

Nichirei Group
CSR Report 2019



NICHIREI CORPORATION

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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.

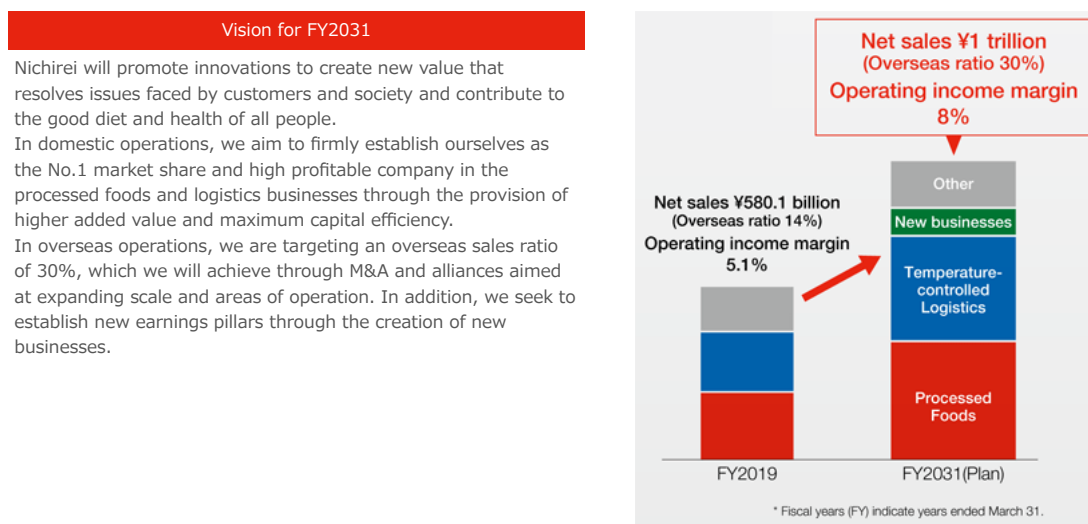
Whether work or play, if it is not interesting no one will do it for very long. To live a rewarding life, doing whatever it is that you want to do is the best motivation of all. Many working people think to themselves that there is something they want to do or try and I want to create a Company in which 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.



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

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

In fiscal 2020, 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)

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.

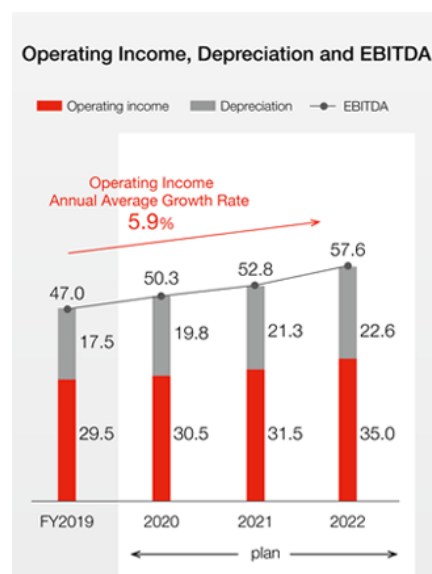
The Nichirei Group is focusing efforts on various initiatives aimed at achieving the long-term objectives set forth in the UN Sustainable Development Goals and the Paris Agreement. It is doing so in order to realize a sustainable society amid rising global concerns over a variety of social issues. These 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
(Billions of yen)				
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	—	—



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.

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

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.

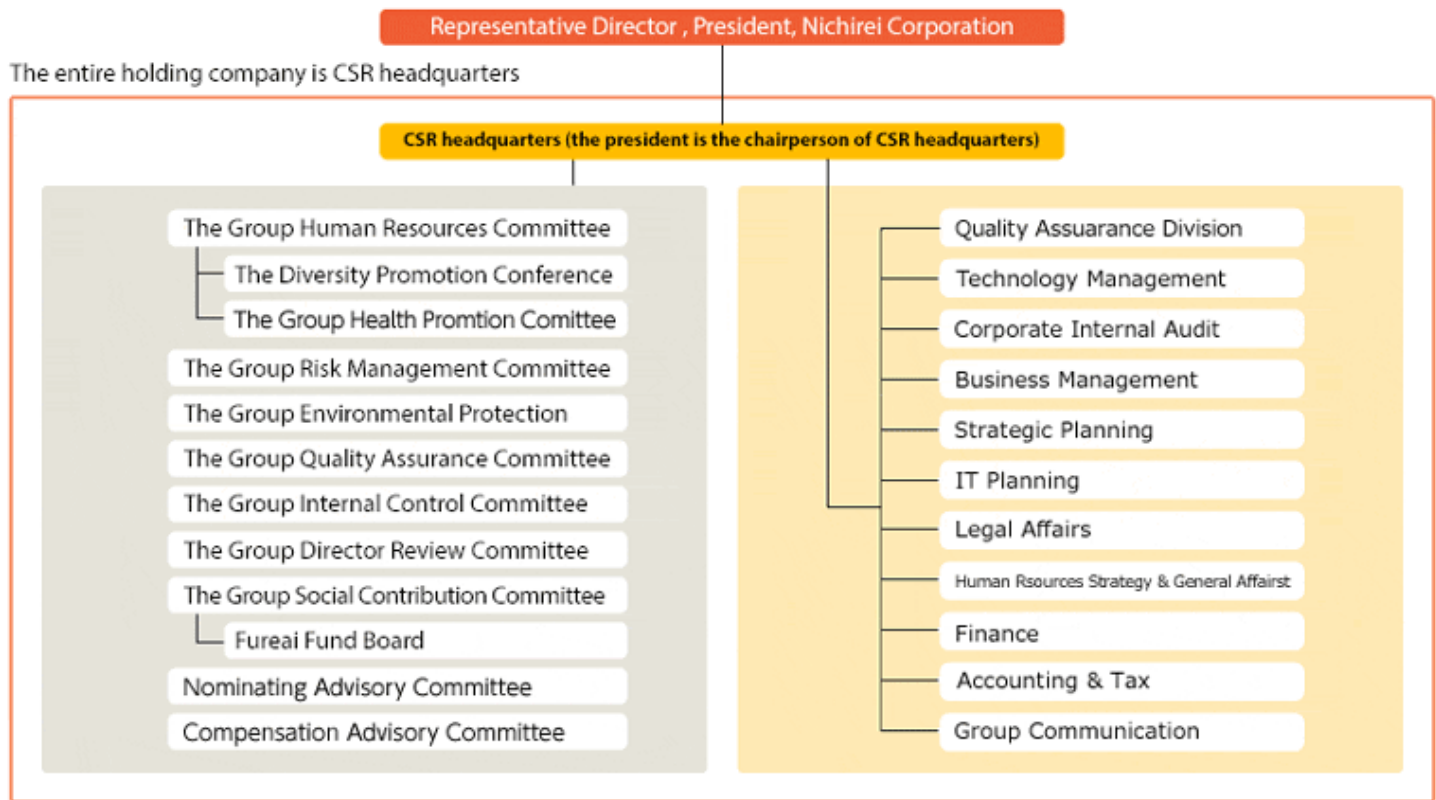
Support good corporate governance

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

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.



Create New Value for Customers

Basic Philosophy

The Nishirei 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, Nishirei aims to contribute to people's health through improving access to better nutrition and a number of other initiatives. For example, Nishirei Foods develops and sells wellness products that promote health as well as organic frozen vegetables, and Nishirei Fresh places emphasis on the feed and livestock environment for the meat it sells. In addition, Nishirei 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

■ Nishirei Foods' Initiatives

Nishirei 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 Nishirei Fresh

At Nishirei 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 Nishirei 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, Nishirei 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. Nishirei 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.

■ Nishirei Biosciences' Initiatives

At Nishirei 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)

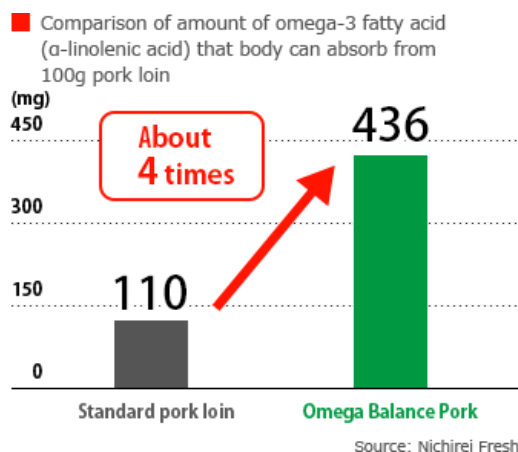
Nishirei Fresh produces and sells meat with a focus on omega-3 fatty acids, which are essential for human health. We have improved the balance of omega-3 and omega-6 fatty acids by giving chickens, pigs and cattle* a formula feed that uses ingredients derived from flax, which is rich in α-linolenic acid.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



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

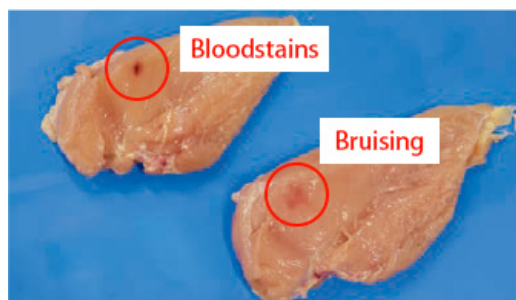
AI-powered diagnostic technology

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.

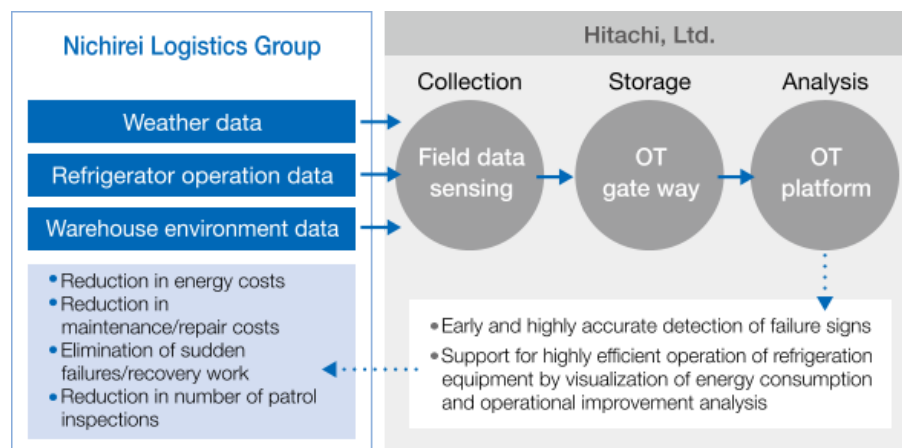
Using the IoT to Save Energy, Pass on Skills

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.



