 2020 Spring edition of the Group's in-house magazine *OriOri* were translated and shared at Trans Pacific Seafood's factory in Vietnam (left: Japanese, right: Vietnamese)

Comment from a Former Vietnamese Intern Employed at TPS



Do Thi Yen
Came to Japan in 2015. After working at the Fresh Maruichi Wakamatsu Plant as a technical intern for three years, she learned the basics of quality control at the Onahama Plant for one year. Since returning to Vietnam, she has been working at the marine product processing factory of Trans Pacific Seafood (TPS), established by Nichirei Fresh in 2018.

Fresh Maruichi is a very employee-friendly company. Everyone, from the president to part-time workers, is kind and friendly, which makes every day enjoyable. Because I had studied pharmaceuticals at university in Vietnam, when my training ended at the Wakamatsu Plant, Fresh Maruichi President Onishi (president at that time) suggested that I try working in quality management, and I transferred to the Onahama Plant. I have come to feel strongly about the importance of quality control.

I wanted to work in Japan longer, but when I heard the company planned to build a factory in Vietnam, I was happy since that would enable me to live with my children. My current goal is to work hard alongside my TPS colleagues, and first and foremost, generate solid profits!

Human Asset Cultivation and Diversity

Basic Philosophy

Basic Philosophy

The Nichirei Group, in order to fulfill its mission statement, is striving to continually enhance its workplaces as part of the CSR activities of its basic policy, the Nichirei Pledge. In addition, in “Corporate Philosophy: Start by Focusing on Employees,” the “prevention of discrimination based on gender, age, education, race, or religion, and the provision of equal opportunity” is established as one of its policies.

The Nichirei Group Workplace Improvement Policy



Management System

Management System

Each fiscal year, the Nichirei Group provides employees with an educational program for the year. It is devised by the Human Resources Committee in accordance with Group Education and Training Rules to support the career advancement of each employee. In addition, we use the Nichirei intranet to conduct e-learning courses for all employees in Japan to develop their skills in areas such as quality, safety, governance and compliance.

Initiatives

Workstyle Diversity

Supporting Non-Japanese Trainees' Careers

The Nichirei Group provides training opportunities based on career path planning and development so that diverse human resources are able to play an active role in their respective workplaces, based on satisfying and stimulating work. In Japan, we strive to create workplaces that offer foreign technical interns a sense of job satisfaction. In addition, we provide introductions for foreign technical interns to Group company workplaces in their own countries, and opportunities that enable them to continue their careers utilizing expertise acquired in Japan. Training covers such topics as food hygiene management and occupational health and safety.

Fresh Maruichi (Head Office: Onahama Factory in Fukushima Prefecture)

A Vietnamese technical intern trainee who worked at the Fresh Maruichi Onahama Plant for four years starting in 2015 continues to perform quality control work at the newly established Nichirei Fresh fish processing plant in Vietnam. She plays an active role in her home country by utilizing what he learned at food manufacturing sites and by doing quality control-related work in Japan. In FY2021, one former foreign technical intern trainee began work at the same Vietnamese plant. Nichirei plans to continue supporting the career advancement of its foreign trainees.



Articles introducing the Onahama Factory in the Group's in-house magazine (left: Japanese, right: Vietnamese)

Operational Innovations

The Use of Robots

The Nichirei Logistics Group is promoting the introduction of robotic process automation (RPA) to innovate office operations. RPA allows automation across applications through the use of computers even by those without programming knowledge; worksite employees have created and used original RPA scenarios on their own.

In FY2019, when full-scale deployment of the process began and the goal was to convert 10,000 hours of human labor to RPA each year, we actually converted 20,000 hours. In addition to resolving the problem of long working hours, the time freed up by automated operations allows for a shift in emphasis from office operations to resources; strengthens communications with worksites; and allows sufficient time for staff to meet with visitors, including business partners. In addition, the extra time available has made possible the creation of new added value operations and increased job satisfaction among all employees.

In FY2020, we aim to convert 180,000 hours of human labor into RPA and cultivate 100 more employees able to create RPA scenarios.



Worksite employees engaged in RPA operation training

Hiring People with Disabilities

The Group encourages the employment of people with disabilities, 34 of whom work at our special subsidiary, Nichirei Aura. They are engaged in a wide range of operations, including the cleaning of the head office and food factories located at Group companies, as well as office interiors within our logistics centers and the maintenance of green spaces. The Group will continue to create comfortable working environments for individuals with disabilities.

Employment Rate of People with Disabilities



Offering Employees Workplace Transfer Options

Nichirei Foods Inc. revised its personnel system during FY2016 and FY2017, in order to specify which employees are not subject to job transfers. Those who are unable to move to a distant location due to marriage, childcare, nursing, injury or sickness, or other personal reasons, or those who have worked more than a set amount of time, can remain at their desired workplace based on their individual career objectives regardless of reason, and can themselves decide whether they are eligible to be transferred. The revisions were instituted out of respect for the diverse circumstances and preferences of Nichirei Foods employees, and to create workplaces in which all members are motivated to work.

Promote the Advancement of Female Employees

As part of its effort to promote the participation of women in the workplace, the Logistics Group held the eighth *Sakaseru Roji-Jo Forum* in January 2020. About seventy female employees from each region across the country gathered to learn about the background, current status and future prospects of efforts promoting women's active participation in the workplace. For the first time, senior employees, including men, attended in 2019.

The forum acknowledged people's values with regard to work, as well as the need to create networks among employees in each region through discussions regarding participant work values and the creation of workplaces where women can work in ways that best suite them.

In fiscal 2020, Nichirei Foods held seminars for female employees in collaboration with other food manufacturers. These seminars included SPIRAL UP!, a diversity forum aimed at building awareness and LADY, GO UP!, a seminar aimed at building external networks and career development.



Sakaseru Roji-Jo Forum

Work for Seniors

In 2002, the Nichirei Group set up the Senior Staff System to provide employment opportunities for employees on retirement. After reaching the retirement age of 60, those wishing to continue working may do so until the age of 65. At present, we employ more than 100 senior members of staff, whose experience and knowledge contribute to Group development.



Lecture on frozen foods during a virtual factory tour

Career Declaration System

To improve job satisfaction, it is important to provide employees with roles compatible with their career plans. The Group has introduced a Career Declaration System in which all employees assess their career and declare their future career objectives once a year. This information is taken into account when deciding transfers and assignments.

Maternity Leave Return Rate

Employees Using Time Off for Childrearing



Gender Discrepancies in Salary

The Group decides salary based on position and job description and does not set differences based on gender. In addition, gender does not play a role in deciding promotions or salary increases.

Education and Training

Nichirei Group Main education and training



Nichirei Group Education time and number of participants



Each fiscal year, the Nichirei Group provides employees with a one-year educational program. It is devised by the Human Resources Committee in accordance with Group Education and Training Rules to support the career advancement of each employee.

In addition, to improve employees' skills, we conduct e-learning courses focused on quality, safety, governance, and compliance for all employees in Japan using the Nichirei intranet.

■ Level-based training plan

Training plan	Objective	Target
Executive Coaching	To stimulate better management decisions, improve organizational growth, and business performance. Changes in the thinking of executives is expected to have a ripple effect on employees, resulting in improved productivity.	Executive officers
Next-generation Management Team Development Program	To foster management capabilities, world-standard leadership, and decision-making criteria by cultivating ideas based on broad perspectives.	General managers, department managers
Leader Training	Creating true managers: Fostering human assets able to play a part in creating a strong and autonomous organization which discovers problems that need to be solved and creates its own solutions to become an organization that is relied on by businesses.	Managerial staff
Evaluator Training	To teach the principles of evaluation and deepen understanding of the purpose and significance of goal management and evaluation systems.	New attendees (such as recent graduates, career hires, transferred employees)
Facilitation Training	To understand such concepts as meeting preparation, meeting management, and follow-up, in order to conduct efficient meetings.	All employees
Training for Newly Appointed Managers	To elucidate the role of managers expected to lead the organization, and the viewpoints, perspectives and key behaviors required.	Newly appointed managers
First Career Training	To inculcate basic behaviors essential for human assets to produce results expected by the Company and supervisors.	New hires, employees in their second and third years of employment
New Employee Training	<ul style="list-style-type: none"> • To reorient the mindset from that of a student to that of an employee (teaches proactive behavior, disciplined behavior, and expected business etiquette) • To promote understanding of the Nichirei Group and a sense of belonging 	New hires, employees in their second and third years of employment

Governance

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Corporate Governance

Basic Philosophy

Basic Philosophy

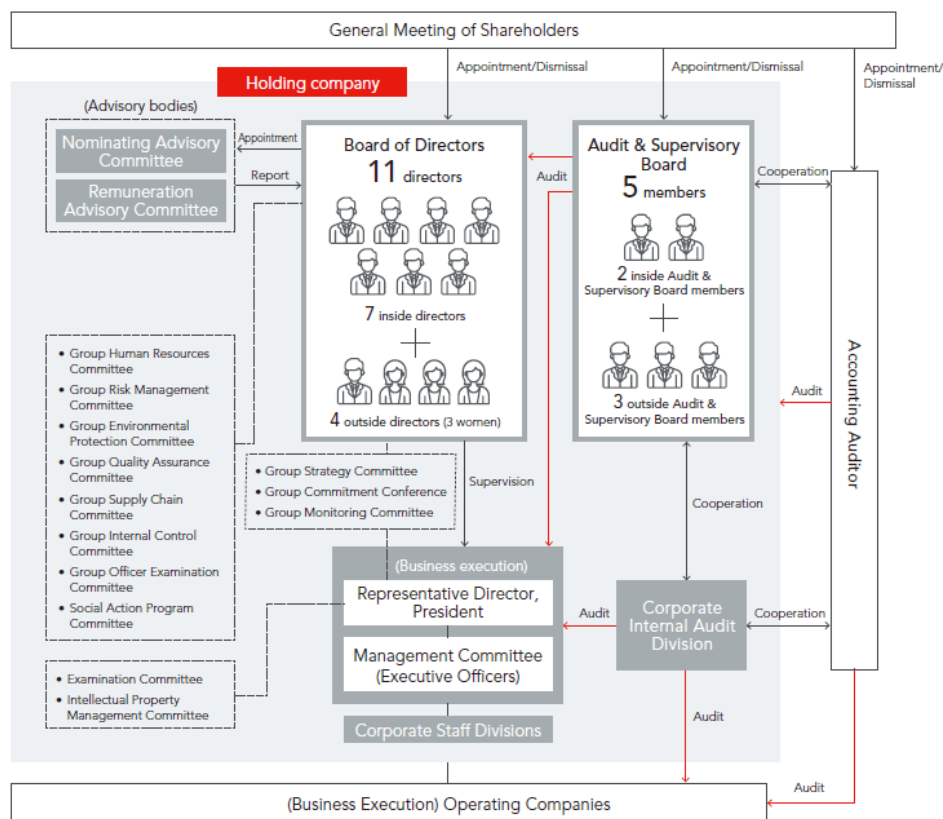
On the basis of its holding company structure, the Group engages in business through its Group companies across a wide range of fields which include processed foods, marine products, meat and poultry products, logistics, and biosciences. In pursuit of sustainable growth and the enhancement of corporate value over the medium to long term, the Company's Board of Directors formulates Group strategies and supervises the business execution of operating companies. The holding company maintains awareness regarding the principles of the Corporate Governance Code and views the achievement of fair and transparent management as an important management issue. Accordingly, under the supervision of the Board of Directors, we will promote appropriate resource allocation, speed up decision-making, and ensure thorough compliance while continuing to strengthen our governance.

In addition, we have established ourselves as a company with Audit & Supervisory Board system, an institutional design specified within the Companies Act of Japan.

Management System

Management System

■ Corporate Governance Structure





■ Activities Aimed at Strengthening the Nichirei Group's Corporate Governance Structure

	FY2002	FY2006	FY2007	FY2013	FY2016	FY2017	FY2019	FY2020	FY2021	FY2022
Group structure		Shift to holding company system								
Separation of management supervision and execution	Implementation of executive officer system									
Outside directors		Shift to three independent outside directors								Four outside directors
Female outside directors		One First female outside director appointed				Two				Three
Outside Audit & Supervisory Board members				Three						
Establishment of voluntary committees										
Evaluation of effectiveness of Board of Directors						Board of Directors effectiveness evaluations started				
Officer remuneration			Retirement bonuses for directors discontinued					Revision of officer remuneration system		
Others					Basic Policy on Corporate Governance established	Discontinuation of rules regarding the high-volume purchase of Nichirei share certificates, etc. (Anti-takeover measures)	Formulation of Group Disclosure Policy		Revision of Basic Policy on Corporate Governance (Revisions to policy on capital management and other protocols and adjustments to maximum terms of office for outside Audit & Supervisory Board members to ensure their independence)	

■ Overview of Board of Directors

Composition	11 directors (4 outside directors)
Number of meetings in FY2021	18
Description of operations	Promotes proper allocation of Group resources, swift decision-making and thorough compliance through supervision of the Group's strategy planning and business execution of operating companies. After discussion by the Group Strategy Committee, which meets twice a year, the Board of Directors formulates and approves the Group's strategies and conducts quarterly checks of the status of implementation at each Group business. It also engages in highly effective supervision of executive directors and executive officers.

■ Overview of Audit & Supervisory Board

Composition	5 Audit & Supervisory Board members
Number of meetings in FY2021	16
Description of operations	As a body that is independent from the Board of Directors, the Audit & Supervisory Board communicates with directors, Corporate Internal Audit Division and other departments of the holding company in accordance with the annual audit policy and audit plan to gather information and prepare the audit environment.

■ Status of the Establishment of Voluntary Committees, Their Composition and the Attributes of Their Chairpersons

Committee	Role	Chairperson	Frequency
Nominating Advisory Committee	Discusses the suitability of candidates for senior management and directors/Audit & Supervisory Board members, as well as successor plans, and reports its findings to the Board of Directors.	Shizuka Uzawa Outside Director	Twice a year, in principle
Remuneration Advisory Committee	Discusses the remuneration system, remuneration levels, the appropriateness of remuneration amounts, and other related matters, and reports to the Board of Directors.	Shizuka Uzawa Outside Director	Twice a year, in principle

■ Election and Term of Office of Directors

The Board of Directors comprises up to 11 members, appointed to one-year terms in order to enhance flexibility in response to changes in business conditions. Resolutions to appoint directors must be approved by a majority of shareholders, with at least one third of those shareholders who have voting rights in attendance. To improve transparency and strengthen supervisory functions, three of the current 10 directors are outside directors. The Board meets at least once a month. The Board of Directors is chaired by the Representative Director and Chairman, who also serves as an executive officer. Together, the Representative Director and Chairman and the Representative Director and President oversee the Group's overall execution of business.

■ Audit & Supervisory Board Member System and Role of Audit & Supervisory Board meetings

Nichirei has adopted the audit & supervisory board member system. Of the five audit & supervisory board members, three are outside audit & supervisory board members, of whom one has experience at a financial institution, another is an experienced attorney, and the third has worked at a government agency. Audit & Supervisory Board meets once a month, in principle, convening additional meetings as necessary. Nichirei has established a framework to enhance the supervisory functions of audit & supervisory board members, allowing for the effective use of audit & supervisory board members, and strengthening the supervisory role of management.

Independent Outside Directors and Outside Audit & Supervisory Board Members

The Company adheres to its Criteria for Independence when appointing outside directors and outside audit & supervisory board members designated by the Company as independent directors/audit & supervisory board members. A vested interest in Nichirei is denied outside directors and their close relatives, as well as outside audit & supervisory board members and any companies or organizations of which they are directors or that they serve in other important positions.

Outside Directors and Outside Audit & Supervisory Board Members Appointments



Notice of the 103rd Annual General Shareholders Meeting



Skill Matrix

	Position	Name	Planning & Management	ESG/ Sustainability	Global (Internationality)	Innovation/ Marketing	Financial Accounting/ Finance	Legal/ Compliance
Directors	Representative Director, Chairman	Kunio Otani	●		●		●	●
	Representative Director, President	Kenya Okushi	●	●	●	●		
	Director, Executive Officer	Junji Kawasaki		●		●		●
	Director, Executive Officer	Kazuhiko Umezawa	● (Cold storage logistics)		●	●		
	Director, Executive Officer	Masahiko Takenaga	● (Processed foods)		●	●		
	Director, Executive Officer	Wataru Tanabe	● (Fisheries and livestock)		●	●		
	Outside Director	Shizuka Uzawa	●		●		●	●
	Outside Director	Mieko Wanibuchi	●	●		●		
	Outside Director	Kuniko Shoji		●		●		●
	Outside Director	Mana Nabeshima		●	●		●	
Audit & Supervisory Board Members	Audit & Supervisory Board Member	Kazuhiko Yasuda					●	●
	Audit & Supervisory Board Member	Tatsushi Kato		●				●
	Outside Audit & Supervisory Board Member	Yuhiko Saito		●				●
	Outside Audit & Supervisory Board Member	Kiyoshi Asahina			●			●
	Outside Audit & Supervisory Board Member	Muneaki Kiyota			●		●	

* The above list does not represent all the knowledge, experience, and abilities possessed by each director and auditor.

■ Attendance of Outside Directors and Outside Audit & Supervisory Board Members at Meetings of the Board of Directors or Audit & Supervisory Board (as of June 24, 2020)

Category	Name	Attendance at Meetings of the Board of Directors or Audit & Supervisory Board	Main Activities
Outside Directors	Shizuka Uzawa	Attended 18 of 18 meetings of the Board of Directors	Mr. Shizuka Uzawa has extensive experience as a corporate executive coupled with a wide-ranging knowledge of finance and accounting and, in the interest of Group management, provides opinions and advice during meetings of the Board of Directors and various other internal meetings.
	Mieko Wanibuchi	Attended 16 of 18 meetings of the Board of Directors	Ms. Mieko Wanibuchi has worked in corporate management for many years and leverages the experience and knowledge acquired through these endeavors to offer opinions and advice during meetings of the Board of Directors and various other internal meetings.
	Kuniko Shoji	Attended 17 of 18 meetings of the Board of Directors*	Ms. Kuniko Shoji has extensive experience as a corporate manager in the pharmaceutical-related industry and broad knowledge of quality assurance and R&D. She also offers opinions and advice during meetings of the Board of Directors and various other internal meetings.
Outside Audit & Supervisory Board Members	Masaaki Okajima	Attended 18 of 18 meetings of the Board of Directors Attended 16 of 16 meetings of Audit & Supervisory Board	Mr. Masaaki Okajima has abundant experience and extensive insights into administrative affairs. In addition, mainly at the Board of Directors and the Board of Auditors, he provides opinions and advice, etc.
	Kazuo Nagano	Attended 18 of 18 meetings of the Board of Directors Attended 16 of 16 meetings of Audit & Supervisory Board	Mr. Kazuo Nagano owns advanced experience and knowledge as a corporate manager including the management of financial institution.
	Yuhiko Saito	Attended 14 of 14 meetings of the Board of Directors Attended 11 of 11 meetings of Audit & Supervisory Board	Mr. Yuhiko Saito has had a career in the legal profession, while also holding judicial positions in government office. Having worked as an attorney since retiring from public office, he possesses wealth of experience and intricate knowledge as a legal expert.

