

Nichirei Group
CSR Report 2020



NICHIREI CORPORATION

Contents

CONTENTS

■ Message from the Board of Directors	...	2	■ Support Good Corporate Governance		
■ The Nichirei Pledge	...	5	Corporate Governance	...	125
■ Creating New Value for Customers			Risk Management	...	130
Creating New Value for Customers	...	6	■ Ensure Strict Compliance		
Innovation	...	11	Compliance	...	134
■ Provide Safe Products and Services			■ Report Archives	...	138
Product Responsibility	...	14	■ ESG Navigation	...	140
■ Maintain a Sustainable Supply Chain			■ ESG-related Policies	...	142
Supply Chain Management	...	32	■ ESG Data	...	143
Human Rights Initiatives	...	38	■ External Review	...	164
■ Reduce Environmental Impact			■ Stakeholder Engagement	...	168
Environmental Management	...	41			
Initiatives for Sustainable Raw Ingredients	...	56			
Initiatives for Energy and Climate Change	...	61			
Initiatives for Water Resource Conservation	...	77			
Initiatives for Biodiversity Conservation	...	80			
Emissions into the Atmosphere	...	83			
Management of Wastewater, Waste Matter, and Chemical Substances	...	85			
Initiatives in Products and Services	...	89			
Processing Environmental Complaints	...	91			
Long-term CO ₂ emission reduction target	...	92			
■ Foster Cooperative Relations with Communities					
Contributions to Society	...	93			
■ Continually Enhance our Workplaces					
Fundamental Policy on Human Resources	...	102			
Occupational Safety and Health	...	104			
Labor Practices	...	110			
Human Rights	...	115			
Human Asset Cultivation and Diversity	...	117			

Message from the Board of Directors

“We are working to meet the expectations of all stakeholders while fulfilling the Nichirei Pledge to make our communities more sustainable.”



Representative Director and
President
Kenya Okushi

Underpinning all Nichirei Group business activities is our management philosophy: Focus on Lifestyles and Provide True Satisfaction. Understanding needs throughout the world, creating and providing valuable products and services that satisfy customers is our purpose and the reason we exist.

In April 2019, Nichirei launched a new medium-term business plan WeWill 2021, which was formulated based on the aforementioned philosophy.

The plan was devised to indicate our intention to create a distinctive future for ourselves. It is the first step to realize the goals outlined in our revised management principles and in the formulation of long-term management goals toward 2030. Both are designed to realize sustainable growth by creating value that is unique to Nichirei. To achieve these goals, we must not be afraid of making mistakes and focus on the importance of taking on new challenges.

Nichirei has resources in a wide range of food-related areas, from ingredient procurement to logistics. Coordinating these resources to realize a sustainable society should enable us to change our existing profit structure and increase economic value, while at the same time creating social value in addition.

As Nichirei's president, I cannot emphasize too strongly that, regardless of how severely the social environment may change, our aim is to be a Company that continues to do business for the next 100 years by leveraging our ability to respond flexibly and to continue creating distinctive Nichirei products and services that meet the needs of society.

Previous Plan (FY2017–2019) Results and Issues

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

The basic policies promoted under the previous medium-term business plan were to improve domestic business earnings capabilities and grow overseas business and to create operational innovations and new business development targeting medium- to long-term growth in both domestic and overseas businesses.

In the food industry, food-related needs have continued to diversify as demand had grown for simpler preparation and healthier choices, while at the same time labor, distribution and ingredient costs have risen, due to labor shortages.

Meanwhile, in the food distribution industry, we have seen increases in cargo handling expenses, vehicle procurement costs and electricity charges. This has been amid a trend toward facility expansion, driven by increased product handling, due to robust demand for storage.

During the previous plan, in the processed foods business, we concentrated management resources on our core processed chicken products and rice products. We focused our efforts on product development and sales activities, while striving to achieve continuous productivity improvements and to cut costs. All of this enabled us to substantially increase profit margins.

Additionally, in the logistics business, earnings grew steadily through corporate structure enhancements and overseas business expansion.

As a result, in the final fiscal year of the previous business plan, net sales increased 2.1% compared to the previous period, to ¥580.1 billion; the operating income declined 1.3% compared to the previous period, to ¥29.5 billion; and the ordinary income decreased 2.6% compared to the previous period, to ¥29.9 billion.

Further, we recorded extraordinary income associated with asset securitization. This resulted in the profit attributable to owners of the parent increasing 4.4% compared to the previous period, to ¥19.9 billion.

We recognize that the overhaul of our profit structure and further expansion in overseas business are major issues facing Nichirei. Thus we must achieve higher profit levels by strengthening our ability to respond to changes in the external environment as well as rising costs. So we plan to work on more specific measures to expand the scale of our overseas business.

A New Vision

In 2005, the Nichirei Group transitioned to a holding company structure. At present, each Group company makes the most of its existence as an independent entity. However, in recent years social issues have become increasingly complex and responses to customer demands are becoming difficult to resolve in individual business domains. We thus believe we can create a new business model as well as the new products and services necessary for society and customers by combining Nichirei Group R&D, ingredient procurement, processing, quality assurance and logistics resources.

In order to enhance the cohesive power of the Group and utilize Group capabilities to demonstrate our comprehensive strengths, we decided to create a new Group vision. As it says,

“We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature’s bounty, along with our cutting-edge logistics services.”

The following three initiatives are integral to realizing this vision:

1. Focus on growth

Even in a business environment where the future is uncertain, we will increase corporate value by continuing to increase sales and generate profits, while considering how we can contribute appropriately to society and customers.

2. Take on new challenges

We will rethink our structure, including corporate governance and improve the quality of our management, while at the same time creating new added value by constantly taking on new challenges without fear of failure.

3. Create diverse workplaces

We will focus on developing our human resources and creating enjoyable and rewarding workplaces. We will promote the introduction of RPA*1 and AI*2 to make operations more efficient and create new types of work that can only be performed by people.

Whether work or play, if it is not interesting no one will do it for very long. To live a rewarding life, doing whatever it is that you want to do is the best motivation of all. Many working people think to themselves that there is something they want to do or try and I want to create a Company in which they can take on such challenges. To this end, our goal is a workplace in which employees can relax and be accepted, even if they make mistakes.

Our new medium-term business plan WeWill 2021 is based on our intention to try new things. We will formulate our own goals at the individual, departmental and team levels and strive to achieve them.

We formulated our vision and, at the same time, announced our long-term management goals toward 2030. Nichirei’s corporate culture is one of seriousness and sincerity because it deals with food. But we have also inherited DNA from predecessors who were constantly trying new things.

Although it is a major challenge, the goal of our 2030 plan is to contribute abundance to the human diet and improve health by creating new value that resolves social and customer issues by promoting innovation. We will strive to achieve solid results while at the same time realizing this goal.

*1 Robotic Process Automation: The use of cognitive technologies to enhance the efficiency and automation of mainly white-collar operations.

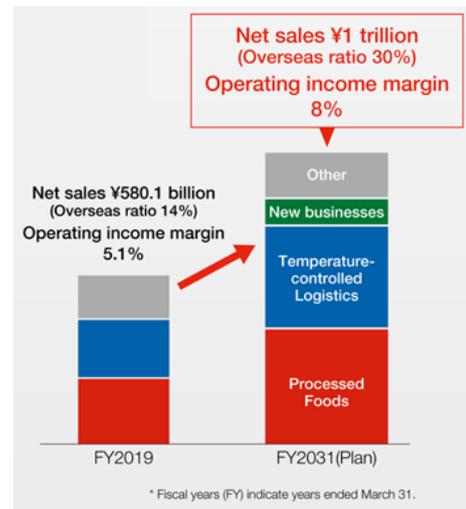
*2 Artificial intelligence: Using computers to artificially simulate human intelligence.

Vision for FY2031

Nichirei will promote innovations to create new value that resolves issues faced by customers and society and contribute to the good diet and health of all people.

In domestic operations, we aim to firmly establish ourselves as the No.1 market share and high profitable company in the processed foods and logistics businesses through the provision of higher added value and maximum capital efficiency.

In overseas operations, we are targeting an overseas sales ratio of 30%, which we will achieve through M&A and alliances aimed at expanding scale and areas of operation. In addition, we seek to establish new earnings pillars through the creation of new businesses.



In FY2021, the Nichirei Group launched its new medium-term business plan.

The basic policy of this plan is to realize sustainable profit growth and the creation of new value that supports a good dietary lifestyle and good health.

To realize sustainable profit growth, we aim to strengthen the foundations of our management system and transform our business structure in Japan. At the same time, we will seek to expand the scale of our operations abroad.

Targets for the Nichirei Group overall include net sales of ¥657.0 billion (average annual growth rate of 4.2%) and operating income of ¥35.0 billion (average annual growth rate of 5.9%). In addition, to accelerate overseas business development, we will engage in alliances with local companies, including M&As, to achieve growth targeting overseas sales of ¥100.0 billion or more.

In terms of investment strategy, we plan to engage in proactive investments that surpass those under the previous medium-term business plan. Overall investments for the Group are projected to be ¥100.8 billion, which is ¥37.8 billion more than investments under the previous medium-term business plan.

Focusing on our core businesses of processed foods and logistics, while engaging in overseas business and operational innovations involving IT and other strategies, we will allocate management resources to new business development and R&D, focused on a medium- to long-term perspective. In this way, we will attempt to further enhance competitiveness and create pillars of future growth, including those in new areas.

Since 2001, the Nichirei Group has utilized REP (Retained Economic Profit), an original indicator focused on capital costs, with the aim of ensuring profits that exceed capital costs in each segment. However, under this new plan, we will utilize EBITDA*³ as the new management indicator for evaluating performance. By covering the EBITDA growth rate along with profit margins, we will enhance ongoing financial management and our ability to generate cash.

*³ EBITDA: Operating income + Depreciation and Amortization expense (including lease, excluding goodwill)

The Medium-term Business Plan WeWill 2021 (FY2020–2022)

Sustainable Growth from Raising profitability in Japan and Expanding Overseas Operations.

General
Strategies

1. Realize sustainable profit growth
2. Improve capital efficiency and expand shareholder returns
3. Create new value that supports a good dietary life and health

With regard to financial strategy, we will continue to improve capital efficiency and maintain ROE at 10% or higher. To enhance shareholder returns, we will revise the dividend on equity ratio, previously 2.5% and raise it to 3.0%.

As a result, the dividend per share for the current fiscal year will be increased by ¥10 to ¥42 (dividend payout ratio of 28%). We will continue to target stable dividends.

Under this new business plan, we will engage in the following environmental, social and governance initiatives.

The Nichirei Group is focusing efforts on various initiatives aimed at achieving the long-term objectives set forth in the UN Sustainable Development Goals and the Paris Agreement. It is doing so in order to realize a sustainable society amid rising global concerns over a variety of social issues. These include how best to respond to climate change and respect human rights, as well as the need to conserve water, energy and other resources.

Concerning food, so-called food loss has become a social problem in recent years. Thus, Nichirei will proactively work to solve this problem through our frozen food, ingredients and logistics businesses.

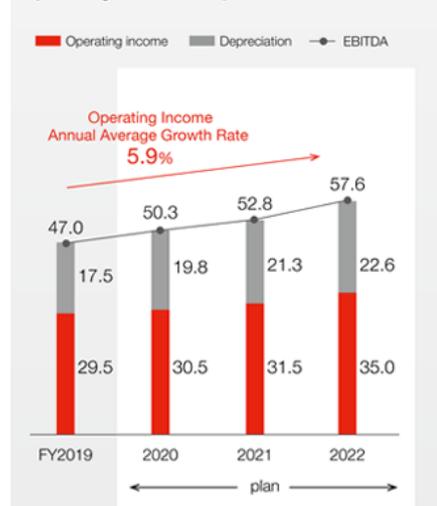
In terms of reducing environmental impacts, we will promote the elimination of chlorofluorocarbons by switching to refrigeration equipment utilizing natural refrigerants, while firmly supporting the reduced use of plastic through the development of new, thin-film packaging materials.

As a measure to further enhance corporate governance, Nichirei will seek continuous improvement through Board of Director evaluations. In addition, it will continue to improve corporate value over the medium- to long-term by strengthening the link to executive compensation system performance.

As even greater changes are expected to take place in the business environment, we will strive to use this new medium-term business plan WeWill2021—aimed at achieving our long-term management goals toward 2030—to maximize Nichirei Group capabilities and enhance corporate value.

Plan Goals				
	FY2019 (results)	FY2022 (plan)	Variance	Annual average growth rate
Net sales	580.1	657.0	76.9	4.2%
(Overseas sales)	79.2	102.3	23.1	8.9%
Operating income	29.5	35.0	5.5	5.9%
(Operating income margin)	5.1%	5.3%	0.2ppt	—
Profit	19.9	22.0	2.1	3.3%
EBITDA	47.0	57.6	10.6	7.0%
ROE	11.7%	10% or higher	—	—
EPS	149.7yen	164.9yen or higher	—	—

Operating Income, Depreciation and EBITDA



The Nichirei Pledge Working to Make Our Communities More Sustainable

The Nichirei Pledge

Working to Make Our Communities More Sustainable

As a group of companies that provide value in the fields of food and health, the Nichirei Group strives to help communities solve the issues they face while creating new value for customers through its business activities. The Group gives full consideration to the economic, social, and environmental impact of its endeavors, and publicly discloses the details of its businesses to its stakeholders, in order to gain their understanding and promote further dialogue.

Create new value for customers

We strive to create new products and services, while helping customers and communities solve various issues through our business activities.

<p>Provide safe products and services</p> <p>We ensure that everything we offer our customers is characterized by high quality and safety.</p>	<p>Maintain a sustainable supply chain</p> <p>We work to ensure that our supply chain is sustainable.</p>	<p>Reduce environmental impact</p> <p>We strive to reduce the environmental impact of our operations, while giving full consideration to their potential effects on the global environment.</p>	<p>Foster cooperative relations with communities</p> <p>As a responsible corporate citizen, we foster close cooperation with local communities in the interests of the public good.</p>
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Continually enhance our workplaces

While promoting respect for the diversity of our employees, we continuously improve the workplace environment to enable every employee to make the most of his or her abilities and work with enthusiasm.

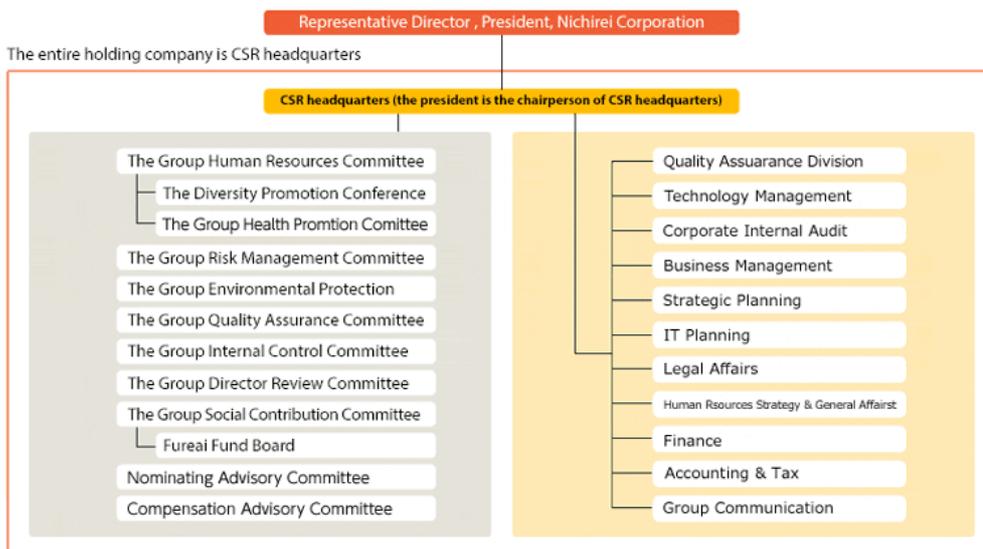
Support good corporate governance

We employ highly transparent, fair management practices, while ensuring that resources are properly allocated and management decisions are made in a timely manner.

Ensure strict compliance

We maintain high ethical standards, while complying with the laws and social norms of each country in which the Nichirei Group operates.

CSR Structure



Create New Value for Customers

Basic Philosophy

The Nichirei Group strives to create new value for customers through its business activities and help communities solve the issues they face

As a company engaged in food-related businesses, Nichirei aims to contribute to people's health through improving access to better nutrition and a number of other initiatives. For example, Nichirei Foods develops and sells wellness products that promote health as well as organic frozen vegetables, and Nichirei Fresh places emphasis on the feed and livestock environment for the meat it sells. 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.

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/> (Japanese only)

Nichirei Fresh produces and sells meat with a focus on omega-3 fatty acids, which are essential for human health. We have improved the balance of omega-3 and omega-6 fatty acids by giving chickens, pigs and cattle* a formula feed that uses ingredients derived from flax, which is rich in α -linolenic acid. As a result, we have developed tender meat that we have been selling since 2006.

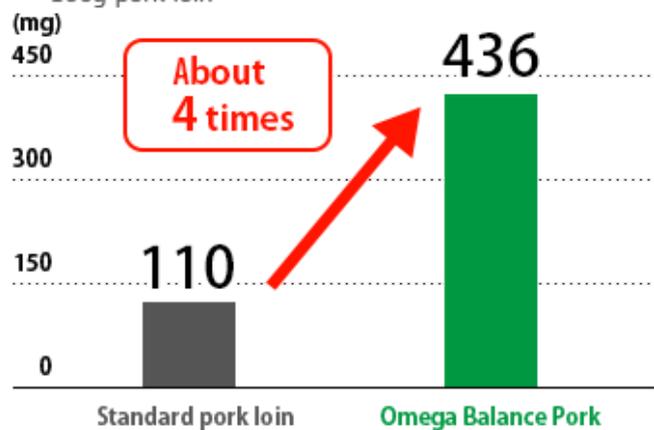
Omega-3 fatty acids, abundant in blue-backed fish, flaxseed oil and wild sesame oil, are converted into eicosapentaenoic acid (EPA) and docosahexaenoic acid (DHA) in the body. However, the diet of today's Japanese is often lacking in the essential fatty acids that cannot be made in the body, especially omega-3 fatty acids. Thus, Nichirei Fresh is helping support the health of its customers through the meat that appears frequently in everyday meal settings.

*There are individual differences.



あまに
亜麻仁の恵み® 豚

Comparison of amount of omega-3 fatty acid (α -linolenic acid) that body can absorb from 100g pork loin



Source: Nichirei Fresh

Health through Nutrition

Composition-Controlled Foods

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

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> (Japanese only)

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

Initiatives for Innovation

Food Waste Reduction

AI-powered diagnostic technology

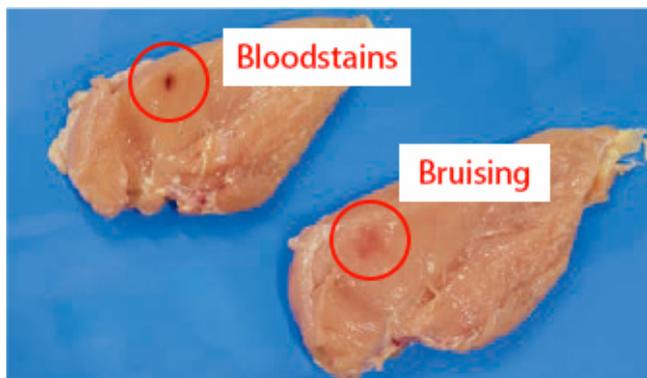
https://www.nichireifoods.co.jp/news/2018/info_id5715/ (Japanese only)

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.

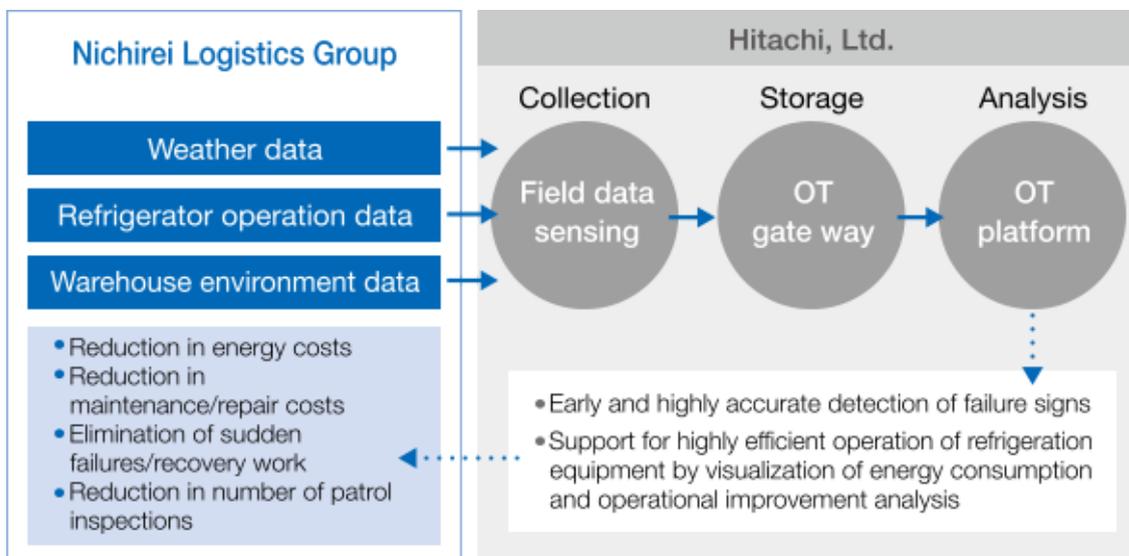
Using the IoT to Save Energy, Pass on Skills

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.



Technology for Personalized Flavor

<https://www.nichirei.co.jp/newbiz/biz002/> (Japanese only)

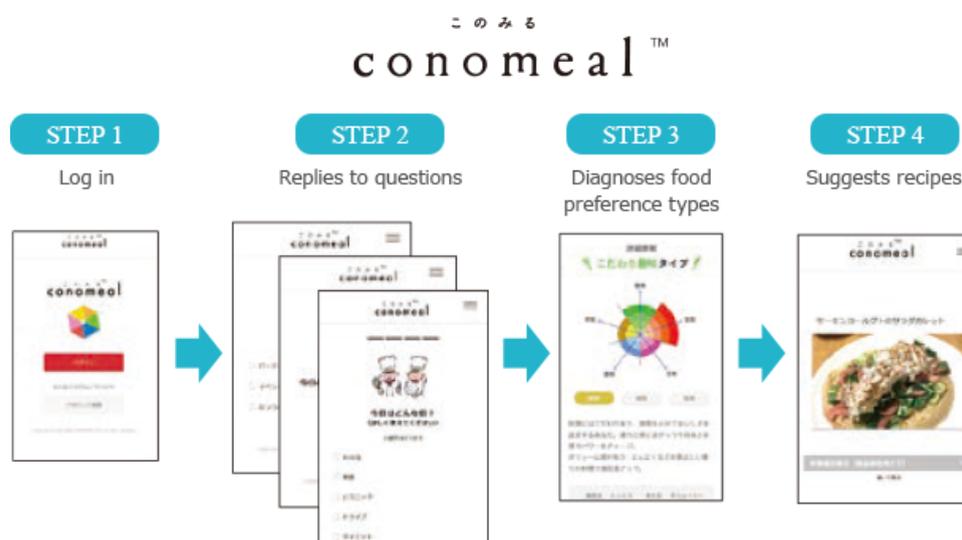
We are developing a program that gives flavor recommendations to make people's selection of food more enjoyable. The associated service will commence in 2020.

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.



Response to 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. The Group has made every effort to itemize the food allergens contained in frozen foods for home use that are handled by Nichirei Foods.

Innovation



Innovation is essential if we are to create new value and, by 2030, achieve the vision of our long-term management goals. As food and health become ever more important concerns and the need for Group-wide promotion of new value becomes increasingly evident, we have begun to create a mechanism with that in mind.

Company Innovation

The Group's long-term management goals formulated in FY2020 state that, "the Company will promote innovation to create new value that solves the problems of customers and society." Another of our goals is to achieve net sales of ¥1 trillion by 2030.