TOPICS

Technology for Personalized Flavor

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

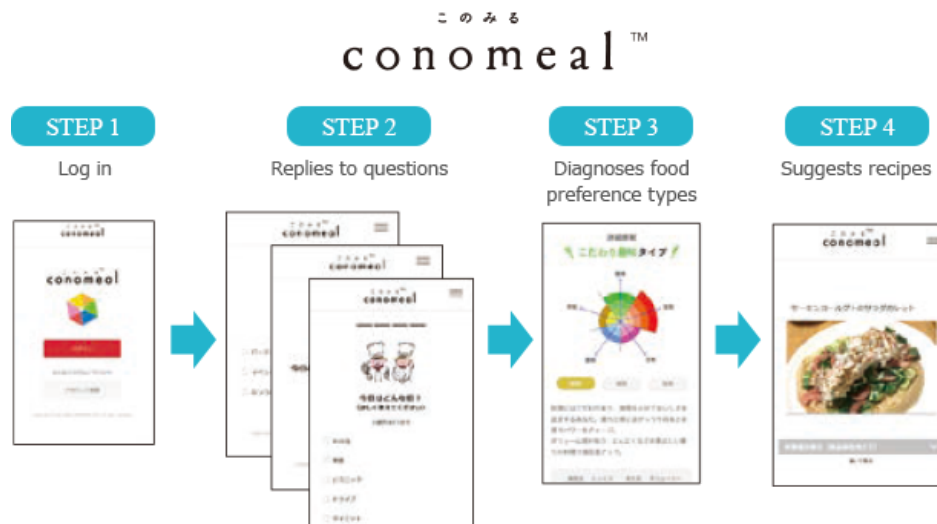
We are developing a program that gives flavor recommendations to make people's selection of food more enjoyable. The associated service will commence in 2020.

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.



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

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.

Product Responsibility



Provide Safe Products and Services

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.



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.

The Reasoning behind Adding the N Mark to Packaging

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

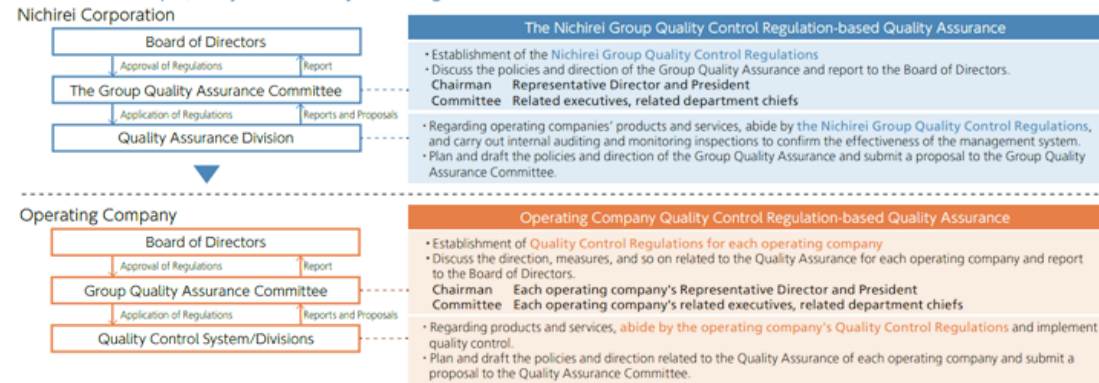
In addition to accreditation marks, the Nichirei Group displays the information required for packaging to be sorted for appropriate disposal or recycling.

Management System

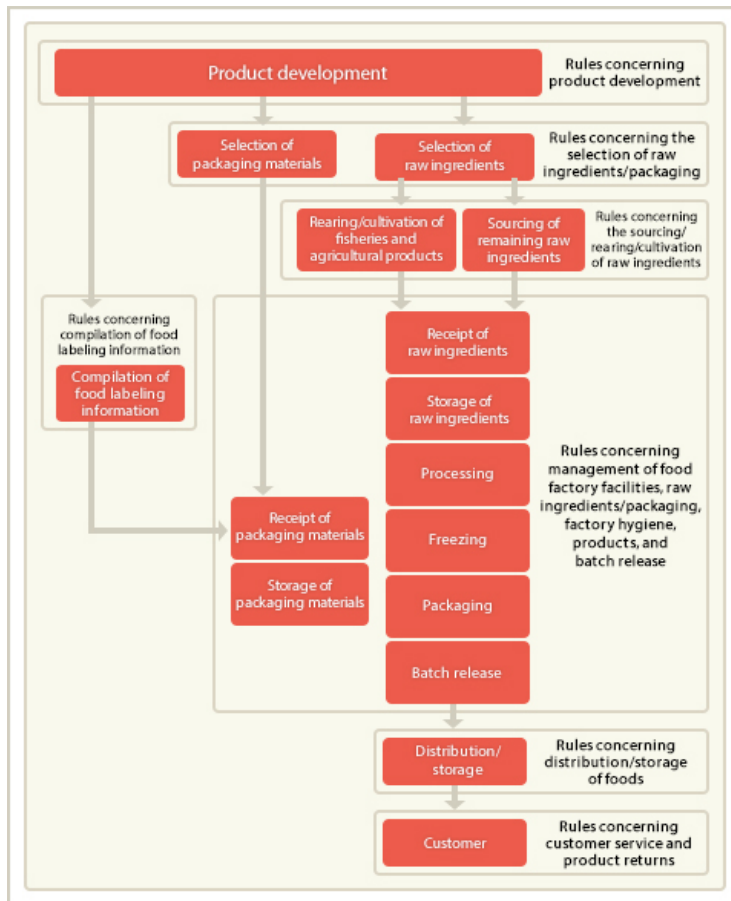
■ The Nichirei Group Quality Assurance System

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.



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

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=37>

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	
The HACCP system¹	Nichirei Foods	13/15	86.7%	14/15	93.3%
	Nichirei Fresh	6/7 ⁶	85.7%	7/7 ⁶	100.0%
ISO9001 (Quality management system)	Nichirei Foods	13/15	86.7%	3/15 ⁷	20.0%
	Nichirei Fresh	8/8	100.0%	8/9	88.9%
	Nichirei Logistics Group	105/112	93.8%	104/115	90.4%
FSSC22000², ISO22000³, SQF⁴ (Food safety management system)	Nichirei Foods	13/15	86.7%	14/15	93.3%
	Nichirei Fresh	6/8	75.0%	7/9	77.8%
	Nichirei Logistics Group	2/112	1.8%	2/115	1.7%
ISO14001(Environmental management system)	Nichirei Foods	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%

*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 FY2019 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 (35), NK Trans (4), Nichirei Logistics Hokkaido (7), Nichirei Logistics Tohoku (4), Nichirei Logistics Kanto (11), Nichirei Logistics Tokai (10), Nichirei Logistics Kansai (13), Nichirei Logistics Chushikoku (14), Nichirei Logistics Kyushu (13), Kyokurei (4)

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.



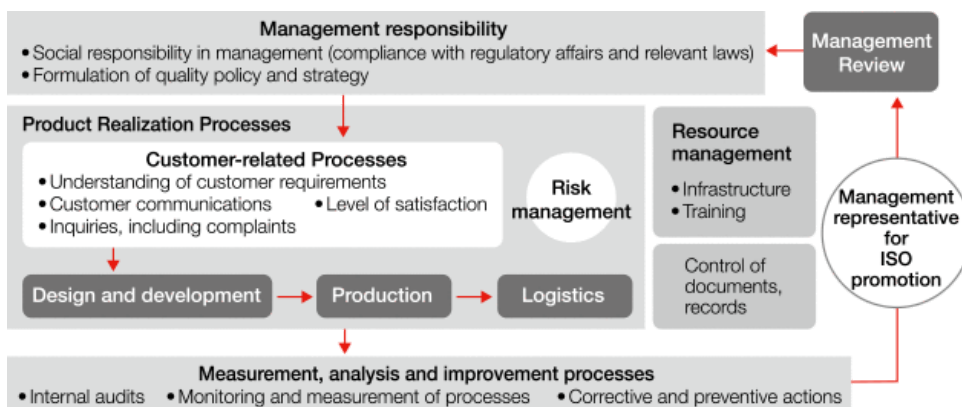
Quality Assurance System for Diagnostic Drugs Based on ISO 13485

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.

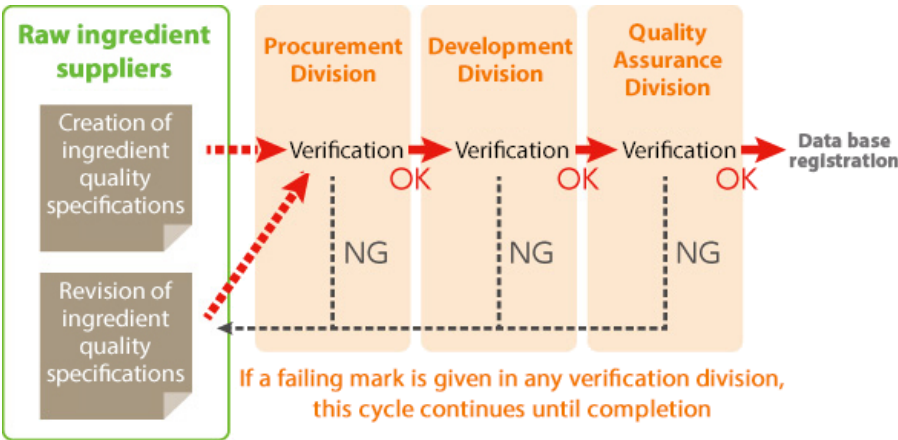
Each operating company's Quality Assurance Division performs quality inspections of its own products and services and reports and shares its implementation status with the Quality Assurance Committee and the Group Quality Assurance Committee, which assists with the further revision and enhancement of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