* This member assumed his or her position after being appointed at the 101st Ordinary General Meeting of Shareholders held on June 25, 2019.

■ Committees for Effective Corporate Governance

Nichirei has set up committees to advise the Board of Directors, to ensure effective corporate governance. The committees include the Nominating Advisory, Compensation Advisory, Group Human Resources, Group Risk Management, Group Environmental Protection, Group Quality Assurance, Group Internal Control, Group Director Review, and Group Social Contribution Committees. In addition, to advance the execution of business by the president, Nichirei has set up the Management, Review, and Intellectual Property Management Committees, an overview of which follows.

■ Status of Appointment of Members to the Board of Directors and Various Committees

	Status of Appointment	
Representative Director, Chairman	<ul style="list-style-type: none"> Boards of Directors Group Risk Management Committee Group Internal Control Committee Group Officer Examination Committee 	<ul style="list-style-type: none"> Management Committee Group Human Resources Committee Group Environmental Protection Committee Group Quality Assurance Committee Social Action Program Committee
Representative Director, President		
Inside directors		
Audit & Supervisory Board members		
Outside directors		
Outside Audit & Supervisory Board members		

Number of Meetings of Various Committees, etc.



■ Internal Audits, Audits by Audit & Supervisory Board Members, and Accounting Audits

Audit & supervisory board members at the holding company and three core operating companies hold regular liaison conferences, conduct joint audits, and ensure the effective auditing of Group-wide management. The Management Auditing Division, responsible for internal auditing, conducts business execution and accounting accounts to verify the status of internal controls across management activities, and offers advice as necessary, in order to ensure strict compliance and observance of the Group code of conduct, and raise awareness of risk management. In addition, the division conducts facility audits inspecting the status of production plants, distribution centers, and other facility audits providing appropriate guidance and advice.

■ Officer Remuneration

Design of the remuneration scheme for directors and executive officers incorporates the opinions of a third-party organization. Remuneration comprises a base remuneration component and a bonus component. Base remuneration is paid at a fixed rate determined in accordance with a remuneration schedule. Bonuses are paid according to the concept of productivity-linked bonuses, based on the results of the Nichirei Group, the performance-budget achievement rate of the relevant officer's business area, and an individual qualitative assessment. Outside directors receive base remuneration only; they are not paid a bonus. Nichirei has established a Remuneration Advisory Committee which meets, in principle, once a year to deliberate on such topics as the remuneration system, remuneration levels, and the validity of remuneration, before reporting its findings to the Board of Directors. The committee comprises the Representative Director and President, a audit & supervisory board member, and outside directors. Officer remuneration is determined by the Board of Directors. The total amount of remuneration and bonuses paid to directors must be within the limit resolved at a General Meeting of Shareholders.

■ Policies and Methods for Determining Officer Remuneration

The policy for determining individual director remuneration is for the Remuneration Advisory Committee to discuss the appropriateness of each director's remuneration every fiscal year and for the decision to be made by the Board of Directors. In these discussions, the Remuneration Advisory Committee reflects changes in the management environment and the opinions of shareholders and investors, and obtains information necessary for discussion from third-party agencies with extensive global knowledge and experience.

■ Basic Policies

Directors (excluding outside directors)

- Remuneration shall strongly encourage directors to perform their duties in accordance with the Group's Management Principles, basic CSR policy, the Nichirei Pledge and management strategies.
- In order to achieve long-term management goals, remuneration is set to strongly motivate directors to achieve specific management goals with regard to the Group's material issues and medium-term business plans.
- In order for remuneration to serve an incentive toward the Group's sustainable growth, the ratio of remuneration linked to short-term results, performance of duties, etc. (performance-linked bonuses) and remuneration linked to medium- to long-term results and corporate value (stock compensation) will be set in an appropriate manner.
- Directors and executive officers shall be treated in a manner befitting their positions as officers of the Company in consideration of the significance of the Group's social role and responsibilities, trends at companies, including those in the food and logistic industries, that compete with the Group in terms of business and human resources, and changes in the business environment.

Outside Directors

- In light of their role of supervising the Company's management from an independent and objective standpoint, outside directors are paid only basic remuneration (fixed) compensation.

Directors (excluding outside directors)

- As shown below, remuneration for directors other than outside directors consists of role-based remuneration and a director allowance, which are basic (fixed) remuneration, and performance-based bonuses and stock compensation, which are variable remuneration.

Remuneration Composition		General Percentage	Purpose/Description
Basic (fixed) remuneration	Role-based remuneration	60%	Basic remuneration for performance of duties Set according to the significance of the role of each director
	Director allowance		Remuneration for the responsibilities of making and supervising the execution of management decisions Set at a uniform amount for all directors
Variable remuneration	Performance-linked bonuses	20%	Remuneration for motivating directors to achieve annual financial and strategic goals The amount paid when achieving goals ("standard amount") is set as a percentage of role-based compensation Paid within a range of 0-200% of the standard amount according to degree of achievement
	Stock compensation (restricted shares)	20%	Remuneration for encouraging management from a long-term/Group-wide perspective and the perspective of shareholders and investors Value of shares issued each fiscal year ("standard amount") is set as a percentage of role-based compensation Restricted shares are issued annually in an amount equal to the standard amount, and restrictions are lifted upon a director's retirement

■ Performance-Linked Bonuses

The total amount of monetary remuneration to be paid to each director as a performance-linked bonus is calculated by dividing the standard amount set according to the significance of the director's role into three categories, namely "Company-wide evaluation," "Business evaluation," and "Individual evaluation," multiplying these amounts by the respective evaluation coefficients and adding the respective results.

Position	Standard amount of performance-linked bonus		
	Company-wide evaluation	Business evaluation	Individual evaluation
Representative Director, President	100%		
Director (in charge of business)	50%	30%	20%
Director (in charge of function)	70%		30%

Amount of individual bonus =

Company-wide evaluation standard amount x Company-wide evaluation coefficient (0-200%)

+ Business evaluation standard amount x Business evaluation coefficient (0-200%)

+ Individual evaluation standard amount x Individual evaluation coefficient (0-200%)

The key performance indicators (KPIs) for calculating each evaluation coefficient are selected from among the financial and strategic indicators that the Company emphasizes in its medium-term business plan. The KPIs for calculating the Company-wide evaluation coefficient and the weights are provided below.

KPIs for Calculating the Company-wide Evaluation Coefficient	Weight	Reason for Selection
Consolidated net sales	20%	Indicator of expansion of business scale, which is a source of profit growth
Consolidated EBITDA	60%	Indicator of cash flow generation capabilities and profit growth while actively investing for growth
Consolidated REP	20%	Indicator contributing to improving corporate value by taking capital cost into account

Notes:

1. The KPIs for calculating the business evaluation coefficient are net sales (25%) and EBITDA (75%), consistent with the Company-wide evaluation. The KPIs for calculating the individual evaluation coefficient are particularly important items (including initiatives to improve REP in each business and initiatives related to training successors) selected individually from the Company's medium- to long-term strategic issues and challenges.
2. Retained Economic Profit (REP) is a unique business management indicator used by the Group and is calculated by deducting capital costs (capital used x WACC) from NOPAT.

■ Procedures for Determining Remuneration

In order to ensure appropriateness and objectivity in matters related to remuneration for individual directors, the Remuneration Advisory Committee, comprising mainly independent outside directors, discusses matters first and reports its findings to the Board of Directors, which then makes its decisions. The Remuneration Advisory Committee has discussions that touch on changes in the management environment and opinions of shareholders and investors, and appropriately obtains information necessary for discussion based on objective and expert standpoints. In the process of determining the amount of individual performance-linked bonuses, the representative director, president, who has been delegated by the Board of Directors, interviews each director in regard to individual performance targets and evaluation results and makes a proposal. This proposal is discussed by the Remuneration Advisory Committee, and then the representative director, president, decides on the final amount. In order to ensure objectivity and fairness in the determination of individual performance targets and evaluation results, the results are reported to the Board of Directors in a timely and appropriate manner. The final amount of individual bonus payments proposed by the representative director, president, is then discussed by the Remuneration Advisory Committee and decided by the Board of Directors.

■ Total Amount of Officer Remuneration in FY2021

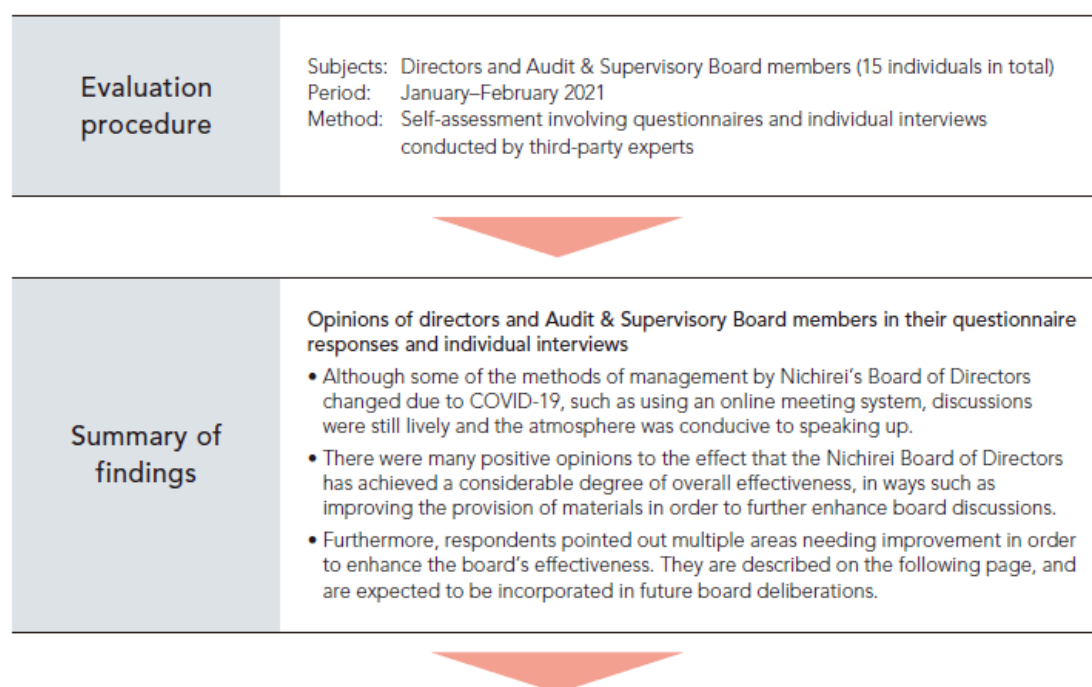
Officer classification	Total amount of remuneration by category (Millions of yen)			Total amount of remuneration (Millions of yen)	Number of eligible officers
	Basic remuneration	Performance-linked officers bonuses	Restricted stock compensation		
Directors (excluding outside directors)	262 (162)	81 (48)	85 (85)	428 (295)	7 (7)
Outside directors	32	-	-	32	3
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	48	-	-	48	2
Outside Audit & Supervisory Board members	32	-	-	32	5
Total	374 (274)	81 (48)	85 (85)	541 (408)	17 (17)

Amounts of remuneration, etc. paid to directors and company auditors: Notice of the 102nd Annual General Shareholders Meeting, page 33(Only Available in Japanese)



■ Board of Directors Evaluations

As necessary, and with the assistance of outside experts, the Company conducts analyses and evaluations of the Board of Directors' activities to ensure its decision-making is effective. Summaries of the results are subsequently disclosed.



Nichirei Integrated Report 2021 Corporate Governance



■ The Board of Directors Role and Institutional Design

Initiative	The current institutional design of a company with Audit & Supervisory Board system was deemed appropriate as decision-making and management supervision are executed effectively, thus many were of the opinion that there was no need to transition to a different institutional (a company with audit and supervisory or nominating committees) design. There were also many opinions indicating that, depending on future conditions, the board should examine transitioning to another institutional design that places more emphasis on the Board of Directors supervisory function.
Future approach	In light of Nichirei Group management strategies, changes in the business environment going forward and Corporate Governance Code requirements, the Company decided to engage in ongoing discussions regarding the role of the Board of Directors, as well as institutional designs most appropriate for executing that role, while continuing to review options including the transition to a company with audit and supervisory or nominating committees.

■ Board of Directors Composition

Initiative	While the ratio of outside directors among board members was evaluated positively as a whole, taking into account Corporate Governance Code revisions and the annual tightening of voting rights execution criteria for institutional investors, many respondents were of the opinion that the ratio of outside director appointments should be increased to one-third or more. Additionally, there were many other opinions exchanged regarding inside director composition and outside director diversity.
Future approach	In light of Group management strategies and recent requests from institutional investors to increase the ratio of outside directors, the number of outside directors was increased by one at the General Meeting of Shareholders held on June 22, 2021. In all, 11 directors, including four outside directors, were appointed. Going forward, the Company decided to continue examining inside director composition and outside director diversity and will consider whether or not to increase the outside director ratio over the medium to long term.

■ Board of Directors Administration and Meeting Materials Management

Initiative	Many respondents gave positive assessments of the progress made in improving meeting materials in response to paperless initiatives implemented since October 2018. At the same time, several respondents were of the opinion that further improvements were needed regarding the content and timing of provision of Board of Director meeting materials.
Future approach	With a view to energizing Board of Director deliberations and improving its efficacy by further innovating and enhancing the content of meeting materials and providing information in advance, the Company decided to provide materials even further in advance of meetings, create opportunities to share required information regarding projects of high importance in advance, and pursue improvements in the format of proposal materials used from 2020 pertaining to investment and financing projects and other specific agenda items that tend to involve a comparatively large volume of materials.

■ Efforts to Ensure Meaningful Discussions

Nichirei distributes materials for use at Board of Directors meetings to each director and Audit & Supervisory Board member at least three days in advance of meetings in order to ensure meaningful discussions.

When internal communication and coordination are required to accurately provide Company information in response to instructions from independent outside directors or independent outside Audit & Supervisory Board members, the secretary in charge acts as the contact point in order to ensure necessary coordination with relevant departments.

Newly appointed directors and Audit & Supervisory Board members are given training as necessary on the Companies Act and other related laws, management strategy, financial analysis and other such matters. Additional training on legislative revisions and management issues is provided as necessary after new members assume office. Moreover, explanations of the Group's businesses and tours of the major facilities are provided to outside officers as necessary.

■ Approach to Cross-Shareholdings

Cross-shareholdings are only utilized when it is determined that they will contribute to improvement of the Company's corporate value; for example by maintaining and strengthening trade and cooperative relationships. In addition, every year, the Board of Directors reviews the economic rationale of individual shareholdings of this type from a medium- to long-term perspective. If the importance of a particular shareholding is determined to have diminished, the shares are sold. In conducting such reviews, the Board of Directors carefully examines and makes a comprehensive judgment on whether the benefits, such as profits from transactions, and dividends or risks are commensurate with the cost of capital, followed by consideration of a qualitative evaluation of the strategic importance of the shareholding. In regard to the exercise of voting rights for cross-shareholdings, the Company will review all the details of the relevant proposal in the investee company's shareholders meeting agenda, and if any of the following apply to the investee company, the Company will make a decision after carefully examination on a case-by-case basis:

- (1) The investee has engaged in acts that will lead to a loss of shareholder value
- (2) The investee's performance or stock price has deteriorated significantly
- (3) There are other serious doubts with respect to agreeing to the proposal

Risk Management

Basic Philosophy

Basic Philosophy

The Nichirei Group has established the Group Risk Management Committee, chaired by the representative director, president, to manage the various risks associated with its business activities, in the most appropriate and rational way from a comprehensive standpoint, and to maximize the Group's corporate value. The committee identifies and evaluates Group-wide risks, and Nichirei and its operating companies take countermeasures to these risks on their own accord, based on the established risk management cycle. Important items are reported to the Board of Directors of Nichirei Corporation, the holding company, which considers countermeasures.

Internal Control



Business Risk, page 14, Annual Securities Report (for the year ended March 31, 2021) (Only Available in Japanese)



Nichirei's Value Creation Process, page 22-23, Integrated Report 2021

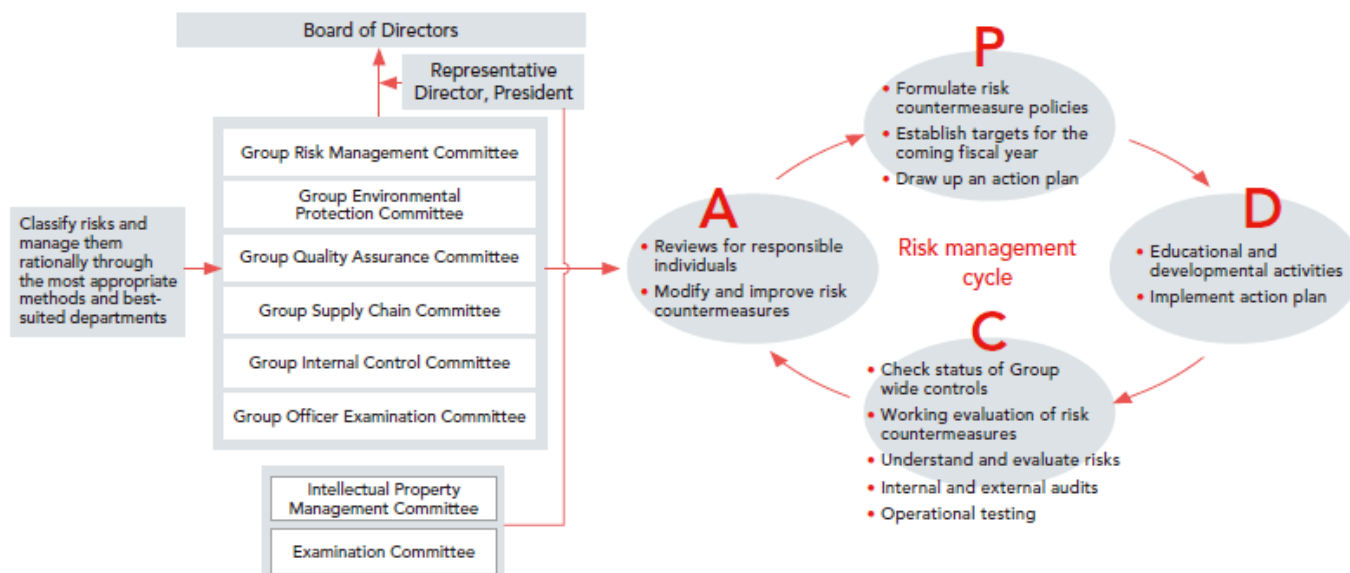


Management System

Management System

Believing that the actions of each employee count in preventing a number of risks, Nichirei devised a Code of Conduct comprising 12 articles (revised in 2014). The code involves compliance and ethical behavior regarding the environment, society, and governance. It is designed to minimize, thorough awareness, the risk of compliance infractions and other issues.