Enter into the picture COVID-19. The pandemic has significantly changed the world, the previously commonplace is gone, and the creation of new value is more necessary than ever.

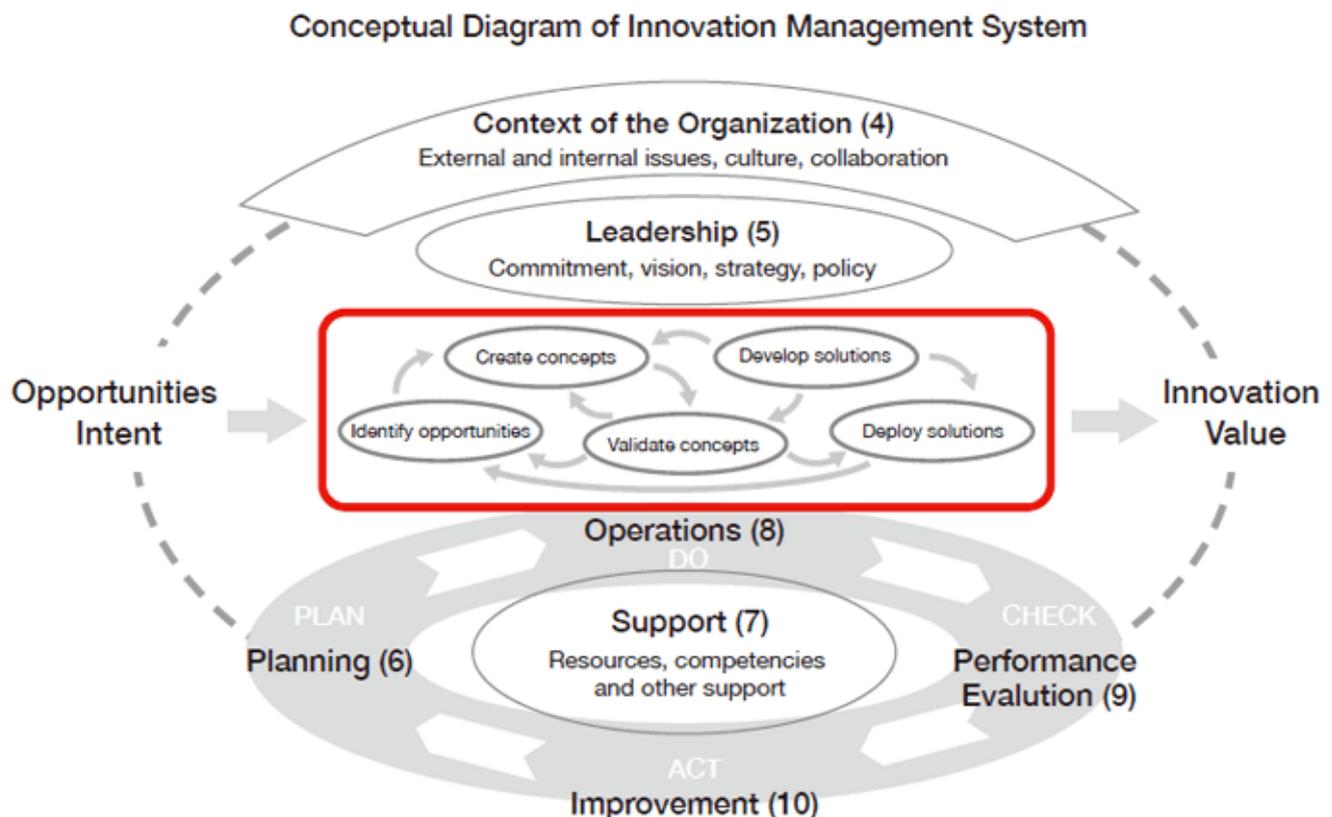
Nichirei believes that innovation is not limited to be innovative, but includes combining existing knowledge and resources to create new economic and social value. This can be achieved by transforming our core business model and creating new business opportunities.

When it comes to realizing our long-term management goals, the one of the material matters is the creation of new markets and customer value by taking on challenges that don't adhere to our existing food- and health-related business areas.

Producing New Value

While the Nichirei Group already has taken on many challenges, we recognize the difficulty of continuing to do so in these times of uncertainty. We thus decided to discuss, with those in charge at the time, how in the past they had dealt with obstacles.

Over the course of nearly three months, we asked some 50 people about close to 40 challenges they had handled. We learned that, although these people had tried to generate ideas and take on challenges, they had tended to rush through their paces in order to achieve results quickly, rather than take a medium- to long-term approach. Further, the Company had not supported or nurtured their efforts.



【Diagram Explanation】

Innovation activities (identifying opportunities, creating and verifying concepts, developing and implementing solutions) are shown in the central red frame; uncertainty is reduced through rapid trial and error of hypothesis testing that goes back and forth within the frame leading to the creation of value through innovation. In addition, we aim to more smoothly promote the activities through organizational support. Human resource development, which we are focusing on this year, is an initiative related to the “competence” of the support system.

Source: ISO 56002 Innovation Management—Innovation Management System Guide

Note: The numbers in parentheses in the diagram indicate ISO 56002 chapter numbers.

It became clear that innovation is not achieved by one specific and capable individual. Rather, it is realized by all the Group's employees who, as ideas are generated, will pull together to support the taking on of challenges, resulting in greater innovation.

To this end, we must create a Company culture that fosters and nurtures challenges.

The mechanism currently being developed is based on ISO 56002, the 2019 internationally validated guideline for how to set up an innovation management system (IMS). We now are creating a Nichirei-specific IMS to reflect the Group's distinctive features.

The aim of our IMS is to provide organizational support for nimble trial and error attempts to cultivate ideas, from conception to fruition. The mechanism has two special features.

Regarding the first special feature, it is through the development of human resources that we aim to inculcate a shared awareness and understanding of innovation. At present, we are conducting workshops on how to use the Business Model Canvas (BMC), a tool for game changers that helps design thinking.

We expect that using the BMC strategic management building blocks as a common language will facilitate smooth communication among those engaged in innovating and those who support them, thereby enabling the entire Group to promote innovation activities.

Some 200 employees have attended BMC-related workshops to date, and our goal is to have 80 % of our employees participate in these over the coming five years.

The second special feature is the development of infrastructure to collect and refine ideas. We plan to stimulate innovation by encouraging new ideas and innovative techniques, refining and evaluating them for all involved to see.

Future Developments

Societal issues related to food and health—including food loss, a super-aged society, and problems resulting from natural disasters—are diverse and complex. For this reason, we wish to make the best use of Nichirei resources and work together with our stakeholders, other companies (including ones in other industries), universities, and research institutes.

In the face of the major changes that society is undergoing, we believe that it is up to us to propose, from perspectives unique to Nichirei, the adoption of values that the world and consumers are demanding.

As innovation efforts are not quick to bear fruit, we plan to allow a little more time before the IMS currently being developed is used to establish a culture that will enable the entire Nichirei Group to create new value.

Product Responsibility

Basic Philosophy

The Nichirei Group has put in place a fundamental policy for quality assurance, based on the Group's business management philosophy. Its goals are to ensure the quality and safety of all the Nichirei Group's products and services—so that they will not be hazardous to the health of its consumers—as well as to maintain and improve the standards of quality management, quality assurance, and customer satisfaction.

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

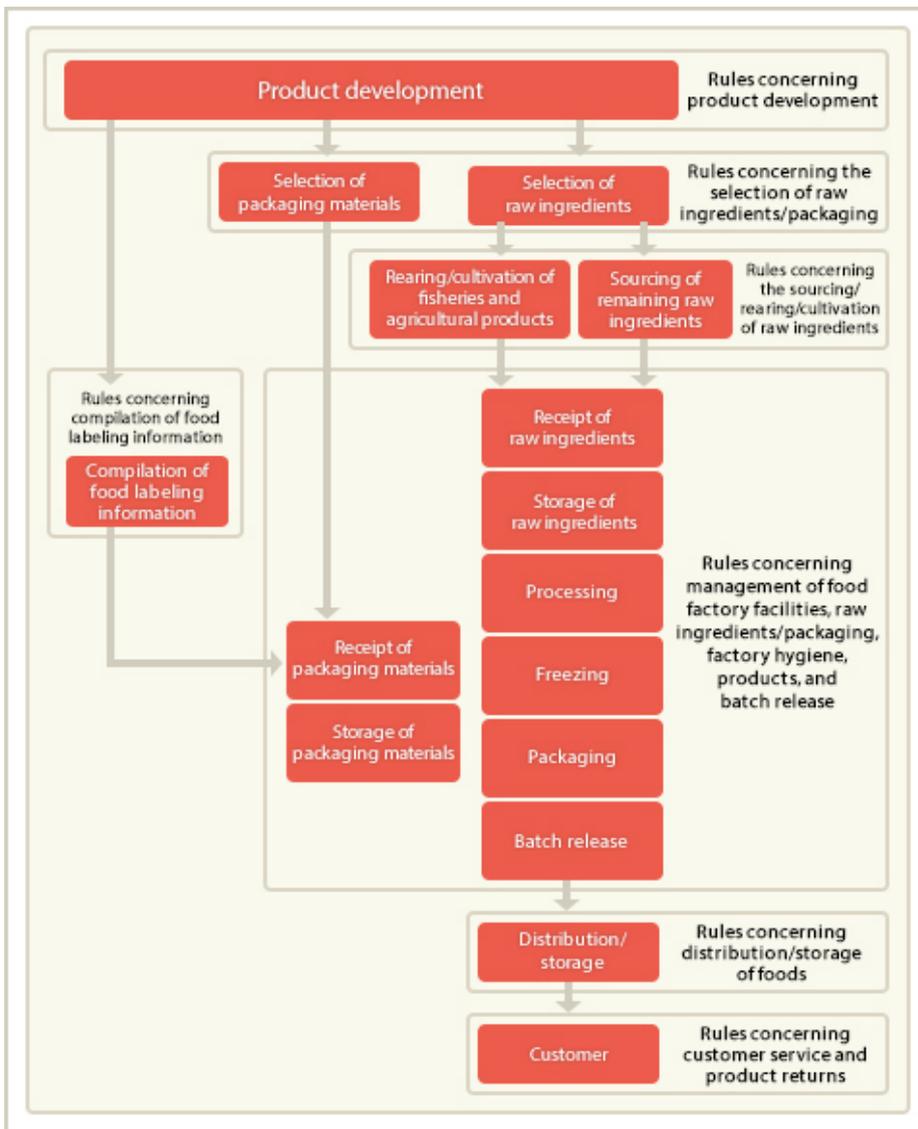
■ The Nichirei Group Quality Assurance System

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/english/ir/integrated/pdf/59-60.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

Certification	Operating Company	Certified Ratio*5					
		FY2018		FY2019		FY2020	
The HACCP system*1	Nichirei Foods	13/15	86.7%	14/15	93.3%	14/15	93.3%
	Nichirei Fresh	6/7*6	85.7%	7/7*6	100.0%	7/7*6	100.0%
ISO9001 (Quality management system)	Nichirei Foods	13/15	86.7%	3/15*7	20.0%	3/15*7	20.0%
	Nichirei Fresh	8/8	100.0%	8/9	88.9%	8/9	88.9%
	Nichirei Logistics Group	105/112	93.8%	104/115	90.4%	81/115	70.4%
FSSC22000*2, ISO22000*3, SQF*4 (Food safety management system)	Nichirei Foods	13/15	86.7%	14/15	93.3%	14/15	93.3%
	Nichirei Fresh	6/8	75.0%	7/9	77.8%	7/9	77.8%
	Nichirei Logistics Group	2/112	1.8%	2/115	1.7%	2/115	1.7%
ISO14001(Environmental management system)	Nichirei Foods	11/15	73.3%	11/15	73.3%	11/15	73.3%
ISO13485(Medical devices / In vitro diagnostic drugs)	Nichirei Biosciences	2/2	100.0%	2/2	100.0%	2/2	100.0%

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

Notes:

1. HACCP: Developed in the United States during the 1960s for the aerospace industry, the HACCP system is an international management method for food production that aims to prevent hazards during the manufacturing process by analyzing hazards and establishing important control points.
2. FSSC 22000: An international management system related to food safety that is based on ISO 22000.
3. ISO 22000: An international standard related to food safety management systems for reducing food safety risks that is based on the HACCP food sanitation control techniques.
4. SQF (Safe Quality Food) certification provides assurance that the product being purchased meets strict international food safety and quality standards such as HACCP. In countries outside of Europe, it is the program recognized by the Global Food Safety Initiative (GFSI).
5. Target business establishments ratio: Consolidated subsidiary business establishments in Japan (food factories, logistics centers, etc.)
6. Target business establishments excluding Nichirei Fresh Farm
7. Switching to FSSC22000

■ 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

Food Defense Initiatives

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

The Nichirei Group emphasizes people management to protect food.

In addition to restricting access to areas where food is handled 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 our plants in Japan and overseas. To protect the food we have created a system based on the distinguishing characteristics of each product and which allows follow-up investigations to be conducted should problems arise. If a problem does occur, a link is established with our food crisis management system, which allows accurate information to be disseminated and responded to quickly.



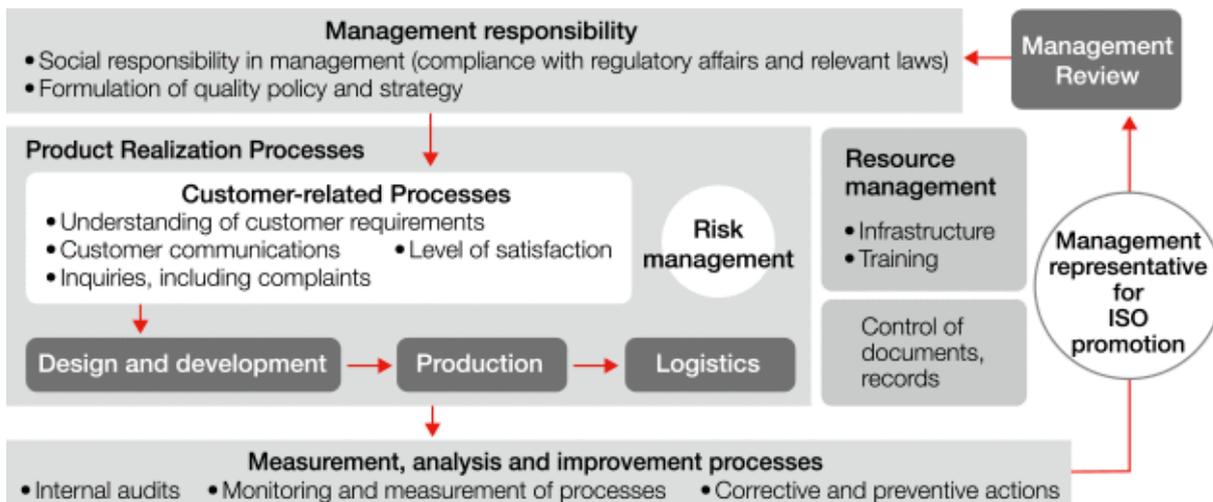
Quality Assurance System for Diagnostic Drugs Based on ISO 13485

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

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



■ Activities for Safe, Secure Workplace Environments and Service Quality Improvements

<https://www.nichirei.co.jp/english/csr/work/investigation.html>

Aiming to eliminate accidents in warehouses and involving its delivery vehicles as well as zero product accidents, the Nichirei Logistics Group holds regular training at the Safety and Quality Training Center and national contests for the purpose of improving forklift driving skills, delivery driver skills and product knowledge.



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

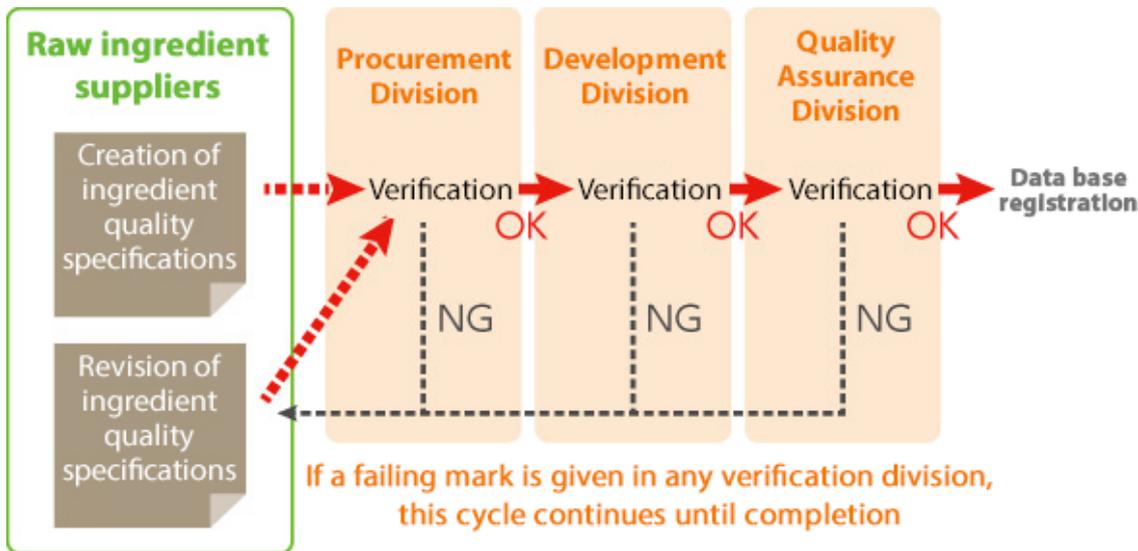
Nichirei Corporation's Quality Assurance Division has established rules and standards for quality control and quality assurance and performs internal audits and monitoring inspections based on quality management standards to ensure that the Group's quality management system is functioning effectively.

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.

The Evaluation Flow for Ingredient Quality Specifications



■ Building of Traceability

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=38>

To always provide safe, reliable and high-quality food, the Nichirei Group conducts rigorous quality controls and inspections, from the ingredients to the products and has built a traceability system that matches the distinguishing characteristics of each product. In the event of an accident, enhanced traceability would prevent damage from spreading and enable rapid investigation of the cause. We would also provide prompt and accurate information to alleviate consumer concerns.

The building of traceability requires collaboration and cooperation on the part of the ingredient suppliers, manufacturers and distributors in the supply chain.

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)

2020.10.23 / EB
 Best-by date Factory code

13 B 03 1 F 4 0 1
 Arrived Feb. 13 Truck number Production line number

The information displayed in this row can be used to trace the following:

- The farm at which it was harvested
- The truck used to transport the harvested product
- When the product arrived at the pre-processing factory
- Production line number

The information displayed in this row can be used to trace the following:

- Date when the product was packaged
- The factory at which it was packaged

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 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.

Icon

Displayed with intuitive illustrations

The Japan Frozen Food Association accreditation mark

Back Side

Cooking methods

Nutritional information

Information identifying packaging materials

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

3D 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	たんぱく質	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.

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.

■ Regular Audits

Quality assurance audit	FY2018		FY2019		FY2020	
	Japan	Overseas	Japan	Overseas	Japan	Overseas
Number of annual Group audit (Japan/Overseas)	156	15	66	38	54	20
Annual Group implementation rate (compared to plan)	100%	88%	97%	100%	89%	80%

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

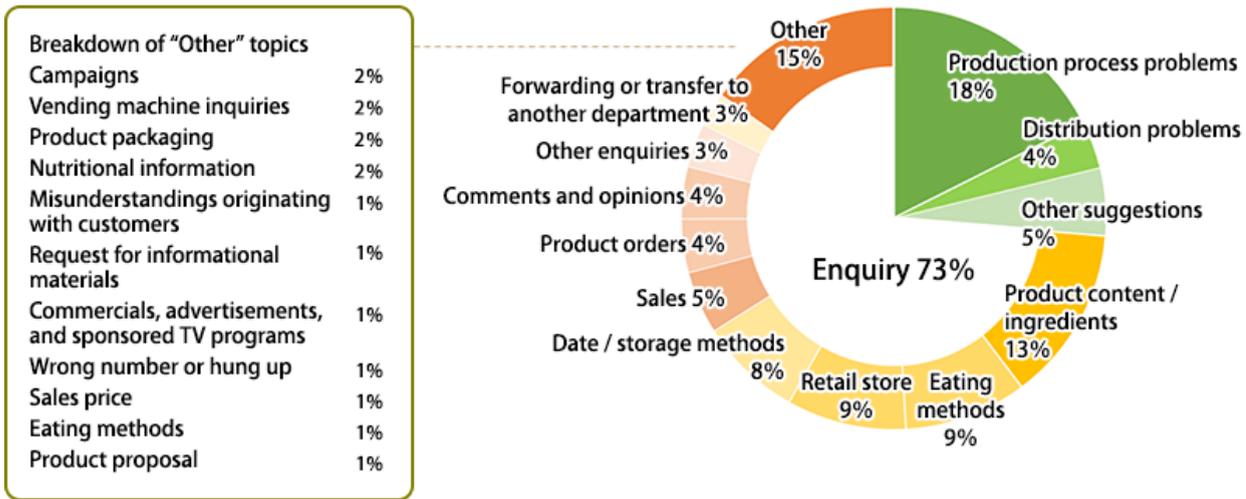
The Nichirei Foods Customer Support Center aims to improve customer satisfaction and corporate value through quickly and appropriately responding to the opinions and reports of customers. In addition, Nichirei aims to provide accurate product information and a brand that is both safe and reliable.

Customer Satisfaction Surveys

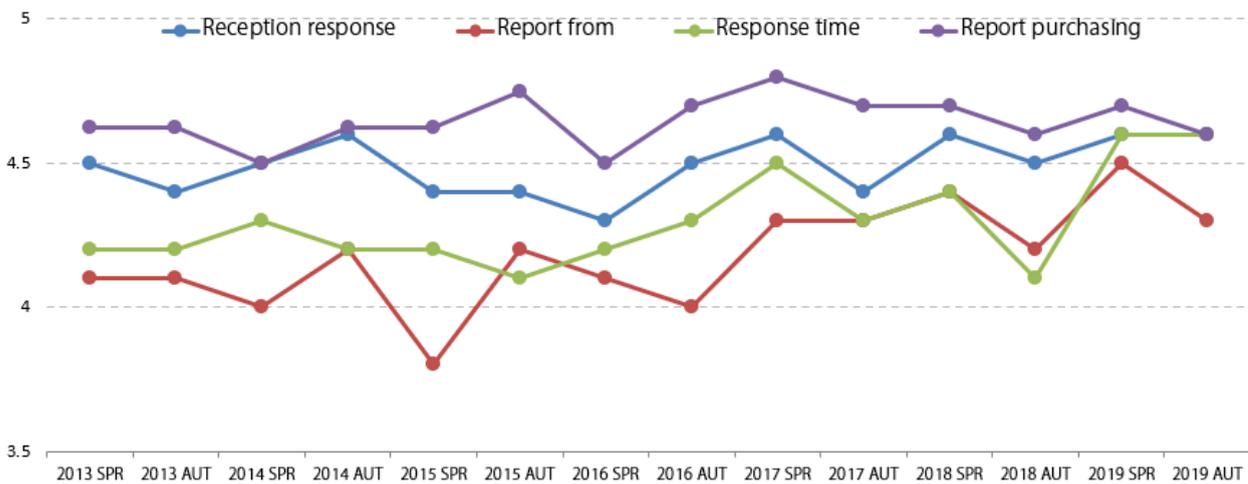
In order to improve customer service, the Customer Support Center runs customer satisfaction (CS) surveys. When customers make a suggestion about a product, Nichirei sends them a report form and a survey postcard, both of which it has them return.

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
July 27, 2014	Retort curry Shinjuku Curry Beef (Only available in Japanese) 
May 11, 2016	Frozen vegetables produced in America (Only available in Japanese) 

Protection of Personal Information

In FY2020, there were no issues related to the leaking of personal information, 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.