Best-by date

EB

Factory code

13B031F401

Arrived Feb. 13

Truck number

Production line number

Farm code

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

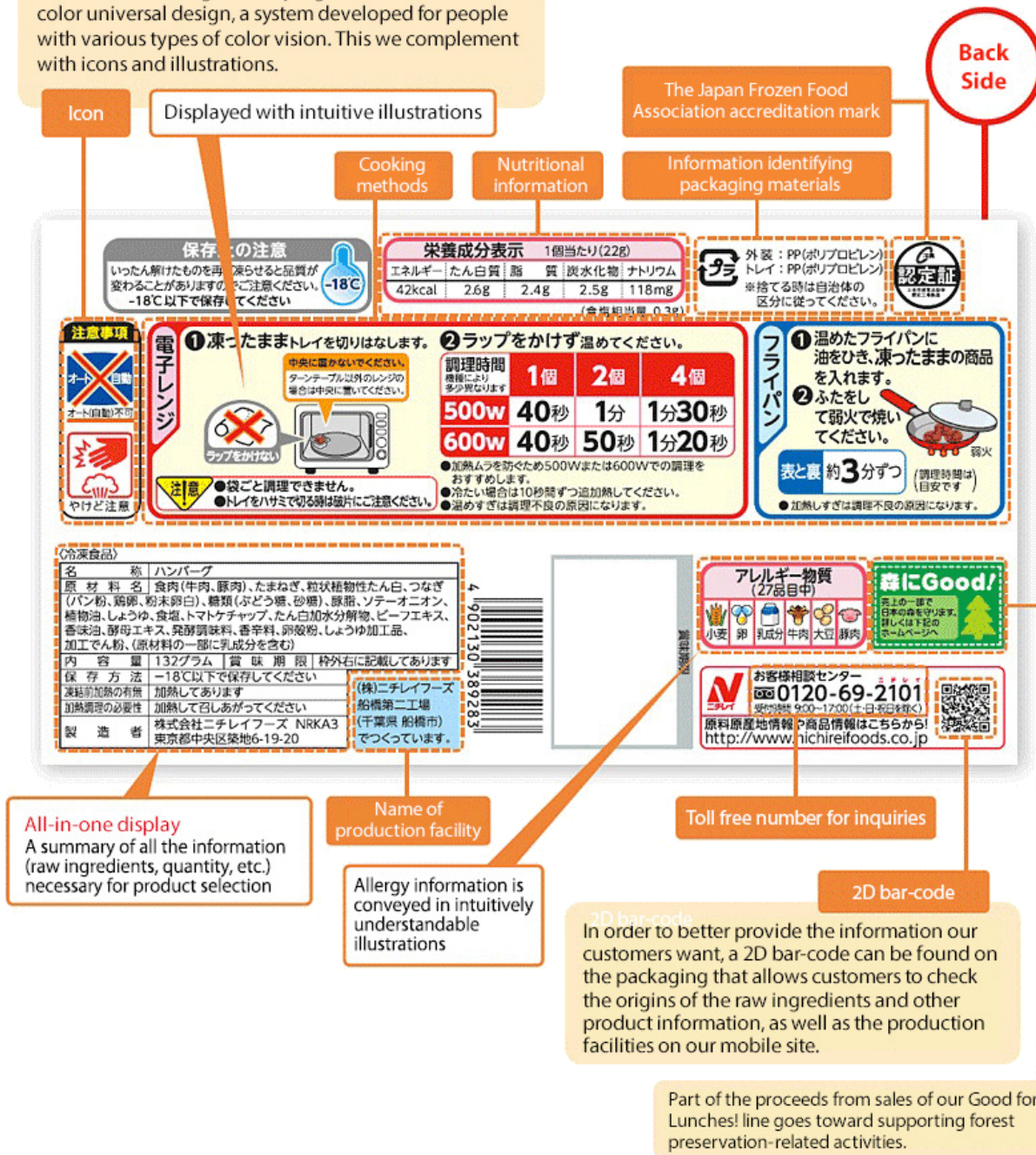
Besides providing products with reliable quality, providing relevant information to customers is Nichirei Foods' top priority. Nichirei Foods has eliminated excessive advertising on its packaging and works to provide relevant information.

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.



■ 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.

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

(食塩相当量 0.3g)

Creation

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



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.





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

Nichirei Foods performed quality audits at 31 business establishments in FY2018. The control and management category contained eight items and 218 checkpoints, and the facility and hygiene category contained nine items and 307 checkpoints. If an issue was discovered, instructions for improvement were given.

In addition, starting from April 2018, the entire Group's quality assurance system changed. Nichirei Corporation's Quality Assurance Division has established rules and standards for quality control and quality assurance, and it performs quality management reviews to ensure that operating companies' quality management system is functioning properly. Operating companies have changed the roles so that they abide by their own regulations and handle factory and product inspections in an effort to achieve more efficient quality assurance.

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

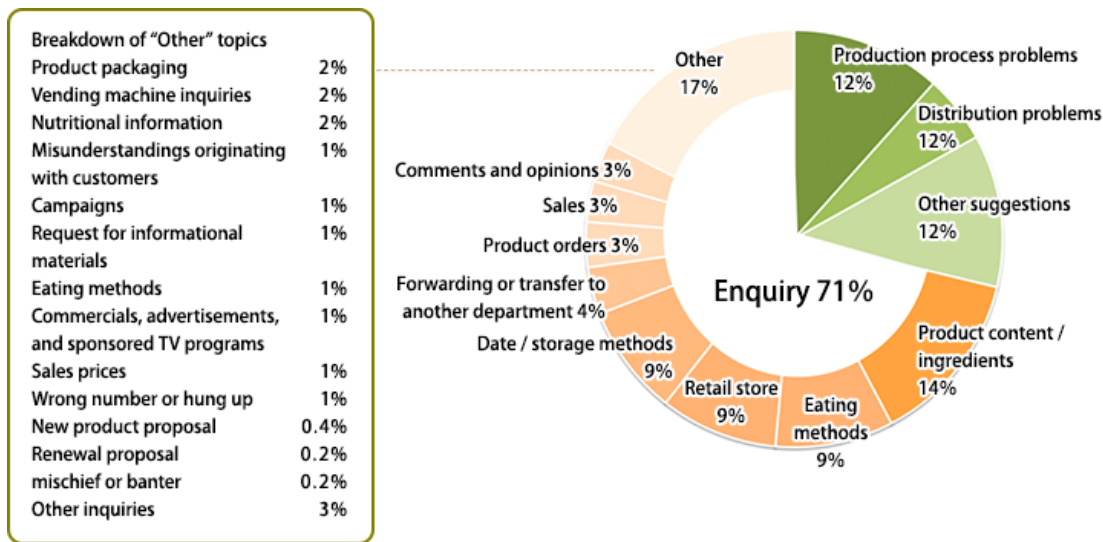
Initiatives for Quality Improvement

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.

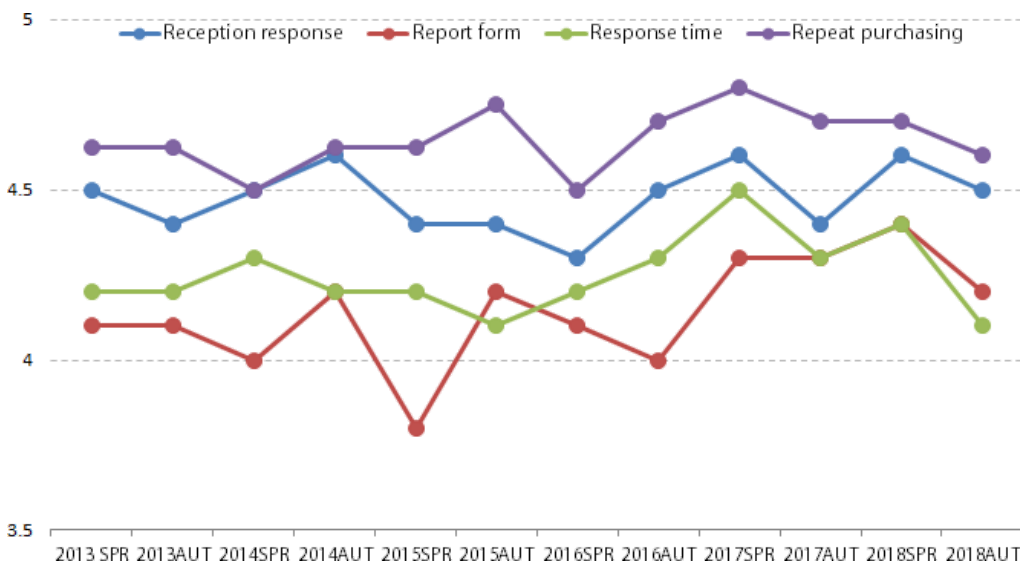
Customer Satisfaction Surveys

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 2018





● 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 FY2018, there were no issues related to the leaking of personal information, etc.

Staff Training for Quality Improvement

The following training was carried out for FY2018.

Training	Description	Number of People	Hours
Third-year employee technical training session	Smooth communication, control of production line sanitation	34 people	14 hours
Leader candidate training	Management demonstration on educating young employees and accomplishing tasks	22 people	28 hours
M1 leader training	How to discover and resolve one's own issues with management skills, feedback exercise on objectives management evaluations	139 people	14.5 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	140 people	46 hours

In FY2019, in addition to the above training, technical training will be expanded to second-year employees as well and training conducted for line leader candidates and production factory leaders. In addition, for FSSC 22000, training for establishing the system will be conducted. For promoting appropriate food labeling, all domestic employees learn about food hygiene and product labeling, etc., through e-learning once a year.

Maintain a Sustainable Supply Chain

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.



Supply Chain Management

Basic Philosophy

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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](#)

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 FY2019, quality audits were conducted at 17 plants in Japan and 20 plants overseas. In this process, the Nichirei Group Sustainable Supply Chain Basic Policy is shared with suppliers in Japan and overseas to obtain understanding and cooperation.

CSR Management Discussion Meetings

The Group has been holding "CSR Management discussion meetings" since FY2017 primarily to offer an opportunity for discussion on business activities that contribute to social responsibility, what group communication should be like, and building trust with society. This discussion consists mainly of the members of the holding company's CSR Management promotion project and the Strategic Planning Divisions and Management Divisions of the Group's four core companies. These meetings were held 12 times in FY2018, 5 times in FY2019, and there were discussions about

initiatives related to maintaining a sustainable supply chain, as well as an examination of the Group companies' environmental and social issues. The Group will continue to hold these meetings and promote CSR management.

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. The result shall be considered in our human rights activities. The report of the program can be downloaded from the web site of CRT Japan.

http://crt-japan.jp/human-rights/she-program_archive/

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. In FY2019, Nichirei Foods' food factories (consolidated subsidiaries in Japan and overseas) aggregated the total amount of palm oil used for frying oil and purchased the appropriate amount of RSPO certified oil credits (Book & Claim model). 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	
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
Nichirei Fresh			Visited some suppliers and exchanged opinions

ASC/MSC-certified Products

As of June 2019, Nichirei Fresh has three types of marine products that have obtained ASC certification^{*1} and 17 types of marine products that have obtained MSC certification^{*2}. In FY2018, Nichirei Fresh developed herring roe Kazunoko Matsumae-Zuke and herring roe Kazunoko Wasabi-Zuke made with MSC-certified Pacific herring (roe) with a business partner that has obtained CoC certification^{*3}. Going forward, the Group will continue making efforts to keep its marine products sustainable, and will continue to grow the number of ASC-certified and MSC-certified marine products.

*1 ASC certification: Marine products certified by the ASC (Aquaculture Stewardship Council) as having been cultivated in a sustainable manner

*2 MSC certification: Natural marine products certified by the MSC (Marine Stewardship Council) as having been cultivated in a sustainable manner

*3 CoC certification: Certification of the management of the processing and distribution processes

■ Nichirei Fresh Products That Have Obtained ASC/MSC Certification (as of June 2019)

Certification	Number Certified
ASC Certification Registry Number ASC-C-01632	Three types (Black tiger shrimp, Whiteleg shrimp, Pacific oyster*)
MSC Certification Registry Number MSC-C-52165	17 types Salmon varieties (pink salmon, king salmon, coho salmon, chum salmon, sockeye salmon), Walleye pollack, Pacific cod, Flatfish varieties (Kamchatka flounder, yellowfin sole, dusky sole, white flounder), Scallops, Herring, Capelins, Snow crabs, Arctic surf clams, Red king crab*

* The products that newly obtained the certification in FY2020

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.