The Group Risk Management Committee identifies and evaluates risks, while running a risk management system for the Group. Any significant risks identified by the risk management process are reported to the holding company's board of directors for discussion.



Committee	Chairperson	Purpose
Group Risk Management Committee	Kenya Okushi Representative Director, President	To use the most appropriate and rational methods to comprehensively manage uncertainties that could damage the Nichirei Group's corporate value. An Overseas Compliance Subcommittee and Information Security Subcommittee have been established under this committee to monitor progress on measures related to responding to important risks.
Group Environmental Protection Committee		To contribute to coexistence with an environmentally friendly society. This includes reducing environmental impact, enhancing environmental protection activities and compliance with legal requirements such as environmental laws, regulations and ordinances.
Group Quality Assurance Committee		To achieve the product and service quality expected by customers and society.
Group Supply Chain Committee		To plan and review uniform Group-wide initiatives for building and maintaining a sound and sustainable supply chain and to contribute to the mutual prosperity and harmony of stakeholders of the Nichirei Group and its supply chains.
Group Internal Control Committee		To enhance the business operations of Group companies and improve efficiency by establishing, operating, monitoring and improving internal control systems at each Group company.
Group Officer Examination Committee	Consulting lawyer	To ensure the fairness of rewards and punishments for directors and executive officers of the holding company and four core operating companies.

Educating Employees about the Code of Conduct to Ensure Compliance



Important Risks and Countermeasures of the Nichirei Group

Risk Category	Countermeasure	Management System
Economic conditions and business environment	In response to environmental changes, the Nichirei Group is promoting innovation through its wide-ranging businesses, which provide value in the fields of food and health, and creating new value that offers solutions to issues facing its customers and society at large. Through these efforts, the Group contributes to good eating habits and health for all people.	Strategic management
Finance	The Company works to minimize the impact of exchange rate fluctuation on business results through forward exchange contracts and other measures. In regard to fixed asset holdings, the Company has introduced a PDCA cycle for each investment, and clarifies the items for consideration when preparing investment plans, as well as the rules for post-investment verification to ensure proper operations.	Finance
Changes in laws, regulations, and business practices	The Nichirei Group works to ensure thorough compliance based on the Nichirei Pledge, which is the Group's basic CSR policy. The Group also pays careful attention to trends in the laws and regulations of each country and region and gathers necessary information. The Group recognizes changes in laws and regulations related to the environment and society as particularly urgent issues from the standpoint of both risk and opportunity and takes action accordingly.	Strategic management
Food quality issues	In order to provide customers with reliable products and services, the Nichirei Group works to enhance its integrated quality assurance system from product development to procurement of ingredients, production and sales. Ensuring food safety and reliability is the Group's top priority. This includes appropriate ingredient and product quality and production control, development of traceability systems, food defense initiatives, and training and proper allocation of personnel.	Group Quality Assurance Committee
Supply chain	The processed foods business continually improves formulation technology and production efficiency to reduce manufacturing costs and develop products that offer greater value. The marine, meat and poultry products business works to balance supply and demand in procurement and sales, expand the lineup of processed products that are less susceptible to the impact of fluctuating market prices, and increase sales of differentiated products. In addition, this business makes efforts for sustainable food procurement by carrying MSC/ASC-certified marine products, procuring sustainable palm oil, and conducting a sustainable-cycle poultry business.	Group Supply Chain Committee, Group Environmental Protection Committee
Climate change	As climate change initiatives, the Nichirei Group is working to conserve energy in ways such as introducing highly efficient equipment, and is switching from fluorocarbon to natural coolants. The Group is also introducing solar power generation equipment and purchasing green power certificates and other sources of renewable energy that do not produce CO2 emissions. In addition, the Group is conducting ongoing assessments of the impact of climate change and disclosing information according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	Group Environmental Protection Committee
Information systems/security	In regard to information security, the Nichirei Group has implemented technical measures against external cyberattacks, including a firewall, an intrusion detection system and a proper authentication system. At the same time, the Group is working to build an appropriate management structure for its information systems by preparing rules on information security and providing e-learning and other training to employees.	Group Risk Management Committee

Risk Category	Countermeasure	Management System
Disasters	As countermeasures for large-scale natural disasters, the Group is proceeding with seismic retrofitting work and deploying emergency generators and has established an employee safety confirmation system as well as a disaster prevention manual and business continuity plan (BCP), and utilizes multiple data centers.	Group Risk Management Committee

Initiatives

Business Continuity Plan Initiatives

Employee Safety

<Group Countermeasures Headquarters in Response to COVID-19>

In January 2020, we set up the Group Countermeasures Headquarters in response to COVID-19. In addition to collecting and sharing information throughout the Group, between January and July 2020 we sent out, on the Company intranet, 24 messages with instructions regarding work systems and infection prevention measures.

We are creating a crisis management system to strike a balance between the prevention of infection and the need for our employees to engage in business activities.

<Confirming Safety in Emergency Situations>

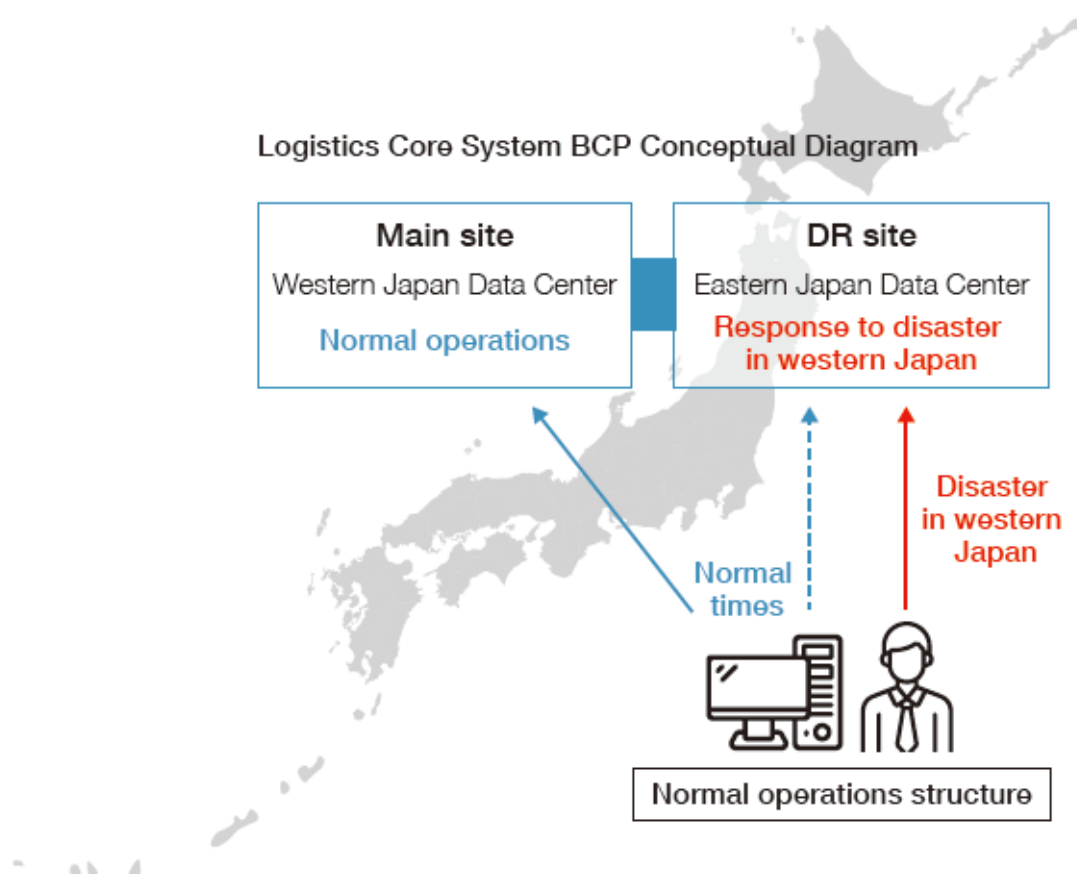
The Nichirei Group has introduced a company-wide safety confirmation system using a dedicated website. In the event of a disaster, such as an earthquake with an intensity of five or higher, emails will be sent to each employee to check whether they are safe, and relevant local information will be provided immediately on the website. The system allows for the rapid collection and sharing of information.

Enhancing Logistics Core System BCP

As part of its risk management, the Nichirei Logistics Group has been enhancing its BCP support for its logistics core system since February 2018.

Assuming the possibility of damage to the data center, where operations are heavily concentrated, we created a disaster recovery (DR) system to enable rapid business continuity. In the event of a large-scale disaster, we would be able to quickly resume operations through the use of two bases that switch from the system at our main site to the DR site. Approximately one hour would be needed from the activation of the system until an online restart would be possible. This is designed to ensure that customer businesses and food distribution are not affected.

We plan to implement advanced initiatives as a food logistics lifeline in order to contribute to the business continuity of our business partners.



■ Case Study Nichirei Logistics Group BCP Initiatives

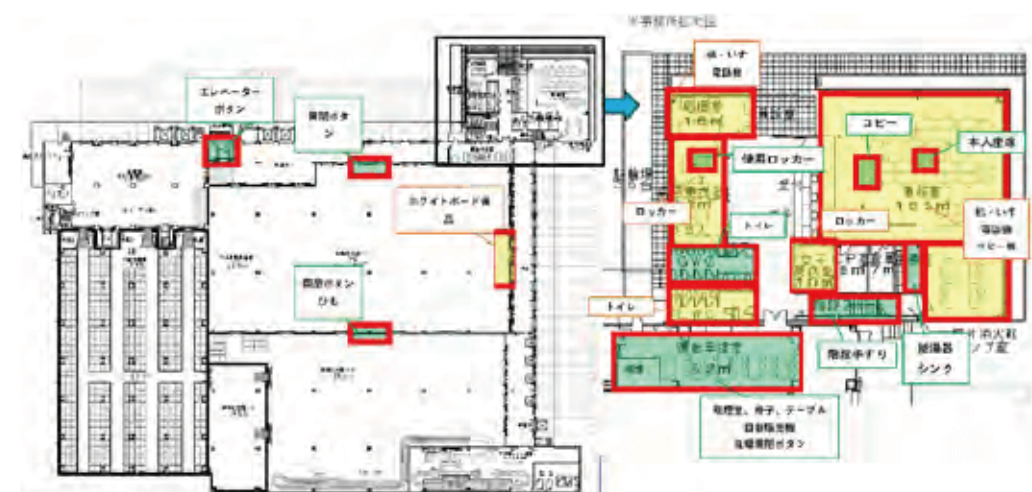
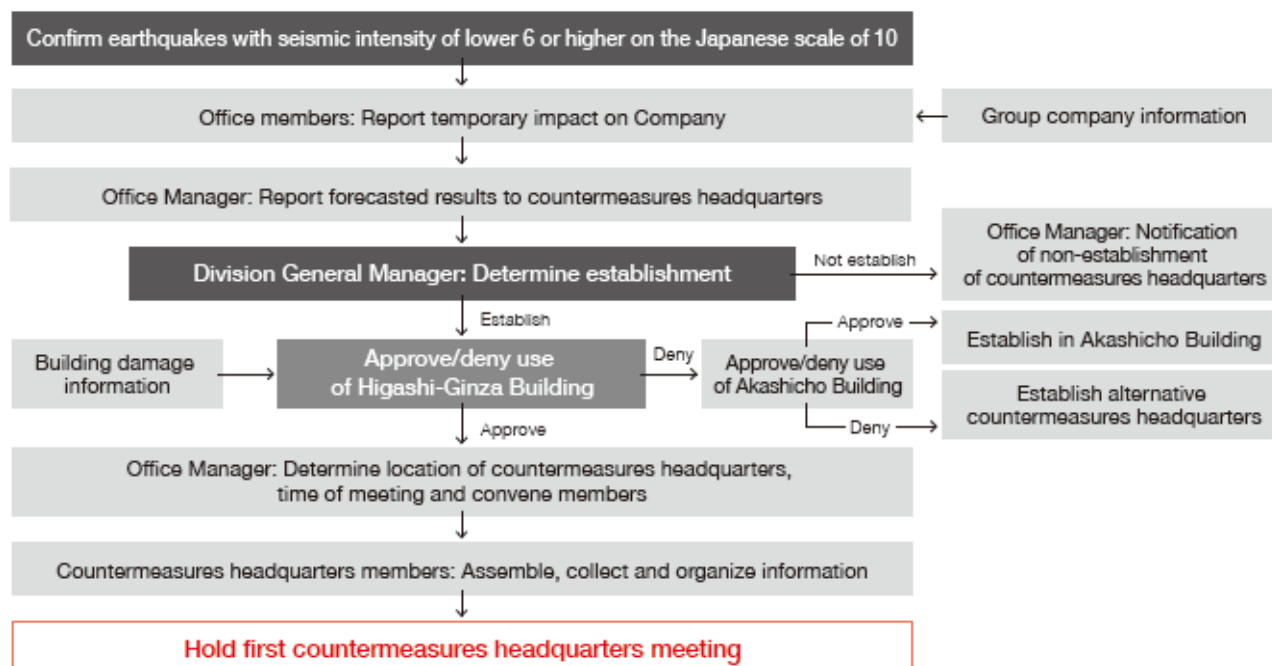
Overview

In recent years, with a number of areas having experienced enormous damage as a result of natural disasters, the Nichirei Logistics Group has formulated a BCP to be implemented in the event of earthquakes, tsunamis, typhoons, major storms, and floods. Such risk management prioritizes ensuring the safety of employees and cargo being handled.

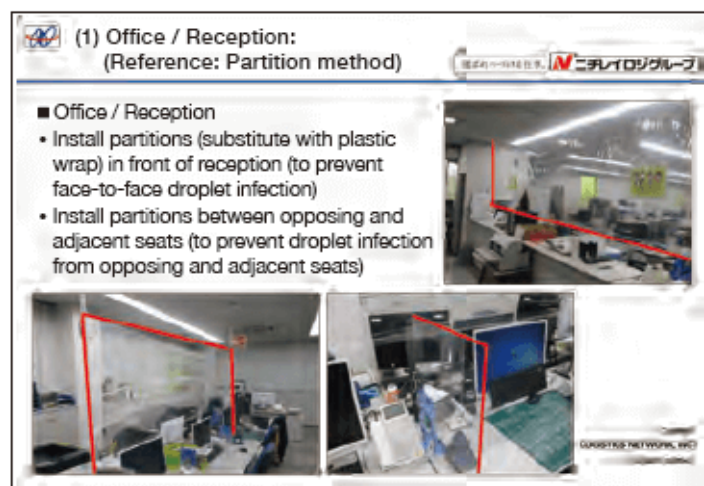
Every year before the typhoon season, in addition to circulating a document detailing our anticipated response to forecast typhoons and other weather-related disasters on the Company website, we provide business partners with information on how to deal with temporary closures and changes in business hours.

In response to COVID-19, we are conducting infection prevention measures at businesses, while at the same time changing work styles by, for example, staggering commuting times, encouraging teleworking, and opening satellite offices to help ensure employee safety and business continuity.

COVID-19 Response Manual



Facility Disinfection Manual



Guidelines for Preventing the Spread of Infection (Close Contact Prevention)

Basic Philosophy

Approach to Internal Control

The Group recognizes that developing and operating an internal control system to facilitate operational effectiveness and efficiency, ensure the accuracy of financial reports, comply with laws and regulations pertinent to business, and to safeguard its assets will translate into higher corporate value. In terms of the development of systems necessary to ensure that the execution of the duties by the directors complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by ordinance of the Ministry of Justice as systems necessary to ensure the propriety of operations of the Company and the operations of the group of enterprises consisting of the Company and its subsidiaries pursuant to the Companies Act of Japan, the Company has established the basic policy for its internal control system as follows. The Company will endeavor to improve the policy by reviewing it annually to adapt to changes in the business environment, etc.

Internal Controls Basic Policy

1. Compliance with the law and internal regulations

- 1) The Company, in accordance with the Group's management principles and code of conduct, shall comply with the laws, regulations, and its articles of incorporation, refrain from dishonest or antisocial corporate activities, and ensure that competition is fair.
- 2) As the holding company, the Company shall manage the Group and strengthen corporate governance by establishing, implementing, maintaining internal controls for the entire Group; formulate business strategies for the Group; conduct internal Group audits; monitor business companies; and facilitate the joint procurement of assets.
- 3) The Company shall ensure its disclosures are prompt, accurate, and fair, based on the Group's accounting regulations. It shall be accountable to shareholders and investors on an ongoing basis, while ensuring the transparency of corporate information.
- 4) The Company shall establish a Group auditing department that, based on the Group's in-house audit regulations, shall audit Group company controls.
- 5) The Company, in order to handle reports and consultations by employees concerning acts that may violate corporate ethics, shall establish an in-house reporting system (a hotline) that protects whistleblowers. Every effort shall be made to discover and correct violations of the system at an early stage, and ensure compliance.
- 6) The Company, in accordance with guidelines regarding the Board of Directors, office structures, and other internal arrangements, shall establish systems for appropriate and efficient execution of duties, based on rules regarding management authority and decision-making.

2. Managing information on Company, subsidiary directors

- 1) The Company shall properly record, retain, manage, and preserve minutes of the Board of Directors meetings, documents for circulation, and other information regarding execution of duties, in accordance with the law, as well as internal regulations regarding the Board of Directors, Group document management, and information security management.
- 2) The Company, based on Group regulations concerning Group management, Group materials for discussion or circulation, and other Group arrangements, shall receive reports on matters regarding the execution of

duties by directors and employees of subsidiaries.

- 3) The Company's directors and company auditors shall be able to directly examine and/or copy any information regarding execution of duties that has been electronically recorded, retained, managed, or preserved by the Company's departments.
- 4) When requested by a director or company auditor, the Company's departments shall promptly provide or submit for inspection the specified information.

3. Risk management of Company, subsidiary losses

- 1) Based on the Group's risk management regulations, the Company shall identify and evaluate Group risks through the Group Risk Management Committee, and establish a risk management framework for the Group.
- 2) The Company and its businesses, reflecting the risk management cycle, shall voluntarily and independently respond to corporate activity-related risks. Important matters shall be reported to the holding company's Board of Directors, and the response discussed.
- 3) Based on the Group's risk management regulations, the Company shall respond promptly and appropriately in the event of a disaster, accident, incident, or other crisis that threatens business continuity.