Supply Chain Management

Basic Philosophy

The Nichirei Group's Nichirei Pledge defines the philosophy behind the CSR initiatives that the Group believes it should pursue. However, it cannot make the essence of its philosophy a reality with the Group's efforts alone. The Group believes that it is essential for a company to forge an appropriate relationship with stakeholders to make appropriate contributions to society through the life cycle of its business activities. In particular, because Group businesses harvest raw materials from natural ecosystems, the Group is aware that it may have an impact on the communities in its production site. For this reason, from a long-term perspective, the Group will forge appropriate relationships with its suppliers and partner companies and is aiming to contribute to the vitality and development of communities through its businesses.

In order to build a sustainable supply chain, the Group has established the Nichirei Group Sustainable Supply Chain Policy. The Group procures products and services in accordance with the following Policy and asks suppliers to assent to and comply with this policy.

Nichirei Group Sustainable Supply Chain Policy

The Nichirei Group is committed in working to maintain a sustainable supply chain. The Group procures products and services in accordance with the following policy and asks suppliers to assent to 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)



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

Quality assurance audit	FY2018		FY2019		FY2020	
	Japan	Overseas	Japan	Overseas	Japan	Overseas
Number of annual Group audit (Japan/Overseas)	156	15	66	38	54	20
Annual Group implementation rate (compared to plan)	100%	88%	97%	100%	89%	80%

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.

■ 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.

■ 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.

2019 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.

Promoting respect for human rights across the supply chain



■ Membership in the RSPO

Palm oil, obtainable from the fruit of the oil palm, is used as a raw ingredient in edible oils, soap, detergent, and various other products. Last year, progress was made with a large-scale development of oil palm plantations, and the deforestation of the tropical rainforest, CO₂ emissions from peatlands, and other environmental issues, along with forced labor and child labor on the plantations, have become global issues.

In August 2018, the Nichirei Group became a member of the RSPO (Roundtable on Sustainable Palm Oil), a non-profit organization that promotes the sustainable production and usage of palm oil. Nichirei Foods' food factories (consolidated subsidiaries in Japan and overseas) aggregate the total amount (100%) of palm oil used for frying oil as a primary raw material and purchase the appropriate amount of RSPO certified oil credits (Book & Claim model) by the end of FY2021. We will support RSPO's efforts to promote sustainable procurement in the supply chain.



4-1055-18-100-00

■ Questionnaire Survey and Progress with Major Suppliers

<https://www.nichirei.co.jp/english/csr/supplychain>

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
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	<ul style="list-style-type: none"> • Join Sedex • Started creating Supplier CSR Guidelines
Nichirei Fresh			Visited some suppliers and exchanged opinions	Continuation of analysis of questionnaire contents

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



ASC/MSC-certified Products

■ Aquaculture Stewardship Council, Marine Stewardship Council Certification

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

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 Ingredient Procurement

Junwakei Chicken, Recycled Agriculture, Domestic Chicken Breeds Model for Self-Sufficiency

The *Junwakei* breed of chicken is raised at the Nichirei Fresh Farm Hirono Facility, an affiliate of Nichirei Fresh. The chickens are a Japanese breed, selectively bred from foundation stock crossed with the Japanese Koyuki and Benizakura breeds of chickens at the National Livestock Breeding Center Hyogo Farm.

The self-sufficiency rate of chickens used for meat in Japan is relatively high at about 70%. That said, the parents (broiler breeders) and grandparents (ancestors) account for only about 1% of current broods, as a result of which we must rely on imports from overseas. This means that, in the event of an epidemic overseas such as of the bird flu, domestic poultry farming would be adversely affected were imports stopped.

For this reason, Nichirei Fresh is making every effort to raise chickens that are not dependent on overseas breeds to improve Japan's food self-sufficiency rate.

In addition, with the cooperation of the JA Shin-Iwate Agricultural Cooperative, Nichirei Fresh has signed contracts with rice farmers in the towns of Karumai, Hirono and their suburbs in Iwate Prefecture to produce feed rice using abandoned and fallow rice fields. Locally harvested feed rice is included in the mixed feed given to *Junwakei* chickens.

Chicken manure is heat-treated at a high-speed chicken manure processing plant at the Hirono facility, and the energy thus generated is used to heat the chicken house. The heat-treated chicken manure is both sold to local farmers as organic fertilizer, and used in the feed-producing rice fields included in Nichirei Fresh contracts.

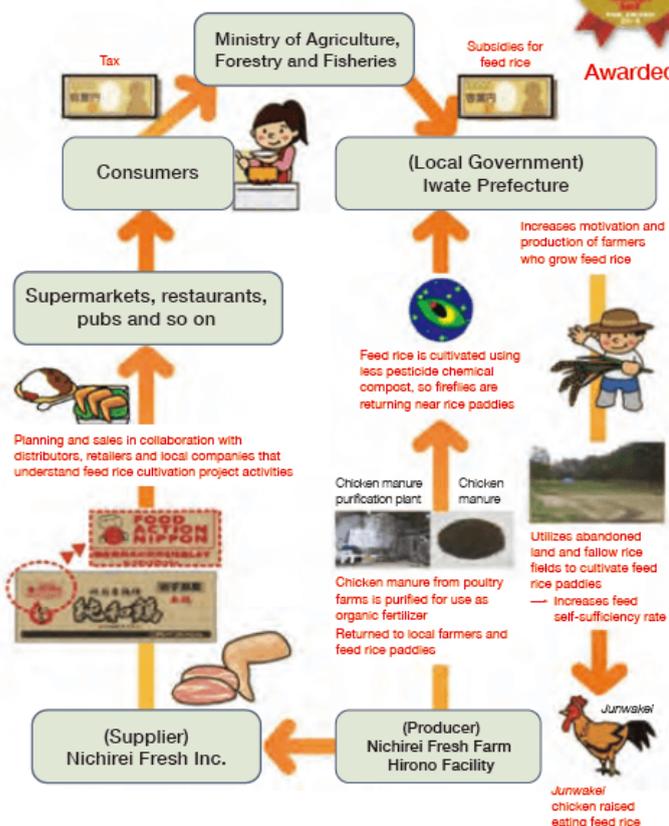
The *Junwakei* chicken regional agriculture and livestock recycling model won the Excellence Award in the product category at the 2010 Food Action Nippon Awards sponsored by the Ministry of Agriculture, Forestry and Fisheries.

Groundbreaking Business Cycle Involving Agriculture and the Public and Private Sectors

Junwakei chicken raised on feed rice are sold at stores and delivered to consumers in collaboration with manufacturers and distributors, creating a new business model centered on a circulating cycle.



Awarded!



Human Rights Initiatives

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.

Code of Conduct



Nichirei Group Sustainable Supply Chain Policy



Human Rights Policy

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/P51-52.pdf>

Under the Nichirei Group's corporate vision of "continuing to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services," we create new customer value and contribute to finding solutions to challenges facing our society, in an effort to be an indispensable member of society.

Recognizing that our business processes may have direct or indirect effect 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 human rights of all stakeholders of our business.

1. Scope	<p>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.</p>
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: The United Nations International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights); The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work; and 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. 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>

The Nichirei Group Human Rights Policy 

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.

External Communications

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.

2019 Human Rights Due Diligence Workshop



Environmental Management

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 (Revised December 1, 2008)

Basic Policy

If the Nichirei Group is to pass on to future generations the natural abundance that is the source of food and good health—and to continue providing freshness and good taste by using superior products and a first-class logistics network—together with our stakeholders we must reduce the environmental impact of our business activities and help create a sustainable society.

Prevention of global warming

We seek to reduce greenhouse gas emissions produced as a result of our food-related business activities, including procurement, production, storage, and distribution. To this end, we are helping to curb global warming through endeavors that support a transformation of business and lifestyles.

Promotion of sustainable recycling

In addition to making the best use of our limited natural resources, the Nichirei Group is reducing the waste resulting from its business activities, reusing resources, and recycling. We also are helping build a recycling-oriented society by planning the recycling of resources and purchasing these resources.

Symbiosis with nature

The Group, recognizing that natural resources are the product of diverse ecosystems and life forms, is making an effort to live in symbiosis with nature.

Action Guidelines

Since the Nichirei Group believes that environmental problems are a major management issue, environmental considerations color all its business activities.

1. Creating and implementing a management system

Given the environmental problems involved in the creation of a sustainable society, we are constantly evaluating and reviewing our activities so as to maintain and improve our management system. This we do in addition to promoting problem-solving activities, based on the implementation of relevant regulations and the establishment of environmental targets.

2. Legal compliance

We have created our own standards, based on our grasp of the relevant laws and demands of society.

3. Environmentally appropriate products and services

We promote services and conscientious craftsmanship that works to minimize environmental impact at each stage, from the planning, design, and development of each product and service through to procurement, production, distribution, sale, use, and disposal.

4. Increasing awareness

We use environmental education and consciousness-raising activities to increase individual awareness, and proactively undertake environmental conservation activities as both employees and citizens.

5. In harmony with society

In addition to proactively disclosing information, we participate in regional environmental activities and, together with society at large, pursue various avenues to help improve the environment.

Nichirei Group Biodiversity Policy

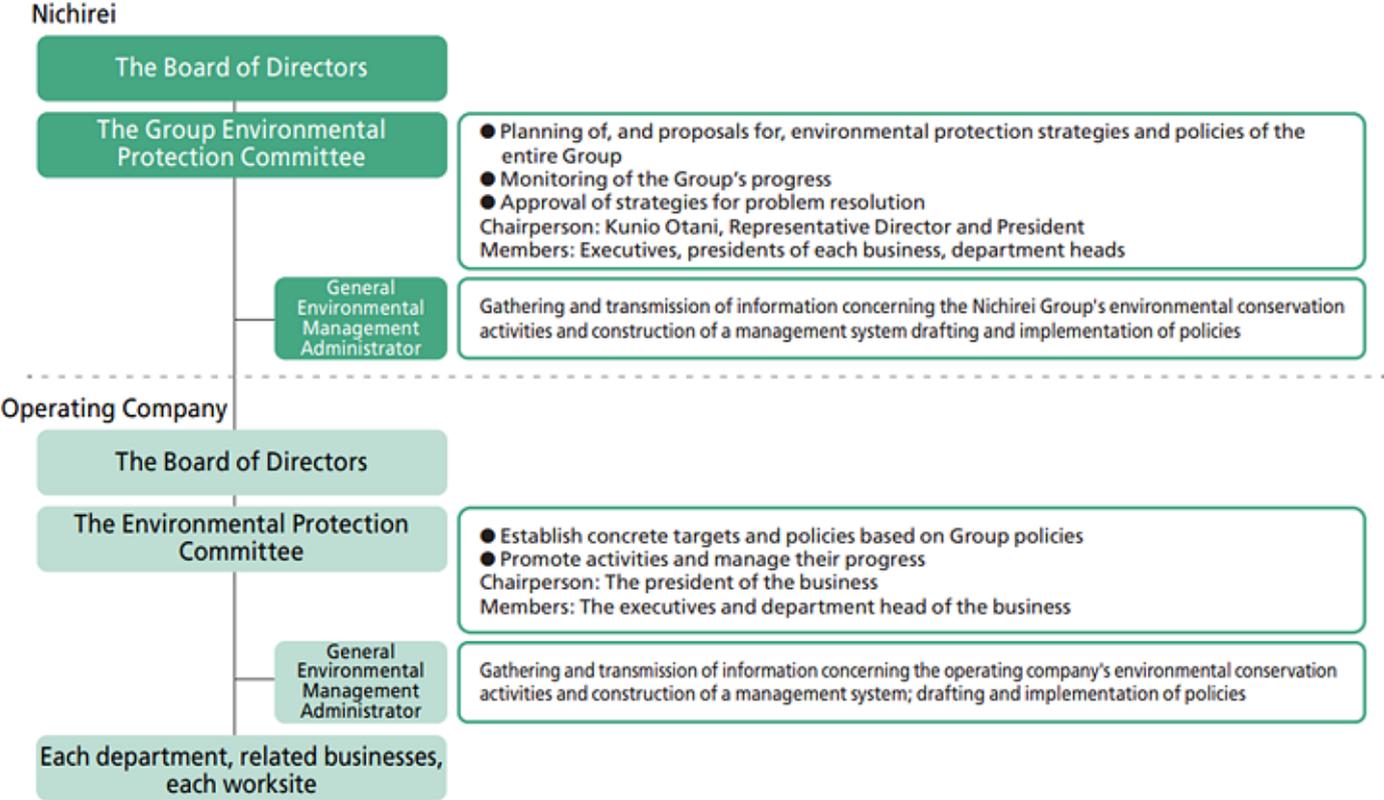
Biodiversity is both the foundation on which the survival of life forms depend, and a valuable asset that we must pass on to future generations.

Our lines of business both are made possible by, and have an impact on, biodiversity and its many benefits. This we firmly grasp, and are constantly seeking to cooperate and collaborate with our stakeholders in order to conserve biodiversity and use it sustainably.

1. For our raw ingredient procurement we work with our partners to ensure that the materials from fisheries and processed items we procure reflect the principles of sustainable use.
2. When it comes to the biological resources concerned in our business activities, we do our best to provide them as products to our customers and to recycle resources into fertilizer, feed, and energy, as well as use them to their fullest extent for the sake of society.
3. We are promoting sustainable development by conserving energy and resources; adopting a policy of reducing, reusing, and recycling; encouraging green procurement; introducing harmful substance management; and working to reduce environmental impact on biodiversity.
4. We put great effort into activities that contribute to the preservation and restoration of biodiversity in our facilities, land, and adjoining areas, and in areas surrounding the sources of our raw ingredients.
5. We are helping create a society that nurtures biodiversity through environment-related consciousness-raising activities and information sharing.

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.



Goals and Priority Challenges toward FY2021

■ Long-term Goals for FY2012–FY2021 (formulated in FY2011)

Prevention of global warming	Reduce CO ₂ emissions from the Nichirei Group	Reduce CO ₂ by 10% or 23,000 metric tons from the FY2010 level at all domestic establishments and vehicles owned.
	Reduce CO ₂ emissions from society as a whole	The Group's goal has yet to be determined. Major activities include: 1. Reduction of containers and packages for CO ₂ reduction 2. Proposals for joint delivery, modal shift and other action to improve distribution efficiency for CO ₂ reduction 3. Greening and other forest preservation activities for CO ₂ reduction 4. Activities conducted by business partners and employees' family members to help reduce CO ₂ 5. Green power and purchases of emission rights for CO ₂ reduction
Promotion of sustainable resource circulation	Reduce waste emissions from the Nichirei Group	Achieve and keep a recycling rate of 99% at domestic plants and distribution centers.
	Reduce waste emissions from society as a whole	Build a recycling system in collaboration with business partners and local communities to make full use of resources
Symbiosis with nature	Activities centered on business activities	Procure materials produced or caught in consideration of sustainable utilization and their processed products.
		Build a recycling system in collaboration with business partners and local communities to make full use of resources
	Activities centered on contribution to society	Stimulate activities helpful to the preservation and restoration of biodiversity around business establishments and material suppliers.
		Engage in activities for raising environmental awareness and in the provision of information to contribute to building a society that nurtures biodiversity

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



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.

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. The total amount of CO₂ emissions for FY2020 was almost the same^{※1} as for FY2010 in spite of increased production, new office construction, and so on. In addition, when using the coefficient of variation to compare the CO₂ emission factors due to electricity production, there was an increase of 3.9%^{※2}. Going forward, in addition to making its food factory and logistics center operations more efficient, updating to energy-saving equipment, and implementing renewable energy, the Group will work on reducing CO₂ emissions throughout its entire supply chain.

● Nichirei Group CO₂ Emission Trends

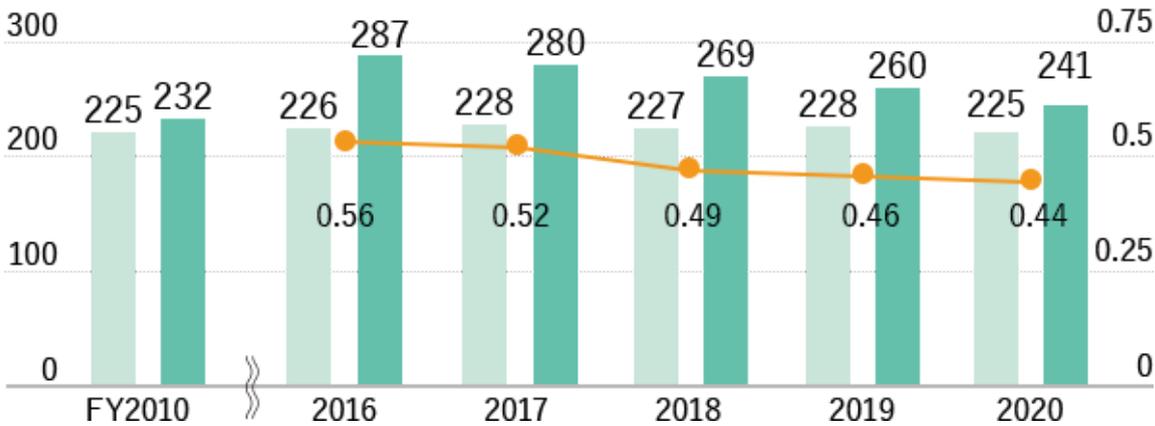
■ Fixed power emission coefficient¹

■ Variable power emission coefficient² —●— Emission intensity³

(Thousands of tons of CO₂)

(Tons of CO₂ per ton of production)

400 1



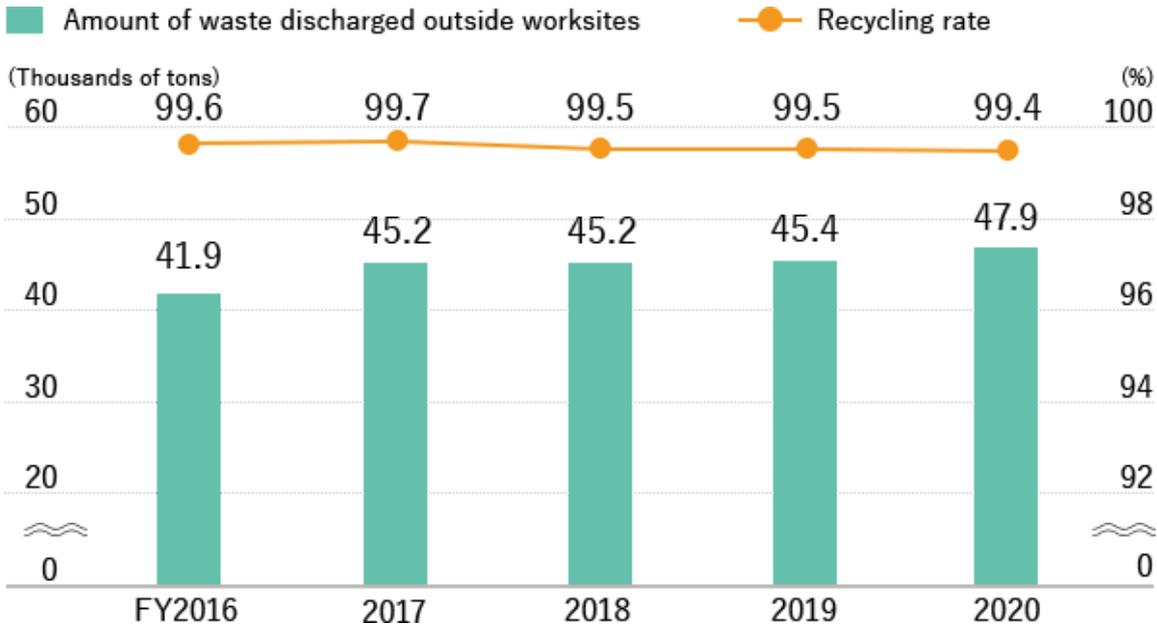
Notes:

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

The amount of waste discharged outside worksites in FY2020 was 47,900 tons, and the waste recycling rate was 99.4%. Regarding residual animal and plant material at factories, targets have been set for each operating company with a food factory, and efforts are being made to reduce waste discharge. Although recyclers can sometimes not be found for waste destined for final disposal because of the type and volume of waste, the Group will work on further reductions, including by controlling the amount of waste produced.

● 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



Material Balance

INPUT

Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	
Raw materials	Total	1,000 tons	167	185	188	195	200
	Material	1,000 tons	149	167	170	177	181
	Packaging materials	1,000 tons	18	18	18	18	19
Energy	Purchased power	1,000 GJ	444,843	447,574	443,480	447,277	444,335
	Heavy oil	kl	3,329	3,335	3,319	2,609	1,926
	Kerosene	kl	198	200	191	173	192
	City gas	1,000m ³	6,385	6,705	6,923	7,142	9,036
	LGP	tons	4,623	4,620	4,650	4,814	3,614
	Gasoline (Company-owned vehicles)	kl	524	467	461	402	322
	Light oil (Company-owned vehicles)	kl	1,270	1,340	1,378	1,556	1,452
	Solar power generation	1,000 kWh	186	211	400	1,444	2,717
Breakdown of energy (1,000 GJ) used at each business company	Nichirei Foods	1,000 GJ	1,649	1,716	1,726	1,761	1,759
	Nichirei Fresh	1,000 GJ	173	179	169	173	172
	Nichirei Logistics Group	1,000 GJ	3,159	3,129	3,098	3,089	3,046
	Nichirei Biosciences	1,000 GJ	10	8	11	12	33
	Others	1,000 GJ	72	73	74	72	69
Water	Total	1,000m ³	4,033	3,931	4,084	4,117	4,028
	Clean water	1,000m ³	1,336	1,284	1,256	1,267	1,238
	Industrial water	1,000m ³	853	877	917	907	897
	Groundwater (well water)	1,000m ³	1,845	1,770	1,911	1,943	1,893
Breakdown of water (1,000 m ³) used at each business company	Nichirei Foods	1,000m ³	2,595	2,581	2,789	2,812	2,739
	Nichirei Fresh	1,000m ³	352	353	331	322	318
	Nichirei Logistics Group	1,000m ³	1,070	977	947	963	952
	Nichirei Biosciences	1,000m ³	5	8	6	6	8
	Others	1,000m ³	12	12	12	13	11

■ OUTPUT

Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Waste	Amount of Discharged Waste	1,000 tons	41.9	45.2	46.3	45.4	47.9
	Recycle volume	1,000 tons	41.7	45.0	46.1	45.2	47.6
	Volume of waste for final disposal *1	1,000 tons	0.2	0.2	0.2	0.2	0.3
Breakdown of discharged waste (tons) at each business company	Nichirei Foods	tons	18,469	21,290	21,904	18,155	21,561
	Nichirei Fresh	tons	11,029	11,453	11,426	13,973	13,609
	Nichirei Logistics Group	tons	12,336	12,459	12,905	13,236	12,666
	Nichirei Biosciences	tons	43	37	46	44	72
	Others	tons	—	—	—	—	—
Atmospheric system	CO ₂ *2	tons	286,382	279,465	273,348	259,980	241,235
	SO _x *3		5	4	4	3	3
Breakdown of CO ₂ emissions (tons) at each business company	Nichirei Foods	tons	92,894	93,613	93,076	90,717	84,579
	Nichirei Fresh	tons	9,830	9,914	9,281	9,376	9,336
	Nichirei Logistics Group	tons	179,529	171,652	166,509	155,815	142,477
	Nichirei Biosciences	tons	406	538	574	568	1,561
	Others	tons	3,724	3,747	3,909	3,503	3,282
Water system	Drainage	1,000m ³	2,444	2,525	2,467	2,421	2,398
	Sewer system	1,000m ³	1,530	1,577	1,522	1,464	1,447
	Public water area (river etc.)	1,000m ³	913	948	945	957	951
	Drainage load BOD *4	tons	26	46	48	48	49
	COD *4	tons	19	24	23	24	23
Breakdown of drainage (1,000 m ³) at each business company	Nichirei Foods	1,000m ³	1,902	1,922	1,758	1,751	1,752
	Nichirei Fresh	1,000m ³	165	234	328	308	309
	Nichirei Logistics Group	1,000m ³	360	349	362	343	317
	Nichirei Biosciences	1,000m ³	5	8	6	6	8
	Others	1,000m ³	12	12	12	14	12

*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.

■ 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 Dining

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

- * Regarding the amount of energy used and volume of CO₂ emitted, this includes activities at the head office, branches and offices other than those indicated above, and company-owned trucks.
- * Excludes overseas worksites.
- * If the scope of applicable worksites differs from the above, a statement to this effect has been included.
- * Total figures may differ due to the rounding effect.