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	The policy is applicable to all employees and officers of the Nichirei Group. We will also require business partners to support the policy and work towards ensuring respect for human rights.
2. Basic Principles	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.
3. Identification of, Response to and Disclosure of Issues Related to Human Rights	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. 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. The Nichirei Group will specifically assign officers with responsibility in implementing the policy and monitor implementation of this policy. 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. The Nichirei Group will regularly disclose results of and progress made in, our efforts to promote respect for human rights based on this policy. 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.



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.

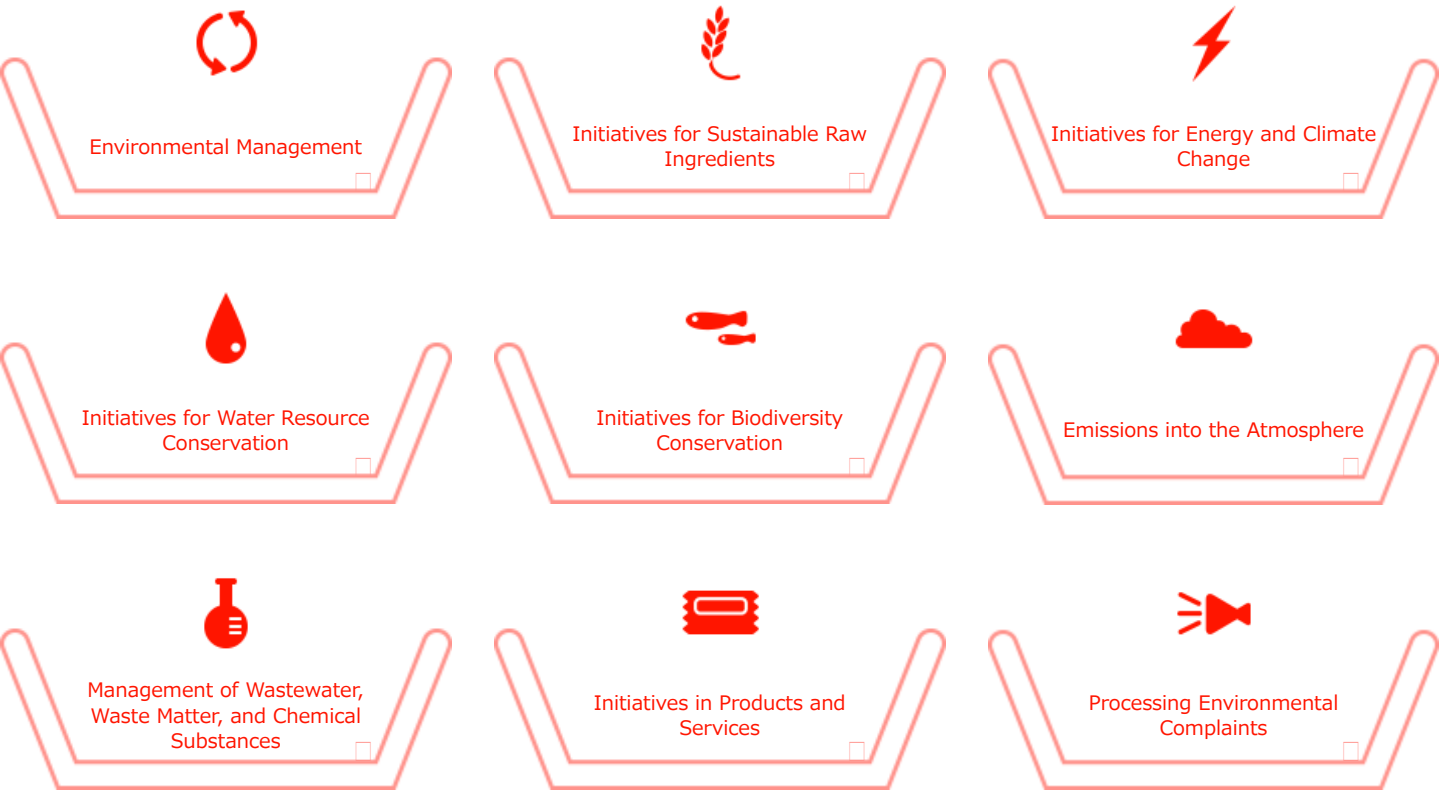
External Communications

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 that delved into human rights issues in different industries.

In addition, in October 2019, the Group participated in an international convention (hosted by CRT Japan) that was attended by major NGOs and human rights experts both in Japan and abroad, at which guiding principles related to business and human rights were proposed.

Reduce Environmental Impact

The Nichirei Group undertakes environmental conservation activities based on three major issues: prevention of global warming, promotion of sustainable recycling of resources, and symbiosis with nature. The Group's environment-related approach is summarized in its environment- and biodiversity-related policies.



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

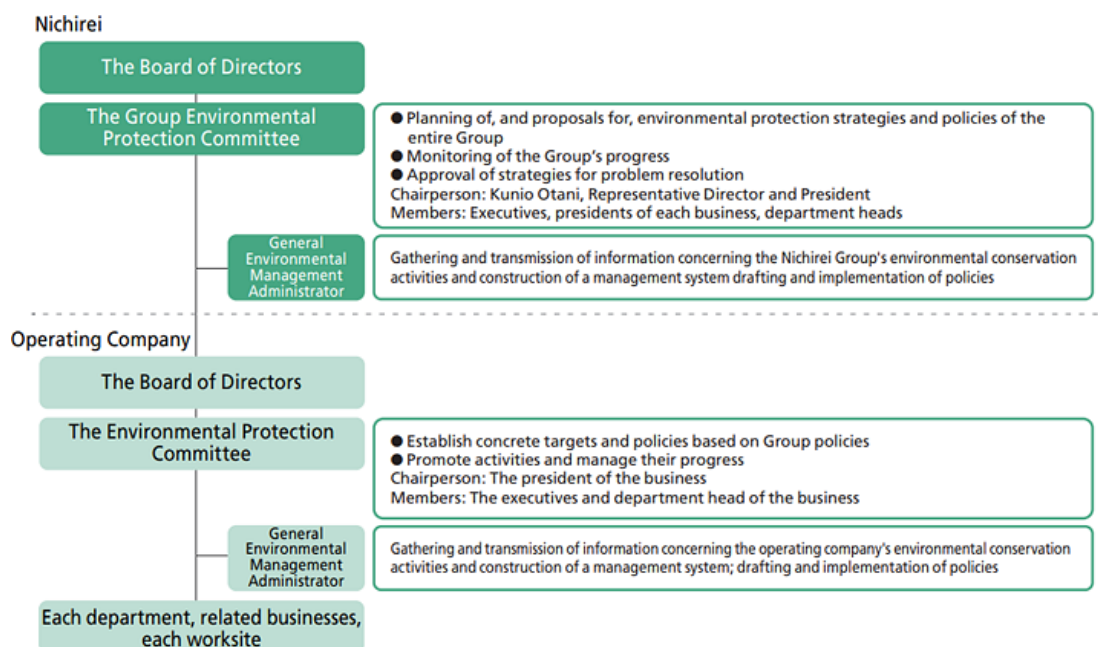
Biodiversity is both the foundation on which the survival of life forms depend, and a valuable asset that we must pass on to future generations.

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

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.

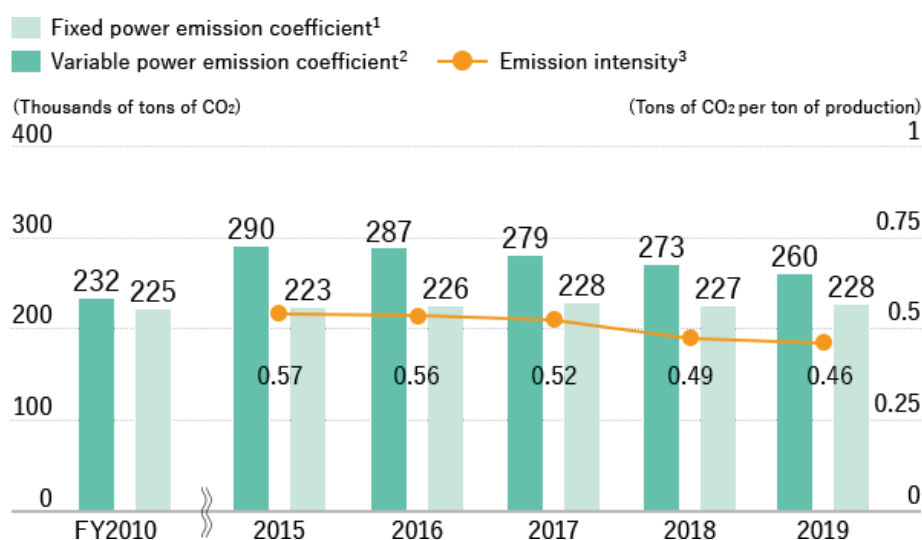
Engaged in collecting data regarding the environment at overseas worksites

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 FY2019 increased by 1.1%^{*1} compared to FY2010 due to 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 12.1%^{*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



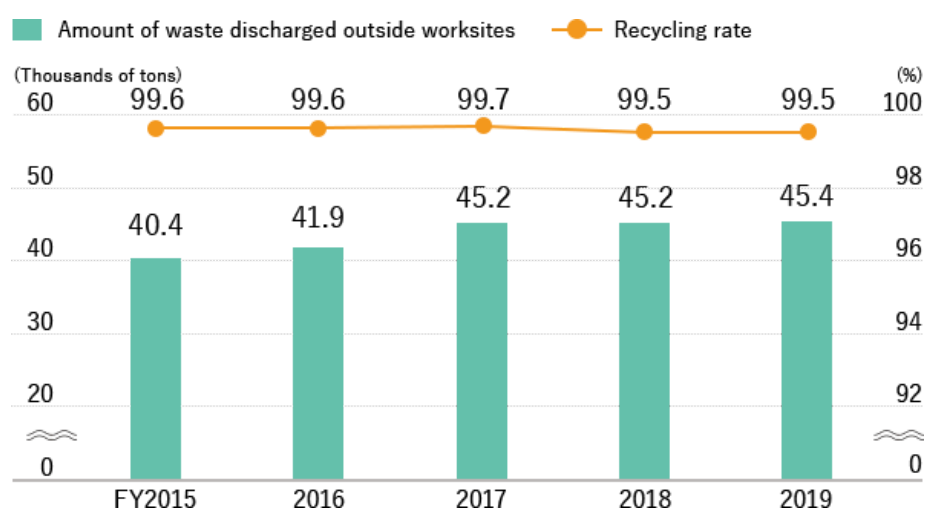
Notes:

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 FY2019 was 45,400 tons, and the waste recycling rate was 99.5%. 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.