4. Group duties of Nichirei, subsidiaries (besides those in 1-3 above)

- 1) To realize the mission and vision of the Nichirei Group, the Company, as a holding company, shall propose, decide, and implement Group strategies, allocate business resources, conduct monitoring and risk management for the entire Group, and fulfill the responsibilities of a publicly traded company.
- 2) As the CSR headquarters, the Company has a corporate staff division that supports the Board of Directors, an internal auditing division that monitors the Group, as well as the Group R&D and quality assurance divisions.
- 3) Each business company shall serve as an independent company (fulfilling the functions of planning, development, production sales, management, and administration), increase the independence of their respective organizations through their presidents, and adapt to the business environment to respond quickly to market demands.
- 4) Transactions between the Company and its business companies shall be based on accounting principles, tax laws, and other internal regulations.

5. Exclusion of antisocial forces

- 1) The Company, keenly aware of its corporate social responsibility, shall prohibit any submission to, or collusion with, antisocial forces that threaten the order and safety of civil society, and shall resolutely respond thereto.

6. Audit & Supervisory Board Members and independence of employees

- 1) The Company shall establish a Group internal audit department, and maintain systems that allow Audit & Supervisory Board Members to execute audits more effectively and efficiently, including holding regular liaison conferences with Audit & Supervisory Board Members.
- 2) The Company shall assign specialist staff at the behest of the Audit & Supervisory Board. Personnel assignments shall be decided by consultation between the Board of Directors and Audit & Supervisory Board, with attention given to independence from directors and ensuring of the effectiveness of directives from Audit & Supervisory Board Members.

7. Systems for reporting to Audit & Supervisory Board Members

- 1) The Board of Directors and employees shall report to Audit & Supervisory Board Members, without delay, should they become aware of either a serious violation of laws or internal regulations in the execution of their duties, or any facts that could, or do, have the potential to cause the Company substantial harm.

- 2) Directors and employees shall report immediately, to Audit & Supervisory Board Members, decisions that may seriously impact business or the organization, and the results of internal audits.
- 3) Directors, audit & supervisory board members, and employees of subsidiaries with knowledge of facts that could have a serious impact on the Group's internal controls, or persons who have received reports from such persons, shall report such to Audit & Supervisory Board Members without delay.
- 4) The Company and its businesses shall protect people reporting to Audit & Supervisory Board Members, to ensure that the reports do not lead to adverse treatment.

8. Ensuring compliance of Audit & Supervisory Board Members

- 1) To enable Audit & Supervisory Board Members to adequately perform their functions, the representative director shall arrange for the Audit & Supervisory Board to receive regular reports on, for example, the status of business, quite apart from briefings on similar topics going to the Board of Directors.
- 2) The Board of Directors shall ensure that auditors attend important meetings regarding the Company's business to ensure it is appropriately conducted.
- 3) Once requested by the Audit & Supervisory Board Members, and unless a request is unreasonable, the Company shall provide prompt advance payment, or reimbursement, for expenses incurred by the auditors in the execution of their duties.

Basic Philosophy

The Nichirei Group is engaging in a variety of initiatives aimed at improving its corporate ethics by ensuring compliance with the laws and social norms of all the countries in which it operates. Accordingly, the Group has created guidelines for proper employee behavior in line with laws, its internal regulations, and corporate ethics, as well as a code of conduct and a code of conduct casebook, which provides clear examples of appropriate behavior. These documents also include information concerning matters related to the prevention of corruption that have been deemed important from the perspective of international compliance, including insider trading bans and the prohibition of engagement or trading with antisocial forces. In addition to providing this information, the Group conducts employee compliance training aimed at ensuring a more pervasive understanding of compliance management and a more universal compliance management framework.

Code of Conduct

Nichirei Group Code of Conduct (Table of Contents, revised April 2014)

1. Compliance with laws and regulations concerning respect for human rights and labor
2. Environmental protection
3. Compliance with laws and regulations, and internal regulations
4. Management and preservation of the Company's property
5. Prohibition of personal use of Company property
6. Prohibition of insider trading
7. Ensuring the reliability of financial information
8. Management and use of information
9. Prohibition of personal acts conflicting with the Company's interests
10. Prohibition of unfair benefits given to, or received from, public officers or business partners
11. Prohibition of involvement in, or trade with, antisocial forces
12. Compliance with, reporting of, and consultations concerning, code of conduct

Management Principles



Code of Conduct



Corporate Governance Report (Only available in Japanese)



Sustainable Supply Chain Policy



Management System

Management System

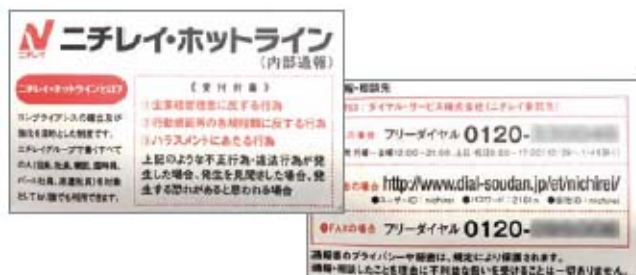
Strengthening and Ensuring Compliance Awareness

The internal regulations of the Nichirei Group clarify the rules necessary for a Group company to be managed in a systematic and effective manner. They are indispensable for the governance and internal controls of the company. Accordingly, all people working for the Nichirei Group must properly understand and comply with them. Based on this line of thinking, compliance and anti-corruption initiatives are implemented company-wide, while the Board of Directors oversees compliance with the Code of Conduct.

Specifically, to ensure that all employees comply with laws, regulations and Nichirei's articles of incorporation, and act in keeping with corporate ethics, Nichirei has formulated and distributes a Code of Conduct along with a collection of examples of how the code is to be applied. Moreover, so that the principles and systems of compliance management contained in the Code of Conduct and so on better permeate within the company, employees and new recruits are provided training using a collection of examples on the Code of Conduct. By learning about the Code of Conduct based on concrete examples, the aim is to educate and raise awareness for compliance among existing and new employees.

Internal Whistleblower Hotline and Consultation Service

In October 2003, the Company introduced an internal reporting and consultation hotline. This allows employees to report, or seek advice on, actions that violate laws or company regulations, or that are ethically questionable. In FY2016, the Company updated its internal whistleblower hotline system in response to the requirements of Japan's new Corporate Governance Code, which specifies that internal whistleblower hotline systems are to be independent from a company's management. To ensure that all employees are aware of the new hotline, the Company created and distributed promotional posters for its workplaces and reminder cards for employees. In accordance with Company policy, all reports received are relayed to top management by the administration office, which also conducts an investigation to confirm the facts, implements corrective measures and provides feedback to the person who made the report (when not reported anonymously). Anonymity is preserved to protect the identity of the person reporting, while the process is carefully managed to ensure there is no retaliation against or adverse treatment of the person reporting by those who are the subject of complaints.




Nichirei Hotline card

Number of Whistleblowing Cases, by Type 

Initiatives

— Educating Employees about the Code of Conduct to Ensure Compliance —

The Group seeks to continue commanding trust, based on the high ethical standards of its board members and employees. Following the April 2014 revision of our code of conduct, we included it and the Group management principles in the employee handbook. In addition, a guidebook on the use of social media has been distributed to all employees and, on the Group’s intranet, we publish a monthly series of slideshowstyle materials designed to help employees understand case studies related to the code of conduct. In addition, the Nichirei Group has been offering e-learning sessions to educate and train employees, based on its inhouse educational rules. The Nichirei Group is committed to continue providing compliance training.

e-learning 

■ Awareness-raising Activities for Anti-corruption and the Prohibition of Bribery, etc.

The Company is working to prevent anyone working for the Nichirei Group from engaging in acts of bribery involving public officers or others by clarifying the basic matters they should comply with and by using the Bribery and Corruption Prevention Manual to familiarize them with specific matters that require caution. Applicable laws and regulations include not only those of Japan but also those of major related countries and regions, including the European Union, the United States, the United Kingdom and China, and they apply to all officers and employees of Group companies, regardless of whether those entities are in Japan or elsewhere.



—— Bribery or Other Acts of Corruption ——

During FY2020, no employees were penalized for bribery or other acts of corruption. Moreover, no payments were made for fines relating to bribery or other acts of corruption.

Anti-corruption and Bribery



Stakeholder Engagement

Basic Philosophy

Basic Philosophy

As it engages in global business activities, the Nichirei Group recognizes the importance of communicating and maintaining dialogue with its diverse stakeholders. The Group works to build corporate value by establishing long-term relationships of trust while reflecting the expectations and concerns of stakeholders. It does so by fostering deeper mutual understanding, advancing various initiatives and proactively disclosing relevant information.

Stakeholder	Objective	Issues recognized	Means and method of communication	Frequency
Customers	Better customer satisfaction and corporate branding: to be achieved through prompt, appropriate and sincere responses to consumer requests and feedback.	<ul style="list-style-type: none"> Quality assurance for products and services Proper delivery of information Supply of delicious food and a rich variety of meal options 	<ul style="list-style-type: none"> Customer Service Center Customer satisfaction surveys Websites Social media 	<ul style="list-style-type: none"> Routine Once a year As necessary As necessary
Shareholders and investors	Deeper understanding of the Company and higher corporate value: to be achieved through timely and appropriate disclosure.	<ul style="list-style-type: none"> Maintaining and improving corporate value Appropriate distribution of profits Timely and appropriate disclosure of information 	<ul style="list-style-type: none"> General Meetings of Shareholders Financial results briefings Business information sessions, facility tours Detailed interviews with individual investors in Japan and overseas IR website Integrated Report Shareholder Report 	<ul style="list-style-type: none"> Once a year Four times a year Once a year As necessary As necessary Once a year Twice a year
Business partners	Strong, effective and stable long-term relationships with business partners throughout the supply chain.	<ul style="list-style-type: none"> CSR procurement Mutual development achieved through customer intimacy 	<ul style="list-style-type: none"> CSR procurement survey for suppliers Meetings and seminars with participation from business partners 	<ul style="list-style-type: none"> Survey ongoing since 2018 Once a year (held by three operating companies)

Stakeholder	Objective	Issues recognized	Means and method of communication	Frequency
Employees	Favorable labor-management relations; greater employee motivation; a dynamic organizational climate.	<ul style="list-style-type: none"> Occupational health and safety Job satisfaction Workstyle reform Health management 	<ul style="list-style-type: none"> Establishment of an internal reporting center Creation of an employee assistance and mental health consultation center Labor-management council Health and safety committee Symposiums involving management and employees PR brochures Intranet Employee award system Employee satisfaction survey Employee stress checks 	<ul style="list-style-type: none"> Available 24 hour Available 24 hour Twice a year Once a month Once a year (all worksites) Four times a year Routine Once a year Once a year Once a year
Local communities	Stable, enduring business operations as a trusted and respected company: to be achieved by building favorable relations with local communities.	<ul style="list-style-type: none"> Harmonious coexistence with local communities Preservation of local environments Educational activities in local communities 	<ul style="list-style-type: none"> Social contribution activities Participation in local events Volunteer activities Dietary education activities (ethical consumption) Food factory and distribution warehouse tours Internships Sponsorship of sporting events 	<ul style="list-style-type: none"> As necessary As necessary As necessary As necessary As necessary As necessary As necessary

Stakeholder	Objective	Issues recognized	Means and method of communication	Frequency
Trade organizations, NGOs and NPOs	Collaboration with other companies: to be achieved through participation in associations and other entities relating to trade organizations; resolution social issues through collaboration and cooperation with NGOs and NPOs in Japan and abroad.	<ul style="list-style-type: none"> Human rights Climate change Food loss Sustainable procurement of food 	<ul style="list-style-type: none"> TCFD Consortium Japan Frozen Food Association Japan Association of Refrigerated Warehouses Japan Fisheries Association World Wide Fund for Nature Roundtable on Sustainable Palm Oil Caux Round Table Japan The Consumer Goods Forum 	<ul style="list-style-type: none"> As necessary As necessary As necessary As necessary As necessary Once a year As necessary As necessary

Initiatives

Contributions through Use of Company Resources

Chichijima, Ogasawara Islands

The Nitto Ice Manufacturing Company set up an ice-making plant on Chichijima one of the Ogasawara islands. It survived the confiscation of Ogasawara by the US military after World War II ended and, when the island was returned to Japan in 1968, the land and buildings were registered as the property of Nichirei. Chichijima had several flourishing activities at the time, including the production of crafts made using Pandanus boninensis leaves, and hula dancing by local groups. The Nichirei Group wanted its facilities to be used for those pursuits, so it demolished the buildings and planted grass, for which it cared.



Urabandai

Contributions through Use of Company Resources > Urabandai



Nichirei Foods' Food Education Activities

Nichirei Foods conducts various food education programs to promote a healthy future for all children. Food is indispensable and intricately connected to our everyday life. Good eating habits nurture a healthy spirit and healthy body. In order that children may grow up healthy, it is important that they understand the importance of food and are able to choose it properly. Nichirei Foods conducts various initiatives designed to enable people to learn and think about food, and do related hands-on work with children.

Nichirei Foods' Food Education Activities (Only available in Japanese)



Food Development Center "KidZania Tokyo," "KidZania Koshien"

KidZania Tokyo and KidZania Koshien



Children on a Factory Tour

The concepts are See! Learn! Enjoy!, and Nichirei Foods employees are the teachers. They use videos and PowerPoint slides to explain the frozen food manufacturing process to elementary school students, including the production of frozen food products, Honkaku-Itamae Cha-Han (fried rice) and Imagawayaki. The program, which allows children to have fun while learning, is full of frozen food quizzes and videos that they otherwise would never see, even on an actual tour. In that way, the program teaches the students about Nichirei Foods' careful approach to manufacturing and the merits of frozen food. In FY2020, the Group held 52 factory tours with 1,700 children participating. Sometimes they were watching videos while smiling, and sometimes they had intent expressions.



Five Flavors Identification Test

In this food education program, participants took a taste test in which they tried to identify the five tastes of sweet, sour, salty, bitter, and umami. Employees gave talks on how the tastes felt and what makes a frozen food. In FY2020, this event was held eleven times with more than 400 people participating.

* Not available to the public.

FamilyApps

With FamilyApps, a smartphone app that families can enjoy together, Nichirei Foods has distributed an app called "Let's Make a Delicious Nichirei Lunch!" that enables users to make lunches using Nichirei Foods' frozen products. The content, which allows kids to have fun while making lunch, helps deepen their interest in, and concern regarding, food. In FY2020, this event was held 11 times with 4,400 people participating.



Nichirei Fresh Food Education Activities

Food education classes are organized in elementary schools and preschools in the town of Karumai using a dish the Group call Fresh Chicken Karumai. In the classes the Group presents easy-to-understand information that includes the following: Iwate Prefecture boasts the nation's third-highest production of poultry, after Miyazaki and Kagoshima Prefectures; the company's *Junwakei* breed of chicken is raised on feed rice produced in Karumai; and the guano from *Junwakei* chickens is used as an organic fertilizer for the feed rice. In addition to teaching the children about the production cycle, they are served *Junwakei* chicken in their school lunch that day. The Group will always value opportunities such as these to connect with people in the region, as it continue to develop attractive business opportunities.

Visited Elementary and Junior High Schools in Karume-cho, Iwate Prefecture to Promote "Junwakei chicken" (Only available in Japanese)



Logistics-related Education

Lectures Offered at Universities

Food and Logistics Education Making Use of Business Characteristics > Lectures offered at university



Internships in the Logistics Industry

Since 2014, the Nichirei Logistics Group has been participating as an intern-accepting company in the Logistics Industry Internship program hosted by the Japan Association for Logistics and Transport. This initiative allows university students to get a broad view of, and experience in, the logistics industry. On the first day of the internship, the Group gave a presentation on the Nichirei Logistics Group's business, followed by discussions concerning food logistics and tours of logistics centers. Students who attended told us that this opportunity had enabled them to understand the importance of food logistics, and that it increased their interest in logistics as a commercial activity to transport goods to customers. The Group will continue to participate in tertiary-level courses, to further broaden the appeal of the logistics industry.

Workplace Tours and Job Experience

Logistics Center Field Trip/Internship

The Nichirei Logistics Group continues to accept business site tours centered on elementary and junior high school students in the surrounding area at distribution centers around the world. In July 2019, at the Sendai DC of the Nichirei Logistics Tohoku Inc., we conducted a tour for a total of 29 people (parents and children living in the prefecture) who participated the event named "Join an Expedition to Explore the Port of Sendai During the Summer Holidays" sponsored by the Ministry of Land, Infrastructure, Transport and Tourism. As part of our community contribution activities, the Sendai DC holds similar tours every year for elementary school students during the summer vacation to deepen their understanding of the companies that use Sendai Port, including the role of "the Port". On the day of the event, after explaining the outline and business contents of the center, we visited the premises of each temperature zone and conducted an experiment to freeze wet towels in the freezer. By actually experiencing the distribution center, we had them deepen their understanding of food distribution.

Activities to Reduce Food Loss

"Nichirei Food Loss Research Institute" Website

The Nichirei Group is working to address the social issue of food loss. Our activities include reexamining causes of food loss from both scientific and supply chain standpoints to determine effective reduction approaches. We also propose reduction methods using the cold chain function of the Nichirei Group.



Food Loss Research Institute (Only available in Japanese)



Food Bank

Since 2006, Nichirei Foods and Nichirei Logistics Group have supported the activities of the NPO Second Harvest Japan. So far, we have donated a total of more than 20,000 cases of frozen foods to various welfare facilities, including foster homes, mother and child support centers, and disability support facilities. In addition to delivering these products, we also provide logistical support for frozen foods to ensure that the items can be consumed with peace of mind.



Process Leading Up to Delivery

Sampling Events at Employee Cafeterias

At employee cafeterias, Nichirei Foods holds sampling events through a unique initiative that uses products whose external packaging has been crushed or otherwise damaged in logistics or distribution but are otherwise still fully suitable for consumption. We have also endorsed the NO-FOODLOSS PROJECT of the Ministry of Agriculture, Forestry and Fisheries. In support of this project, we are working to make donations that reduce food loss and to raise internal awareness.



Initiative website (Only available in Japanese)



Children's Cafeterias

In 2021, Nichirei Foods began supporting children's cafeterias with the cooperation of the NPO Japan Kodomo-Shokudo Support Center Musubie, which provides such support all over Japan.



Support through Business Activities

Nichirei Foods Hagukumi Forest

Nichirei Foods' Mori factory in Hokkaido began a partnership with the town of Mori in Kayabe District, Hokkaido to perform forest maintenance on town-owned lands as part of the "Nichirei Hagukumi Forest" initiative. This initiative, "Good for the forest!," as part of the Group's activities to help the forest, involves a plan to plant trees in a 1.2 hectare plot of land owned by Mori, as well as plant and nurture 400 cherry blossom (Someiyoshino) trees, the town's plant symbol, over ten years. The employees at the Mori factory along with their families and the rest of the community participate as well, and the Group is working to help the activity take root in the region.

The "Good for the forest!" conservation activity is spreading to other factories, with Kyurei working to restore the pine trees of the Satsuki Matsubara area in Munakata City, Fukuoka Prefecture, and Nichirei Foods' Shiroishi Factory supporting beech forestation efforts in the Zao area.