ISO 14001 Certification, etc.

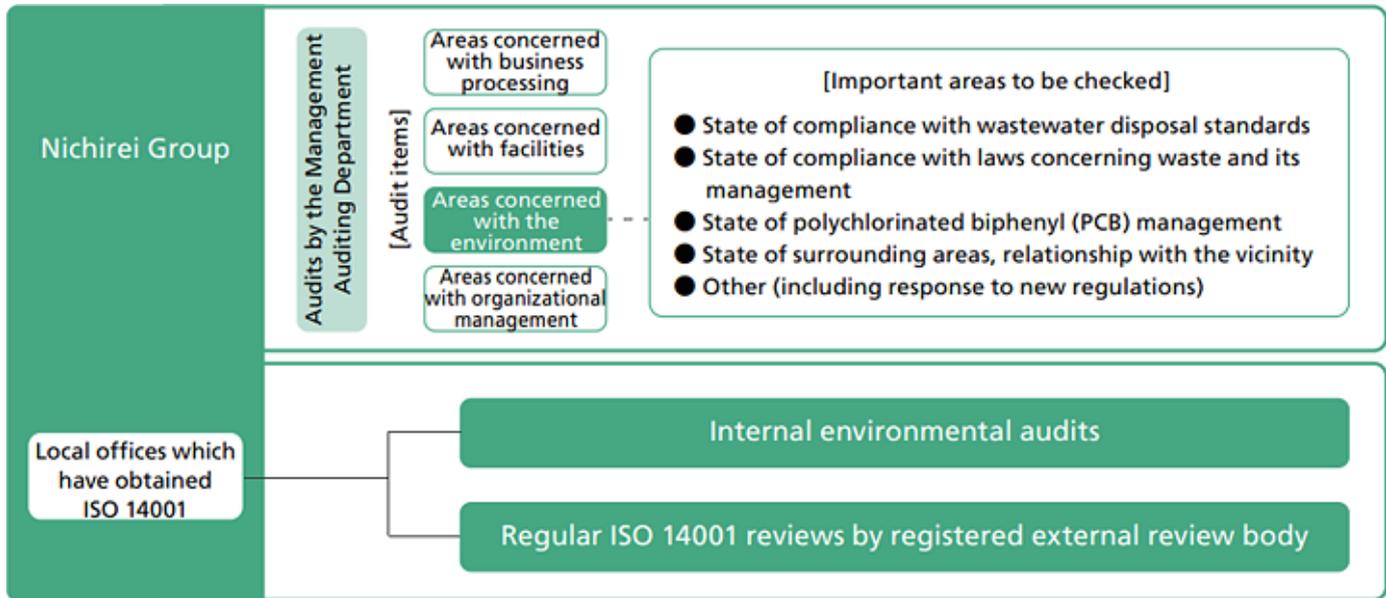
The Nichirei Group prioritizes ISO 14001 certification at its food factories. At Nichirei Foods, certification has been obtained at 11 directly-operated and subsidiary factories. Within the Nichirei Logistics Group, Green Management Certification has been obtained at Kyokurei Corporation and NK Trans Inc. On a basis of production, the Group has obtained ISO 14001 certification at 72% of its food factories in Japan.

Green Management 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. <input checked="" type="checkbox"/> Nichirei Foods: Good for lunches! Good for the forest! Program

Environmental Accounting

To gain a quantitative picture of the costs and environmental benefits of its environmental protection activities, the Nichirei Group has implemented environmental accounting since FY2001.

■ Cost of Environmental Conservation

Cost category		Main activities	Food factories		Logistics centers	
			Investment	Expense	Investment	Expense
Costs within business area			1,466,247	1,232,664	302,382	317,754
Breakdown	Costs for preventing pollution	Food factories ● Maintenance, management and load reduction of wastewater treatment facilities for preventing water pollution ● Maintenance and management of boiler facilities for heating and hot-water supply, and of facilities for eliminating food odors	1,396,235	899,803	50,510	60,352
		Logistics centers ● Maintenance, management and load reduction of wastewater treatment facilities for preventing water pollution ● Measures for controlling noise from stopped trucks				
	Costs for protecting the global environment	● Adoption of energy-saving equipment, better efficiency of equipment ● Proper management of CFCs	69,751	50,678	251,872	109,091
	Costs for recycling resources	● Proper storage of waste, arrangement of waste storage spaces designed for thorough waste separation and sorting ● Introduction of processing equipment for recycling ● Outsourcing of recycling and waste processing, management of proper processing ● Recycling of water	261	282,183	0	148,311

Upstream and downstream costs	<ul style="list-style-type: none"> ● Procurement and purchasing of environmental goods (green purchasing) * Difference between green purchase and regular purchase 	0	0	12,756	5,447
Management activity costs	<ul style="list-style-type: none"> ● Development, maintenance and management of environmental management system ● Environmental education of employees ● Cleanup activities in areas around worksites 	0	18,197	0	29,751
Social activity costs	<ul style="list-style-type: none"> ● Nature protection, cleanup activities and tree-planting activities in areas further away from worksites ● Donations to environmental conservation programs and organizations 	0	0	0	813
Total		1,466,247	1,250,862	315,139	353,765

■ Main Investments for FY2019

(Food factories)

- Maintenance, management and load reduction of wastewater treatment facilities
- Renewal of natural refrigerant refrigerators, etc.
- Making high efficiency of firing machine

(Logistics centers)

- Expenses related to the appropriate management of Freon
- Maintenance, management and load reduction of wastewater treatment facilities
- Installation of energy-efficient lighting
- Equipment introduction costs for efficient operation of refrigeration equipment

Scope of calculation

Main food factories and logistics centers in Japan

Method of calculation

- (1) Based on the List of Fixed Assets in the accounting system, depreciation and amortization is calculated for equipment related to environmental burden, such as wastewater treatment facilities, using the statutory useful life.
- (2) Personnel expenses are calculated by determining the man-hours required for each environmental conservation activity, and multiplying this by the number of workers and the average wage rate at the worksite.

■ Economic Effects of Environmental Conservation Measures in FY2019(Thousands of yen)

Description of effect		Value of effect
Increased earnings	Gain on sales from recycling	27,652
Cost reductions	Reductions in the cost of purchasing raw ingredients/materials and in the cost of processing waste due to a reduction in waste	2,832
	Reduction in energy costs due to energy savings (electricity)	12,263
	Reduction in energy costs due to energy savings (heat)	9,319
	Fewer resources consumed (water savings, decrease in containers and packaging, etc.)	7,969
Total		60,034

Scope of calculation

Eight Nichirei Foods-operated factories in Japan that have obtained ISO 14001 certification

Method of calculation

(1) Only substantial effects that can be calculated based on measurements, etc. have been included in the total (gains on sales arising from recycling promotion activities, reductions in costs arising from reduced power consumption, etc.)

(2) Equivalent to the profit contribution produced in FY2019, attributable to new environmental conservation activities that were conducted in FY2018 and FY2019 (including activities started midway through the fiscal year).

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.

Ecology Committee Leads Environmental Resource Management

Most of the energy consumed by Nichirei Biosciences Inc. is used by its development center. For that reason, the company set up an Ecology Committee to make decisions related to environmental conservation. The committee's work entails creating a wide range of proposals for saving energy, providing feedback on matters subject to company-wide decisions, and serving as a link between employees and the company.

These tasks are facilitated by a regularly issued bulletin, the Eco-tan News, and all employees are involved in resources management.

In FY2018, the committee verified the effects of air conditioner grills designed to increase the efficiency of heating and cooling. The grills had been introduced in FY2017 for the purpose of reducing the energy consumed by air conditioners. Furthermore, in a project to relocate certain production bases from January 2019, the committee moved to make the new research and production base environmentally friendly. In addition to introducing systems to visualize solar power generation and power consumption, advanced environmental equipment will also be installed. Besides energy-saving effects, consideration is also being given to workplace comfort, with proposals being put forward for external awnings and an advanced lighting system.



A ceramic air conditioner grill



Discussion is encouraged at committee meetings

Initiatives for Sustainable Raw Ingredients

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

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.

Priority Challenges for FY2021 (focus on business activities)

- Procure materials produced or caught in consideration of sustainable utilization and their processed products.
- Build a recycling system in collaboration with business partners and local communities to make full use of resources.

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

Antibiotic-free Chicken

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

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.

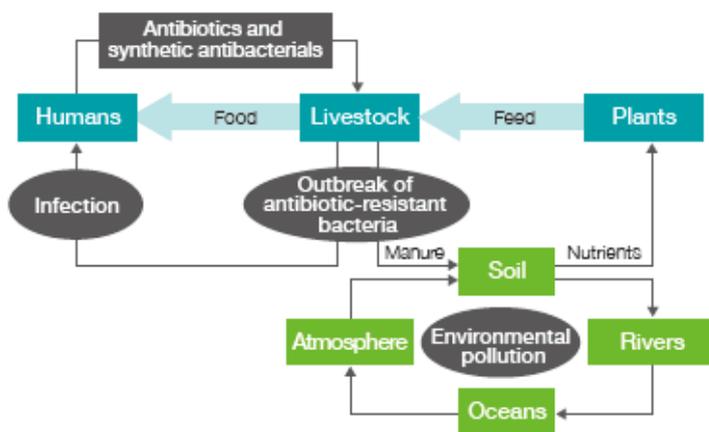


Antibiotic-resistant Bacteria That Threaten Ecosystem Cycles

* 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.



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

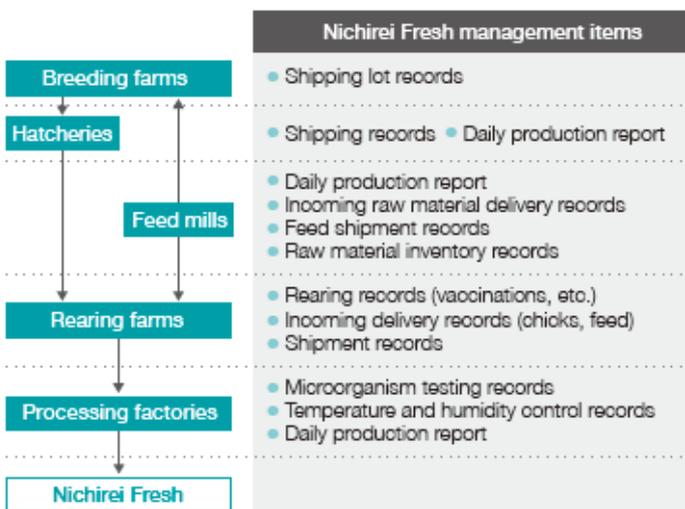
Nichirei Fresh is performing its own inspections to ensure that poultry is antibiotic free. These inspections roughly break down into verification of production processes and product inspections.

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 Energy and Climate Change

Basic CSR Policy

Established as an environmental initiative, the Nichirei Group's Environmental Policy includes a theme of preventing global warming. Corporate business activities and global climate change have a great deal to do with each other. The business activities of a food-related corporate group, in particular, rely heavily on natural ecosystems for procurement of ingredients, and are thus greatly influenced by climate change. Since using cold storage facilities is indispensable for the Nichirei Group's business activities, it recognizes that rising energy prices and responding to environmental regulations are significant risks. Based on this recognition, the Group is working on the following in cooperation with its suppliers, partner companies and so on.

- Efficient energy use in the production of food products
- Reduction of greenhouse gases through increased efficiency in temperature-controlled 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

Risks and Opportunities from Greenhouse Gas Emissions

The Nichirei Group sees various risks and opportunities associated with climate change, and is working hard to address them. For instance, it views changes to the feed-in tariff for renewable energy as a potential institutional opportunity of increased revenue from the solar power generation projects conducted on idle land owned by the Group. In its refrigerated logistics business, the Group perceives several risks, including an increase in the outside air temperature, a rise in energy prices, compliance with regulations on alternative CFCs, and the emergence of alternative methods for food preservation. Any rise in the outside air temperature does also present some positive aspects for the processed foods business: sales of microwave foods and ready-cooked foods increase as people avoid high-temperature cooking on hot days, and ice products sell well as people want to lower their body temperature against the heat.

While changes in temperature and rainfall could lead to a physical impact in the localized failure of crops, the Nichirei Group instead sees this as a business opportunity because it hedges against risks concerning materials supply to cope with such events. Furthermore, to counter disasters, such as flooding caused by changes in precipitation patterns, the Group also anticipates and responds to operational shutdowns from the perspective of business continuity planning (BCP). And to counter the risk of consumers changing their choices, the Group is working hard to develop products and provide meat and poultry products that reduce the emission of substances causing global warming.

Management System

Environmental management system

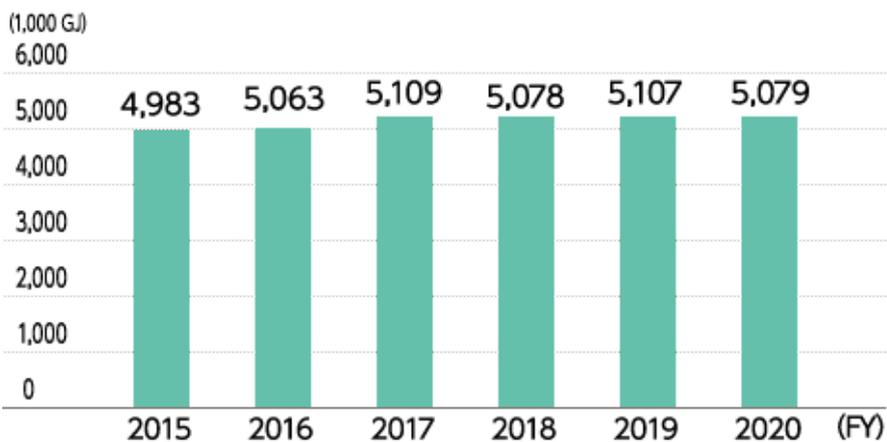


Regarding the actual values for the Group targets, actual greenhouse gas emissions for Nichirei Logistics Kanto, Inc.'s Tokyo Distribution Center and Logistics Network, Inc.'s Shinagawa Distribution Center have been verified by a third party under the Tokyo Metropolitan Government's (TMG) Tokyo Cap-and-Trade Program, and a reduction plan until FY2020 has been submitted.

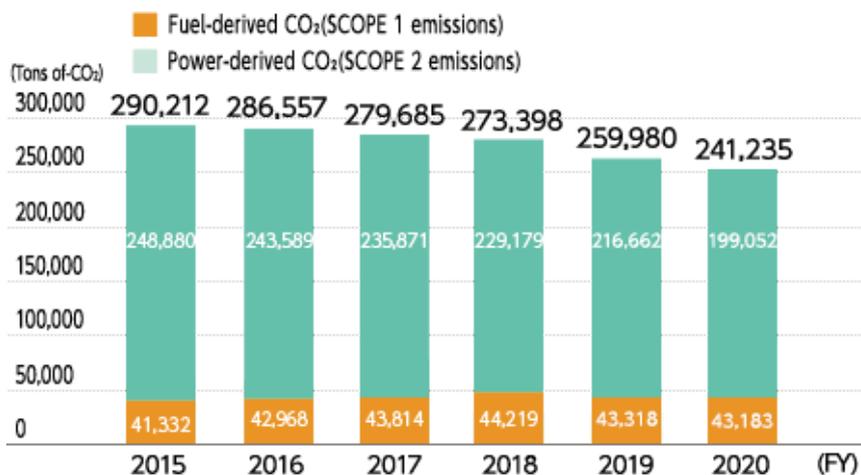
CO₂ emissions data published on the TMG Bureau of Environment website (9:00–18:00, weekdays) (Only available in Japanese)



● 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.

Greenhouse Gas Emissions Outside the Group

To prevent global warming, it is important to reduce greenhouse gas (GHG) emissions across the whole value chain, not just within the corporate group.

Preliminary investigations have shown that the Group's GHG emissions across the value chain (Scope 3) is larger than Scope 1 + Scope 2 emissions. Emissions are particularly large in the raw materials procurement and the outsourced logistics categories. The Group will work to reduce GHG emissions across the value chain, such as by promoting modal shifts in cooperation with suppliers.

Initiatives

The Nichirei Group's approach to environmental conservation



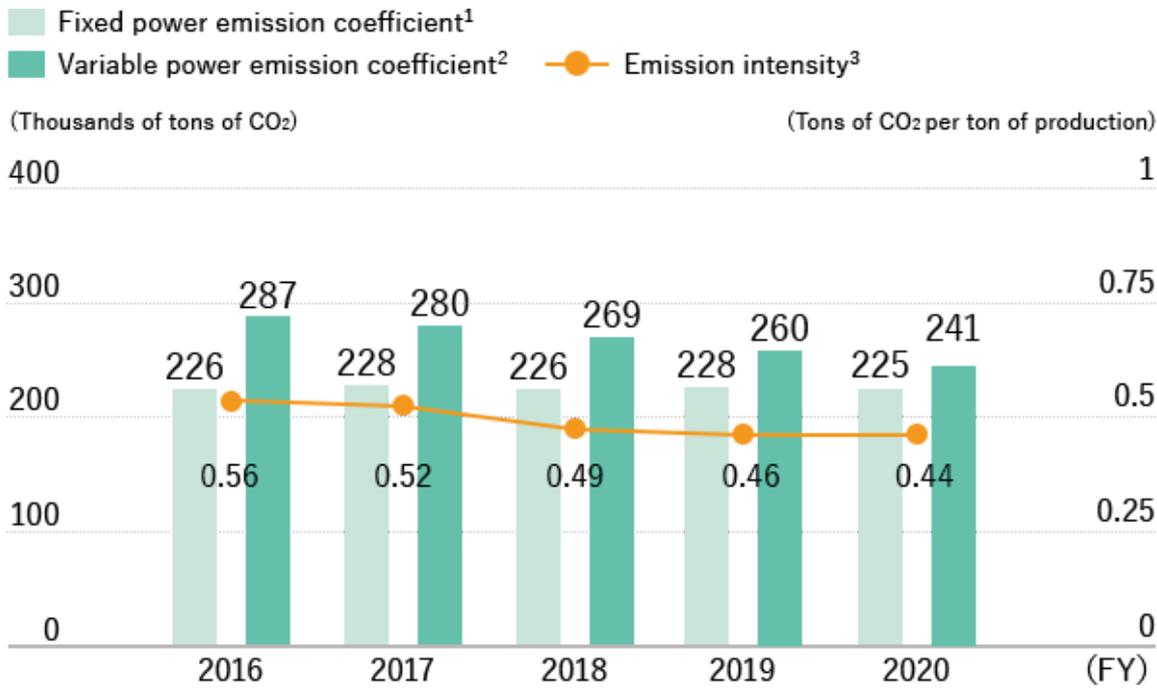
Long-term Environmental Goals and Low-carbon Policies

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	30% 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

● 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

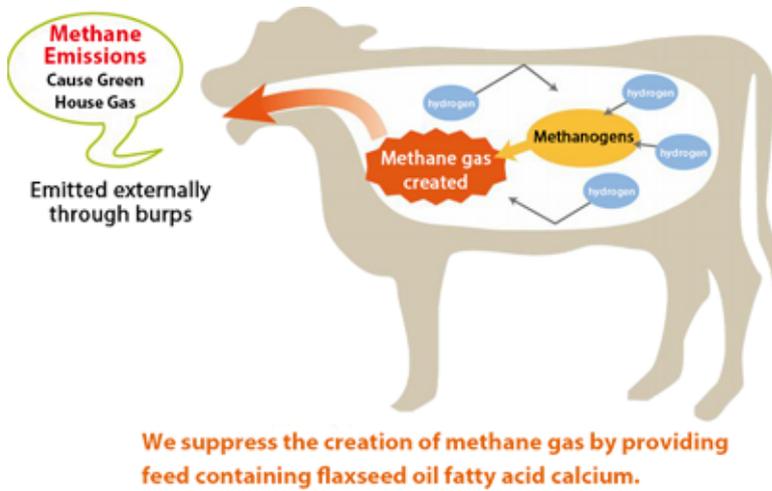
Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)

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.

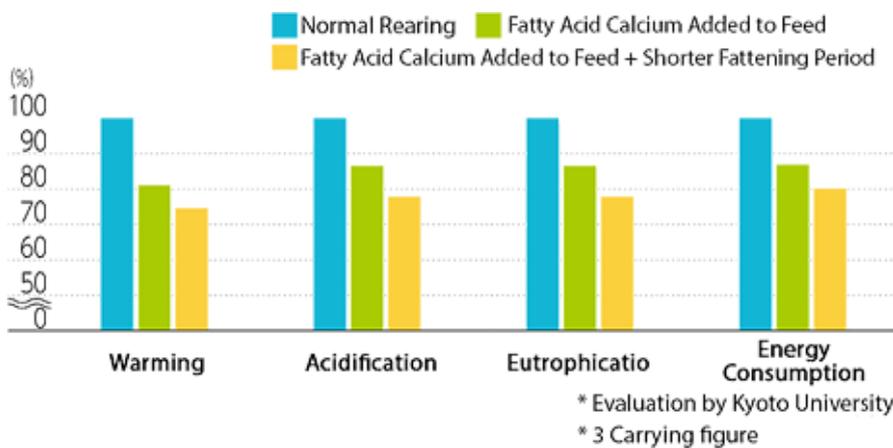
The hydrogen generated by the activity of microbes in the rumen (the first stomach) during the digestive process is turned into methane gas by methanogen, and released externally through burps. If cattle are given flaxseed oil fatty acid calcium^{*1}, the hydrogen in their rumen combines with the unsaturated 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



● 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 Container and Packaging CO₂ Emissions

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

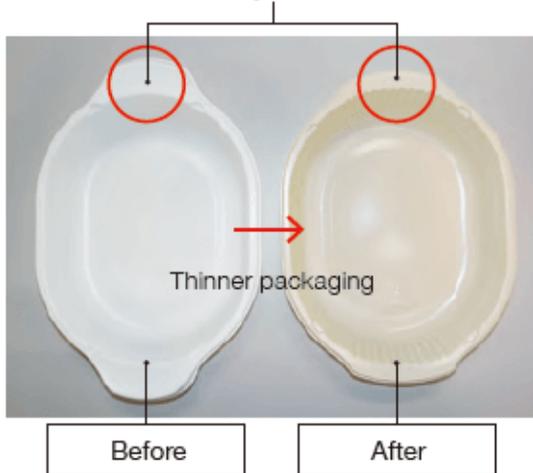
Most recently, the efforts have succeeded for containers and packaging used for seven target items. Some 200 tons less is now used compared with the amount previously used. Nichirei is still working to cut back the amount of plastic it uses to reduce even further its discharge of CO₂.

■ 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



■ 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

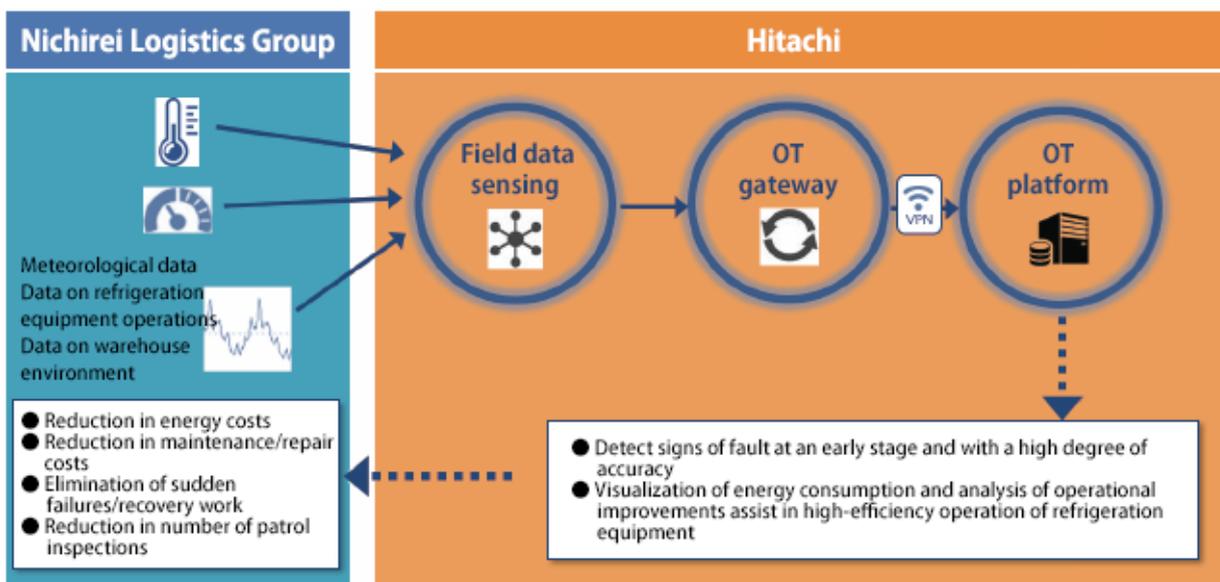
Preventing Refrigerant Leaks to Boost Operating Efficiency

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



Use of Natural Refrigerants

At its cold storage facilities, the Nichirei Logistics Group is promoting a switch from refrigeration equipment using hydrochlorofluorocarbons (HCFCs) to that using natural refrigerants. As a matter of policy, the Group chooses natural refrigerants when building new cold storage warehouses and extensions to facilities.