INPUT

			FY2015	FY2016	FY2017	FY2018	FY2019
Raw materials		(Thousands of tons)	161	167	185	188	195
	Material	(Thousands of tons)	145	149	167	170	177
	Packaging materials	(Thousands of tons)	16	18	18	18	18
Energy		1,000 GJ	4,983	5,063	5,109	5,078	5,107
	Purchased power	1,000 kWh	438,673	444,843	447,574	443,480	447,277
	Heavy oil	kl	3,314	3,329	3,335	3,319	2,609
	Kerosene	kl	189	198	200	191	173

	City gas	1,000m ³	5,951	6,385	6,705	6,923	7,142
	LPG	tons	4,487	4,623	4,620	4,650	4,814
	Gasoline (company-owned vehicles)	kl	588	524	467	461	402
	Light oil (company-owned vehicles)	kl	1,144	1,270	1,340	1,378	1,556
	Solar power generation	1,000 kWh	243	186	211	400	1,444
Breakdown of energy (1,000 GJ) used at each business company							
	Nichirei Foods		1,569	1,649	1,716	1,726	1,761
	Nichirei Fresh		171	173	179	169	173
	Nichirei Logistics Group		3,161	3,159	3,129	3,098	3,089
	Nichirei Biosciences		10	10	8	11	12
	Other		73	72	73	74	72
Water		1,000m³	3,781	4,033	3,931	3,997	4,117
	Clean water	1,000m ³	1,276	1,336	1,284	1,293	1,267
	Industrial water	1,000m ³	638	853	877	797	907
	Groundwater (well water)	1,000m ³	1,867	1,845	1,770	1,906	1,943
Breakdown of water (1,000m ³) used at each business company							
	Nichirei Foods		2,372	2,595	2,581	2,652	2,812
	Nichirei Fresh		352	352	353	331	322
	Nichirei Logistics Group		1,043	1,070	977	998	963
	Nichirei Biosciences		6	5	8	6	6
	Other		8	12	12	11	13

OUTPUT

			FY2015	FY2016	FY2017	FY2018	FY2019
Waste	Amount of waste discharged outside worksites	(Thousands of tons)	40.4	41.9	45.2	45.2	45.4
	Recycle volume	(Thousands of tons)	40.3	41.7	45.0	45.0	45.2
	Volume of waste for final disposal*1	(Thousands of tons)	0.1	0.2	0.2	0.2	0.2
Breakdown of waste discharged outside worksites (tons) at each business company							
	Nichirei Foods		17,806	18,469	21,227	20,965	18,155
	Nichirei Fresh		9,474	11,029	11,453	11,426	13,973
	Nichirei Logistics Group		12,795	12,330	12,436	12,733	13,236
	Nichirei Biosciences		45	43	20	46	44
	Other		-	-	-	-	-
Atmospheric system	CO₂ ※2		289,396	286,382	279,465	273,348	259,980

	SOx ※3		7	5	4	4	3
Breakdown of CO ₂ emissions (tons) at each business company							
	Nichirei Foods		90,775	92,894	93,613	93,076	90,717
	Nichirei Fresh		9,956	9,830	9,914	9,281	9,376
	Nichirei Logistics Group		184,258	179,529	171,652	166,509	155,815
	Nichirei Biosciences		510	406	538	574	568
	Other		3,897	3,724	3,747	3,909	3,503
Water system	Drainage	1,000m³	2,295	2,444	2,525	2,458	2,421
	Sewer system	1,000m ³	1,453	1,530	1,577	1,514	1,464
	Public water area (river etc.)	1,000m ³	841	913	948	945	957
	Drainage load BOD*4	tons	52	26	46	48	48
	COD ※ 4	tons	16	19	24	22	24
Breakdown of drainage (1,000m ³) at each business company							
	Nichirei Foods		1,731	1,902	1,922	1,758	1,751
	Nichirei Fresh		168	165	234	328	308
	Nichirei Logistics Group		382	360	349	355	343
	Nichirei Biosciences		6	5	8	6	6
	Other		8	12	12	11	14

*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 FY2019 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 (35), NK Trans (4), Nichirei Logistics Hokkaido (7), Nichirei Logistics Tohoku (4), Nichirei Logistics Kanto (11), Nichirei Logistics Tokai (10), Nichirei Logistics Kansai (13), Nichirei Logistics Chushikoku (14), Nichirei Logistics Kyushu (13), Kyokurei (4)

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.

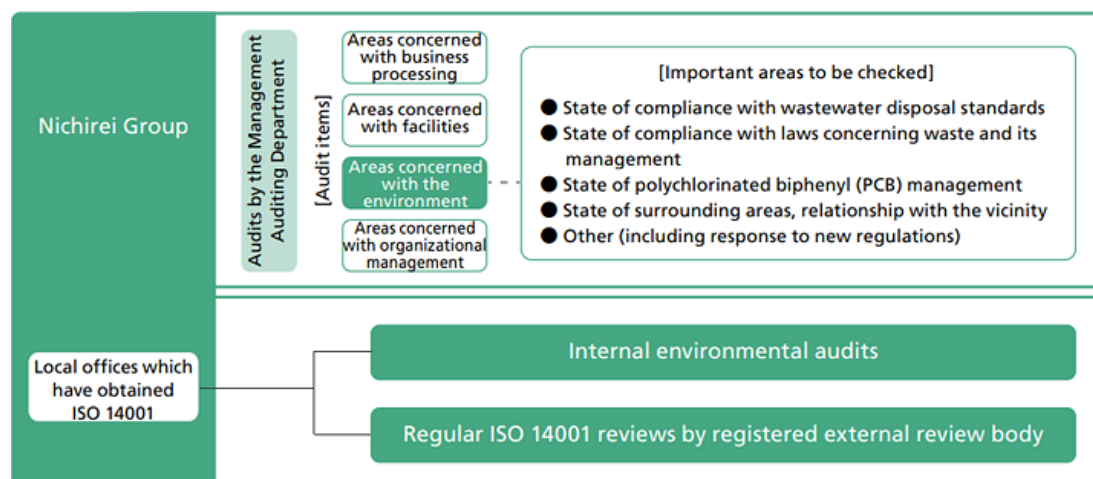
ISO 14001 Certification, etc.

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 76% 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 since FY2012, 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. <div> <div></div> <div>Nichirei Foods: Good for lunches! Good for the forest! Program</div> </div>

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 Logistics centers ● Maintenance, management and load reduction of wastewater treatment facilities for preventing water pollution ● Measures for controlling noise from stopped trucks	1,396,235	899,803	50,510	60,352
	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		● Procurement and purchasing of environmental goods (green purchasing) * Difference between green purchase and regular purchase	0	0	12,756	5,447
Management activity costs		● 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		● 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 FY2019, 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.

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 following policy and asks suppliers to also assent to and comply with it.

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.

Nichirei Group Sustainable Supply Chain Policy



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.

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

Nichirei Fresh developed the Forest of Life Project, which it has maintained together with Indonesia supplier PT. Mustika Minanusa Aurora (MMA) and Tarakan City in North Kalimantan since 2006, and worked on improving the aquaculture industry in partnership with WWF Indonesia and WWF Japan. As a result, this initiative became the first in Indonesia to receive ASC certification*1 for black tiger shrimp in August 2017.

As of June 2018, Nichirei Fresh has 16 types of marine products that have obtained MSC certification. In FY2018, Nichirei Fresh developed herring roe Matsumae-zuke and herring roe Wasabi-zuke made with MSC-certified Pacific herring (roe) with a business partner that has obtained CoC certification*2. Going forward, with an aim of expanding its sales of sustainable marine products, Nichirei Fresh will continue to increase the number of ASC-certified and MSC-certified*3 marine products it offers.

*1 ASC certification: Marine products certified by the ASC (Aquaculture Stewardship Council) as having been cultivated in a sustainable manner.

*2 CoC certification: Certification of the management of the processing and distribution processes.

*3 MSC certification: Natural marine products certified by the MSC (Marine Stewardship Council) as having been cultivated in a sustainable manner.

ASC and MSC Certifications for Marine Products



Maintain a sustainable supply chain



Initiatives for FA Ingredients

Drug-resistant bacteria—bacteria on which antimicrobial agents (antibiotics) no longer work—have become an international issue. To allay consumer anxiety toward this issue, Nichirei Fresh has been committed to raising FA (free from antibiotics) chickens for more than a decade. In order to treat illness, prevent risks of disease associated with intensive poultry farming, and stimulate further growth, antibiotics, synthetic antimicrobial drugs and other pharmaceuticals are used in the farming of most generally available broiler chickens.

While FA chickens do receive vaccinations, these other pharmaceuticals are not used at all throughout the chicken's life. Instead, FA chickens are bred using a number of unique methods. As well as being fastidious about their breeding environment, a resistance to disease is developed in chickens by using lactic acid bacteria or other viable agents that benefit their health, as well as herbal medicines (Chinese medicines), to boost their inherent immune strength. FA chickens are kind to humans, kind to chickens, and kind to the environment.

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

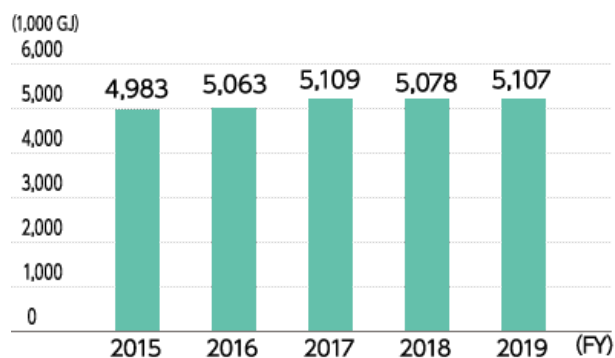


Regarding the actual values for the Group targets, actual greenhouse gas emissions for Nichirei Logistics Kanto, Inc.'s Tokyo Distribution Center and Logistics Network, Inc.'s Shinagawa Distribution Center have been verified by a third party under the Tokyo Metropolitan Government's (TMG) Tokyo Cap-and-Trade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

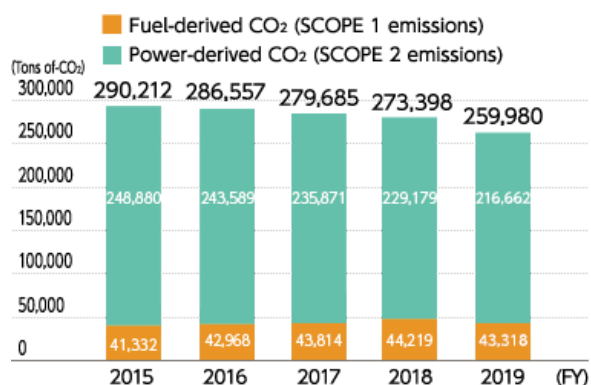
CO₂ emissions data published on the TMG Bureau of Environment website (9:00–18:00, weekdays) (Only available in Japanese)



● 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



■ 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.