Continuation of support for areas affected by the Great East Japan Earthquake — On-site class "Virtual Factory Tour" held at an elementary school in Ishinomaki City (Nichirei Foods)

In an effort to support communities that have been affected by the massive earthquake and tsunami that struck Japan's Tohoku region in 2011, Nichirei Foods Inc. has organized cooking classes in temporary housing facilities. Even after large numbers of people moved from those facilities, Nichirei Foods continued its support. Employees were sent schools to give students a virtual experience of a factory tour. Using audio-video materials showing an actual production plant, the employees gave the students easy-to-understand lessons about the processes involved in making frozen food products, Nichirei Foods' safety and security initiatives, and its fastidious manufacturing techniques. In FY2020, cooking classes were held in Ishinomaki City, Miyagi Prefecture at Futamata Elementary School and Minato Elementary School, with a total of 41 children participating.



Providing Test Drugs to Myanmar Medical Institutions (Nichirei Biosciences)

Since 2006, we, Nichirei Biosciences, have been donating our test drugs for pathological examinations, which are difficult to obtain in Myanmar, to local medical institutions through Department of Pathology, Niigata University School of Medicine. Our donations include forty-three types of antibodies for immunostaining and reagents, to First and Second Medical Universities, Sanpya Hospital, and Yankin Children Hospital to a total of six facilities, and these antibodies have been used for medical treatment like practical research and pathological diagnosis. In January 2020, Dr. Makoto Naito of Niigata University visited the Second Medical College with our products and explained the precautions, main points of quality control, as well as the importance of immunostaining in pathological diagnosis through his own experiences. We would like to continue contributing to the improvement of pathological research/diagnosis and medical education in Myanmar.



Support for Hospitality Guest House

There are over 500 incurable diseases of unknown origin that affect children, and there are 200,000 children fighting these illnesses. It is impossible to calculate the financial burden and mental anguish inflicted on them and their families. The foundation A Dream A Day In Tokyo conducts activities to help give courage to children with major illnesses, reduce their family's anguish, and create happy memories during their trip to Tokyo. As an endorsee of the foundation's aims, the Nichirei Group provides support in the form of tours of Nichirei Foods and KidZania, and use of the Sukorei Yukigaya training center for accommodations.



Nichirei's training center provides lodgings



Supporting Sports for a Healthy Life

Along with food, Nichirei supports sports as one of the pillars of health.

Supporting Sports for a Healthy Life



Nichirei Group Social Contribution Activities

Nichirei Group Social Contribution Activities (five Years)

Donations to Non-profit Organizations



Donations to Support Disaster-hit Areas

In FY2012, Nichirei decided to donate 10 million yen per year for five years, for a total of 150 million yen, to each of the three prefectures—Iwate, Miyagi, and Fukushima—hardest hit by the Great East Japan Earthquake of March 11, 2011. At Nichirei Ladies, the official Ladies Professional Golfers' Association of Japan tour held in June 2011, all entrance fees were donated to the city and prefecture of Chiba.

In addition, after the Kumamoto earthquake in 2016, in addition to donating 10 million yen to Kumamoto Prefecture, we responded to requests from the prefecture and provided 9,000 **Restaurant Use Only** beef curry meals to the Uki City Hall. In response to support the early recovery of devastated area, we offered some donations through the Japanese Red Cross Society and also by the Nichirei Fureai Fund, in which the company matches contributions made by employees, we donated to the Japanese Red Cross Society to assist with initial restoration efforts in areas heavily damaged by the disaster.

Fureai Fund Donations

The Nichirei Group's social contributions include fund-raising activities and donations. Through endorsement contributions from employees and donations made by the company itself, the Nichirei Fureai Fund, set up in 1993, provides financial support for social welfare, disaster and medical relief, and donations to disaster areas affected by natural disasters and other events.

Through the Central Community Chest of Japan and the Tokyo Good Will Bank, we provide support via graduation congratulatory money to help support the independence of children in social care, as well as via "children's cafeterias" to aid those in difficult circumstances and victims of bullying, etc. Nichirei also provides support for preparation expenses for disaster relief to the Japanese Red Cross Society.

In FY2019, we contributed 310 million yen as the total amount of group social contributions(donations, etc.).

Support for the Keidanren Nature Conservation Fund

Nichirei endorses the spirit of the Keidanren Nature Conservation Fund, to which it has been donating since 1994. The fund supports nature conservation activities primarily in the developing areas of the Asia-Pacific region, as well as conservation activities and the sustainable use of natural resources in order to maintain the preservation of Japan's splendid natural environment.

Eco-caps

At all workplaces of the Nichirei Group plastic bottle caps from PET bottles are collected to support the activities of NPOs that sell them as plastic raw materials to recycling companies, thereby raising money to fund vaccines for children in developing countries. The sale of 800 caps brings in roughly 20 yen, which pays for a polio vaccine for one person. By contrast, were the caps burned as garbage, 3,150 grams of CO₂ would be released per 400 caps, so recycling the caps also helps reduce CO₂ emissions.

Participation in Table for Two

The Nichirei Group participates in Table for Two, an employee-participation social contribution activity that starts in the employee cafeteria. The project involves adding 20 yen—the cost of a school lunch for one child in a developing country—to the cost of the cafeteria food to make a food-support donation. Moreover, the foods that can provide this donation are limited to healthy, low-calorie items, so that the program also plays a role in improving employee health. The program is currently conducted at two workplaces, the Nichirei Higashi Ginza Building and the Technology Development Center.

Report Archives

Report Archives




CSR Report

CSR Report 2021	PDF (Japanese).
CSR Report 2020	PDF (Japanese).
	PDF (English).
CSR Report 2019	PDF (Japanese).
	PDF (English).
	ESG Data
CSR Report 2018 *Refer to the contents of GRI standards (2016)	PDF (Japanese).
	PDF (English).
	Employee-related Data / Environmental Data
CSR Report 2017	PDF (Communication Version).
	Employee-related Data
CSR Report 2016	PDF (Communication Version).
	Employee-related Data
CSR Report 2015	PDF
	Employee-related Data
CSR Report 2014	Website Version
	PDF (Digest Version).
	Employee-related Data
CSR Report 2013	Website Version
	PDF (Digest Version).
	Employee-related Data
CSR Report 2012	Website Version
	PDF (Digest Version).
CSR Report 2011	Website Version
	PDF (Digest Version).

CSR Report 2010	Website Version
	PDF (Digest Version)
CSR Report 2009	Website Version
	PDF (Digest Version)
Social and Environmental Report 2008	PDF
Social and Environmental Report 2007	PDF
Social and Environmental Report 2006	PDF
Social and Environmental Report 2005	PDF
Environmental Report 2004	PDF
Social and Environmental Report 2003	PDF
Environmental Report 2002	PDF
Environmental Report 2001	PDF
Environmental Report 2000	PDF

ESG Navigation

ESG Navigation

		Link to each location
Promoting CSR Management in the Nichirei Group	President's Message	
	CSR Basic Policy (The Nichirei Pledge)	
	CSR Management Structure	

		Commitment	Management Structure	Targets and Performances	Initiatives
Environment	Climate Change				
	Water Use				
	Waste and Efficient Use of Resources				
	Management of Waste Water, Waste Matter and Chemical Substances				
	Biodiversity				
	Supply Chain (Environment)				
Social	Supply Chain (Social)				
	Human Rights				
	Stakeholder Engagement				
	Safe and Healthy Product and Service				
	Occupational Health and Safety				
	Workplace Improvement (including Diversity)				

			Link to each location
Governance	Corporate Governance	Basic Policy on Corporate Governance	<u>●</u>
		Remuneration Scheme and Process for the Directors and Executive Officers	<u>●</u>
		Basic Approach for nomination of Directors	<u>●</u>
		Expertise and Background of Directors	<u>●</u>
		Basic Policy Internal Control System	<u>●</u>
		Corporate Governance Structure (Composition of the Board of Directors and the Board of Company Auditors)	<u>●</u>
		Committees for Effective Corporate Governance	
		Management Supervisory System	
	Compliance	Compliance Structure	<u>●</u>
		Internal reporting and Consultation Hotline	
		Code of Conduct	
	Risk Management	Basic Approach fo Risk Management	<u>●</u>
		Information Security	<u>●</u>
	Matters relating to the General Meetings of Shareholders	Notification of the Convocation	<u>●</u>
		Notification of the Resolution	

ESG-related Policies

ESG-related Policies

■ The Nichirei Group ESG-related Policies

Topics	Policies
Corporate Basic Policies	Basic CSR Policy "The Nichirei Pledge"
Environment	Environmental Policy Biodiversity Policy
Social	Fundamental Policies on Quality Assurance Human Rights Policy Sustainable Supply Chain Policy Policy Regarding Social Contribution Fundamental Policies for Workplace Improvement Workplace Improvement Policy
Governance	Basic Policy on Corporate Governance Internal Control Code of Conduct

ESG Data

- ▼ Environmental Data
- ▼ Corporate Governance Data

- ▼ Social Data

Environmental Data

Note: Fiscal years (FY) indicate years ended March 31.

Nichirei Group Medium-term Environmental Plan ▼ Targets (FY2020-FY2022)	Nichirei Group CO ₂ Emissions ▼	Nichirei Group Amount ▼ of Discharged Waste and Recycling Rates	Nichirei Group Material ▼ Balance INPUT
Nichirei Group Material ▼ Balance OUTPUT	Nichirei Group specially ▼ controlled industrial waste emissions	Status of Environment- ▼ related Incidents, Legal Violations	Solar Power Generation ▼ and CO ₂ Reduction
Management of Pollutant ▼ Release and Transfer Register (PRTR) Substances	▼ SO _x Emissions		

Nichirei Group Medium-term Environmental Plan Targets (FY2020-FY2022)

	Item	Contents
Nichirei Group Medium-term Environmental Plan Targets (FY2020-FY2022)	Reduction of CO ₂ Emissions	Maintain FY2014 CO ₂ emission levels in FY2022 * Power coefficient: Fixed to the FY2014 coefficient
	Maintaining Waste Recycling Rate and Controlling Waste Discharging	<ul style="list-style-type: none"> • Maintained waste recycling rate at over 99% at food plants and distribution centers • Reduce residue of material derived from animal and plant (food plants in Japan)
	Water Resource Conservation	<ul style="list-style-type: none"> • In consideration of the environmental conditions surrounding water in each community, we engage in water resource conservation through efficient water usage aimed at sustainable water usage (food plants in Japan)

Engaged in collecting data regarding the environment at overseas worksites

Nichirei Group CO₂ Emissions

Item	Unit	FY2014	FY2017	FY2018	FY2019	FY2020	FY2021
Fixed power emission coefficient *1	1,000 tons t-CO ₂	229	228	226	228	225	223
Variable power emission coefficient *2	1,000 tons t-CO ₂	229	280	269	260	241	232
Emissions intensity	1,000 tons t-CO ₂	0.57	0.52	0.49	0.46	0.44	0.43

*1 Fixed power emission coefficient: The CO₂ emission intensity unit of 0.412 [t-CO₂/MWh] announced by the Federation of Electric Power Companies of Japan in FY2010, used nationwide.

*2 Variable power emission coefficient: Power conversion coefficient used by power companies in fiscal year utilized at each worksite.

Nichirei Group Amount of Discharged Waste and Recycling Rates

Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Amount of discharged waste	1,000 tons	45.2	46.3	45.4	47.9	47.1
Recycling Rates	%	99.7	99.6	99.5	99.4	98.7

■ Nichirei Group Material Balance INPUT

Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Raw materials	Total	1,000 tons	185	188	195	200	
	Material	1,000 tons	167	170	177	181	
	Packaging materials	1,000 tons	18	18	18	19	
Energy	Total	1,000 GJ	5,109	5,078	5,107	5,079	5,024
	Purchased power	1,000 kWh	447,574	443,480	447,277	444,335	439,135
	Heavy oil	kl	3,335	3,319	2,609	1,926	1,850
	Kerosene	kl	200	191	173	192	195
	City gas	1,000m ³	6,705	6,923	7,142	9,036	9,328
	LGP	tons	4,620	4,650	4,814	3,614	3,425
	Gasoline (Company-owned vehicles)	kl	467	461	402	322	273
	Light oil (Company-owned vehicles)	kl	1,340	1,378	1,556	1,452	1,522
	Solar power generation	1,000 kWh	211	400	1,444	2,068	2,149
Breakdown of energy (1,000 GJ) used at each business company	Nichirei Foods	1,000 GJ	1,716	1,726	1,761	1,759	1,793
	Nichirei Fresh	1,000 GJ	179	169	173	172	174
	Nichirei Logistics Group	1,000 GJ	3,129	3,098	3,089	3,046	2,966
	Nichirei Biosciences	1,000 GJ	8	11	12	33	30
	Others	1,000 GJ	73	74	72	69	61
Water	Total	1,000m ³	3,931	4,084	4,117	4,028	3,929
	Clean water	1,000m ³	1,284	1,256	1,267	1,238	1,174
	Industrial water	1,000m ³	877	917	907	897	916
	Groundwater (well water)	1,000m ³	1,770	1,911	1,943	1,893	1,839
Breakdown of water (1,000 m ³) used at each business company	Nichirei Foods	1,000m ³	2,581	2,789	2,812	2,739	2,679
	Nichirei Fresh	1,000m ³	353	331	322	318	338
	Nichirei Logistics Group	1,000m ³	977	947	963	952	899
	Nichirei Biosciences	1,000m ³	8	6	6	8	7
	Others	1,000m ³	12	12	13	11	6

* Total figures may differ due to rounding.

■ Nichirei Group Material Balance OUTPUT

Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Waste	Amount of Discharged Waste	1,000 tons	45.2	46.3	45.4	47.9	47.1
	Recycle volume	1,000 tons	45.0	46.1	45.2	47.6	46.5
	Volume of waste for final disposal *1	1,000 tons	0.2	0.2	0.2	0.3	0.6
Breakdown of discharged waste (tons) at each business company	Nichirei Foods	tons	21,290	21,904	18,155	21,561	21,145
	Nichirei Fresh	tons	11,453	11,426	13,973	13,609	13,887
	Nichirei Logistics Group	tons	12,459	12,905	13,236	12,666	11,962
	Nichirei Biosciences	tons	37	46	44	72	103
	Others	tons	—	—	—	—	—
Atmospheric system	CO ₂ *2	tons	279,465	273,348	259,980	241,235	231,700
	SO _x *3	tons	4	4	3	3	2
Breakdown of CO ₂ emissions (tons) at each business company	Nichirei Foods	tons	93,613	93,076	90,717	84,579	84,439
	Nichirei Fresh	tons	9,914	9,281	9,376	9,336	8,936
	Nichirei Logistics Group	tons	171,652	166,509	155,815	142,477	134,035
	Nichirei Biosciences	tons	538	574	568	1,561	1,418
	Others	tons	3,747	3,909	3,503	3,282	2,872
Water system	Drainage	1,000m ³	2,525	2,467	2,421	2,398	2,461
	Sewer system	1,000m ³	1,577	1,522	1,464	1,447	1,478
	Public water area (river etc.)	1,000m ³	948	945	957	951	983
	Drainage load BOD *4	tons	46	48	48	49	52
	COD *4	tons	24	23	24	23	40
Breakdown of drainage (1,000 m ³) at each business company	Nichirei Foods	1,000m ³	1,922	1,758	1,751	1,752	1,798
	Nichirei Fresh	1,000m ³	234	328	308	309	325
	Nichirei Logistics Group	1,000m ³	349	362	343	317	308
	Nichirei Biosciences	1,000m ³	8	6	6	8	6
	Others	1,000m ³	12	12	14	12	24

* Total figures may differ due to rounding.

*1 Within waste discharged, the volume of waste directly disposed of in landfills and simply incinerated not to be used as energy source.

*2 Calculations based on laws related to global warming countermeasures.

*3 Measurement implemented for facilities emitting soot and smoke. Does not include vehicle emissions

*4 Calculates amount of emissions only in cases where drainage concentration measurements are conducted.

■ Nichirei Group specially controlled industrial waste emissions

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Special controlled industrial waste emissions ("Flammable waste oil" and "Strong acid/strong alkali") etc. classified as industrial waste due to danger and toxicity)	kg	3.8	9	9.3	7.4	4.3

*1 Within waste discharged, the volume of waste directly disposed of in landfills and simply incinerated not to be used as energy source.

*2 Calculations based on laws related to global warming countermeasures.

*3 Measurement implemented for facilities emitting soot and smoke. Does not include vehicle emissions

*4 Calculates amount of emissions only in cases where drainage concentration measurements are conducted.

■ Status of Environment-related Incidents, Legal Violations

	FY2018	FY2019	FY2020	FY2021
Domestic	0	0	0	0
Overseas	0	0	0	0

■ Solar Power Generation and CO₂ Reduction

	Unit	FY2019	FY2020	FY2021
Power generation	Mwh	1,444	2,068	2,149
CO ₂ reduction	t	765	1,003	986

■ Management of Pollutant Release and Transfer Register (PRTR) Substances

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Substances subject to reporting under the PRTR Law* (handled in quantities of 1 ton or more)	tons	0	0	0	0	0

* The laws concerning the Pollutant Release and Transfer Register refer to the collection and publication of data related to the release into the environment of chemicals, from any source, which could possibly adversely affect the lives, growth, or development of humans, animals, or plants.

■ SO_x Emissions

	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
SO _x Emissions	tons	4	4	3	3	2

* Facilities where measurements of smoke and soot are taken. Not including emissions derived from vehicles.

■ Applicable Worksites

Environmental Data: Applicable Worksites for FY2020 Results Calculations

The following company food plants and distribution centers are included in the calculations. In the event of multiple worksites, the number is indicated in parenthesis.

Nichirei Foods

Nichirei-Foods (9), Nichirei Ice (3), Churei, Kyurei, Nichirei Well Dinning

Nichirei Fresh

Fresh Maruichi (3), Nichirei Fresh Process (2), Nichirei Fresh Farm (2), Fresh Chicken Karumai, Fresh Meat Sakudaira

Nichirei Logistics Group

Logistics Network (38), NK Trans (4), Nichirei Logistics Hokkaido (8), Nichirei Logistics Tohoku (5), Nichirei Logistics Kanto (10), Nichirei Logistics Tokai (11), Nichirei Logistics Kansai (13), Nichirei Logistics Chushikoku (15), Nichirei Logistics Kyushu (15), Kyokurei (5)

Nichirei Biosciences

Development Center

Other

New Housing

Notes:

1. Fixed power emission coefficient: The CO₂ emission intensity unit of 0.412 [t-CO₂/MWh] announced by the Federation of Electric Power Companies of Japan in FY2010, used nationwide.
2. Variable power emission coefficient: Power conversion coefficient used by power companies in each fiscal year utilized at each worksite.
3. Scope of power emission intensity: Nichirei Foods (Nichirei Foods-operated factories and affiliated factories in Japan) and Nichirei Fresh (affiliated factories in Japan). Excluding the following factories: Nichirei Foods: Nichirei Ice Inc.; Nichirei Fresh: Nichirei Fresh Farm Inc., Fresh Chicken Karumai Inc., FRESH MEAT SAKUDAIRA Inc.