Example of Switch to Refrigeration Equipment Using Natural Refrigerants

Fiscal Year	Facilities Upgraded to Natural Refrigerant Equipment	Program Providing a Subsidy for Upgrade
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

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.



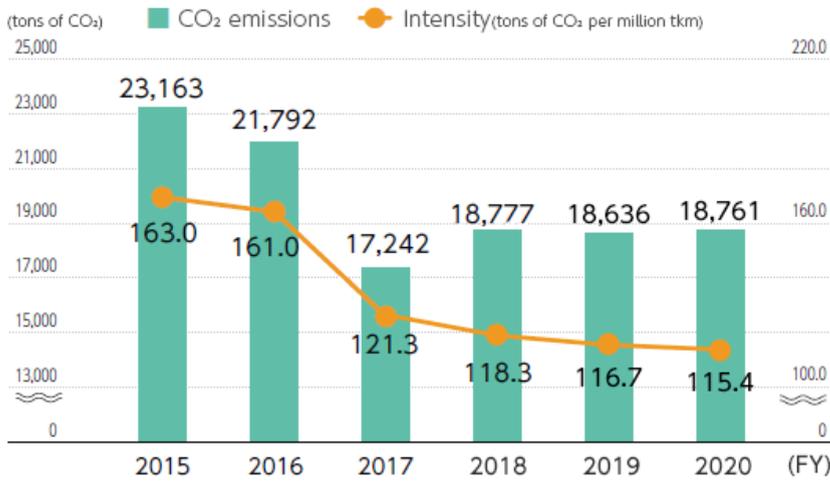
■ Initiatives in Transportation and Delivery Optimal Logistics for CO₂ Reduction

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.

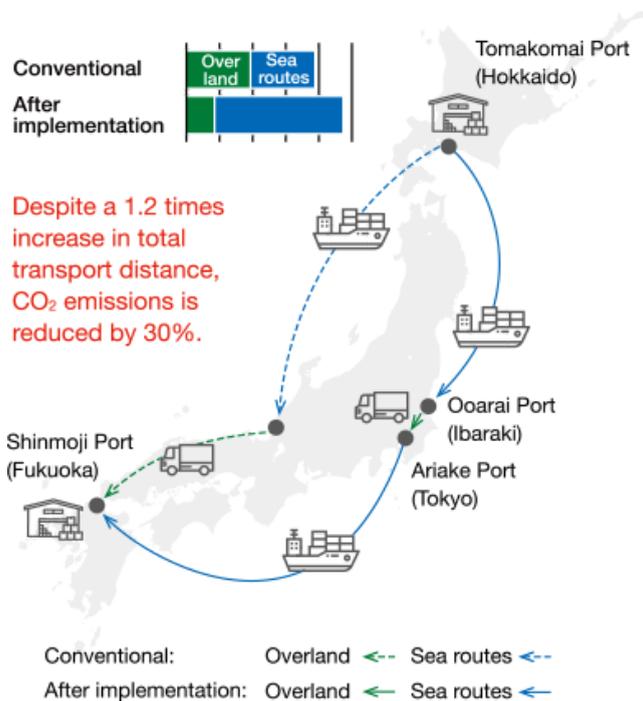
■ Eliminating CO₂ Emissions from Transportation
Promoting a modal shift¹

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>(Japanese only)

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

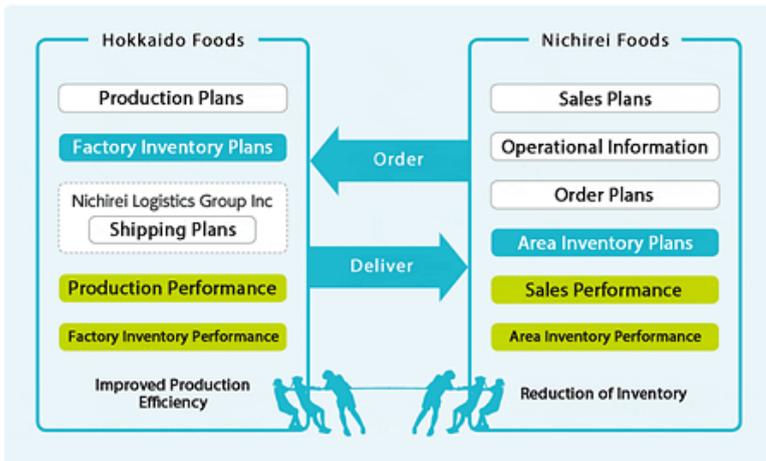
1. Use groupware to make essential information of all three companies transparent; change to a comprehensive management system through daily data sharing and by linking production, inventory, and shipping planning.
2. Switch from Nichirei Foods' restocking plan; prioritize reducing logistics center stock;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

■ Results

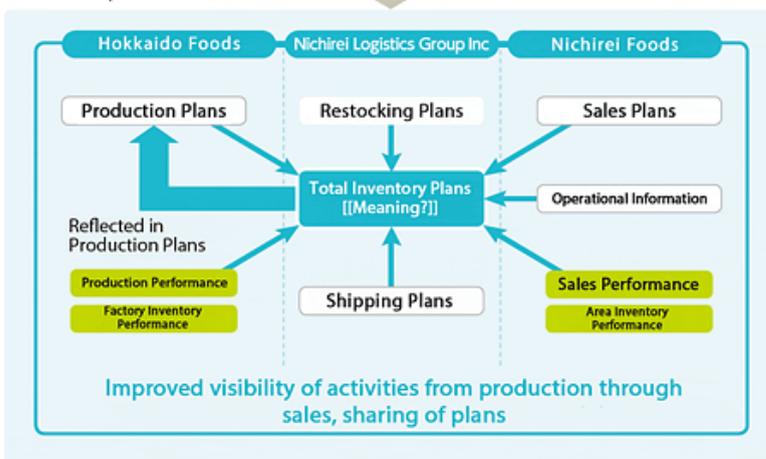
- Reduction of total inventory (down 25.7%)
- Leveling of logistics
- Improvement in loading efficiency
- Elimination of frequent shipping (restocking) and small lots
- Reduction of energy consumption at cold storage facilities and food factories
- Improved productivity
- Less clerical work

● Three Companies Collaborate for Cut Costs, Improve Shipping

(Before implementation)



(Before implementation)



■ Renewable Energy

Purchase of Green Energy

As it promotes the use of renewable energy, the Nichirei Group has installed solar power generation equipment in plants, refrigerated warehouses and other facilities, while purchasing Renewable Energy Certificates (RECs).* Each year since 2007, we have purchased certificates worth one million kilowatt hours (kWh) in biomass-generated power. In addition, since March 2020, Nichirei Foods has purchased ten million kWh worth of RECs to cover all the electricity used to power production lines for Honkaku-Itame Cha-Han (fried rice).

* These represent units of environmental value (e.g., the reduction of CO₂ emissions resulting from the generation of electricity by using renewable energy sources) that can be bought and traded, allowing certificate owners to claim to have purchased electricity generated using renewable energy sources (offsetting).



Solar Power Generation

The Nichirei Group has installed solar power generation equipment at all its Group companies. In FY2020, the equipment generated 2,068,000 kWh of electricity and helped reduce CO₂ emissions by 1,003 tons.

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.

Initiatives in Retail Stores and Customer-related Areas

Nichirei Foods: Good for lunches! Good for the forest! Program



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.

Initiatives for Water Resource Conservation

Basic CSR Policy

Established as an environmental initiative, the Nichirei Group's Environmental Policy includes themes of promoting sustainable recycling and living in symbiosis with nature. Use of water is an important element that is closely related to these themes.

Water resources are extremely important in aspects of the processed foods business, namely, in the development of farm produce and meat and poultry products, the manufacture of prepared frozen foods, and in sanitation maintenance and control during manufacturing. Water is also necessary in the refrigerated logistics business, such as in the operation of water-cooled refrigeration equipment.

As part of its medium-term environmental targets (for FY2017–FY2019), the Group formulated the following behavioral target, with a focus on its food factories in Japan: “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.” By properly managing water use and drainage, the Group will maintain efforts for sustainable water usage and conservation, and reduce water usage while gauging the impact of its business activities on biodiversity.

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.



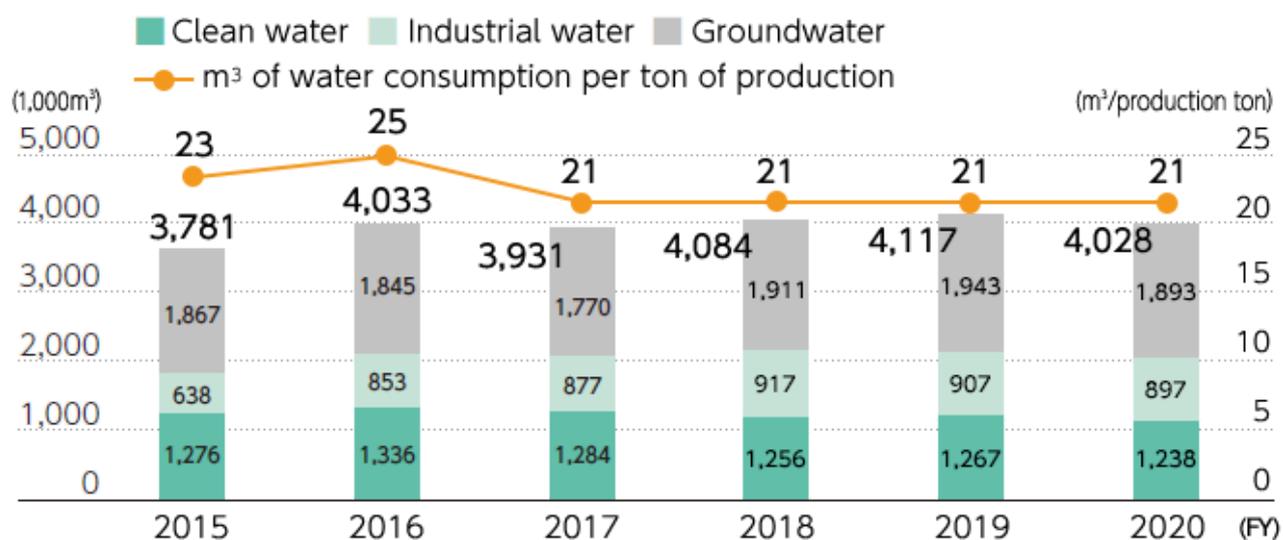
Initiatives

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)



■ Implementation of water risk assessment

The Nichirei Group recognizes the importance of water resources used for raw material production and business operations in order to build a sustainable supply chain, which is the core of our business, and is working to conserve water resources and reduce environmental impact.

When tackling water risks, it is important to understand the local situation as well as the efforts of the sites.

As a water risk assessment, we evaluate the water risk at our sites using a water risk assessment service from a third-party organization.

In addition to the WRI Aqueduct^{*}, which assesses regional water risks, we conducted a questionnaire survey of all Nichirei Group sites in order to understand the status of efforts at the sites.

A water risk assessment was conducted for all of the Nichirei Group's domestic and overseas bases (152 bases), targeting the WRI Aqueduct evaluation items "water volume, water quality, regulation and reputation" (Fig. 1). Table 1 shows the relationship between the number of sites located in water stressed areas and the amount of water intake. We will continue to implement measures to reduce water risk at our three sites (one in China and two in Thailand) where water stress is extremely high.

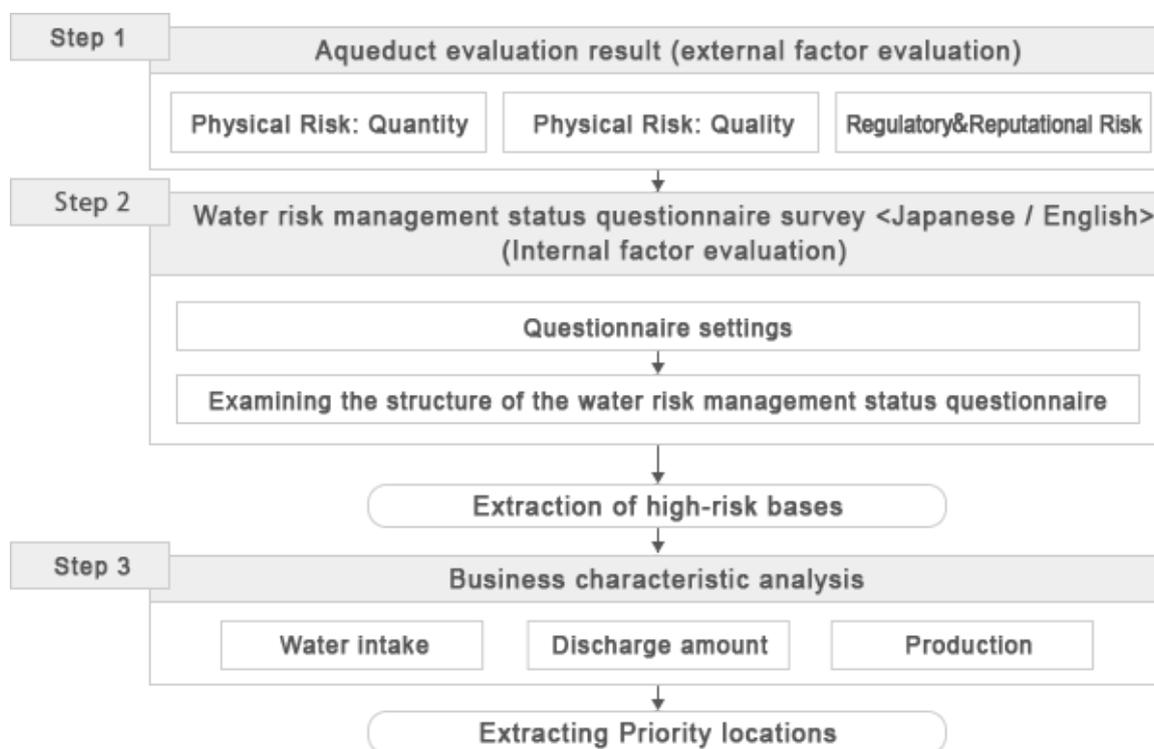


Figure 1 Water risk assessment flow chart

* 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.

Table 1 Water stress and water intake

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

Nichirei Foods: Good for lunches! Good for the forest! Program [▶](#)

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

Initiatives for Biodiversity Conservation

Basic CSR Policy

Biodiversity Policy



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 \(Only available in Japanese\)](#)



■ Some Sales Proceeds Support Forest Preservation

Nichirei Foods: Good for Lunches! Good for the Forest! Program

Nichirei's CSR activities include the purchase of forest credits to support forest preservation activities.

In gratitude for the earth's abundance, which provides the ingredients for its products, Nichirei Foods runs a program to protect and develop forests. As of March of 2014, part of the proceeds of the program—called Good for Lunches! Good for the forest!—go for the purchase of CO₂ credits.

[Nichirei Foods: Good for lunches! Good for the forest!](#)



■ 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, Biodiversity Conservation

<https://www.nichirei.co.jp/english/csr/environment/action/office>

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 FY2015, some artificially propagated orchids—of the genus *Cypripedium macranthos* var. *macranthos*—flowered and, in collaboration with the local government, we have achieved continuous flowering since then, and 32 strains have achieved flowering in FY2020

As a result, Nichirei entered into Biodiversity Conservation Partnership Agreement with the Fujimi-machi Atsumorisou Regeneration Committee in February 2019.

Under a three-year (April 1, 2019 to March 31, 2022) agreement, the Group will provide the technologies necessary for the conservation and regeneration of *Cypripedium macranthos* orchids and cover a portion of the costs.



Emissions into the Atmosphere

Management System

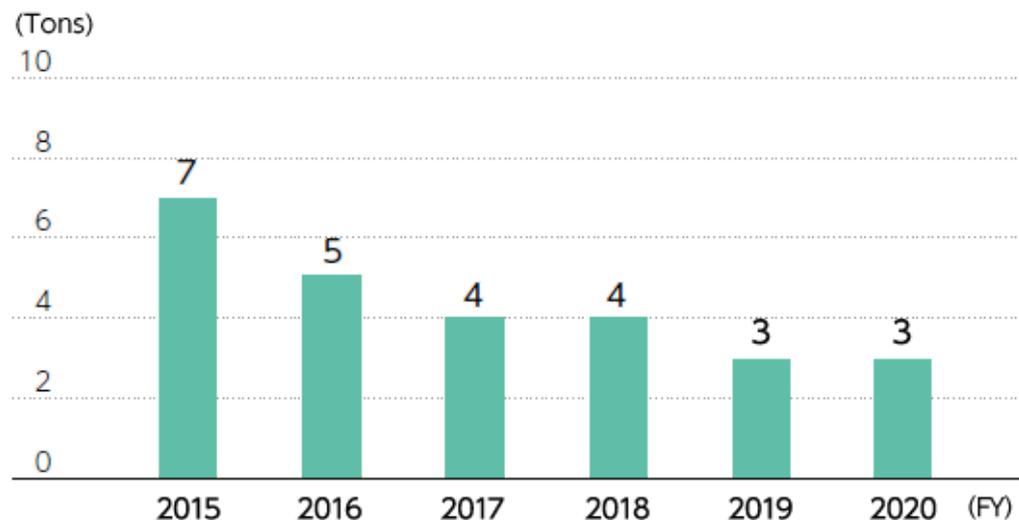
The Nichirei Group manages and stores PRTR substances and PCBs (polychlorinated biphenyls) in accordance with statutory standards for the management of chemical substances. Furthermore, during FY2019, there were no environmental accidents or violations of laws or regulations that could have a material 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



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

■ 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



Management of Wastewater, Waste Matter, and Chemical Substances

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

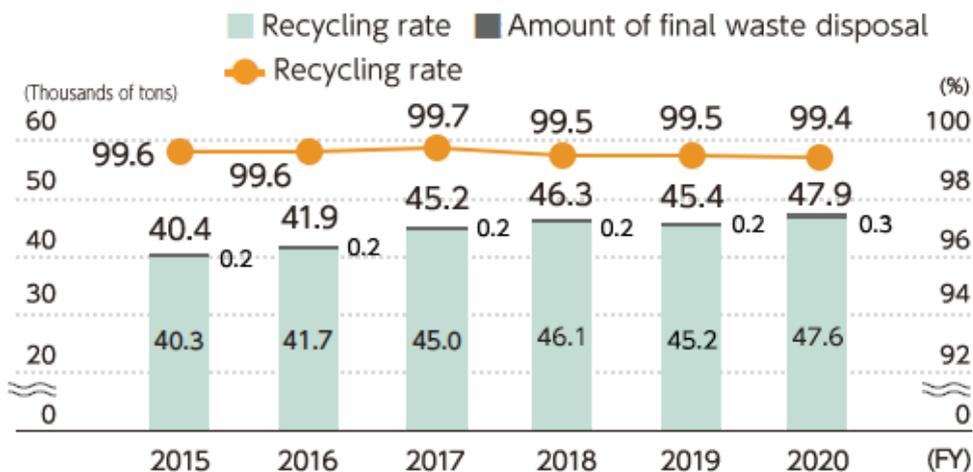
Environmental management system



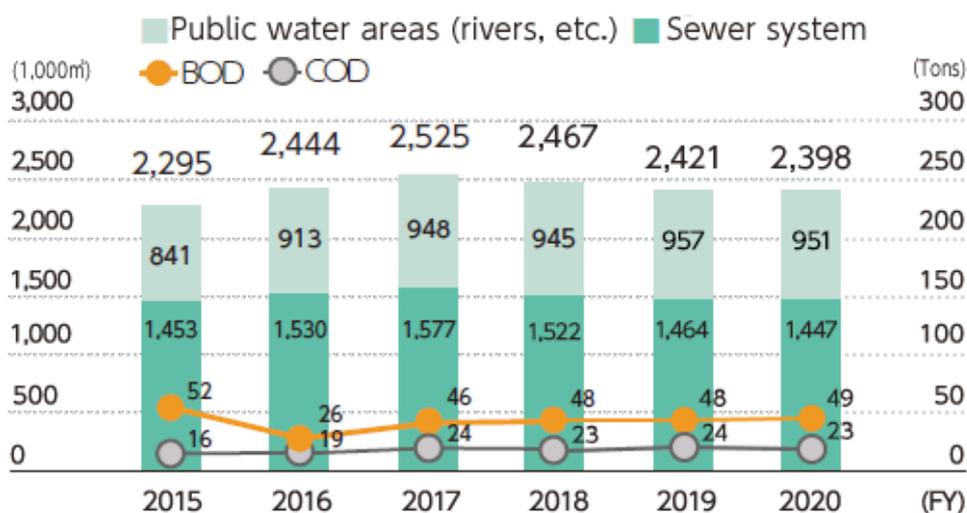
Initiatives

The amount of waste discharged outside worksites in FY2018 was 45,200 tons, and the recycling rate was 99.5%. Looking at waste destined for final disposal, in some cases, depending on the district, waste paper and other types of waste are simply incinerated at processing plants catering for general, business-based waste. In other cases, depending on the type and volume of waste, recyclers cannot be found. In any case, the Group will work on further reductions, including by controlling the amount of waste produced. During FY2018, the Group emitted 9 kg of specially controlled industrial waste (such as flammable waste oil, strong acid/strong alkali and other waste classified separately from industrial waste because of hazardous or toxic properties).

● Nichirei Group Discharged 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.

Project for recycling-based production via chickens



■ 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

In FY2020, 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.

■ 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 have been disposed of at 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.

Initiatives in Products and Services

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

Environmental management system



Initiatives

■ Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)

Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)



■ 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 (Japanese only)



Reducing plastics in containers and packaging



Forest of Life Project (Japanese only)



Processing Environmental Complaints

Basic Philosophy

Based on the management principle below, each Nichirei Group company communicates with local business stakeholders, and strives to deal appropriately with any environment-related complaints that are ascribable to the company.

Excerpt from Management Principles : Society

The Group engages with local communities as a corporate citizen, and aims to contribute to the development of society through its business activities. As part of its role, the Group provides ongoing assistance for people with disabilities, as well as participates in, and supports, cultural activities, and other community events.

Management System

The Group accepts a range of inquiries via telephone, letter, and online points of contact.

Inquiries



In addition to covering areas such as organizational management and business processing, Nichirei's Corporate Internal Audit Division also performs Group management audits on compliance with environment-related law and important environmental protection matters. During an audit, circumstances surrounding the worksite and relationships with neighbors are also checked. Complaints, opinions, and inquiries directed to each worksite, as well as details of the response taken are shared and reviewed within their respective operating companies.

Long-term CO₂ emission reduction target

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	30%
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)	Japanease 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

(Press Release) About the Formulation of Long-Term Environmental Goals and Endorsement of TCFD Recommendations



Contributions to Society

Basic Philosophy/Policy

The Nichirei Group believes that forging a good relationship with communities and society, as well as contributing to their development through its businesses, is essential to accomplishing its business pursuits. The Group has established its philosophy regarding social contributions in the below policy, and regarding both business matters and other unrelated matters, the Group will aim for coexistence and coprosperity with society.