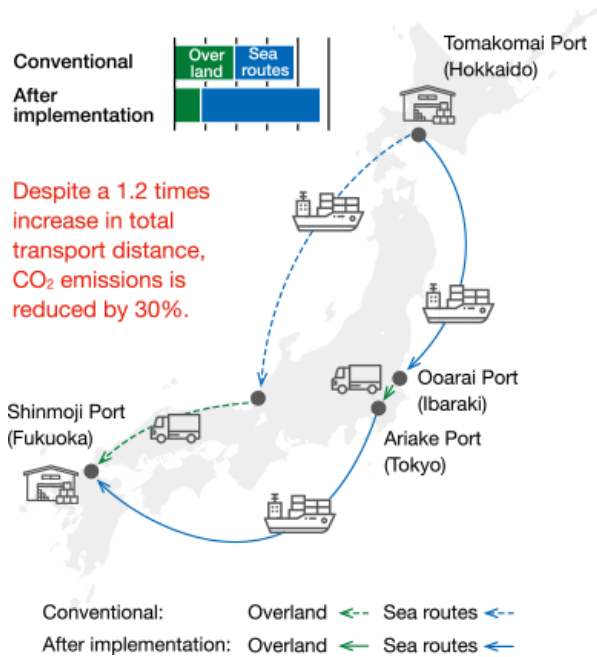
It should be noted that Nichirei Foods has been certified under the Eco-Ship mark³ system.

Then, to further reduce its CO₂ emissions, the Nichirei Logistics Group's Netherlands subsidiary, Hiwa Rotterdam Port Cold Stores, uses barges⁴ rather than trucks. Since the company's warehouse is adjacent to the quay, freight is moved from the container yard to the warehouse by barge, minimizing the use of trucks.

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. This is a logo used to indicate those companies that contribute to environmental countermeasures. They include shippers and logistics companies that make extensive use of sea transportation.
4. A barge is a cargo ship able to navigate rivers.

● Comparison of total transportation distances



■ Chlorofluorocarbon (CFC) Initiatives

Natural refrigerants and leakage prevention

The Nichirei Logistics Group uses natural refrigerants in both new refrigerated warehouses and facilities that it enlarges, while encouraging the replacement of equipment that uses CFC refrigerant with that which uses natural refrigerant.

In addition, since FY2014, we have stepped up inspections at distribution centers nationwide to reduce refrigerant leakage from refrigerators and introduced highly sensitive detectors that are 10 times more accurate than conventional sensors.

Since September 2018, in collaboration with Hitachi, Ltd., we have been testing methods of predicting and diagnosing refrigeration equipment failure. We have done this at our Funabashi Logistics Center, using cutting-edge IoT technology to enhance the operation of equipment and maintenance efficiency. By visualizing energy consumption data and analyzing operational improvements, refrigeration equipment can be more efficiently operated.

■ Reducing Container and Packaging CO₂ Emissions

Elimination of plastic

In a bid to reduce the discharge of CO₂, Nichirei is working to reduce the amount of plastic in the packaging and containers it uses.

- *Yaki-Onigiri* (grilled rice ball) 10-pack and *Imagawa-Yaki* (Japanese waffle) trays eliminated
- *Honkaku-Itame Cha-Han* (fried rice) package film thinned
- *Ebi-to-Cheese-no Gratin* (shrimp gratin) and *Ebi-to-Cheese-no Doria* (shrimp rice gratin) package thickness reduced



■ Initiatives in Production Regions

Suppression of Methane Gas Emissions by Cattle (Nichirei Fresh)

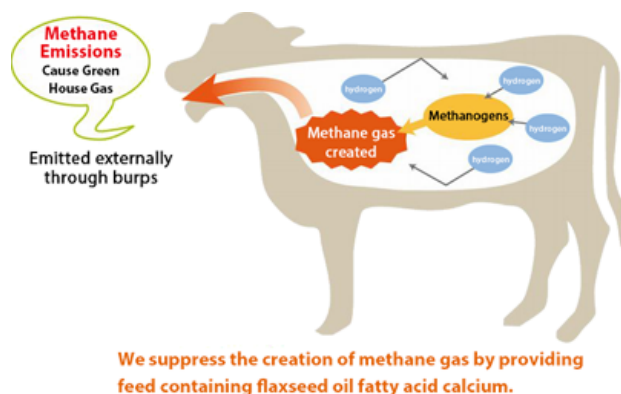
Ruminants, such as cattle and sheep, are known for their production of methane gas, which has 21 times the greenhouse effects of CO₂. The gas is produced in their stomachs, released internally when their food is broken down and digested, and then release externally. Since prevention of global warming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

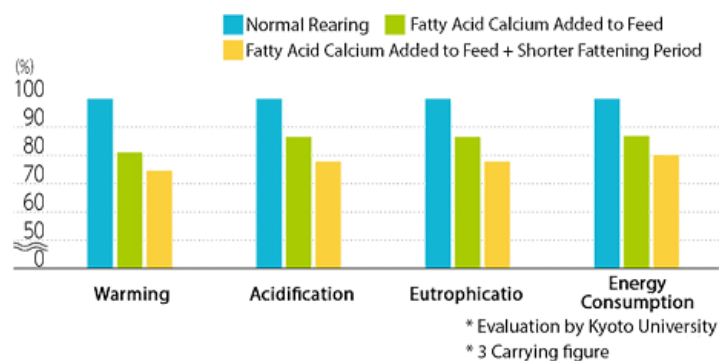
Using Kyoto University's life-cycle assessment (LCA)^{*2} method developed in 2010 to gauge fattening methods, Nichirei has been able to confirm

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.

■ 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.

■ Initiatives in Cold Storage Facilities and Logistics Centers

Preventing Refrigerant Leaks to Boost Operating Efficiency

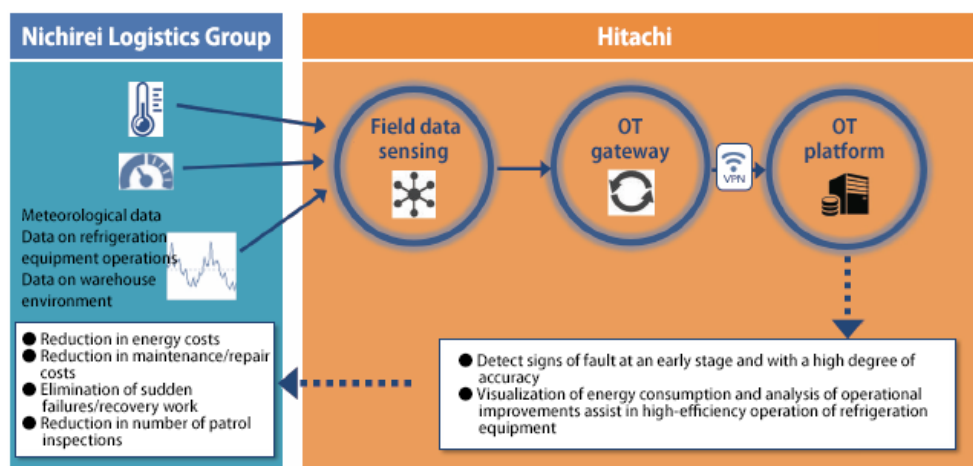
The Nichirei Logistics Group is stringently checking equipment to reduce refrigerant leaks at all domestic centers.

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

Corporate Collaboration for More Efficient Energy Consumption

The Nichirei Logistics Group is working to reduce electricity consumption during product storage, as well as CO₂ emissions and fuel consumption for transportation and production by increasing the efficiency, across the board, of the supply chain involved in logistics, production, and storage. Thus, both Nichirei Foods and Hokkaido Foods, one of the former's sub-contractors, secured safety stock in order to prevent inventory shortages and the only partial sharing of information. In addition, the business fluctuations in production and shipping caused by sales resulted in a major burden for both companies' supply chains.

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

■ Initiative

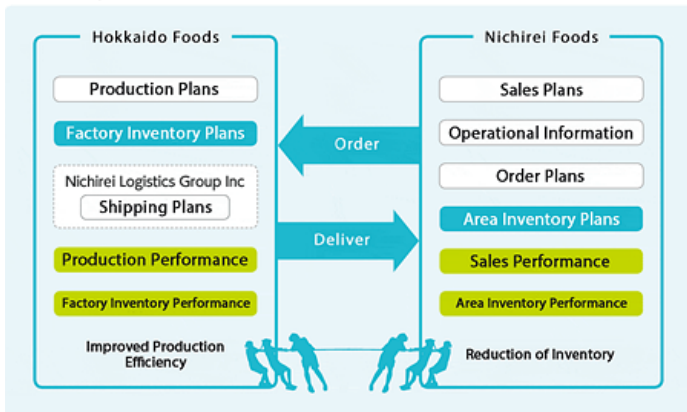
1. 3 Use groupware to make essential information of all three companies transparent; change to a comprehensive management system through daily data sharing and by linking production, inventory, and shipping planning.
2. Switch from Nichirei Foods' restocking plan; prioritize reducing logistics center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

■ Results

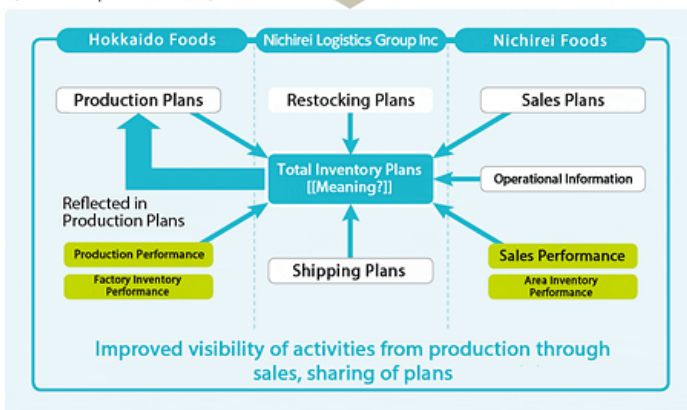
- Reduction of total inventory (down 25.7%)
- Leveling of logistics
- Improvement in loading efficiency
- Elimination of frequent shipping (restocking) and small lots
- Reduction of energy consumption at cold storage facilities and food factories
- Improved productivity
- Less clerical work

● Three Companies Collaborate for Cut Costs, Improve Shipping

(Before implementation)



(Before implementation)



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.

Use of Solar Energy

Solar energy generation equipment has been installed at Nichirei Foods' Funabashi plant and at Nichirei Ice, K.K. The Nichirei Logistics Group also installed solar panels at the Matsue DC and Kushiro DC in 2017, and at the Sakishima DC in 2018. Approximately 1.08 million kWh of solar power is expected to be generated annually at these three distribution centers, equivalent to an annual reduction in CO₂ of approximately 448.3 tons.