▼ Number of employees	▼ Percentage of Non-company Employees	▼ Female Managers Ratio	▼ Average age
▼ Average Number of Years Employed	▼ Number of Employees Hired (new graduates, mid-career)	▼ Number of Resignations/Resignation Rate/Reasons for Resignation	▼ Number of Employees Rehired After Retirement
▼ Employment Rate of People with Disabilities	▼ Annual Total of Actual Hours Worked	▼ Annual Paid Vacation: Average Number of Days and Acquisition Rate	▼ Employees Using Time Off for Childrearing
▼ Employees Using Time Off for Caregiving	▼ Number of Work-Related Accidents at Food Plants	▼ Number of occupational deaths	▼ General regular health checkup rate
▼ Stress Check Coverage	▼ New Graduate Hire Turnover Status	▼ Nichirei Group Main education and training	▼ Nichirei Group Education time and number of participants
▼ e-learning	▼ Quality Assurance (number of audits, certifications, and training hours)	▼ Percentage of receiving a Full Medical Examination after Periodic Health Checkups	▼ Donations to Non-profit Organizations
▼ Health Manager	▼ Personal Information Protection Leaks, etc.	▼ Number of Violations of Laws and Regulations in Advertisements/Publicity and Labeling	

■ Number of employees

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Executives and employees total	Number of people	6,087	6,073	6,002	5,943	5,994
	Breakdown Male		3,746	3,792	3,748	3,729	3,753
	Breakdown Female		2,341	2,281	2,254	2,214	2,241
	Number of executives		62	65	62	62	61
	Breakdown Male		60	63	60	60	58
	Breakdown Female		2	2	2	2	3
	Number of company employees		3,755	3,780	3,782	3,841	3,903
	Breakdown Male		2,800	2,786	2,789	2,779	2,787
	Breakdown Female		955	994	993	1,062	1,116
	【Number of employees in management positions】		1,285	1,293	1,309	1,335	1,362
	Breakdown Male		1,206	1,205	1,216	1,215	1,222
	Breakdown Female		79	88	93	120	140
	【Number of general employees】		2,470	2,487	2,473	2,506	2,541
	Breakdown Male		1,594	1,581	1,573	1,564	1,565
	Breakdown Female		876	906	900	942	976
	Number of staff other than employees		2,270	2,228	2,158	2,040	2,030
Nichirei	Breakdown Male		886	943	899	890	908
	Breakdown Female		1,384	1,285	1,259	1,150	1,122
Nichirei	Executives and employees		273	277	252	252	254

holding company	total					
	Breakdown	Male	157	156	148	153
		Female	116	121	104	99
	Number of executives		20	21	19	19
	Breakdown	Male	18	19	17	17
		Female	2	2	2	2
	Number of company employees		205	213	187	214
	Breakdown	Male	125	128	122	123
		Female	955	994	65	91
	【Number of employees in management positions】		100	111	112	116
	Breakdown	Male	79	85	85	87
		Female	21	26	27	29
	【Number of general employees】		105	102	75	98
	Breakdown	Male	46	43	37	36
		Female	59	59	38	62
	Number of staff other than employees		48	43	46	19
Nichirei Foods	Breakdown	Male	14	9	9	13
		Female	34	34	37	6
	Executives and employees total		3,126	3,133	3,054	3,010
	Breakdown	Male	1,799	1,866	1,821	1,816
		Female	1,327	1,267	1,233	1,194
	Number of executives		13	12	12	11
	Breakdown	Male	13	12	12	11
		Female	0	0	0	1
	Number of company employees		1,541	1,535	1,524	1,505
	Breakdown	Male	1,155	1,146	1,134	1,114
		Female	386	389	390	391
	【Number of employees in management positions】		533	534	532	525
	Breakdown	Male	499	498	497	487
		Female	34	36	35	38
	【Number of general employees】		1,008	1,001	992	980
Nichirei Fresh	Breakdown	Male	656	648	637	627
		Female	352	353	355	353
	Number of staff other than employees		1,572	1,586	1,518	1,494
	Breakdown	Male	631	708	675	691
		Female	941	878	843	803
	Executives and employees total		313	308	315	315
	Breakdown	Male	228	228	228	225
		Female	85	80	87	90
	Number of executives		7	9	9	10
	Breakdown	Male	7	9	9	10
		Female	0	0	0	0

	Number of company employees		254	252	256	267	271
	Breakdown	Male	203	200	197	200	198
		Female	51	52	59	67	73
	【Number of employees in management positions】		151	149	149	155	158
	Breakdown	Male	146	144	142	143	143
		Female	5	5	7	12	15
	【Number of general employees】		103	103	107	112	113
	Breakdown	Male	57	56	55	57	55
		Female	46	47	52	55	58
	Number of staff other than employees		52	47	50	38	38
	Breakdown	Male	18	19	22	15	15
		Female	34	28	28	23	23
Nichirei Logistics Group	Executives and employees total		2,260	2,224	2,252	2,226	2,253
	Breakdown	Male	1,504	1,479	1,488	1,466	1,475
		Female	756	745	764	760	778
	Number of executives		17	18	16	16	16
	Breakdown	Male	17	18	16	16	16
		Female	0	0	0	0	0
	Number of company employees		1,687	1,701	1,738	1,769	1,798
	Breakdown	Male	1,270	1,262	1,287	1,289	1,294
		Female	417	439	451	480	504
	【Number of employees in management positions】		466	464	479	499	513
	Breakdown	Male	454	451	464	469	470
		Female	12	13	15	30	43
	【Number of general employees】		1,221	1,237	1,259	1,270	1,285
	Breakdown	Male	816	811	823	820	824
		Female	405	426	436	450	461
	Number of staff other than employees		556	505	498	441	439
Breakdown	Male	217	199	185	161	165	
	Female	339	306	313	280	274	
Nichirei Biosciences	Executives and employees total		115	131	129	140	145
	Breakdown	Male	58	63	63	69	70
		Female	57	68	66	71	75
	Number of executives		5	5	6	6	6
	Breakdown	Male	5	5	6	6	6
		Female	0	0	0	0	0
	Number of company employees		68	79	77	86	88
	Breakdown	Male	47	50	49	53	53
Female		21	29	28	33	35	
【Number of employees in management positions】		35	35	37	40	43	

	Breakdown	Male	28	27	28	29	30
		Female	7	8	9	11	13
	【Number of general employees】		33	44	40	46	45
	Breakdown	Male	19	23	21	24	23
		Female	14	21	19	22	22
	Number of staff other than employees		42	47	46	48	51
	Breakdown	Male	6	8	8	10	11
		Female	36	39	38	38	40

* Staff other than employees: Includes temporary employees, contract employees, fixed-term employees and part-time employees; excludes dispatched employees

* Employee-related Data applies to employees working at the following 15 companies (FY2021)

1 Nichirei Corporation 2 Nichirei Foods 3 Nichirei Fresh 4 Nichirei Logistics Group 5 Logistics Network
6 Nichirei Logistics Hokkaido 7 Nichirei Logistics Tohoku 8 Nichirei Logistics Kanto 9 Nichirei Logistics Tokai
10 Nichirei Logistics Kansai 11 Nichirei Logistics Chushikoku 12 Nichirei Logistics Kyushu 13 Kyokurei Operation
14 Nichirei Logistics Engineering 15 Nichirei Biosciences

■ Percentage of Non-company Employees

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of company employees	3,755	3,780	3,782	3,841	3,903
Number of non-company employees	2,270	2,228	2,158	2,040	2,030
Percentage of non-company employees (%)	37.7	37.1	36.3	34.7	34.2

■ Female Managers Ratio

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	%	6.1	6.8	7.1	9.0	10.3
Nichirei holding company		21.0	23.4	24.1	25.0	24.1
Nichirei Foods		6.4	6.7	6.6	7.2	7.8
Nichirei Fresh		3.3	3.4	4.7	7.7	9.5
Nichirei Logistics Group		2.6	2.8	3.1	6.0	8.4
Nichirei Biosciences		20.0	22.9	24.3	27.5	30.2

* Applicability: Employees

■ Average age

Coverage	Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Breakdown	Male	Age	41.6	41.9	42.1	42.3	42.5
		Female		39.5	39.6	39.8	39.9	40.0
Nichirei holding company		Male		43.7	43.3	44.1	44.2	44.1
		Female		41.1	41.9	43.1	44.5	44.6
Nichirei Foods		Male		41.8	42.3	42.5	42.8	43.1
		Female		40.8	41.2	41.5	41.5	41.5
Nichirei Fresh		Male		42.8	42.9	42.6	42.7	42.9
		Female		42.6	42.5	41.2	41.5	41.4
Nichirei Logistics Group		Male		41.1	41.2	41.6	41.6	41.8
		Female		37.6	37.6	37.9	37.8	37.9
Nichirei Biosciences		Male		40.6	40.2	40.7	40.9	40.7
		Female		37.7	36.3	36.7	36.2	36.6

* Applicability: Employees

* There may be differences between the year in which calculations began and the year that an employee joined the Company due to factors including the merger or separation of the company to which they are assigned and employee promotions.

■ Average Number of Years Employed

Coverage	Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Breakdown	Male	Year	16.4	16.7	16.7	17.0	17.3
		Female		15.1	15.3	15.7	15.3	15.4
Nichirei holding company		Male		18.3	18.2	19.1	19.0	19.0
		Female		13.6	14.4	18.5	15.8	16.8
Nichirei Foods		Male		16.8	17.3	17.7	18.0	18.4
		Female		15.8	16.3	16.7	16.8	16.8
Nichirei Fresh		Male		18.7	18.8	18.4	18.4	18.7
		Female		20.9	20.5	18.6	18.0	17.4
Nichirei Logistics Group		Male		15.7	15.9	15.9	15.9	16.1
		Female		14.1	14.1	14.3	13.9	14.0
Nichirei Biosciences		Male		14.9	14.2	15.3	15.2	15.0
		Female		13.4	11.9	12.1	11.7	12.3

* Applicability: Employees

* There may be differences between the year in which calculations began and the year that an employee joined the Company due to factors including the merger or separation of the company to which they are assigned and employee promotions.

■ Number of Employees Hired (new graduates, mid-career)

Coverage	Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	New graduates		Number of people	92	101	88	104	117
	Breakdown	Male		57	54	46	49	63
		Female		35	47	42	55	54
	Mid-career			68	45	80	113	61
	Breakdown	Male		42	36	60	52	36
		Female		26	9	20	61	25
Nichirei holding company	New graduates			5	3	0	4	4
	Breakdown	Male		1	2	0	4	3
		Female		4	1	0	0	1
	Mid-career			22	4	2	37	5
	Breakdown	Male		4	2	2	5	2
		Female		18	2	0	32	3
Nichirei Foods	New graduates			25	27	31	33	37
	Breakdown	Male		15	18	20	14	19
		Female		10	9	11	19	18
	Mid-career			2	8	13	16	28
	Breakdown	Male		2	1	6	11	16
		Female		0	1	7	5	12
Nichirei Fresh	New graduates			9	10	10	9	11
	Breakdown	Male		6	7	6	6	6
		Female		3	3	4	3	5
	Mid-career			1	0	5	11	3
	Breakdown	Male		1	0	1	2	0
		Female		0	0	4	9	3
Nichirei Logistics Group	New graduates			47	53	42	50	58
	Breakdown	Male		32	24	19	22	32
		Female		15	29	23	28	26
	Mid-career			41	32	60	46	25
	Breakdown	Male		34	26	51	31	18
		Female		7	6	9	15	7
Nichirei Biosciences	New graduates			6	8	5	8	7
	Breakdown	Male		3	3	1	3	3
		Female		3	5	4	5	4
	Mid-career			2	1	0	3	0
	Breakdown	Male		1	1	0	3	0
		Female		1	0	0	0	0

* Applicability: Employees

■ Number of Resignations/Resignation Rate/Reasons for Resignation

Coverage	Item		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Number of Resignations		Number of people	131	137	146	159	141
	Breakdown by reason	Retirement		52	48	64	65	59
		Personal circumstances		65	69	74	84	63
		Company circumstances		1	0	0	0	0
		Others		13	20	8	10	19
	Resignation rate			2.0%	2.3%	2.1%	2.4%	2.1%
Nichirei holding company	Number of Resignations			9	9	12	10	12
	Breakdown by reason	Retirement		2	3	6	3	5
		Personal circumstances		5	4	5	6	5
		Company circumstances		0	0	0	0	0
		Others		2	2	1	1	2
	Resignation rate			3.2%	2.8%	3.0%	3.1%	3.1%
Nichirei Foods	Number of Resignations			52	43	57	59	50
	Breakdown by reason	Retirement		22	17	30	29	21
		Personal circumstances		26	23	26	26	24
		Company circumstances		0	0	0	0	0
		Others		4	3	1	4	5
	Resignation rate			1.9%	1.7%	1.7%	1.9%	1.9%
Nichirei Fresh	Number of Resignations			9	10	14	9	13
	Breakdown by reason	Retirement		3	2	7	4	3
		Personal circumstances		3	7	4	5	5
		Company circumstances		0	0	0	0	0
		Others		3	1	3	0	5
	Resignation rate			2.3%	3.1%	2.7%	1.8%	3.6%
Nichirei Logistics Group	Number of Resignations			59	72	60	74	63
	Breakdown by reason	Retirement		25	25	21	29	29
		Personal circumstances		29	35	36	41	27
		Company circumstances		1	0	0	0	0
		Others		4	12	3	4	7
	Resignation rate			2.0%	2.7%	2.3%	2.5%	1.9%
Nichirei Biosciences	Number of Resignations			2	3	3	7	3
	Breakdown by reason	Retirement		0	1	0	0	1
		Personal circumstances		2	0	3	6	2
		Company circumstances		0	0	0	0	0
		Others		0	2	0	1	0
	Resignation rate			2.7%	2.6%	3.6%	8.1%	2.2%

* Applicability: Employees

* The turnover rate is calculated based on employees who resigned excluding retired employees

* "Others" includes appointed executives who resigned

■ Number of Employees Rehired After Retirement

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Number of people	45	44	59	57	51
Nichirei holding company		2	3	5	3	5
Nichirei Foods		19	14	28	25	16
Nichirei Fresh		3	2	7	3	3
Nichirei Logistics Group		21	24	19	26	26
Nichirei Biosciences		0	1	0	0	1
Ref. Number of employees who retired group total		52	48	64	65	59

* Applicability: Employees, people working in their 60s

* Number of people rehired among employees who retired in each fiscal year

* Rehired nearly 100% of those who wanted to be rehired

■ Employment Rate of People with Disabilities

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	%	2.62	2.50	2.56	2.75	2.80

* Legal employment rate of 2.0%.

* Applicable scope: Nichirei Aura (special subsidiary) Group applied company

* Group applied companies (FY2019): Nichirei, Nichirei Foods, Nichirei Fresh, Nichirei Logistics Group, Nichirei Biosciences, Logistics Network, Nichirei Logistics Kanto, Nichirei Logistics Engineering, Tokyo Nichirei Services, Nichirei Aura

■ Annual Total of Actual Hours Worked

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Total	hours	2,026	2,025	1,997	1,977	1,975
	Official working hours-Hours of vacation time		1,804	1,801	1,780	1,758	1,767
	Hours worked outside official working hours		222	225	217	219	208
Nichirei holding company	Total		1,943	1,906	1,905	1,899	1,949
	Official working hours-Hours of vacation time		1,740	1,729	1,718	1,724	1,754
	Hours worked outside official working hours		203	176	187	175	196
Nichirei Foods	Total		2,007	2,020	1,998	2,005	2,011
	Official working hours-Hours of vacation time		1,791	1,790	1,772	1,758	1,768
	Hours worked outside official working hours		216	230	226	247	243
Nichirei Fresh	Total		1,972	1,981	1,948	1,948	1,929
	Official working hours-Hours of vacation time		1,796	1,795	1,770	1,754	1,759
	Hours worked outside official working hours		176	185	178	194	170
Nichirei Logistics Group	Total		2,061	2,052	2,014	1,970	1,958
	Official working hours-Hours of vacation time		1,826	1,821	1,796	1,763	1,771
	Hours worked outside official working hours		235	231	218	207	187
Nichirei Biosciences	Total		2,024	1,980	1,954	1,882	1,901
	Official working hours-Hours of vacation time		1,761	1,749	1,736	1,716	1,754
	Hours worked outside official working hours		263	232	218	166	148

* Average number of hours worked per employee annually

* Applicability: Employees

■ Annual Paid Vacation: Average Number of Days and Acquisition Rate

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Average days acquired	Days	5.5	6.6	8.0	10.2	11.0
	Acquisition rate	%	28.5	34.8	41.8	53.4	59.7
Nichirei holding company	Average days acquired	Days	10.9	14.3	15.1	14.8	13.2
	Acquisition rate	%	58.5	76.9	78.0	77.1	71.7
Nichirei Foods	Average days acquired	Days	6.4	7.4	8.3	10.2	10.8
	Acquisition rate	%	33.0	37.9	42.7	52.4	57.2
Nichirei Fresh	Average days acquired	Days	6.8	7.9	9.9	11.6	12.6
	Acquisition rate	%	35.5	41.2	51.9	60.9	69.2
Nichirei Logistics Group	Average days acquired	Days	3.6	4.6	6.5	9.3	10.6
	Acquisition rate	%	19.2	24.8	34.6	49.3	58.7
Nichirei Biosciences	Average days acquired	Days	9.5	12.6	12.5	14.2	11.7
	Acquisition rate	%	51.3	70.7	69.0	79.4	69.3

* Applicability: Employees

* Acquisition rate = Days acquired ÷ Number of days granted (excluding carry over days)

* Other special holidays (summer vacation) averaged 2.9 days per employee (FY2019).