The Nichirei Group Policy Regarding Social Contribution

The Group wishes to be seen by society as a trustworthy corporate citizen. We contribute to society by carefully selecting materials, creating good flavors and health, and through stable and efficient logistics. We also contribute to society in areas other than our business activities, based on goodwill, empathy, and a sense of duty. Our social contributions are centered on food- and logistics-related education, regional contributions, environmental protection, disaster relief, and sports sponsorship.

We examine social issues that are highly relevant to our business, and work in fields where we can make use of our strengths. For example, we provide education of food and logistics to children and students in the local area, and make contributions by providing frozen foods and low-temperature transportation to the food bank.

Management System

The Group has established a Group Social Contribution Committee, and in addition to holding committee meetings once a year, the chairman calls a meeting when necessary to check on initiatives and perform reviews. In addition, we support employee activities through the volunteer leave system.

The Mori factory in the Kayabe District of Hokkaido has formed a partnership with the local government to perform forest maintenance on town-owned lands.

Group Social Contribution Committee



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



Food and Logistics Education Making Use of Business Characteristics

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.

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.

"Delicious" Words

[Food and Logistics Education Making Use of Business Characteristics > "Delicious" words](#)



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 continues to develop attractive business opportunities.



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.

Effective Use of Food and Collaboration with Food Banks

Since July 2005, Nichirei Foods has backed the activities of the NPO food bank, Second Harvest Japan*. Employees who had lived in the US were supportive of the food bank system that was spreading there. They decided they wanted Nichirei to contribute to similar activities and, while searching for a partner with which to work, discovered Second Harvest Japan. Quite free of charge the Group provides the NPO with frozen foods that are not questionable in terms of quality, but which it could not sell in usual markets for such reasons as that the outer packaging has been damaged in transit. With the help of the Nichirei Logistics Group, it uses refrigerated transport to deliver the products directly to institutions certified by Second Harvest Japan.

* Second Harvest Japan: First food bank in Japan. Gained corporate status in July 2002. Provides food with a safety guarantee to the needy.



Example of a broken carton, its content is hard to use

Support through Business Activities

Nichirei 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.

Forest of Life Project (Nichirei Fresh)

Forest of Life Project (Only available in Japanese)



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 Sukore 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



Donations and Other Support

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.

FY2019	The Heavy Rain Event of July 2018	ten million yen	Donation through the Japanese Red Cross Society
		one million yen	Donation through the Japanese Red Cross Society by Nichirei Fureai Fund
FY2020	Typhoon Faxai	two million yen	Donation through the Japanese Red Cross Society by Nichirei Fureai Fund (one million yen each for Chiba Prefecture and Tokyo)
		ten million yen	Donation through the Japanese Red Cross Society
	Typhoon Hagibis	one million yen	Donation through the Japanese Red Cross Society by Nichirei Fureai Fund
		one million yen	Donation through the Japanese Red Cross Society by Nichirei Fureai Fund

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.

Restoration of Endangered *Cypripedium macranthos*

Restoration of Endangered *Cypripedium macranthos*



Fundamental Policy on Human Resources

Fundamental Policy on Human Resources

The Nichirei Group believes that its employees are a precious resource, and refers to them as human assets rather than human resources. Each Group company promotes efforts adapted for its individual businesses, but 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 improve job satisfaction. Each Group company is working to create a workplace full of vitality, based on the Group's fundamental policies.

Corporate Philosophy: Start by Focusing on Employees

- (1) Provision of opportunities for the development and manifestation of skills.
- (2) Implementation of a reward system based on ability, effort, and results.
- (3) Creation of a workplace environment that is safe and well-ventilated.
- (4) Prevention of discrimination based on gender, age, education, race, or religion, and the provision of equal opportunity.

Fundamental Policies for Workplace Improvement

Employee-focused Workplace Environment

Based on our fundamental principle that improvement in customer satisfaction (CS) and employee satisfaction (ES) are the two pillars that support the company, we maintain a workplace environment where all employees in the Nichirei Group can take pride in their work and workplace; work with ambition through a relationship with superiors based on trust; and fully exercise their abilities.

Promotion of Diversity

We promote diversity first, by acknowledging different attributes, such as gender, age, and nationality, as well as values. Second, we promote it by changing simple tolerance of new ideas and values that differ from conventional ones into a force driving the company's evolution to acquire a work force (human assets), improve the job and life goals of employees, and create new concepts and values.

The Nichirei Group Workplace Improvement Policy

In an effort to increase job satisfaction and create workplaces that reflect the Nichirei Corporate Philosophy and Nichirei, the Group has adopted a Nichirei Group Workplace Improvement Policy, and hopes to achieve the policy objectives by FY2022. By facilitating workplace improvements that suit the special characteristics of each of its businesses, the Nichirei Group aims to incorporate and draw on diverse values and ideas, make its organizations more dynamic, and raising productivity.

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.

Rewarding work improving base policy

Fundamental Policies



■ Workstyle Reforms: Main Measures and Activity Progress

Policy	Ideal State	Priority Measure	Main Activity		
			FY2018	FY2019	FY2020
Enable Diverse Style	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
	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 female employees Career training for 3 terms (3rd–5th terms) Target: 32 people 	<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 Held 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
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"> ■ New working hours management system introduction test ■ Implementation of overwork countermeasures through labor-management collaboration 	<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 	<ul style="list-style-type: none"> ■ Introduced new expense settlement system ■ Five-day introduction of planned annual leave system ■ Implemented e-learning: Revised labor laws, working hours awareness Target: 5,101 employees participated ■ Implementation of measures against overwork through labor-management collaboration

Policy	Ideal State	Priority Measure	Main Activity		
			FY2018	FY2019	FY2020
Ensure Equal Opportunity	In providing employees with equal opportunities and education, we support their development into a valuable force for the the Nichirei Group.	Promote the advancement of female employees	<ul style="list-style-type: none"> Logistics Group: 3rd and 4th "Sakaseru Roji-Jo Forum" Target: 132 female employees (275 participants in total) Nichirei Foods: LADY,GO UP! Target: Female employees at the five food manufacturers (eight female Nichirei Foods employees) Summary: Seminar for building external networks and career development 	<ul style="list-style-type: none"> Logistics Group: 5th and 6th "Sakaseru Roji-Jo Forum" Target: 129 female employees (404 participants in total) Theme: Work values and workplace for women Nichirei Foods: LADY,GO UP! Target: Female employees at the six food manufacturers (eight female Nichirei Foods employees) 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: 118 female employees (522 participants in total) Nichirei Foods: LADY,GO UP! Target: Female employees at the six food manufacturers (eight female Nichirei Foods employees) Summary: Seminar for building external networks and career development
		Diversity and inclusion	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Target: Deepen understanding of various work styles centered on the department and section managers at each of the five food manufacturers. 31 Nichirei Foods employees (21 men, 10 women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Deepen understanding of various work styles centered on the Department and Section managers at each of the six food manufacturers. 35 Nichirei Foods employees (26 men, nine women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Deepen understanding of various work styles centered on the Department and Section managers at each of the six food manufacturers. 60 Nichirei Foods employees (46 men, 14 women)
	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.	Provide stimulating employment opportunities for people with disabilities	<ul style="list-style-type: none"> Disabled employment rate: 2.5% (32 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.56% (30 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.75% (34 people with disabilities employed)
	As the healthy life span of people becomes longer, we will create spaces enabling seniors to leverage their distinctive experience and play an active role reflecting their individual values and workstyles.	Create employment opportunities for older people	<ul style="list-style-type: none"> 44 employees rehired after retirement (48 retirees) 	<ul style="list-style-type: none"> 59 employees rehired after retirement (64 retirees) 	<ul style="list-style-type: none"> 57 employees rehired after retirement (65 retirees)

Occupational Safety and Health

Basic Philosophy

As company activities become more globalized, in Japan, with society continuing to age, employment and work styles undergoing significant change, and other factors, the structure of society is transforming greatly. Amidst all of these changes, it is necessary to create a safe and comfortable workplace environment that maintains employees' physical and mental health so that each and every employee can feel satisfied and harness their abilities to the fullest extent possible. The Nichirei Group considers employees to be irreplaceable, and continually enhancing its workplace is one part of the Nichirei Pledge. Based on this philosophy, the Group is working alongside employees to create an active workplace environment that is safe and facilitates open communication.

Nichirei Group Health Declaration



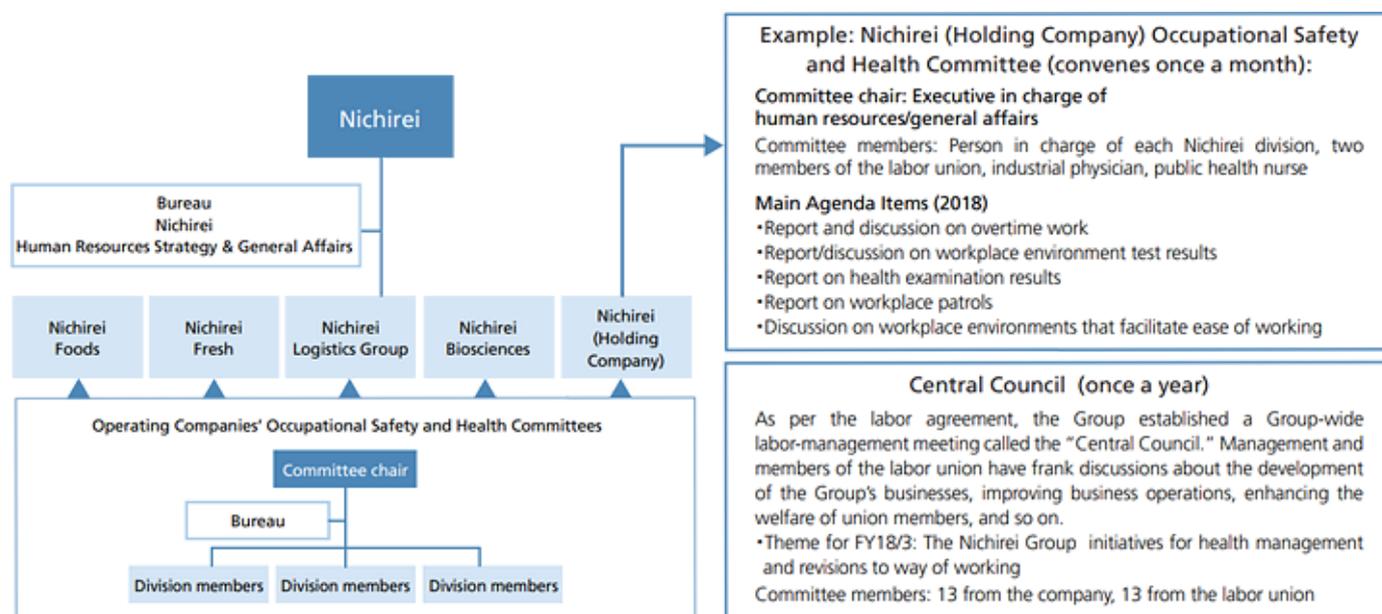
Management System

The Nichirei Group has established an Occupational Safety and Health Committee based on the Industrial Safety and Health Act and promotes safety and health management in an effort to prevent work-related accidents and manage employees' health. At branch sites, the main issues are work time management related to extended work hours, no overtime days, and so on, and at food factories and refrigerated warehouses, the main issue is reducing work-related accidents. As such, the Group is working to make improvements to workplace environments that are adapted for 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. The goal of 100% health check-up rate, which we have been aiming for, was 99.3% in FY2017 and 99.8% in FY2018, achieving 100% in FY2019. (Coverage: Nichirei Health Insurance Association insured)

● Occupational Safety and Health Committee Organization Chart



■ Number of Work-related Incidents at Food Factories

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Incidents Requiring Time Off	18	21	17	34	34	29
Incidents Not Requiring Time Off	25	23	18	12	11	16

* Target: Employees of Nichirei Foods-operated factories and Nichirei Fresh domestic subsidiaries

* Includes contract employees, temporary employees, part-time employees, etc.

Nichirei Group Health Declaration 

Initiatives

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)

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)



■ Promoting Employee Health

Based on our recognition that employee health is an important management issue for a company aiming for sustainable growth, in fiscal 2016 Nichirei established the Health Promotion Group as a dedicated health management section within the Human Resources Strategy & General Affairs.

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, we have appointed a holding company health promotion manager, as well as health promotion managers and representatives at each operating company. They promote health management within the Group.

Regular medical checkups, including X-ray screening for the early detection of TB, screening for cancer and thorough follow-up measures are led by occupational health staff.

We also implement health awareness activities and conduct stress checks as part of our health checkups. In addition, we engage in a variety of health promotion measures, including the Nichirei Health School, an employee health-support program that incorporates the use of Nichirei Foods' *Kikubari Gozen* frozen health management meals. For our small offices and overseas employees, we conduct remote interviews using ICT and smoking cessation support programs.

Because Nichirei Group is appreciated with these activity, it certified by Ministry of Economy, Trade and Industry for "The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category 2019" (for the third consecutive year).



Nichirei Group Health Declaration

**Cherishing the hope of
“Creating Savory Moments,”
as we state in our corporate
branding statement,
we are working to improve the
health of all our employees.**

Basic policy.

- 1.** We will promote the creation of a vibrant workplace through labor–management collaboration, based on the idea that mental and physical health are the basis of meaningful work.
- 2.** We will strive to create an environment in which each employee enhances their health awareness and proactively promotes health.
- 3.** We will promote health management based on three pillars: health maintenance, mental health measures and health and safety management.

The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category 2019 for the third consecutive year



Acquired top spot in DBJ Employees' Health Management Rated Loan Program



Safety Activities

Nichirei Foods designated “Three Pillars of Safety Activities” as essential measures for safety activities in food factories: safety patrols, near-miss activities, and abiding by the safety rules. For 2017, it implemented initiatives such as the following.

For safety patrols, it customized the patrol items for each factory and narrowed down the list to the most effective items based on input from those on-site. In addition, it focused patrols on early morning and late night shifts where not many managers are present, learning about problems areas and ideas from employees.

For near-miss activities, in addition to informing employees about near-miss reports and sharing them with everyone so as to raise employee awareness, it also re-established its evaluation criteria to prevent inconsistencies with the proposed near-miss evaluation method and changed the mechanism to reliably enforce prevention measures.

Further, regarding abiding by the safety rules, it worked to ensure that the rules were correctly and thoroughly known and understood, that they were always kept in mind, and that deviations from the rules were thoroughly prevented.

■ Nichirei Service Safety and Quality Training Center

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

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.

Examples of Initiatives Conducted at Worksites

- Posters displaying warnings and procedural instructions in various languages
- Japanese language classes



A poster for Vietnamese employees



A poster for Japanese speech contest

Health Supervisor

The Nichirei Group has 89 primary health supervisors and 11 secondary health supervisors for a total of 100 individuals who possess certification as health supervisors, who are engaged in working environment management and worker health management.

Labor Practices

Basic Philosophy

For the Nichirei Group, employees are regarded as irreplaceable, and so they are referred to as human assets rather than human resources, and the Group considers both employee and customer satisfaction to be of equal importance. The Group operates on the premise of respecting work regulations in each domestic and overseas operating region and ensures appropriate working conditions. However, in addition to this, it also believes that it is important to strive to respect employees as individuals, create a workplace environment where all employees can be proud of their workplace and job, assist employees in developing their individual abilities, and provide equal opportunity for better work conditions and evaluations without discrimination. In addition, it also believes that respecting the diversity of individual values and attributes and allowing for a variety of work styles to bring out employees' ambition and abilities plays an important role in employees improving their careers and expertise.

The Group is aware that improving the mental and physical health and safety of union members and employees, maintaining and improving employees' will to work, and helping them improve their abilities contributes to strengthening its competitiveness as a company. This philosophy is established in the Group's Fundamental Policies, and each Group company will work to create a vibrant and active workplace and achieve mutual prosperity alongside employees.

[Fundamental Policies for Workplace Improvement](#)



[Code of Conduct](#)



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

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. In addition, to respond to reports and consultations from employees regarding labor practices, the Group introduced an internal reporting and consultation system (Nichirei Hotline) in October 2003.

Between FY2014 and FY2020, there have been 21 cases involving consultation about human affairs or matters related to work conditions. With this in mind, the Group is striving for coordination between management and labor through cooperation with the labor union.

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.

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

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 \(by job type, rank, gender\)](#)



■ Group Total Number Hired (new graduates, experienced workers)

			FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of new graduates hired			106	83	92	101	88	104
	Breakdown	Male	61	58	57	54	46	49
		Female	45	25	35	47	42	55
Number of experienced workers hired			50	45	68	45	80	113
	Breakdown	Male	36	36	42	36	60	52
		Female	14	9	26	9	20	61

■ Percentage of Non-company Employees

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of company employees	3,635	3,628	3,755	3,780	3,782	3,841
Number of non-company employees	2,408	2,241	2,270	2,228	2,158	2,040
Percentage of non-company employees (%)	39.8	38.2	37.7	37.1	36.3	34.7

Human Rights

Basic Philosophy

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 FY2020, the Nichirei Group Human Rights Policy was established. In FY2018, the Group established "The Nichirei Group Workplace Improvement Policy" based on the Nichirei Pledge and aims to achieve its goals by FY2022. 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.

Code of Conduct



the Nichirei Group Human Rights Policy



Workplace Improvement Policy



Nichirei Group Sustainable Supply Chain Policy



■ Labor-management Relation Philosophy

The Nichirei labor union aims for activities that respect each union member for the healthy development of the Group, based on the principle of firmly maintaining an equal relationship between labor and management and creating an environment that allows for activities based on mutual ambition. The union's activities place importance on labor-management negotiations, narrowing down the demands of its members in the workplace and pushing for improvements, while maintaining a productive relationship with management.

Labor union activities; labor-management cooperation



Management System

In addition, to respond to reports and consultations from employees regarding violations of employees' human rights, Nichirei introduced an internal reporting and consultation system (Nichirei Hotline) in October 2003. Including human rights matter, consultations can be made anonymously. Over the past three years, an increasing number of reported cases have involved workplace disputes and harassment. To establish a whistleblower hotline independent of management, as stipulated in the Corporate Governance Code, after the revision of the internal reporting system in FY2016, Nichirei created and distributed "Nichirei Hotline" mobile cards to employees and posted awareness posters around the workplace to make sure to inform employees about the system. The Group also shares monthly collections of examples regarding the code of conduct with employees via an in-house bulletin board to raise awareness about maternity harassment and other legal violations. Consultations from outside are accepted at the counters such as representative telephones, toll-free numbers, and inquiry websites.

Initiatives

In FY2020, there were no human rights incidents.

From FY2017 to FY2020, we conducted in total 40 compliance awareness training sessions, and 971 people of targeting group leaders of each department attended.

The seminars were designed to reaffirm the significance of, and need for, compliance, as well as to review the Group's compliance-related policies. During training, participants examined their role as group leaders in ensuring and promoting compliance, including the prevention of harassment. Going forward, the Group will continue education to cultivate awareness about respect for human rights.

E-learning to prevent harassment has also been introduced, and has been used by 5,008 employees.

In FY2020, there were 12 cases of internal reports or consultations related to human rights complaints and allegations. 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, those who are the subject of complaints.

Compliance



Continually Enhance our Workplaces

Human Asset Cultivation and Diversity

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 Pledge



The Nichirei Group Workplace Improvement Policy



Management System

Each Group company promotes efforts adapted for its individual businesses; however, Nichirei has also established the Group-wide Group Human Assets Committee and Diversity Promotion Conference. These councils share information about and confirm the progress with each company’s measures to continually enhance workplaces. The Group Human Assets Committee holds a conference twice a year, and the subordinate Diversity Promotion Conference is held three times a year in collaboration with management and labor unions. The Diversity Promotion Conference reports the details of the meetings to the Group Human Assets Committee.

The Diversity Promotion Conference studies and oversees the measures taken by all companies, particularly initiatives related to respecting employees’ human rights, job satisfaction, and diverse work styles. The measures include promoting the equal participation of men and women as a company that supports women’s success in the workplace, employment of foreigners and other groups that demonstrates a global mindset, allowance for a diverse array of work styles suited to different life stages and ages, and employment of and cooperation with people with disabilities. The Group is working to continually enhance workplaces and raise awareness at Group companies through promoting the sharing of information, Group-wide application of effective measures, and other efforts. In addition, in FY2018, the Group established The Nichirei Group Workplace Improvement Policy, and is striving to enable diverse working styles, prevent excessive working hours, and ensure equal opportunities by FY2022.

■ Workstyle Reforms: Main Measures and Activity Progress

Policy	Ideal State	Priority Measure	Main Activity		
			FY2018	FY2019	FY2020
Enable Diverse Style	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
	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 female employees Career training for 3 terms (3rd–5th terms) Target: 32 people 	<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 Held 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
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"> ■ New working hours management system introduction test ■ Implementation of overwork countermeasures through labor-management collaboration 	<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 	<ul style="list-style-type: none"> ■ Introduced new expense settlement system ■ Five-day introduction of planned annual leave system ■ Implemented e-learning: Revised labor laws, working hours awareness Target: 5,101 employees participated ■ Implementation of measures against overwork through labor-management collaboration

Policy	Ideal State	Priority Measure	Main Activity		
			FY2018	FY2019	FY2020
Ensure Equal Opportunity	In providing employees with equal opportunities and education, we support their development into a valuable force for the the Nichirei Group.	Promote the advancement of female employees	<ul style="list-style-type: none"> Logistics Group: 3rd and 4th "Sakaseru Roji-Jo Forum" Target: 132 female employees (275 participants in total) Nichirei Foods: LADY,GO UP! Target: Female employees at the five food manufacturers (eight female Nichirei Foods employees) Summary: Seminar for building external networks and career development 	<ul style="list-style-type: none"> Logistics Group: 5th and 6th "Sakaseru Roji-Jo Forum" Target: 129 female employees (404 participants in total) Theme: Work values and workplace for women Nichirei Foods: LADY,GO UP! Target: Female employees at the six food manufacturers (eight female Nichirei Foods employees) 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: 118 female employees (522 participants in total) Nichirei Foods: LADY,GO UP! Target: Female employees at the six food manufacturers (eight female Nichirei Foods employees) Summary: Seminar for building external networks and career development
		Diversity and inclusion	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Target: Deepen understanding of various work styles centered on the department and section managers at each of the five food manufacturers. 31 Nichirei Foods employees (21 men, 10 women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Deepen understanding of various work styles centered on the Department and Section managers at each of the six food manufacturers. 35 Nichirei Foods employees (26 men, nine women) 	<ul style="list-style-type: none"> Nichirei Foods: Diversity Forum "SPIRAL UP" Deepen understanding of various work styles centered on the Department and Section managers at each of the six food manufacturers. 60 Nichirei Foods employees (46 men, 14 women)
	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.	Provide stimulating employment opportunities for people with disabilities	<ul style="list-style-type: none"> Disabled employment rate: 2.5% (32 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.56% (30 people with disabilities employed) 	<ul style="list-style-type: none"> Disabled employment rate: 2.75% (34 people with disabilities employed)
	As the healthy life span of people becomes longer, we will create spaces enabling seniors to leverage their distinctive experience and play an active role reflecting their individual values and workstyles.	Create employment opportunities for older people	<ul style="list-style-type: none"> 44 employees rehired after retirement (48 retirees) 	<ul style="list-style-type: none"> 59 employees rehired after retirement (64 retirees) 	<ul style="list-style-type: none"> 57 employees rehired after retirement (65 retirees)

Workstyle Diversity

■ 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

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.