Sakishima DC



Matsue DC



Kushiro DC

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 Transportation and Delivery Optimal Logistics for CO₂ Reduction

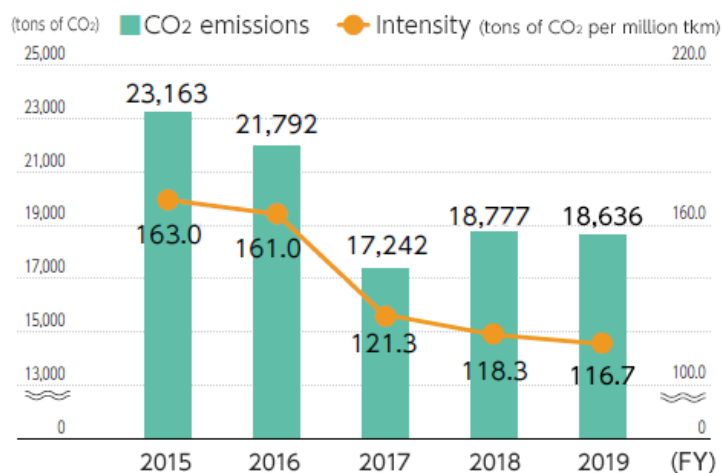
Nichirei Group cutting logistics-related CO₂ emissions Shipping-related CO₂ emission cuts seen as important priority.

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.

Initiatives at cold storage facilities, logistics centers

Activities with European Logistics

The Nichirei Logistics Group's overseas business began with its expansion into the Netherlands in 1988. As of March 2018, 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 consigner 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. As of April 1, 2017, 75 of the 102 member companies had obtained 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 fifth national tournament was held in FY2018 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.

Efforts for Modal Shift

In recognition of its achievements in expanding modal shift in frozen food shipping, the Nichirei Logistics Group's Logistics Network received the Modal Shift Best Operator Award (Grand Prize) at the 14th Award for Excellent Business Entities Working on Modal Shift in 2016, and received the Green Logistics Partnership Meeting Outstanding Business Award^{*1} in 2017. Logistics Network is a third-party logistics (3PL)^{*2} company that improves and manages all logistics operations for its shipper clients, from procurement and stock control to distribution. It has been promoting modal shift for more than 10 years. Rather than just simply using railways and ferries, it implements a variety of advanced solutions, such as having several shippers share a trunk line for transporting goods and making shipments more efficient and standardized by utilizing a demand forecasting system. Since 2009, by increasing distances transported by ferry on the Pacific seaboard using container relay services, Logistics Network has achieved a 30% reduction in CO₂ emissions compared to the previous route combining land transportation with services along the Sea of Japan coast. In 2017, the company received an award along with Nichirei Foods (the owner of the cargo) and its partner companies, Ocean Trans Co., Ltd. and Nippon Express Co., Ltd. Going forward, it will continue to promote sustainable business management that reduces environmental impact and addresses labor shortages.

*1 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.

*2 3PL: Third-Party Logistics

Driver Advance Reservation System

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.

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 started water risk assessment.

Environmental Protection Committees, Group Environmental Protection Committee

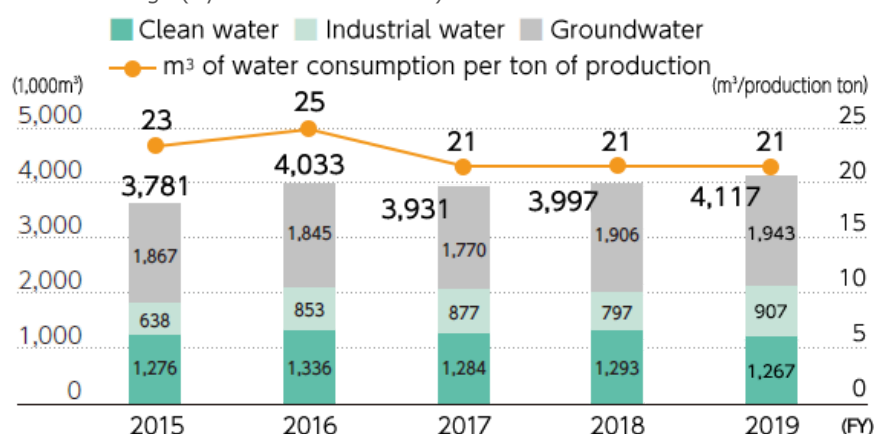
Initiatives

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)



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 three times 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. Due to these activities, a portion of MMA’s traditional cultivation ponds became the first in Indonesia to receive ASC certification for black tiger shrimp in August 2017.



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

Please refer to the following website for further details.



North Kalimantan



Shrimp that have grown big



Regeneration of mangrove trees

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. As of July 1, 2018, the forest conservation activities had supported a total area of 6,058,000 m² (equivalent to about 130 Tokyo Domes).

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



■ Environmental Research & Protection, Biodiversity Conservation in Fukushima Prefecture's Urabandai Area

Nichirei owns land near Lake Hibara in Fukushima Prefecture's Urabandai region, and 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 in the Urabandai area, but with the passing of more than 125 years, one can see returning vegetation: red pine forests, white willows, reeded wetlands, and aquatic plant clusters in marshlands. The red pine forests continue to spread, having been planted in the Urabandai tablelands by people who want to see the return of greenery in the area. But the company's land, as yet unforested, provides an academically valuable area for observing virgin nature as it transitions.

Nichirei has supported the research activities carried out, since FY2012, in the Urabandai area by the Natural Symbiosis and Regeneration Department of the Practical Education Promotion Center's Research Division at the Fukushima University Graduate School of Symbiotic Systems Sciences. Since FY2014, the company has been supporting the Fukushima University Graduate School of Symbiotic Systems Sciences Research Division's project, to determine research models for the preservation of natural environment in transition as a natural heritage site, namely, research on humans and the natural environment (preservation of biodiversity) in Bandai's Asahi National park. This is not limited to company land. The results of a wide variety of research—including that on plants and insects in lakes and swamps in the Urabandai area, as well as an analysis of sediment in the bed of Lake Inawashiro in the Inawashiro area—has enabled Nichirei to confirm that several species are endangered, and to learn the partial history of the formation of Lake Inawashiro. Further, the rarity of the natural environment in these areas is becoming increasingly apparent as, for example, when a dragonfly was found with characteristics that are vastly different to those known today and which has a high probability of being a new species.

During FY2018, for the purpose of considering future initiatives on lands owned by the company, Nichirei checked on the conditions of these lands, led by a professor from Fukushima University. The check revealed a particularly rich variety of dragonflies and a good water environment. In addition, the company donates to the Sparkling Water Bandai Mizumirai Fund (Inawashiro Lake/Urabandai Lake Aquatic Environment Conservation Measures Association), which promotes aquatic environment conservation in Lake Inawashiro and the Lake Urabandai basin. This fund disseminates information about the association's activities, and seeks to pass along the lake Inawashiro and Urabandai wetland areas to future generations in their pristine condition by expanding the circle of understanding and support.



Water quality surveys in the Urabandai area wetlands



The Himeshiro dragonfly: a new species

■ Activities to Protect the Endangered Cypripedium

The cypripedium rock orchid, designated an endangered species and once native to Nagano Prefecture's Fujimi area, has seen a significantly decreased presence in its native habitat due to over-harvesting, damage caused by wild animals such as deer, and the impact of climate change. This caused alarm among Fujimi residents, and led to the earlier-mentioned Fujimi Cypripedium Restoration Conference.

The Nichirei Group has been part of these activities from the start and, as a result of biotechnological applications, had increased the number of plants to around 30,000 by FY2012. Members of the Group and the restoration conference painstakingly grew orchids from seeds. Six years after the seeds had been sown, the orchids finally bloomed in mid-May 2014, and have continued to do so through to FY2019.

Having overcome the barrier of having the orchid flower for the first time indicates that there is a possibility that the initiatives so far undertaken to restore the cypripedium will expand. In addition, on February 4, 2019, Nichirei signed a "Biodiversity Conservation Partnership Agreement" with Nagano Prefecture, Fujino-machi, and the Fujimi-machi Cypripedium Macranthos Regeneration Council. It seems that major impetus has been provided for other protection activities, and that the Nichirei Group will continue to protect the cypripedium.



A cyripedium in bloom

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. *Kamanashi hotei* and other species through research on and the breeding of, orchids and other plants in Fujimi-machi, Nagano Prefecture.

In FY2015, some orchids of the genus *Cypripedium macranthos* var. *Kamanashi hotei* bore flowers by artificial propagation and, FY2019, they produced 103 blooms. As a result, Nichirei entered into a biodiversity conservation partnership with the Fujimi-machi *Cypripedium Macranthos* Regeneration Council in February 2019.

Under the 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

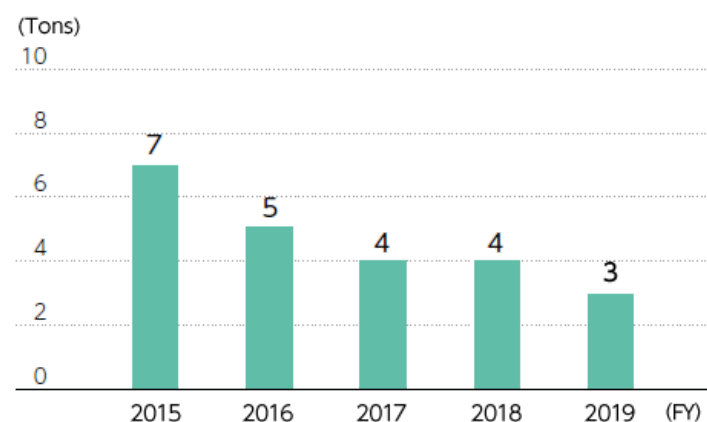
The Nichirei Group manages and stores PRTR substances and PCBs (polychlorinated biphenyls) in accordance with statutory standards for the management of chemical substances. Furthermore, during FY2019, there were no environmental accidents or violations of laws or regulations that could have a material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

Initiatives

Reduction of NO_x, SO_x, and PM Emissions

Nitrogen oxide (NO_x) and sulfur oxide (SO_x) 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 NO_x 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.

SO_x 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.