■ Employees Using Time Off for Childrearing

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Male	Number of people	0	2	1	2	2
	Female		44	34	42	48	31
Nichirei holding company	Male		0	2	0	1	0
	Female		4	1	2	6	3
Nichirei Foods	Male		0	0	1	1	1
	Female		20	17	14	17	14
Nichirei Fresh	Male		0	0	0	0	1
	Female		3	0	2	1	2
Nichirei Logistics Group	Male		0	0	0	0	0
	Female		15	15	20	22	11
Nichirei Biosciences	Male		0	0	0	0	0
	Female		2	1	4	2	1

* Applicability: Employees (includes full-time employees)

* From FY2015, includes employees taking maternity leave

■ Employees Using Time Off for Caregiving

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Number of people	1	0	3	2	2
Nichirei holding company		0	0	0	0	0
Nichirei Foods		1	0	3	2	1
Nichirei Fresh		0	0	0	0	0
Nichirei Logistics Group		0	0	0	0	1
Nichirei Biosciences		0	0	0	0	0

* Applicability: Employees (includes full-time employees)

■ Number of Work-Related Accidents at Food Plants

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Food Plants	Number of lost time injuries	Case	17	34	34	29	
	Number of days of inactivity		18	12	11	16	

* Scope of applicability: Employees at Nichirei Foods-owned plants and subsidiary of Nichirei Fresh in Japan

* Includes contract employees, fixed-term employees and part-time employees

■ Number of occupational deaths

Coverage	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	Regular employees	Case	-	0	1	0	0
	Non-employees (including temporary employees, contract employees, part-time workers, etc. & excepting agency temps)		-	0	0	0	0

■ General regular health checkup rate

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	%	99.5	99.8	100	100	100
Nichirei holding company		99.6	100	100	100	100
Nichirei Foods		99.7	99.9	100	100	100
Nichirei Fresh		100	100	100	100	100
Nichirei Logistics Group Inc.		100	100	100	100	100
Nichirei Biosciences		100	100	100	100	100
Nichirei Logistics Hokkaido, Inc.		100	98.3	100	100	100
Nichirei Logistics Tohoku, Inc.		100	100	100	100	100
Nichirei Logistics Kanto, Inc.		100	100	100	100	100
Kyokurei Inc		100	100	100	100	100
Nichirei Logistics Tokai, Inc.		99.1	100	100	100	100
Nichirei Logistics Kansai, Inc.		99.2	100	100	100	100
Nichirei Logistics Chushikoku, Inc.		100	100	100	100	100
Nichirei Logistics Kyushu, Inc.		98.7	99.3	100	100	100
NK Trans Inc.		96.7	99.7	100	100	100
Logistics Network Inc.		99.6	99.8	100	100	100
Nichirei Logistics Engineering Inc.		98	99.4	100	100	100

* Covered employees insured by the Nichirei Health Care Association

(Employees who joined the company on or after April 2 of the current fiscal year, employees working overseas, employees on secondment in Japan, employees on leave, and employees receiving pre-employment medical examinations are excluded from the population).

■ Stress Check Coverage

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	%	-	89.2	90.1	89.6	90.8

■ New Graduate Hire Turnover Status

Coverage	Item		Turnover (number of people)	Turnover rate (%)	Number of hires
Nichirei Group total	Joined Company in FY2017	End of first year	1	1.1%	92
		End of second year	2	2.2%	
		End of third year	8	8.7%	
	Joined Company in FY2018	End of first year	4	4.3%	101
		End of second year	10	10.9%	
		End of third year	17	18.5%	
	Joined Company in FY2019	End of first year	2	2.3%	88
		End of second year	5	5.7%	
		End of third year	11	12.5%	
	Joined Company in FY2020	End of first year		%	
		End of second year		%	
		End of third year		%	
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	
Nichirei holding company	Joined Company in FY2017	End of first year	0	0.0%	5
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in FY2018	End of first year	0	0.0%	3
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in FY2019	End of first year		%	0
		End of second year		%	
		End of third year		%	
	Joined Company in FY2020	End of first year		%	
		End of second year		%	
		End of third year		%	

		year			
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	
Nichirei Foods	Joined Company in FY2017	End of first year	0	0.0%	25
		End of second year	1	4.0%	
		End of third year	2	8.0%	
	Joined Company in FY2018	End of first year	0	0.0%	27
		End of second year	1	4.0%	
		End of third year	3	12.0%	
	Joined Company in FY2019	End of first year	1	3.2%	31
		End of second year	2	6.5%	
		End of third year	5	16.1%	
	Joined Company in FY2020	End of first year		%	
		End of second year		%	
		End of third year		%	
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	
Nichirei Fresh	Joined Company in FY2017	End of first year	0	0.0%	9
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in FY2018	End of first year	1	11.1%	10
		End of second year	2	22.2%	
		End of third year	3	33.3%	
	Joined Company in FY2019	End of first year	0	0.0%	10
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in	End of first		%	

	FY2020	year			
		End of second year		%	
		End of third year		%	
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	
Nichirei Logistics Group	Joined Company in FY2017	End of first year	1	2.1%	47
		End of second year	1	2.1%	
		End of third year	6	12.8%	
	Joined Company in FY2018	End of first year	3	6.4%	53
		End of second year	6	12.8%	
		End of third year	8	17.0%	
	Joined Company in FY2019	End of first year	1	2.4%	42
		End of second year	2	4.8%	
		End of third year	4	9.5%	
	Joined Company in FY2020	End of first year		%	
		End of second year		%	
		End of third year		%	
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	
Nichirei Biosciences	Joined Company in FY2017	End of first year	0	0.0%	6
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in FY2018	End of first year	0	0.0%	8
		End of second year	1	16.7%	
		End of third year	3	50.0%	
	Joined Company in FY2019	End of first year	0	0.0%	5
		End of second year	1	20.0%	

		year			
		End of third year	2	40.0%	
	Joined Company in FY2020	End of first year		%	
		End of second year		%	
		End of third year		%	
	Joined Company in FY2021	End of first year		%	
		End of second year		%	
		End of third year		%	

* Applicability: Employees

■ Nishirei Group Main education and training

	General employees	Managers	Officers
Training by rank	*New employees training *1st to 3rd year employees follow-up training *Mid-career employees training	*New managers training *Next-generation executives training course *Management training	
Training by purpose	*Facilitation training *Career seminar for female employees *Female leaders development program *Coaching training *Foreign Languages training *Evaluators training *Critical Thinking *Marketing *Accounting		*New officers seminar *Media training *Directors and executive officers training *Management training *Coaching training

■ Nishirei Group Education time and number of participants

Training by rank and purpose	Education time (cumulative total)	Number of participants (cumulative total)
FY2018	45,649	1,379
FY2019	49,730	1,699
FY2020	47,190	1,596
FY2021	37,201	1,429
Total	179,797	6,103

	FY2018			FY2019			FY2020			FY2021		
	Number of Subjects	Number of People	Implementation Rate	Number of Subjects	Number of People	Implementation Rate	Number of Subjects	Number of People	Implementation Rate	Number of Subjects	Number of People	Implementation Rate
Ensuring Food Quality Hygiene and Safety	5,319	5,062	95.2%	-	-	-	-	-	-	5,619	5,302	94.4%
Internal Control	5,259	5,024	95.5%	5,247	5,080	96.8%	5,435	5,088	93.6%	5,643	5,247	93.0%
Personal Information Protection Law	5,257	4,810	91.5%	5,311	4,973	93.6%	5,381	5,121	95.2%	5,645	5,347	94.7%
Environment	5,241	5,036	96.1%	5,234	5,016	95.8%	5,396	5,035	93.3%	-	-	-
Insider	5,242	5,022	95.8%	-	-	-	5,358	4,904	91.5%	5,649	5,361	94.9%
Competition Law Compliance and Anti-bribery	5,216	5,006	96.0%	5,308	5,005	94.3%	5,357	5,057	94.4%	-	-	-
Intellectual Property	5,232	5,053	96.6%	5,308	5,037	94.9%	5,357	5,050	94.3%	5,659	5,324	94.1%
Individual Number	5,258	4,948	94.1%	-	-	-	-	-	-	-	-	-
Power Harassment	5,220	4,943	94.7%	-	-	-	-	-	-	-	-	-
Whistleblower System	5,226	5,137	98.3%	-	-	-	-	-	-	-	-	-
Information Security	5,204	5,114	98.3%	5,214	5,115	98.1%	5,362	4,993	93.1%	5,595	5,352	95.7%
Harassment	-	-	-	5,356	5,166	96.5%	5,367	5,008	93.3%	5,680	5,421	95.4%
Quality Assurance	-	-	-	5,308	5,178	97.6%	5,403	5,032	93.1%	-	-	-
Health Literacy	-	-	-	5,320	4,988	93.8%	5,403	5,047	93.4%	5,681	5,409	95.2%
Whistleblower and Consultation System	-	-	-	5,256	4,901	93.2%	5,471	4,862	88.9%	5,618	5,282	94.0%
Working Hours	-	-	-	-	-	-	5,381	5,101	94.8%	5,645	5,363	95.0%
Stress Check	-	-	-	-	-	-	5,358	4,948	93.1%	-	-	-
Health Information	-	-	-	-	-	-	-	-	-	5,649	5,371	95.1%
Anti-bribery	-	-	-	-	-	-	-	-	-	5,655	5,228	92.4%
SDGs	-	-	-	-	-	-	-	-	-	5,659	5,304	93.7%

■ Quality Assurance (number of audits, certifications, and training hours)

		Department in Charge	FY2018		FY2019		FY2020		FY2021	
			Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas
Quality Assurance Audits	Number of Group Audits per year (Domestic/Overseas)	Quality Assurance Department	156	7	66	38	52	20	40	10
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	30	4	26	20	6	5	16	6
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	112	-	24	0	34	-	19	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	7/7 (7/8:One case is a poultry farm,so no audit was performed.)	11/13	10	17	9	15	5	4

	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	7	0	7	1	3	0	0	0
	Group Annual Implementation Rate (vs. plan) (Office coverage domestic/overseas)	Quality Assurance Department	100% implementation of the plan	88% (=15/17) of the plan	99% (=67/68) of the plan *One BIO case was delayed from November to April of the following year due to a manufacturing delay.	100% (=38/38) of the plan	87% (=52/60) of the plan	80% (=20/25) of the plan	58% (=40/69) of the plan	28% (=10/36) of the plan
	Group Annual Implementation Rate (Actual number) (Office coverage domestic/overseas)	Quality Assurance Department	38% (157/408)	7% (15/210)	18% (67/370)	20% (38/189)	17% (52/307)	11% (20/180)	13% (40/305)	6% (10/172)
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	100% (30/30) /61	100%(4/4) /49	100% (26/26) /61	100% (20/20) /49	100% (6/6) /53	100% (5/5) /43	(16/38)/52	(6/20) /43
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	100% (112/112) /112	-	100% (24/24) /110	-	87% (34/39) /115	-	(19/19) /117	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	100%(7/7) /222	85% (11/13) /158	100% (10/10) /189	100% (17/17) /139	100% (9/9) /129	83% (15/18) /135	(5/8) 127	(4/14) /126
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	100%(7/7) /13	- (0/0) /3	75%(6/8) /10	100% (1/1) /1	71%(5/7) /10	0%(0/2) /2	(0/4) /9	(0/2) /3
Quality Assurance Related Data			Number of Offices Acquired/Number of Offices of Consolidated Subsidiaries in Japan							
Number of certifications as of the end of March of each fiscal year										
HACCP (Food Hygiene Management System)	Nichirei Foods		13/15		14/15		14/15		15/15	
	Nichirei Fresh		6/7		7/7		7/7		7/7	
Number of ISO9001 Certifications	Number of Group Certifications (Domestic/Overseas)	Quality Assurance Department	126/135	3						
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	13/15	3	3/15	3/5	3/15	3/5	3/15	2/5

	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	105/112	-	104/116	-	81/115	-	83 /117	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	8/8	-	7/8	-	5/8	-	5/8	-
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	-	-	-	-	-	-	-	-
ISO14001 and ISO13485 Certifications	Number of Group Certifications (Domestic/Overseas)	Quality Assurance Department	13/17	2						
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	11/15	2	11/15	2/5	11/15	2/5	11/15	2/5
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	-	-	-	-	-	-	-	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	-	-	-	-	-	-	-	-
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	2/2	-	1	1	14000: 0/1 13485: 2/2	-	2/2	1/1
FSSC22000 ISO22000 Number of SQF Certifications	Number of Group Certifications (Domestic/Overseas)	Quality Assurance Department	21/135	2						
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	13/15	-	14/15	4/5	14/15	4/5	14/15	5/5
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	2/112	-	2/116	-	2/115		2/117	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	6/8	-	6/8	-	7/7	-	7/7	1/1
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	-	-	-	-	-		-	-

Quality Assurance – Number of Critical Cases	Group Annual Number (Domestic/Overseas)	Quality Assurance Department	3	0						
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	1	-	1	-	-	-	0	0
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	-	-	-	-	-		0	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	-	-	6	-	1	3	4	2
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	2	-	-	-	-		0	0
Quality Assurance Training Hours	Group Annual Hours (Domestic/Overseas)	Quality Assurance Department	199.1	86	210	19	221.5	10		
	Nichirei Foods (Domestic/Overseas)	Nichirei Foods Quality Assurance Department	67	34	42.5	19	42.5	10	24	21
	Nichirei Logistics Group (Domestic/Overseas)	Nichirei Logistics Group Quality and Safety Management Department	41	0	77	0	77	0	334	-
	Nichirei Fresh (Domestic/Overseas)	Nichirei Fresh Quality Assurance Department	23.1	50	26.5	0	38	0	40	0
	Nichirei Bioscience (Domestic/Overseas)	Nichirei Bioscience Quality Assurance Department	68	2	64	0	64	0	57.5	0
Number of Major Meetings and Committee Meetings as well as Attendance Rates										
Group Quality Assurance Committee	Quality Assurance Department	Quality Assurance Department	95%	-	(1st meeting) 91% (10/11) (2nd meeting) 91% (10/11)	-	(1st meeting) 100% (11/11) (2nd meeting) 82% (9/11)	-	(1st meeting) 100% (11/11) (2nd meeting) 91% (10/11)	-

■ Percentage of receiving a Full Medical Examination after Periodic Health Checkups

Coverage	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	%	2.2	6.1	12.3	17.5	66.1

■ Donations to Non-profit Organizations

Donations to Non-profit Organizations (Millions of yen)	FY2017		FY2018		FY2019		FY2020		FY2021	
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas
Social welfare and disaster support (Social welfare, social inclusion)	25	-	19	-	19	-	19	-	20	-
Social welfare and disaster support (Support for disaster-stricken areas)	18	3	2	1	14	0	16	0	2	0
Education (Academia & research)	5	-	3	-	15	-	10	-	8	-
Education (Education and social education)	77	-	77	-	82	-	77	-	67	-
Health, sports and the arts (Health, medicine, sports)	118	-	120	-	133	-	138	-	134	-
Health, sports and the arts (Culture and arts)	1	-	6	-	0	-	0	-	0	-
Environmental conservation (Environment)	17	-	18	-	17	-	50	-	57	-
Community contribution (Community activities, preservation of historic sites and traditional culture)	16	-	16	-	24	-	19	-	48	-
Political contributions	0	-	0	-	0	-	0	-	0	-
Other	4	-	2	-	3	-	2	-	2	-
Nichirei Group total	281	3	262	1	306	0	330	0	338	0

■ Health Manager

Coverage	Item	Unit	FY2021
Nichirei Group total	First-Class Health Manager	Number of people	89
	Second-Class Health Manager	Number of people	11
	Total	Number of people	100

■ Personal Information Protection Leaks, etc.

	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	0	0	0	0	0

■ Number of Violations of Laws and Regulations in Advertisements/Publicity and Labeling

	FY2017	FY2018	FY2019	FY2020	FY2021
Nichirei Group total	0	0	0	0	0

▼ Board of Directors composition	▼ Board of Directors meeting attendance rate	▼ Number of Meetings of Various Committees, etc.	Number of Meetings of Various Committees, etc., and Number of Board Members in Attendance in FY2020
▼ Facilities audits of compliance audits and internal controls	▼ Number of Whistleblowing Cases, by Type	▼ Anti-corruption and bribery	

Outside Directors and Outside Audit & Supervisory Board Members Appointments



Notice of the 103rd Annual General Shareholders MeetingPDF



■ Board of Directors composition

Category	Gender	FY2018 (Number of people)	FY2019 (Number of people)	FY2020 (Number of people)	FY2021 (Number of people)
Inside directors	Male	7	7	7	7
	Female	0	0	0	0
	Total	7	7	7	7
Outside directors	Male	1	1	1	1
	Female	2	2	2	2
	Total	3	3	3	3
Total	Male	8	8	8	8
	Female	2	2	2	2
	Total	10	10	10	10

■ Board of Directors meeting attendance rate

Category	FY2018 (%)	FY2019 (%)	FY2020 (%)	FY2021 (%)
Inside directors	97.7	97.4	100	100
Outside directors	96.5	98.2	94.4	100

■ Number of Meetings of Various Committees, etc.

		Number of Meetings Held			
		FY2018	FY2019	FY2020	FY2021
Board of Directors	Meets regularly on the third Tuesday of each month	19	19	18	18
Management Committee	Meets regularly on Tuesdays except for the third Tuesday of each month	21	23	20	17
Group Human Resources Committee	Convened twice a year and at other times as needed by the chairperson of the committee	2	2	2	2
Group Risk Management Committee	Convened twice a year and at other times as needed by the chairperson of the committee	2	2	2	2
Group Environmental Protection Committee	Convened twice a year and at other times as needed by the chairperson of the committee	3	3	2	2
Group Quality Assurance Committee	Convened twice a year and at other times as needed by the chairperson of the committee	2	2	2	2
Group Internal Control Committee	Convened once a year, and as needed, convened by the chairperson	1	1	1	1
Group Officer Examination Committee*1	Chairperson convenes as needed	-	-	1	1
Social Action Program Committee	Convened once a year, and as needed, convened by the chairperson	1	1	1	1
Nominating Advisory Committee	Convened twice a year and at other times as needed by the chairperson of the committee	1	2	2	5
Remuneration Advisory Committee*2	Convened twice a year and at other times as needed by the chairperson of the committee	1	6	3	5
Examination Committee	Chairperson convenes as needed	-	-	1	2
Intellectual Property Management Committee	Chairperson convenes as needed	-	-	-	-

*1 Meetings are called by the chairperson on an as-needed basis

*2 As of January 2020, meets twice a year in principle according to the Remuneration Advisory Committee rules

■ Number of Meetings of Various Committees, etc., and Number of Board Members in Attendance in FY2020

		Board of Directors	Management Committee	Group Human Resources Committee	Group Risk Management Committee	Group Environmental Protection Committee	Group Quality Assurance Committee	Group Internal Control Committee	Group Officer Examination Committee	Social Action Program Committee	Nominating Advisory Committee	Remuneration Advisory Committee	Examination Committee
	Number of Meetings Held	18	17	2	2	2	2	1	1	1	5	5	2
		Number of Meetings Held											
Representative Director, Chairman	Kunio Otani	18	17	2	2	2	1	1	1	1	5	-	-
Representative Director, President	Kenya Okushi	18	17	2	2	2	2	1	1	1	5	5	-
Director, Executive Officer	Takumi Taguchi	18	17	2	2	2	2	1	1	1	-	-	2
Director, Executive Officer	Junji Kawasaki	18	17	2	2	2	2	1	1	1	-	-	2
Director, Executive Officer	Kazuhiko Umezawa	18	17	2	2	2	2	1	1	1	-	-	2

		Board of Directors	Management Committee	Group Human Resources Committee	Group Risk Management Committee	Group Environmental Protection Committee	Group Quality Assurance Committee	Group Internal Control Committee	Group Officer Examination Committee	Social Action Program Committee	Nominating Advisory Committee	Remuneration Advisory Committee	Examination Committee
	Number of Meetings Held	18	17	2	2	2	2	1	1	1	5	5	2
		Number of Meetings Held											
Director, Executive Officer	Masahiko Takenaga	18	17	2	2	2	2	1	1	1	-	-	2
Director, Executive Officer	Wataru Tanabe-(New appointment)	-	-	-	-	-	-	-	-	-	-	-	-
Outside Director	Shizuka Uzawa	18	10	-	2	-	-	1	1	-	5	5	-
Outside Director	Mieko Wanibuchi	18	9	-	2	-	-	1	1	1	5	5	-
Outside Director	Kuniko Shoji	18	-	-	2	-	-	1	1	-	5	5	-
Outside Director	Mana Nabe-shima (New appointment)	-	-	-	-	-	-	-	-	-	-	-	-
Audit & Supervisory Board Member	Kazuhiko Yasuda	18	17	2	2	2	2	1	1	1	-	-	2
Audit & Supervisory Board Member	Tatsushi Kato(New appointment)	-	-	-	-	-	-	-	-	-	-	-	-
Outside Audit & Supervisory Board Member	Yuhiko Saito	18	4	-	2	-	-	1	1	-	-	-	-
Outside Audit & Supervisory Board Member	Kiyoshi Asahina	14*	9	-	2	-	-	1	1	-	-	-	-
Outside Audit & Supervisory Board Member	Muneaki Kiyota	14*	8	-	2	-	-	1	1	-	-	-	-

* Appointed at the 102nd Annual General Meeting of Shareholders on June 24, 2020; attended 14 out of 14 total meetings since the Extraordinary Board Meeting on June 24, 2020.