■ Ratio of Employees with Disabilities

FY2020	2.75%
FY2019	2.56%
FY2018	2.50%
FY2017	2.62%
FY2016	2.64%
FY2015	2.36%

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

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

In FY2019, 43 employees of the entire group took childcare leave, 36 had returned to work and 7 were ongoing. (As of the end of September 2020)

Human Asset Data



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

■ Main education and training

	General employees	Managers	Officers
Training by rank	<ul style="list-style-type: none"> *New employees training *1st to 3rd year employees follow-up training *Mid-career employees training 	<ul style="list-style-type: none"> *New managers training *Next-generation executives training course *Management training 	
Training by purpose	<ul style="list-style-type: none"> *Facilitation training *Career seminar for female employees *Female leaders development program *Coaching training *Foreign Languages training *Evaluators training *Critical Thinking *Marketing *Accounting 		<ul style="list-style-type: none"> *New officers seminar *Media training *Directors and executive officers training *Management training *Coaching training

■ 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
Total	142,569	4,674

Human Asset Development

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.

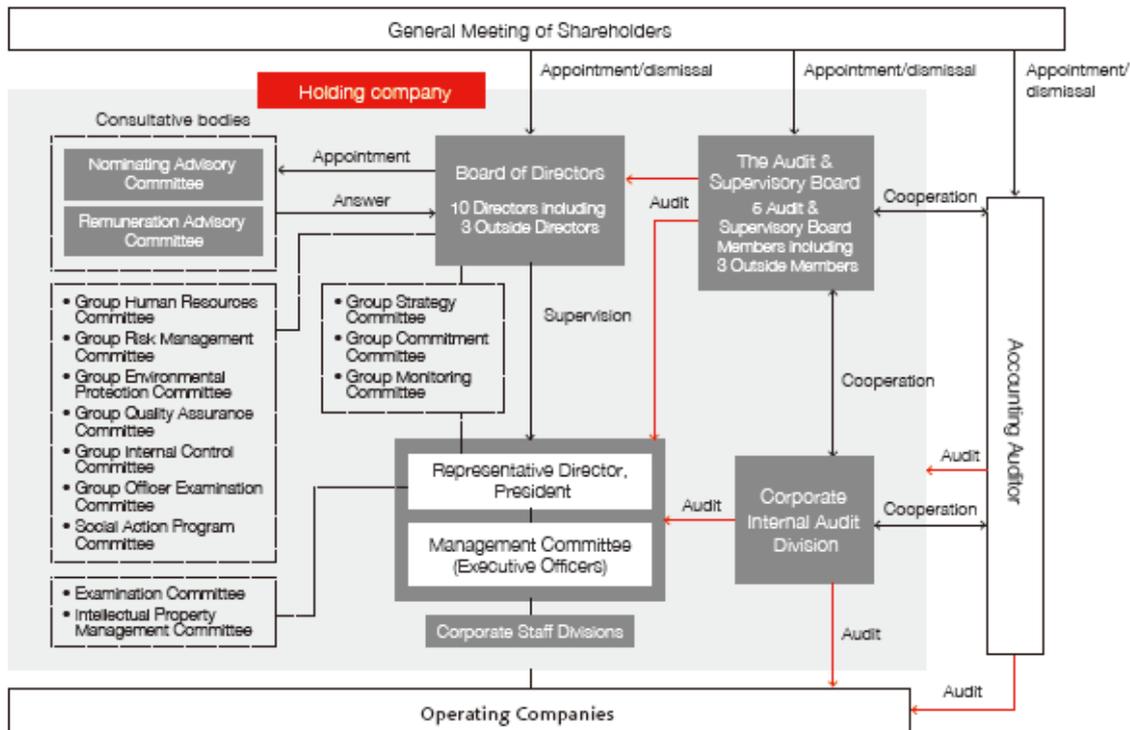
In addition, to improve employees' skills, we conduct e-learning courses focused on quality, safety, governance, and compliance for all employees in Japan using the Nichirei intranet.

■ 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

Management System

● Corporate Governance Structure



Corporate Governance, Integrated Report 2020



■ 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.

Reasons for nomination of outside directors: Notice of the 102nd Annual General Shareholders Meeting, pages 9–11



■ 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.

Titles	Conditions	number of times held		
		FY2018	FY2019	FY2020
Board of Directors	Held the third Tuesday of the month	19	19	18
Nominating Advisory Committee	Convened by the chairperson twice yearly and as required	1	2	2
Remuneration Advisory Committee	Convened by the chairperson once yearly and as required	1	6	3
Management Committee	Held weekly on Tuesdays, except the third Tuesday of the month	21	23	20
The Group Human Resources Committee	Convened by the chairperson twice yearly and as required	2	2	2
The Group Risk Management Committee	Convened by the chairperson twice yearly and as required	2	2	2
The Group Environmental Protection Committee	Convened by the chairperson twice yearly and as required	3	3	2
The Group Quality Assurance Committee	Convened by the chairperson twice yearly and as required	2	2	2
The Group Internal Control Committee	Convened by the chairperson once yearly and as required	1	1	1
The Group Officer Examination Committee	Convened by the chairperson as required	-	-	1
Social Action Program Committee	Convened by the chairperson once yearly and as required	1	1	1

■ 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, an 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.

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



■ Status of Board of Directors' Evaluations

Corporate Governance, Integrated Report 2020



Risk Management

Basic Philosophy

The Nichirei Group has formulated a policy for internal control designed to help bring to fruition its management principles, brand statement, and CSR policy. It has established and implements an internal system to facilitate operational effectiveness and staff ability, ensure the accuracy of financial reports, comply with laws and regulations pertinent to its business, and to protect assets.

With respect to risk management in particular, the Group has set up the Group Risk Management Committee, chaired by the Representative Director and President, to manage the various risks associated with its business activities, in the most appropriate and rational ways from a comprehensive standpoint, and to maximize the corporate Group's enterprise value. The committee identifies and evaluates Group-wide risks, and Nichirei and its business companies respond 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 the response.

Internal Control 

Business Risk, page 14, Annual Securities Report (for the year ended March 31, 2020)
(Japanese only) 

Nichirei's Value Creation Model, page 27, Integrated Report 2020 

Management System

Recognizing that the actions of each and every employee are important for preventing various risks from occurring, Nichirei established the Code of Conduct, comprised of 12 articles (revised in 2014) relating to compliance and ethical behavior in areas of the environment, society and governance. The Company is committed to reducing risks, such as compliance violations, and publicizes the code to raise awareness.

The Group Risk Management Committee identifies and evaluates Group risks, and develops mechanisms for managing risk in the Group. Any significant risks identified in the risk management process are reported to the Board of Directors of Nichirei Corporation, the holding company, and the response is discussed.

Educating Employees about the Code of Conduct to Ensure Compliance 

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

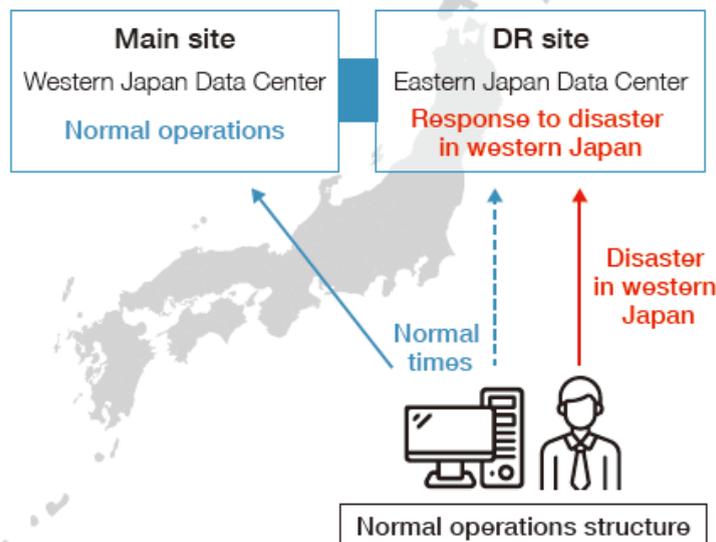
As part of its risk management, the Nichirei Logistics Group has been enhancing its BCP support for its logistics core system since February 2018.

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.

Logistics Core System BCP Conceptual Diagram



■ Case Study Nichirei Logistics Group BCP Initiatives

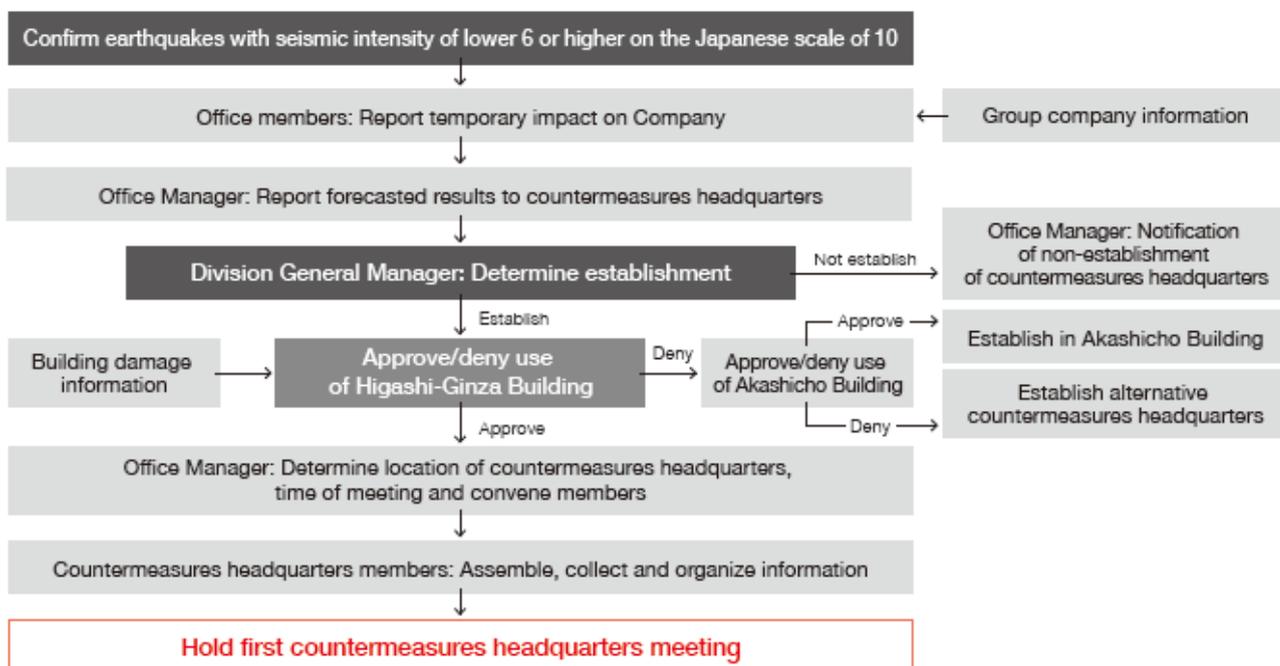
Overview

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.

Countermeasures Headquarters Establishment Flow



Compliance

Basic Philosophy

The Nichirei Group, in accordance with the Group's Management Principles and Code of Conduct, complies with laws and regulations, refrains from dishonest or antisocial corporate activities, and is committed to fair corporate activities befitting a public organ of society.

In April 2014, Nichirei established a single international version of its Code of Conduct, designed to strengthen corporate governance for the entire Group and to better ensure legal compliance and ethical business activities. The revision included addition of "respect for human rights" as the top priority, derived in part from the Ten Principles in the four areas of the UN Global Compact. Principles on preventing corruption, judged to be important from the standpoint of global compliance, were also incorporated, including the prohibition of insider trading, and involvement in, or dealings with, antisocial forces.

In addition, the Group has established the Nichirei Group Sustainable Supply Chain Policy, which includes matters on compliance, fair trading, and human rights. The Group procures products and services in accordance with this policy, and asks suppliers to assent to and cooperate in complying with it.

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





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

Whistleblowing and consultation systems have been introduced allowing employees to report, or seek advice on, actions that all kinds of corruption such as violate laws or internal regulations, or that are ethically questionable. In FY2016, Nichirei revised its whistleblowing system in response to the requirements of Japan's new Corporate Governance Code, establishing "a point of contact that is independent of management." To raise awareness for the systems, Nichirei created and distributed promotional posters for its workplaces and reminder cards for employees. Over the past three years, an increasing number of reported cases have involved workplace disputes and harassment. 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, those who are the subject of complaints.

The persons in charge of whistle-blowing attend education and other training related to harassment, etc. by specialists every year in an effort to improve responsiveness. In addition, all superiors and managers in the workplace who are in a position to receive consultation from their subordinates attend the compliance awareness study session described below. By conducting regular training every year and increasing the number of students, we are working to improve our group-wide harassment response capabilities.

■ Number of Whistleblowing Cases, by Type

	Mistreatment	Workplace Disputes	Harassment	Compliance-related Breaches	Other Consultations	Total
FY2015	0	5	4	0	0	9
FY2016	0	0	7	2	4	13
FY2017	6	2	7	1	4	20
FY2018	6	11	12	3	3	35
FY2019	6	2	1	1	2	12
FY2020	2	5	12	1	1	21

Educating Employees about the Code of Conduct to Ensure Compliance

The Nichirei Group seeks to endure and develop as a company that enjoys the confidence of society, based on the high ethical standards of its officers and employees. To foster a sense of ethics in each and every employee, the Code of Conduct has been included in the employee handbook, along with the Group Management Principles, so that employees can check them at any time. In addition, a guidebook on the use of social media has been distributed to all employees, and a monthly series of case studies related to the Code of Conduct is published on the Group's intranet in a clever format that is easy to read and understand.

Seminars are organized for section managers from all relevant departments in order to raise their awareness of the need for compliance. A total of 971 people participated in 40 seminars held in FY2017–FY2020. The seminars are held for two hours, per person, per year. The seminars were designed to reaffirm the significance of, and need for, compliance, as well as to review the Group's compliance-related policies. During training, participants examined their role as group leaders in ensuring and promoting compliance, including the prevention of harassment.

In addition, the Nichirei Group has been offering e-learning sessions to educate and train employees, based on its in-house educational rules. The Nichirei Group is committed to continue providing compliance training.

■ E-learning Training Sessions Conducted in FY2020

	E-learning Topic	Eligible Participants	Actual Participants	Participation Rate
1	Harassment	5,367	5,008	93.3%
2	Quality Assurance	5,403	5,032	93.1%
3	Health Literacy	5,403	5,047	93.4%
4	Personal Information Protection Act	5,381	5,121	95.2%
5	Working Hours	5,381	5,101	94.8%
6	Insider Trading	5,358	4,904	91.5%
7	Stress Check	5,358	4,948	93.1%
8	Intellectual Property	5,357	5,050	94.3%
9	Competition law; bribery and corruption prevention	5,357	5,057	94.4%
10	Internal Whistleblowing & Consultation System	5,471	4,862	88.9%
11	Internal Controls	5,435	5,088	93.6%
12	Environment	5,396	5,035	93.3%
13	Information Security	5,362	4,993	93.1%

Bribery and 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.

Report Archives

Report Archives

(Japanese only in 2017 and before)

Integrated Report 2020	PDF (Japanese)
	PDF (English)
Integrated Report 2019	PDF (Japanese)
	PDF (English)
Integrated Report 2018	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 Verstion)
	Employee-related Data

CSR Report 2013	Website Version
	PDF (Digest Verstion)
	Employee-related Data
CSR Report 2012	Website Version
	PDF (Digest Verstion)
CSR Report 2011	Website Version
	PDF (Digest Verstion)
CSR Report 2010	Website Version
	PDF (Digest Verstion)
CSR Report 2009	Website Version
	PDF (Digest Verstion)
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	<u>●</u>
	CSR Basic Policy (The Nichirei Pledge)	<u>●</u>
	CSR Management Structure	<u>●</u>

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

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

ESG Data

▼ Employee-related Data

▼ Environmental Data

▼ Corporate Governance Data

Employee-related Data

▼ Number of 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	

Number of employees

Coverage	Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	
Nichirei Group total	Executives and employees total	Number of people	5,932	6,087	6,073	6,002	5,943	
	Breakdown		Male	3,629	3,746	3,792	3,748	3,729
			Female	2,303	2,341	2,281	2,254	2,214
	Number of executives		63	62	65	62	62	
	Breakdown		Male	62	60	63	60	60
			Female	1	2	2	2	2
	Number of company employees		3,628	3,755	3,780	3,782	3,841	
	Breakdown		Male	2,732	2,800	2,786	2,789	2,779
			Female	896	955	994	993	1,062
	【Number of employees in management positions】		1,270	1,285	1,293	1,309	1,335	

	Breakdown	Male	1,196	1,206	1,205	1,216	1,215	
		Female	74	79	88	93	120	
	【Number of general employees】		2,358	2,470	2,487	2,473	2,506	
	Breakdown	Male	1,536	1,594	1,581	1,573	1,564	
		Female	822	876	906	900	942	
	Number of staff other than employees		2,241	2,270	2,228	2,158	2,040	
	Breakdown	Male	835	886	943	899	890	
		Female	1,406	1,384	1,285	1,259	1,150	
	Executives and employees total		263	273	277	252	252	
	Breakdown	Male	159	157	156	148	153	
		Female	104	116	121	104	99	
	Number of executives		20	20	21	19	19	
Breakdown	Male	19	18	19	17	17		
	Female	1	2	2	2	2		
Number of company employees		189	205	213	187	214		
Breakdown	Male	127	125	128	122	123		
	Female	896	955	994	65	91		
【Number of employees in management positions】		99	100	111	112	116		
Breakdown	Male	81	79	85	85	87		
	Female	18	21	26	27	29		
【Number of general employees】		90	105	102	75	98		
Breakdown	Male	46	46	43	37	36		
	Female	44	59	59	38	62		
Number of staff other than employees		54	48	43	46	19		
Breakdown	Male	13	14	9	9	13		
	Female	41	34	34	37	6		
Nichirei Corporation	Executives and employees total		3,014	3,126	3,133	3,054	3,010	
	Breakdown	Male	1,716	1,799	1,866	1,821	1,816	
		Female	1,298	1,327	1,267	1,233	1,194	
	Number of executives		13	13	12	12	11	
	Breakdown	Male	13	13	12	12	11	
		Female	0	0	0	0	0	
	Number of company employees		1,472	1,541	1,535	1,524	1,505	
	Breakdown	Male	1,110	1,155	1,146	1,134	1,114	
		Female	362	386	389	390	391	
	【Number of employees in		525	533	534	532	525	
	Nichirei Foods	Executives and employees total		3,014	3,126	3,133	3,054	3,010
		Breakdown	Male	1,716	1,799	1,866	1,821	1,816
Female			1,298	1,327	1,267	1,233	1,194	
Number of executives		13	13	12	12	11		
Breakdown		Male	13	13	12	12	11	
		Female	0	0	0	0	0	
Number of company employees		1,472	1,541	1,535	1,524	1,505		
Breakdown		Male	1,110	1,155	1,146	1,134	1,114	
		Female	362	386	389	390	391	
【Number of employees in		525	533	534	532	525		

	management positions]						
	Breakdown	Male	488	499	498	497	487
		Female	37	34	36	35	38
	【Number of general employees】		947	1,008	1,001	992	980
	Breakdown	Male	622	656	648	637	627
		Female	325	352	353	355	353
	Number of staff other than employees		1,529	1,572	1,586	1,518	1,494
	Breakdown	Male	593	631	708	675	691
		Female	936	941	878	843	803
Nichirei Fresh	Executives and employees total		313	313	308	315	315
	Breakdown	Male	225	228	228	228	225
		Female	88	85	80	87	90
	Number of executives		8	7	9	9	10
	Breakdown	Male	8	7	9	9	10
		Female	0	0	0	0	0
	Number of company employees		248	254	252	256	267
	Breakdown	Male	200	203	200	197	200
		Female	48	51	52	59	67
	【Number of employees in management positions】		146	151	149	149	155
	Breakdown	Male	142	146	144	142	143
		Female	4	5	5	7	12
	【Number of general employees】		102	103	103	107	112
	Breakdown	Male	58	57	56	55	57
		Female	44	46	47	52	55
	Number of staff other than employees		57	52	47	50	38
	Breakdown	Male	17	18	19	22	15
		Female	40	34	28	28	23
Nichirei Logistics Group	Executives and employees total		2,227	2,260	2,224	2,252	2,226
	Breakdown	Male	1,473	1,504	1,479	1,488	1,466
		Female	754	756	745	764	760
	Number of executives		18	17	18	16	16
	Breakdown	Male	18	17	18	16	16
		Female	0	0	0	0	0
	Number of company employees		1,654	1,687	1,701	1,738	1,769
	Breakdown	Male	1,250	1,270	1,262	1,287	1,289
Female		404	417	439	451	480	

	【Number of employees in management positions】		467	466	464	479	499
	Breakdown	Male	457	454	451	464	469
		Female	10	12	13	15	30
	【Number of general employees】		1,187	1,221	1,237	1,259	1,270
	Breakdown	Male	793	816	811	823	820
		Female	394	405	426	436	450
	Number of staff other than employees		555	556	505	498	441
	Breakdown	Male	205	217	199	185	161
		Female	350	339	306	313	280
Nichirei Biosciences	Executives and employees total		115	115	131	129	140
	Breakdown	Male	56	58	63	63	69
		Female	59	57	68	66	71
	Number of executives		4	5	5	6	6
	Breakdown	Male	4	5	5	6	6
		Female	0	0	0	0	0
	Number of company employees		65	68	79	77	86
	Breakdown	Male	45	47	50	49	53
		Female	20	21	29	28	33
	【Number of employees in management positions】		33	35	35	37	40
	Breakdown	Male	28	28	27	28	29
		Female	5	7	8	9	11
	【Number of general employees】		32	33	44	40	46
	Breakdown	Male	17	19	23	21	24
		Female	15	14	21	19	22
	Number of staff other than employees		46	42	47	46	48
	Breakdown	Male	7	6	8	8	10
		Female	39	36	39	38	38

* 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 (FY2020)

- 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

■ Female Managers Ratio

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group			%	5.8	6.1	6.8	7.1	9.0
Nichirei Corporation				18.2	21.0	23.4	24.1	25.0
Nichirei Foods				7.0	6.4	6.7	6.6	7.2
Nichirei Fresh				2.7	3.3	3.4	4.7	7.7
Nichirei Logistics Group				2.1	2.6	2.8	3.1	6.0
Nichirei Biosciences				15.2	20.0	22.9	24.3	27.5

* Applicability: Employees

■ Average age

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group	Breakdown	Male	Age	41.2	41.6	41.9	42.1	42.3
		Female		39.0	39.5	39.6	39.8	39.9
Nichirei Corporation		Male		42.7	43.7	43.3	44.1	44.2
		Female		40.9	41.1	41.9	43.1	44.5
Nichirei Foods		Male		41.4	41.8	42.3	42.5	42.8
		Female		40.7	40.8	41.2	41.5	41.5
Nichirei Fresh		Male		42.5	42.8	42.9	42.6	42.7
		Female		42.5	42.6	42.5	41.2	41.5
Nichirei Logistics Group		Male		41.1	41.1	41.2	41.6	41.6
		Female		36.9	37.6	37.6	37.9	37.8
Nichirei Biosciences	Male	40.9	40.6	40.2	40.7	40.9		
	Female	37.3	37.7	36.3	36.7	36.2		

* Applicability: Employees

■ Average Number of Years Employed

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group	Breakdown	Male	Year	16.2	16.4	16.7	16.7	17.0
		Female		14.8	15.1	15.3	15.7	15.3
Nichirei Corporation		Male		17.5	18.3	18.2	19.1	19.0
		Female		15.4	13.6	14.4	18.5	15.8
Nichirei Foods		Male		16.2	16.8	17.3	17.7	18.0
		Female		15.5	15.8	16.3	16.7	16.8
Nichirei Fresh		Male		18.5	18.7	18.8	18.4	18.4
		Female		20.8	20.9	20.5	18.6	18.0
Nichirei Logistics Group		Male		15.6	15.6	15.7	15.9	15.9
		Female		13.5	14.1	14.1	14.3	13.9
Nichirei Biosciences	Male	15.2	14.9	14.2	15.3	15.2		
	Female	13.2	13.4	11.9	12.1	11.7		

* 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	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group total	New graduates		Number of people	83	92	101	88	104
	Breakdown	Male		58	57	54	46	49
		Female		25	35	47	42	55
	Mid-career			45	68	45	80	113
	Breakdown	Male		36	42	36	60	52
		Female		9	26	9	20	61
Nichirei Corporation	New graduates		5	5	3	0	4	
	Breakdown	Male	5	1	2	0	4	
		Female	1	4	1	0	0	
	Mid-career		2	22	4	2	37	
	Breakdown	Male	1	4	2	2	5	
		Female	1	18	2	0	32	
Nichirei Foods	New graduates		29	25	27	31	33	
	Breakdown	Male	20	15	18	20	14	
		Female	9	10	9	11	19	
	Mid-career		3	2	8	13	16	
	Breakdown	Male	3	2	1	6	11	
		Female	0	0	1	7	5	
Nichirei	New		8	9	10	10	9	

Fresh	graduates							
	Breakdown	Male	7	6	7	6	6	
		Female	1	3	3	4	3	
	Mid-career		3	1	0	5	11	
	Breakdown	Male	2	1	0	1	2	
Female		1	0	0	4	9		
Nichirei Logistics Group	New graduates		38	47	53	42	50	
	Breakdown	Male	25	32	24	19	22	
		Female	13	15	29	23	28	
	Mid-career		36	41	32	60	46	
	Breakdown	Male	29	34	26	51	31	
Female		7	7	6	9	15		
Nichirei Biosciences	New graduates		3	6	8	5	8	
	Breakdown	Male	2	3	3	1	3	
		Female	1	3	5	4	5	
	Mid-career		1	2	1	0	3	
	Breakdown	Male	1	1	1	0	3	
Female		0	1	0	0	0		

* Applicability: Employees

■ Number of Resignations/Resignation Rate/Reasons for Resignation

Coverage	Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	
Nichirei Group total	Number of Resignations	Number of people	144	131	137	146	159	
	Breakdown by reason		Retirement	61	52	48	64	65
			Personal circumstances	62	65	69	74	84
			Company circumstances	2	1	0	0	0
			Others	19	13	20	8	10
	Resignation rate		2.2%	2.0%	2.3%	2.1%	2.4%	
Nichirei Corporation	Number of Resignations	Number of people	10	9	9	12	10	
	Breakdown by reason		Retirement	3	2	3	6	3
			Personal circumstances	6	5	4	5	6
			Company circumstances	0	0	0	0	0
			Others	1	2	2	1	1
	Resignation rate		3.7%	3.2%	2.8%	3.0%	3.1%	
Nichirei Foods	Number of Resignations	Number of people	43	52	43	57	59	
	Breakdown by reason		Retirement	22	22	17	30	29
			Personal circumstances	17	26	23	26	26

		Company circumstances	0	0	0	0	0
		Others	4	4	3	1	4
	Resignation rate		1.4%	1.9%	1.7%	1.7%	1.9%
Nichirei Fresh	Number of Resignations		9	9	10	14	9
	Breakdown by reason	Retirement	5	3	2	7	4
		Personal circumstances	3	3	7	4	5
		Company circumstances	0	0	0	0	0
		Others	1	3	1	3	0
Resignation rate		1.6%	2.3%	3.1%	2.7%	1.8%	
Nichirei Logistics Group	Number of Resignations		80	59	72	60	74
	Breakdown by reason	Retirement	31	25	25	21	29
		Personal circumstances	35	29	35	36	41
		Company circumstances	2	1	0	0	0
		Others	12	4	12	3	4
Resignation rate		2.9%	2.0%	2.7%	2.3%	2.5%	
Nichirei Biosciences	Number of Resignations		2	2	3	3	7
	Breakdown by reason	Retirement	0	0	1	0	0
		Personal circumstances	1	2	0	3	6
		Company circumstances	0	0	0	0	0
		Others	1	0	2	0	1
Resignation rate		3.0%	2.7%	2.6%	3.6%	8.1%	

* 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	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group total			Number of people	54	45	44	59	57
Nichirei Corporation				3	2	3	5	3
Nichirei Foods				18	19	14	28	25
Nichirei Fresh				5	3	2	7	3
Nichirei Logistics Group				28	21	24	19	26
Nichirei Biosciences				0	0	1	0	0
Ref. Number of employees who retired group total				61	52	48	64	65

* 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	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group			%	2.64	2.62	2.5	2.56	2.75

* Statutory rate: 2.2% (From FY2019)

* 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	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group total	Total		hours	2,025	2,026	2,025	1,997	1,977
	Official working hours-Hours of vacation time			1,807	1,804	1,801	1,780	1,758
	Hours worked outside official working hours			218	222	225	217	219
Nichirei Corporation	Total			1,934	1,943	1,906	1,905	1,899
	Official working			1,732	1,740	1,729	1,718	1,724

	hours-Hours of vacation time							
	Hours worked outside official working hours		202	203	176	187	175	
	Total		1,987	2,007	2,020	1,998	2,005	
Nichirei Foods	Official working hours-Hours of vacation time		1,790	1,791	1,790	1,772	1,758	
	Hours worked outside official working hours		197	216	230	226	247	
	Total		1,983	1,972	1,981	1,948	1,948	
Nichirei Fresh	Official working hours-Hours of vacation time		1,800	1,796	1,795	1,770	1,754	
	Hours worked outside official working hours		183	176	185	178	194	
	Total		2,076	2,061	2,052	2,014	1,970	
Nichirei Logistics Group	Official working hours-Hours of vacation time		1,833	1,826	1,821	1,796	1,763	
	Hours worked outside official working hours		243	235	231	218	207	
	Total		1,993	2,024	1,980	1,954	1,882	
Nichirei Biosciences	Official working hours-Hours of vacation time		1,738	1,761	1,749	1,736	1,716	
	Hours worked outside official working hours		255	263	232	218	166	

* Average number of hours worked per employee annually

* Applicability: Employees

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

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group	Average days acquired		Days	5.7	5.5	6.6	8.0	10.2
	Acquisition rate		%	29.6	28.5	34.8	41.8	53.4
Nichirei Corporation	Average days acquired		Days	12.9	10.9	14.3	15.1	14.8
	Acquisition rate		%	67.2	58.5	76.9	78.0	77.1
Nichirei Foods	Average days acquired		Days	6.8	6.4	7.4	8.3	10.2
	Acquisition rate		%	35.1	33.0	37.9	42.7	52.4
Nichirei Fresh	Average days acquired		Days	7.5	6.8	7.9	9.9	11.6
	Acquisition rate		%	39.1	35.5	41.2	51.9	60.9
Nichirei Logistics Group	Average days acquired		Days	3.4	3.6	4.6	6.5	9.3
	Acquisition rate		%	18.1	19.2	24.8	34.6	49.3
Nichirei Biosciences	Average days acquired		Days	11.5	9.5	12.6	12.5	14.2
	Acquisition rate		%	60.9	51.3	70.7	69.0	79.4

* 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	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group total	Male	Breakdown	Number of people	0	0	2	1	2
	Female			52	44	34	42	48
Nichirei Corporation	Male			0	0	2	0	1
	Female			4	4	1	2	6
Nichirei Foods	Male			0	0	0	1	1
	Female			28	20	17	14	17
Nichirei Fresh	Male			0	0	0	0	0
	Female			0	3	0	2	1
Nichirei Logistics Group	Male			0	0	0	0	0
	Female			15	15	15	20	22
Nichirei Biosciences	Male			0	0	0	0	0
	Female			5	2	1	4	2

* Applicability: Employees

* From FY2015, includes employees taking maternity leave

■ Employees Using Time Off for Caregiving

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group total			Number of people	1	1	0	3	2
Nichirei Corporation				0	0	0	0	0
Nichirei Foods				1	1	0	3	2
Nichirei Fresh				0	0	0	0	0
Nichirei Logistics Group				0	0	0	0	0
Nichirei Biosciences				0	0	0	0	0

* Applicability: Employees

■ Number of Work-Related Accidents at Food Plants

Coverage	Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Food Plants	Number of lost time injuries		Case	21	17	34	34	29
	Number of days of inactivity			23	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	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group	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	Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group		%	92.0	99.3	99.8	100	100

■ Stress Check Coverage

Coverage	Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Nichirei Group		%	-	88.3	89.2	90.1	89.6

■ New Graduate Hire Turnover Status

Coverage	Item	Turnover (number of people)	Turnover rate (%)	
Nichirei Group total	Joined Company in FY2014	End of first year	1	1.3%
		End of second year	3	3.8%
		End of third year	4	5.0%
	Joined Company in FY2015	End of first year	0	0.0%
		End of second year	5	4.7%
		End of third year	7	6.6%
	Joined Company in FY2016	End of first year	1	1.2%
		End of second year	5	6.0%
		End of third year	7	8.4%
	Joined Company in FY2017	End of first year	1	1.1%
		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%
		End of second year	10	10.9%
		End of third year	17	18.5%
Nichirei Corporation	Joined Company in FY2014	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	0	0.0%
	Joined Company in FY2015	End of first year	0	0.0%
		End of second	0	0.0%

		year		
		End of third year	0	0.0%
	Joined Company in FY2016	End of first year	1	20.0%
		End of second year	1	20.0%
		End of third year	1	20.0%
	Joined Company in FY2017	End of first year	0	0.0%
		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%
		End of second year	0	0.0%
		End of third year	0	0.0%
Nichirei Foods	Joined Company in FY2014	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	1	3.3%
	Joined Company in FY2015	End of first year	0	0.0%
		End of second year	3	8.3%
		End of third year	3	8.3%
	Joined Company in FY2016	End of first year	0	0.0%
		End of second year	2	6.9%
		End of third year	3	10.3%
	Joined Company in FY2017	End of first year	0	0.0%
		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%	
	End of second year	1	4.0%	
	End of third year	3	12.0%	
Nichirei Fresh	Joined Company in FY2014	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	0	0.0%

	Joined Company in FY2015	End of first year	0	0.0%	
		End of second year	0	0.0%	
		End of third year	0	0.0%	
	Joined Company in FY2016	End of first year	0	0.0%	
		End of second year	1	12.5%	
		End of third year	1	12.5%	
	Joined Company in FY2017	End of first year	0	0.0%	
		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%	
		End of second year	2	22.2%	
		End of third year	3	33.3%	
Nichirei Logistics Group	Joined Company in FY2014	End of first year	1	2.6%	
		End of second year	3	7.7%	
		End of third year	3	7.7%	
	Joined Company in FY2015	End of first year	0	0.0%	
		End of second year	2	3.5%	
		End of third year	3	5.3%	
	Joined Company in FY2016	End of first year	0	0.0%	
		End of second year	1	2.6%	
		End of third year	2	5.3%	
	Joined Company in FY2017	End of first year	1	2.1%	
		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%	
		End of second year	6	12.8%	
		End of third year	8	17.0%	
	Nichirei Biosciences	Joined Company in FY2014	End of first year	0	0.0%
			End of second year	0	0.0%

		End of third year	0	0.0%
	Joined Company in FY2015	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	1	33.3%
	Joined Company in FY2016	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	0	0.0%
	Joined Company in FY2017	End of first year	0	0.0%
		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%
		End of second year	1	16.7%
		End of third year	3	50.0%

* Applicability: Employees

■ Nichirei 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

■ Nichirei 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
Total	142,569	4,674

■ Environmental Data



■ 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	FY2016	FY2017	FY2018	FY2019	FY2020
Fixed power emission coefficient ^{※1}	1,000 tons t-CO ₂	229	226	228	226	228	225
Variable power emission coefficient ^{※2}	1,000 tons t-CO ₂	229	287	280	269	260	241

※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.

■ Amount of Discharged Waste and Recycling Rates

Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Amount of discharged waste	1,000 tons	41.9	45.2	46.3	45.4	47.9
Recycling Rates	%	99.7	99.7	99.6	99.5	99.4

■ Nichirei Group Material Balance INPUT

Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Raw materials	Total	1,000 tons	167	185	188	195	200
	Material	1,000 tons	149	167	170	177	181
	Packaging materials	1,000 tons	18	18	18	18	19
Energy	Total	1,000 GJ	5,063	5,109	5,078	5,107	5,079
	Purchased power	1,000 kWh	444,843	447,574	443,480	447,277	444,335
	Heavy oil	kl	3,329	3,335	3,319	2,609	1,926
	Kerosene	kl	198	200	191	173	192
	City gas	1,000m ³	6,385	6,705	6,923	7,142	9,036
	LGP	tons	4,623	4,620	4,650	4,814	3,614
	Gasoline (Company-owned vehicles)	kl	524	467	461	402	322
	Light oil (Company-owned vehicles)	kl	1,270	1,340	1,378	1,556	1,452
	Solar power generation	1,000 kWh	186	211	400	1,444	2,717
Breakdown of energy (1,000 GJ) used at each business company	Nichirei Foods	1,000 GJ	1,649	1,716	1,726	1,761	1,759
	Nichirei Fresh	1,000 GJ	173	179	169	173	172
	Nichirei Logistics Group	1,000 GJ	3,159	3,129	3,098	3,089	3,046
	Nichirei Biosciences	1,000 GJ	10	8	11	12	33
	Others	1,000 GJ	72	73	74	72	69
Water	Total	1,000m ³	4,033	3,931	4,084	4,117	4,028
	Clean water	1,000m ³	1,336	1,284	1,256	1,267	1,238
	Industrial water	1,000m ³	853	877	917	907	897
	Groundwater (well water)	1,000m ³	1,845	1,770	1,911	1,943	1,893
Breakdown of water (1,000 m ³) used at each business company	Nichirei Foods	1,000m ³	2,595	2,581	2,789	2,812	2,739
	Nichirei Fresh	1,000m ³	352	353	331	322	318
	Nichirei Logistics Group	1,000m ³	1,070	977	947	963	952
	Nichirei Biosciences	1,000m ³	5	8	6	6	8
	Others	1,000m ³	12	12	12	13	11

■ Nichirei Group Material Balance OUTPUT

Item		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Waste	Amount of Discharged Waste	1,000 tons	41.9	45.2	46.3	45.4	47.9
	Recycle volume	1,000 tons	41.7	45.0	46.1	45.2	47.6
	Volume of waste for final disposal *1	1,000 tons	0.2	0.2	0.2	0.2	0.3
Breakdown of discharged waste (tons) at each business company	Nichirei Foods	tons	18,469	21,290	21,904	18,155	21,561
	Nichirei Fresh	tons	11,029	11,453	11,426	13,973	13,609
	Nichirei Logistics Group	tons	12,360	12,459	12,905	13,236	12,666
	Nichirei Biosciences	tons	43	37	46	44	72
	Others	tons	—	—	—	—	—
Atmospheric system	CO ₂ *2	tons	286,382	279,465	273,348	259,980	241,235
	SO _x *3		5	4	4	3	3
Breakdown of CO ₂ emissions (tons) at each business company	Nichirei Foods	tons	92,894	93,613	93,076	90,717	84,579
	Nichirei Fresh	tons	9,830	9,914	9,281	9,376	9,336
	Nichirei Logistics Group	tons	179,529	171,652	166,509	155,815	142,477
	Nichirei Biosciences	tons	406	538	574	568	1,561
	Others	tons	3,724	3,747	3,909	3,503	3,282
Water system	Drainage	1,000m ³	2,444	2,525	2,467	2,421	2,398
	Sewer system	1,000m ³	1,530	1,577	1,522	1,464	1,447
	Public water area (river etc.)	1,000m ³	913	948	945	957	951
	Drainage load BOD *4	tons	26	46	48	48	49
	COD *4	tons	19	24	23	24	23
Breakdown of drainage (1,000 m ³) at each business company	Nichirei Foods	1,000m ³	1,902	1,922	1,758	1,751	1,752
	Nichirei Fresh	1,000m ³	165	234	328	308	309
	Nichirei Logistics Group	1,000m ³	360	349	362	343	317
	Nichirei Biosciences	1,000m ³	5	8	6	6	8
	Others	1,000m ³	12	12	12	14	12

■ Nichirei Group specially controlled industrial waste emissions

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Special controlled industrial waste emissions ("Flammable waste oil" and "Strong acid/strong alkali") etc. classified as industrial waste due to danger and toxicity)	kg	11.7	11.1	3.8	9	9.3	7.4

*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.

■ 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 Dining

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

* Regarding the amount of energy used and volume of CO₂ emitted, this includes activities at the head office, branches and offices other than those indicated above, and company-owned trucks.

* Excludes overseas worksites.

* If the scope of applicable worksites differs from the above, a statement to this effect has been included.

* Total figures may differ due to the rounding effect.

■ Corporate Governance Data

■ Board of Directors composition

Category	Gender	FY2018 (Number of people)	FY2019 (Number of people)	FY2020 (Number of people)
Inside directors	Male	7	7	7
	Female	0	0	0
	Total	7	7	7
Outside directors	Male	1	1	1
	Female	2	2	2
	Total	3	3	3
Total	Male	8	8	8
	Female	2	2	2
	Total	10	10	10

■ Board of Directors meeting attendance rate

Category	FY2018 (%)	FY2019 (%)	FY2020 (%)
Inside directors	97.7	97.4	100
Outside directors	96.5	98.2	94.4

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.



year										
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
✓	✓	✓	✓	✓	✓	—	—			

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.



year										
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
✓	✓	✓								

■ MSCI Japan ESG Select Leaders Index

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										
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
✓	✓	✓								

■ 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.



year										
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
✓	✓	✓								

■ SNAM 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										
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
✓	✓	✓	✓	✓	✓	—	—			

■ 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.



■ Climate Change

year										
2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
B	C	A-	C	C	C	31	—	—	—	—

■ Water Security

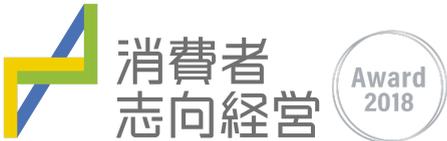
year

2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
B-	B-	—	—	—	—	—	—	—	—	—

■ List of Certifications

Acquisition Year	Name		
From FY2019	DBJ Employees' Health Management Rated Loan Program		
From FY2017	The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category		https://www.nichirei.co.jp/news/2019/328.html (Japanese only)
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 (Japanese only)
From FY2010	"The Act on Advancement of Measures to Support Raising Next-Generation Children" certification mark (nickname: Kurumin)		https://www.nichireifoods.co.jp/corporate/csr/employee.html (Japanese only)

■ Awards

Awards Year	Name	Outline
FY2019	1st Award for Good Practices of Consumer-oriented Received the Consumer Affairs Agency Director's Commendation	Sponsored by Consumer Affairs Agency 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. 
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.

Stakeholder Engagement

As it engages in global business activities, the Nichirei Group recognizes the importance of communicating and maintaining dialogue with its diverse stakeholders. To foster deeper mutual understanding, the Group is fostering a number of initiatives, and encouraging the disclosure of relevant information, in order to reflect the expectations and concerns of its stakeholders, while building corporate value by establishing friendly, long-term relationships.

Stakeholder	Target	Primary issue	Mean/method of communication	Frequency
Customer	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, as well as greater availability of, and better accessibility to, a rich array of meal options 	<ul style="list-style-type: none"> ▪ Customer Service Center ▪ Customer satisfaction survey ▪ Website ▪ Social media 	<ul style="list-style-type: none"> ▪ Routine ▪ Once a year ▪ As necessary ▪ As necessary
Shareholder/ Investor	Deeper understanding of the Company and higher corporate value: to be achieved by timely and appropriate disclosures.	<ul style="list-style-type: none"> ▪ Maintaining and improving corporate value ▪ Appropriate distribution of profits ▪ Disclosure of accurate information 	<ul style="list-style-type: none"> ▪ General Meetings of Shareholders ▪ Financial results briefings ▪ Business information sessions, facility tours ▪ Detailed interviews with individual investors from Japan and overseas ▪ IR website ▪ Integrated Report ▪ Business 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 partner	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 invited participation from business partners 	<ul style="list-style-type: none"> ▪ Survey ongoing since 2018 ▪ Once a year

Stakeholder	Target	Primary issue	Mean/method of communication	Frequency
Employee	Favorable labor-management relations; greater employee motivation; a dynamic organizational climate	<ul style="list-style-type: none"> ▪ Occupational safety, health ▪ 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"> ▪ 24 hours per day ▪ 24 hours per day ▪ Twice a year ▪ Once per month ▪ Annual (all worksites) ▪ Four times a year ▪ Routine ▪ Once a year ▪ Once a year ▪ Once a year
Local community	Smooth, enduring business operations as a trusted and respected company: to be achieved by building favorable relations with surrounding communities.	<ul style="list-style-type: none"> ▪ Harmonious coexistence with local communities ▪ Preservation of local environment ▪ Educational activities in the local community 	<ul style="list-style-type: none"> ▪ Social contribution activities ▪ Participation in local events ▪ Volunteer activities ▪ Dietary education activities ▪ Food factory and distribution warehouse tours ▪ Acceptance of internships ▪ Hosting of sporting events 	<ul style="list-style-type: none"> ▪ As necessary
Trade organization/ NGO/NPO	Collaboration with other companies, by taking part in conferences and other events involving government ministries and trade organizations; resolving of social issues by collaborating and cooperating with NGOs and NPOs in Japan and abroad.	<ul style="list-style-type: none"> ▪ Climate change ▪ Food loss ▪ Sustainable public procurement of food 	<ul style="list-style-type: none"> ▪ TCFD Consortium ▪ Japan Frozen Food Association ▪ Japan Association of Refrigerated Warehouses ▪ Japan Fisheries Association ▪ Authorized NPO Second Harvest Japan ▪ World Wide Fund for Nature ▪ Roundtable on Sustainable Palm Oil 	<ul style="list-style-type: none"> ▪ As necessary ▪ As necessary ▪ As necessary ▪ As necessary ▪ Twice per month ▪ As necessary ▪ Once a year

Addressing Social Issues through Food-related Contributions

Since 2006, the Nichirei Group has been supporting the activities of a food bank, the certified NPO Second Harvest Japan. So far, we have provided about 20,000 cases of our frozen foods to various welfare facilities, including foster homes for children, mother and child support centers, and disability support facilities. In addition to delivering these products, we also provide logistical support to ensure that the items retain their quality.

We intend to continue supporting food bank activities and hope to help resolve social issues through our food-related contributions.

■ Process Leading Up to Delivery

Our fundamental stance is to provide only what is truly needed without forcing the acceptance of any extra material.



■ Cosponsorship of the Tokyo 2020: Food for 100,000 Project

In fiscal 2020, we expressed our support for activities associated with, Tokyo 2020: Food for 100,000, a project conducted by Second Harvest Japan, and donated one million yen toward the cause.

※Tokyo 2020: Food for 100,000: A project attempting to build a safety net capable of providing an adequately life-sustaining amount of food to 100,000 people in Tokyo and 60,000 people in Kanagawa and Saitama during a single year (2020); this project involves collaboration with various corporations, governments, and NPOs. <http://2hj.org/english/100000pj>



2020 東京 10 万人プロジェクト



SDG Lectures Inspire Ideas on Sustainable Marine Product Development

Nichirei Fresh procures shrimp from Indonesia. Since 2006, it has participated in the Forest of Life Project, collaborating with local Indonesian partner PT. Mustika Minanusa Aurora and Tarakan City in the Indonesian province of North Kalimantan. Through its involvement in this project, the Company uses a portion of its earnings from sales of shrimp to help improve shrimp habitats and plant mangrove trees.

Intensive aquaculture, with its high environmental impact, is the primary method of shrimp farming. In contrast, the Forest of Life Project promotes the sustainable local development of marine products through extensive aquaculture, which does not use compound animal feed or electricity.

Recently, through its involvement in the Hakuodo Inc. SDGs project, Earth Mall, that aims to change the future through shopping, the Company held lectures concerning SDGs at the Saitama Prefectural Ina Gakuen Junior High School with the goal of inspiring people to think about sustainable marine product development. Through this program, the Company informed students primarily about supply chains used to procure the shrimp they frequently eat and global social issues.

In addition, we worked with students to create video messages for local marine product manufacturers, who are farming shrimp in Indonesia. The local Indonesian population viewed the video and responded with messages, giving the local junior high school students the chance to engage in communication and learn the importance of sustainable marine products.



December 5, 2019 → December 11, 2019 → December 19, 2019 → February 28, 2020 → July 27, 2020
 Lecture → Shrimp taste-testing → Video message production → Indonesia → Review lecture

Nichirei Group Social Contribution Spending (three years)