■ Facilities audits of compliance audits and internal controls

		Department in charge	FY2018		FY2019		FY2020		FY2021		Remarks
			Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	
Communication with all employees on governance and internal controls											
Number of training/seminars conducted (including e-learning)		Corporate Audit Department	1		1		1		1		
Participation ratio (% of all employees covered)		Corporate Audit Department	95.50%		96.80%		93.60%		94.00%		
Governance Management											
Internal audit	Number of Group audits per year (Domestic/Overseas)	Corporate Audit Department	290	7	301	16	285	8	222	0	Compliance and facilities combined
	Group annual implementation rate (office coverage rate domestic/overseas)	Corporate Audit Department	77%	16%	82%	36%	73%	19%	58%	0%	Compliance and facilities combined
Compliance audits	Number of Group audits per year (Domestic/Overseas)	Corporate Audit Department	172	4	181	8	162	4	152	0	Compliance only (the number of Group annual audits and the Group annual implementation rate includes corporate departments)
	Group annual implementation rate (office coverage rate domestic/overseas)	Corporate Audit Department	71%	15%	74%	31%	66%	17%	61%	0%	
	Nichirei Foods (Domestic/Overseas)	Corporate Audit Department	85%	8%	74%	8%	88%	40%	75%	0%	
	Nichirei Logistics Group (Domestic/Overseas)	Corporate Audit Department	58%	10%	68%	70%	59%	0%	49%	0%	
	Nichirei Fresh (Domestic/Overseas)	Corporate Audit Department	100%	50%	100%	0	100%	0	88%	0%	
	Nichirei Bioscience (Domestic/Overseas)	Corporate Audit Department	100%	0	100%	0	0	0	100%	0%	
Facilities audit	Number of Group audits per year (Domestic/Overseas)	Corporate Audit Department	118	3	120	8	123	4	70	0	Facilities only (the number of Group annual audits and the Group annual implementation rate includes corporate departments)
	Group annual implementation rate (office coverage rate domestic/overseas)	Corporate Audit Department	87%	16%	87%	42%	87%	22%	51%	0%	
	Nichirei Foods (Domestic/Overseas)	Corporate Audit Department	94%	33%	100%	17%	94%	33%	82%	0%	
	Nichirei Logistics Group (Domestic/Overseas)	Corporate Audit Department	84%	0	85%	58%	87%	14%	43%	0%	
	Nichirei Fresh (Domestic/Overseas)	Corporate Audit Department	100%	100%	100%	0	100%	0	89%	0%	

		Department in charge	FY2018		FY2019		FY2020		FY2021		Remarks
			Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	
	Nichirei Bioscience (Domestic/ Overseas)	Corporate Audit Department	100%	-	0%	-	100%	0	100%	0%	
Number of major meetings and committees held and the attendance rate											
Percentage of directors attending each committee meeting (10 individuals)		Corporate Audit Department									
	Group Internal Control Committee	Corporate Audit Department	100%	-	90%	-	100%	-	100%	-	

■ Number of Whistleblowing Cases, by Type

	FY2017	FY2018	FY2019	FY2020	FY2021
Mistreatment	6	6	6	2	2
Workplace Disputes	2	11	2	5	8
Harassment	7	12	1	12	10
Compliance-related Breaches	1	3	1	1	5
Human rights issues	0	0	0	0	0
Other Consultations	4	3	2	1	2
Total	20	35	12	21	27

■ Anti-corruption and bribery

	FY2020	FY2021
Punished employees	None	None
Payment of fines	None	None

External Review

External Review

The Nichirei Group has been rated highly by various external organizations as a corporate group that is enhancing communication, and which shares its CSR activities to a wide range of stakeholders.

By conducting regular reviews based on the categories and results of these external evaluations, the Group is making further improvements to its activities and reporting.

External Evaluations

Incorporation of ESG Indexes

FTSE4Good Index Series

World-renowned ESG investment index published since 2001 by FTSE International (currently FTSE Russell), a wholly-owned subsidiary of the London Stock Exchange (LSE) Group.



FTSE4Good

											year
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	
✓	✓	✓	✓	✓	✓	—	—				

FTSE Blossom Japan Index

FTSE Russell announced in 2017, an index composed of Japanese companies that have made excellent responses to the environment, society and governance (ESG), and promoting active participation of female workers.



FTSE Blossom
Japan

											year
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
✓	✓	✓	✓	✓							

■ MSCI ESG ratings

This is an index developed by MSCI in the US, and companies with excellent ESG (Environment, Society and Governance) are selected in each industry (formerly MSCI Global Sustainability Indexes).



											year
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AA	AA	A	A	A							

■ MSCI Japan ESG Select Leaders Index

The index composed by MSCI, Inc. by selecting stocks with relatively high ESG ratings from among the constituents of the MSCI Japan IMI Top 700 Index.

2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

year											
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AA	AA	A	A	A							

■ MSCI Japan Empowering Women Index (WIN)

ESG investment index released in 2017 by US-based MSCI. Companies with excellent gender diversity are selected from the top 500 stocks by market value in Japan.

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

year											
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AA	AA	A	A	A							

■ SOMPO Sustainability Index

An index consisting of companies whose ESG score is above the standard in company surveys on SOMPO Risk Management Inc.'s environment (E), Integrex Inc.'s society (S) and governance (G).



											year
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
✓	✓	✓	✓	✓	✓	✓	✓	—	—		

■ CDP (Climate Change / Water Security)

CDP is an international NGO that operates a global information disclosure system for investors, companies, cities, nations and regions to manage environmental impacts.

On behalf of institutional investors, investigating, evaluating and disclosing environmental initiatives. For climate change, more than 7,000 companies, which are equivalent to more than 50% of the global market capitalization, responded.



year

■ Climate Change

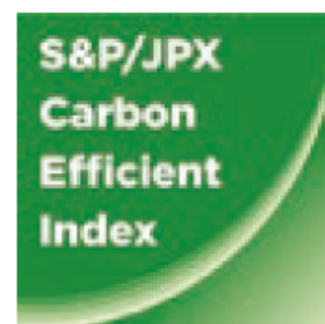
2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A-	B	B	B	C	A-	C	C	C	31	—	

year

■ Water Security

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A-	B	B	B-	B-	—	—	—	—	—	—	

■ S&P/JPX Carbon Efficient Index



year

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
○	○	○	—	—	—	—	—	—	—	—	—

■ JPX-NIKKEI 400





year

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
○	○	○	○	○	○	○	○	○	—	—	—

■ List of Certifications

Acquisition Year	Name		
2021年7月- 2024年6月	an Excellent Occupational Safety and Health Enterprise		https://www.nichirei.co.jp/news/2021/391.html (Only Available in Japanese)
From FY2020	Health & Productivity Stock Selection		https://www.nichirei.co.jp/news/2021/380.html (Only Available in Japanese)
From FY2019	DBJ Employees' Health Management Rated Loan Program		https://www.nichirei.co.jp/news/2019/328.html (Only Available in Japanese)
From FY2017	The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category		
From FY2018	Eruboshi "Stage 3" (Accredited by the Minister of Health, Labor and Welfare based on the "The Act of Promotion of Women's Participation and Advancement in the Workplace")		https://www.nichirei.co.jp/news/2017/293.html (Only Available in Japanese)
From FY2010	"The Act on Advancement of Measures to Support Raising Next-Generation Children" certification mark (nickname: Kurumin)		https://www.nichireifoods.co.jp/corporate/sustainability/human_resources.html (Only Available in Japanese)

■ Awards

Awards Year	Name	Outline
FY2022	Sustainability Awards 2021 Strategy for Sustainable Food Systems(MeaDRI) Promotion award	<p>Sponsored by Ministry of Agriculture, Forestry and Fisheries</p> <p>Junwakei Chicken® won the "MeaDRI Promotion Award" at the Sustainability Awards 2021, a joint project sponsored by the Ministry of Agriculture, Forestry and Fisheries of Japan, "Sustainable Consortium 2030 - for Agriculture, Forestry, Fisheries and Food(SCAFFF)".</p> 
FY2022	The 10th Smart Life Project Award (Let's extend healthy life expectancy!) Received the Director General of the Health Bureau of the Ministry of Health, Labor and Welfare (MHLW) Award for Excellent	<p>Organized by MHLW and Japan sports agency</p> <p>Received the Excellence Award from the Director General of the Health Bureau of MHLW in the 10th Smart Life Project Award (Let's extend healthy life expectancy!) organized by MHLW and Japan sports agency.</p> 
FY2022	Commendation from WICI Japan, a general incorporated association	<p>Awarded in WICI Japan "Integrated Report Award 2021"</p> <p>Received the Gold Award for Excellence, the highest award, in the WICI Japan "Integrated Report Award 2021".</p>
FY2021	City of Yokosuka Commendation	<p>City of Yokosuka Commendation</p> <p>Nichirei Fresh Inc. was commended for having employed people with disabilities over many years, and for contributing to their social independence through vocational guidance.</p>
FY2021	The Yokohama Global Warming Countermeasures Award	<p>Sponsored by City of Yokosuka</p> <p>The Yokohama Global Warming Countermeasures Award commends businesses that have significantly reduced greenhouse gas and other emissions. Assessments are made based on the implementation status of priority measures and the achievement status of reduction targets over a three-year period.</p> <p>Nichirei Logistics Kanto received the Yokohama Climate Change Countermeasures Award, part of the Yokohama City Action Plan for Global Warming Countermeasures.</p>
FY2019	1st Award for Good Practices of Consumer-oriented Received the Consumer Affairs Agency Director's Commendation	<p>Sponsored by Consumer Affairs Agency</p> <p>A system that recognizes businesses that promote consumer-oriented business activities, "consumer-oriented management" (nickname: sustainable management) Effort to promote SDGs was evaluated by supporting employees 'voluntary activities through Nichirei Foods' unique "Hamidas activities", promoting food education activities, contributing to the local community through environmental conservation activities, and working with food banks.</p> 

FY2018	Tokyo Stock Exchange, Inc. 6th Corporate Value Improvement Award Excellent Award	Sponsored by Tokyo Stock Exchange, Inc. This award recognizes companies that have achieved high corporate value by implementing management with a strong focus on investor perspectives, including capital costs. Nichirei was recognized as a high-level practice of "Corporate Value Improvement Management" that aims to create corporate value that exceeds the cost of capital.
FY2018	Green Logistics Partnership Conference Award from the MLIT Minister's Secretariat Deputy Vice-Minister of Logistics	Sponsored by Green Logistics Partnership Conference A system implemented by the Ministry of Land, Infrastructure, Transport and Tourism to recognize outstanding efforts to promote CO ₂ reduction in the logistics field. Logistics Network Inc. of the Nichirei Logistics Group Inc. has been promoting a modal shift for more than 10 years as a 3PL operator that improves and operates all logistics for customer companies that are shippers, from procurement and inventory management to delivery. The effectiveness of these efforts was recognized, and the award was given jointly with three companies including Nichirei Foods Inc., the shipper.
FY2017	Modal Shift Excellent company announcement / commendation system "The award for Excellent Business Entities Working on Modal Shift"	Sponsored by Japan Association for Logistics and Transport A system that announces and commends excellent companies that have actively promoted modal shifts in order to encourage logistics companies to promote voluntary efforts and to raise awareness of efforts to promote modal shifts. The Nichirei Logistics Group Inc. started with a modal shift in 2003, and it was recognized that it has continued to expand its transportation area and handling volume.
FY2017	Nano Tech 2017 Life Nanotechnology Award	Sponsored by International Nanotechnology Exhibiton & Conference Exhibitors' innovative and pioneering technologies and products are selected for each field, and excellent exhibitors are selected. Nichirei is trying to make use of the research and results of antifreeze proteins discovered from fish inhabiting cold regions in a wide range of fields such as food, medicine and industry, and their activities were evaluated. As an example of an application field, there is a reduction in tissue damage after freezing and thawing in gel foods such as tofu and agar.

External Initiatives

The Nichirei Group promotes efforts to realize a sustainable society by participating in initiatives and organizations in Japan and overseas.

Global

United Nations Global Compact

<https://www.unglobalcompact.org/>

On November 15, 2021, Nichirei joined the United Nations Global Compact, a worldwide effort to achieve sustainable growth in the international community. In accordance with the Global Compact's 10 principles, which involve human rights, labor, the environment, and anti-corruption efforts, Nichirei will work toward the realization of a sustainable society.

Participation in the UN Global Compact (Only available in Japanese)



The Consumer Goods Forum (CGF)

<https://www.theconsumergoodsforum.com/>

The Consumer Goods Forum is a global consumer goods distribution industry network, in which retailers and manufacturers cooperate to promote activities driven by member companies. The network encourages the introduction of practices and standardization that are useful to the consumer goods industry around the world. Nichirei Foods has been a forum member since 2011.



Roundtable on Sustainable Palm Oil (RSPO)

<https://www.rspo.org/>

In response to growing global concern regarding the impact of the rapidly expanding palm oil plantations, in Malaysia and Indonesia, on the environment and human rights, the RSPO was set up in 2004 by stakeholders from the seven sectors of the palm oil industry, including the World Wildlife Fund (WWF).

The RSPO aims to promote the sustainable production and use of palm oil through the formulation of international certification standards and stakeholder participation. The Nichirei Group became a member of the RSPO in August 2018.



4-1055-18-100-00

WWF Japan

WWF Japan | WWF Japan

Established in Switzerland in 1961, the WWF is a global environmental conservation organization that is active in more than 100 countries. Aiming to build a future in which people and nature can live in harmony, the WWF develops activities to protect biodiversity on Earth and reduce the burden that human life places on the natural environment and wildlife. Since October 2009, the Nichirei Corporation has supported the organization's conservation efforts as a WWF Japan corporate member.



TCFD Consortium

Top | TCFD Consortium (tcfcd-consortium.jp)

The Task Force on Climate-related Financial Disclosures (TCFD), chaired by Michael Bloomberg, was created by the Financial Stability Board (FSB) at the request of the G20. Its aim is to set up a framework to help companies and organizations disclose climate-related risks and opportunities and, at the same time, support financial institutions.



The TCFD Consortium was established in May 2019. the Nichirei Group has been a member company since June 2020.

Japan Climate Initiative (JCI)

Japan Climate Initiative – JCI

To strengthen information dissemination and the exchange of opinions among Japanese companies, local governments, research institutions, and NGOs that are engaged in climate change-related measures, the Japan Climate Initiative (JCI) was founded in July 2018, as a loose network of 105 participating organizations. The Nichirei Group has been a member since March 2021.



Green Purchasing Network (GPN)

<https://www.gpn.jp/english/>

This loose network of Japanese companies, government bodies, and private organizations was set up in Japan in 1996, to promote green purchasing, which prioritizes the buying of products and services that have a low environmental impact and are socially responsible.



The GPN promotes green purchasing, formulates purchasing guidelines for products and services, and operates the Eco-products Database, an environmental information website for products and services. Nichirei has been a member of the network since August 1996.

Life Cycle Assessment Promotion Consortium

RISS (aist-riss.jp)

The Life Cycle Assessment (LCA) Promotion Consortium is operated by the Research Institute of Science for Safety and Sustainability, and is designed to promote a wider understanding of appropriate evaluation methodologies. It also serves to support evaluations leading to the realization of a sustainable society, by promoting the adoption of products facilitating decarbonization-related innovation and sustainable business management. Nichirei has been a member since April 2021.



Japan Clean Ocean Material Alliance (CLOMA)

Japan Clean Ocean Material Alliance | English HOME | Alliance for reducing marine plastic litter (cloma.net)

The Japan Clean Ocean Material Alliance (CLOMA) was founded in January 2019 as a platform to accelerate innovation and strengthen alliances between a wide range of stakeholders across industry sectors. It aims to develop and promote the more sustainable use of plastic products, introduce and adopt innovative alternatives to plastic and, in the end, to completely eliminate plastic waste in order to resolve the global environmental issue of marine plastic litter. Nichirei has been a member since December 2018.



United Nations World Food Programme

The United Nations World Food Programme (WFP)—WFP.org

The United Nations WFP Japan office—a certified non-profit organization that supports the WFP in its mission to eliminate hunger—was established in January 1999 as the official support organization for the United Nations WFP in Japan.

In 2020, the United Nations WFP was awarded the Nobel Peace Prize in recognition of its efforts to prevent hunger from being used as a weapon in conflict and civil war. The Nichirei Group has been a member of the WFP in Japan since September 2005.

The Global Alliance for Sustainable Supply Chain (ASSC)

(g-assc.org)

Established in January 2017 to contribute to sustainable socioeconomic developments, the ASSC creates alliances with corporations, labor unions, civil society, and other organizations to conduct initiatives targeting the resolution of various issues, including matters related to climate change and human rights tied to corporate activities including supply chains. The Nichirei Group became a member company in March 2021.



Japan Food Safety Management Association (JFSM)

Japan Food Safety Management Association (JFSM)

The JFSM was founded in January 2016, to help improve food safety in the Japanese and Asian food industries, as well as among consumers. To this end, it set up and managed food safety management certification and accreditation standards, which are consistent with international standards. The Nichirei Group plays a leading role in this association as a founding member, with one Nichirei director serving as a JFSM director.