During FY2017, Nichirei Foods installed freezing facilities which use natural refrigerants at its Shiroishi Factory. Part of the cost of installing the new freezing facilities was subsidized under the Ministry of the Environment's CO₂ emission reduction business expense subsidy. 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

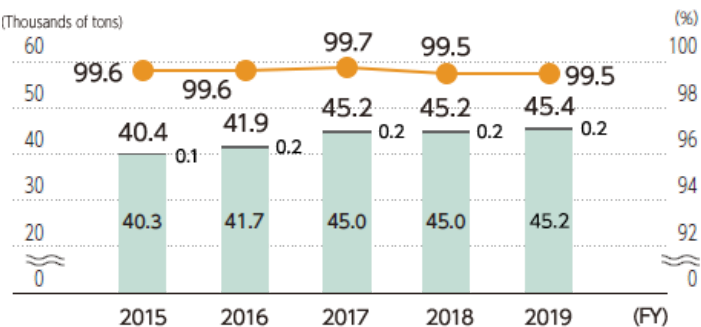
Environmental management system

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

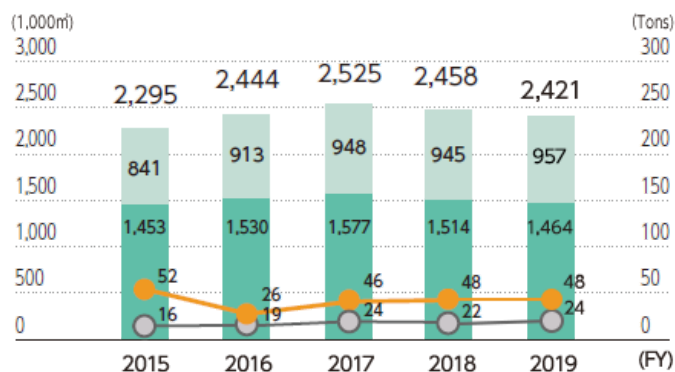
■ Recycling rate ■ Amount of final waste disposal
● Recycling rate



● Nichirei Group Wastewater and Drainage Load

■ Public water areas (rivers, etc.) ■ Sewer system

● BOD ● COD



■ 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 and Shiroishi plants, 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 FY2019, approximately 1 ton of chlorodifluoromethane (R-22), used as a refrigerant, was released at one of the Nichirei Group's worksites. The Group reported this to the Japanese government since the amount exceeded the annual legal limit of 1 ton, as specified in the Pollutant Release and Transfer Register*. Since this breach, the Group has been taking more steps to reduce the amount of chemical substances it releases.

* 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. Sixty three transformers collected from the Nichirei Group in FY2019 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.

Reduce Environmental Impact

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

Reducing waste by reevaluating containers, packaging

Forest of Life Project

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.



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.

Foster Cooperative Relations with Communities

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.



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, 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.





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 FY2018, the Group held 20 factory tours with 900 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 FY2018, this event was held nine times with 300 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 FY2018, this event was held 14 times with 1,700 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 continuously provides opportunities for elementary and junior high school students near its logistics centers to attend field trips to these centers. In FY2018, junior high school students toured the Oi DC, and nursery school students toured the Tsuzuki DC. The students experienced cold storage facility temperatures (below -20°C) after hearing an explanation from employees. In addition, due to a request from the city, the Morioka-nishi DC offered internships to three high school students. They were given the chance to actually experience work at a logistics center and gain better insight into food logistics.

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.



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

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

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.

Cooking Classes in Ishinomaki Temporary Housing Facilities (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 FY2018, cooking classes were held in Ishinomaki City, Miyagi Prefecture at Futamata Elementary School and Minato Elementary School, with a total of 43 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 FY2007, Nichirei Biosciences Inc. has been providing, free of charge, antibodies used for pathological testing to medical institutions in Myanmar. The products are provided through the international public health division of Niigata University's School of Medicine. In Myanmar, 42 types of antibodies for immunostaining are difficult to obtain locally. Thus, antibodies and reagents necessary for medical examinations were donated to the University of Medicine 1, University of Medicine 2, and Yangon Children's Hospital, for use in research and medical treatment, including pathological testing, at each of those facilities. In February 2018, Professor Emeritus Makoto Naito and others visited Myanmar University of Medicine 2, Yangon, and in addition to test drugs, Nichirei Biosciences provided pathogen staining samples used in the creation of pathology teaching materials, among other resources. Nichirei Biosciences remains committed to helping improve medical education and pathological research and diagnosis 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 the heavy rainfall that occurred in July 2018, we donated 10 million yen through the Japanese Red Cross Society to assist with initial restoration efforts in areas heavily damaged by the disaster. Moreover, the Nichirei Fureai Fund, in which the company matches contributions made by employees, one million yen was donated to the Japanese Red Cross Society.

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 FY2018, the Group donated 262 million yen total.

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*



Continually Enhance our Workplaces

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.



Fundamental Policy on Human Resources

Fundamental Policy on Human Resources

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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	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

	opportunities for people with disabilities	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.

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



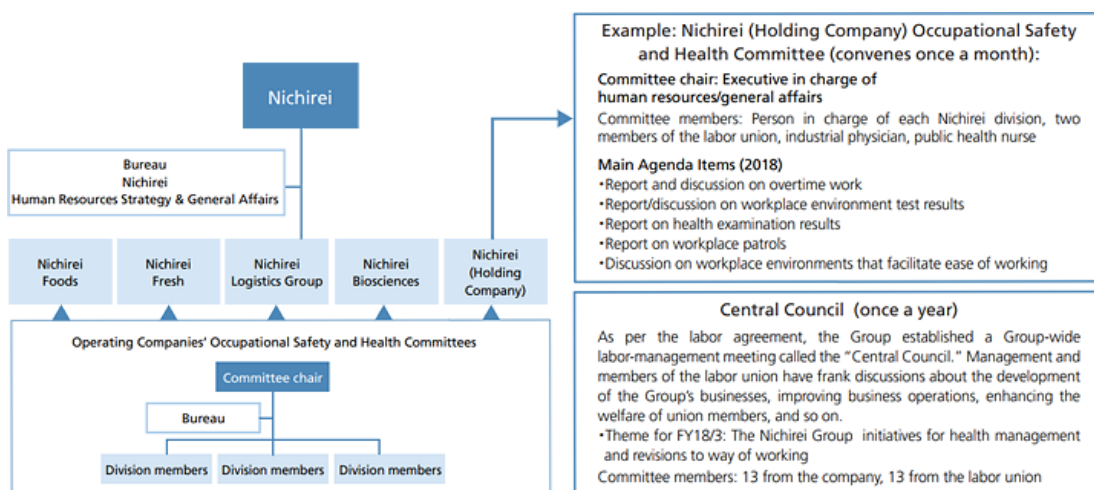
Management System

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 performs 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
Incidents Requiring Time Off	18	21	17	34	34
Incidents Not Requiring Time Off	25	23	18	12	11

* 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.



■ 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





Nichirei Health School

In order to maintain and promote employee health, since fiscal 2017 the Group has been conducting the Nichirei Health School, a hands-on health support program. We provide specific health-related advice for employees at risk of certain lifestyle-related diseases. In fiscal 2019, approximately 900 employees participated in a special seminar where body composition and blood vessel age were measured.



Main Details

Theme: Lifestyle disease prevention

- Lecture on pathophysiology (health nurse)
- Meal improvement (how to choose familiar menus, etc.) (Administrative dietitian)
- Exercise (posture, improvement of walking, exercise using chair) (exercise instructor)

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 FY2019, 27 employees participated in the training. We also provide training on occupational safety and health through training for key personnel of quality improvement, and in FY2019, 28 employees participated in the training.



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



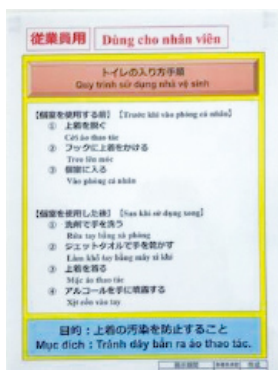
Specialized course for developing the skill of confirming safety while driving a forklift using the “point and call out” method

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.

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

Workplace Improvement Policy

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

Human Assets Committee

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

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

Human Assets Development

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

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

Level-Based Training

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

Objective-Based Training

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

The Nichirei Group Workplace Improvement Policy



Management System

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 FY2019, there have been 19 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
Number of new graduates hired			106	83	92	101	88
	Breakdown	Male	61	58	57	54	46
		Female	45	25	35	47	42
Number of experienced workers hired			50	45	68	45	80
	Breakdown	Male	36	36	42	36	60
		Female	14	9	26	9	20

■ Percentage of Non-company Employees

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

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 FY2019, there were no human rights incidents.

We conducted study group to raise awareness concerning about compliance issues twice in FY2017, 18 in FY2018, and 13 in FY2019. 898 individuals 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 5,166 employees.

In FY2019, there were 1 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



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 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, 30 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

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 sixth *Sakaseru Roji-Jo Forum* in January 2019. Sixty-one 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 2019, 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 FY2018, a total of 34 women throughout the Group took maternity leave, and 100% of them returned to work.

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 	<ul style="list-style-type: none"> *New officers seminar *Media training *Directors and executive officers training *OMfficaneargsement training *Coaching 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 		

■ 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
Total	95,199	3,078

Support Good Corporate Governance

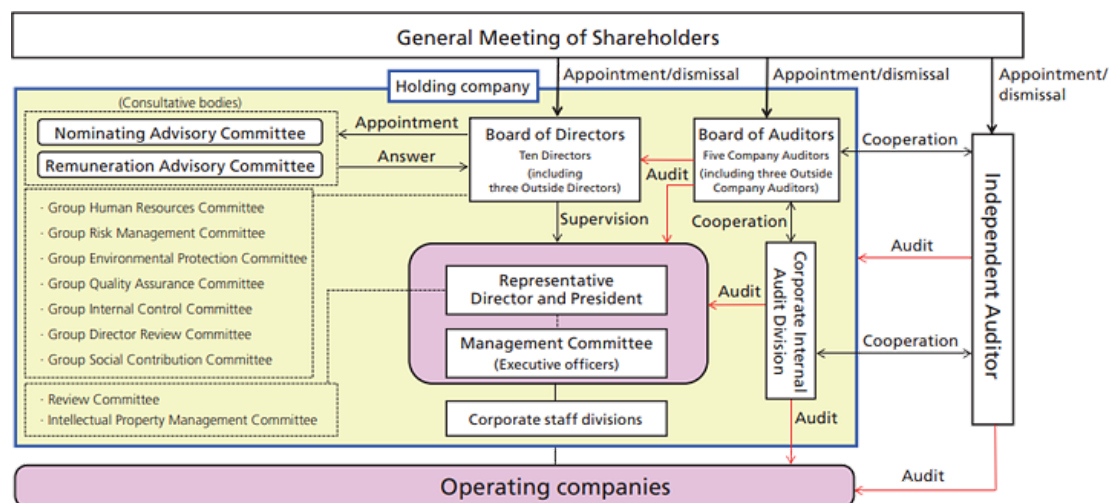
On the basis of its holding company structure, the Group engages in business through its operating companies across a wide range of fields which include processed foods, marine products, meat and poultry products, logistics and biosciences. The Board of Directors of Nichirei Corporation (the “Company”) draws up the Group’s business strategy and implements an operating structure which provides supervision of business executed by the operating companies with the aim of achieving sustainable growth and increasing its corporate value over the medium to long term.

The Company is well aware that ensuring equitable and highly transparent business practices constitutes a key managerial issue, and accordingly, under the supervision of the Board of Directors, strives to ensure sound corporate governance, including proper allocation of resources, prompt decision-making and strict compliance. The Company adopts the “Company with Board of Company Auditors” structure of governance pursuant to the Companies Act of Japan.



Management System

● Corporate Governance Structure



Corporate Governance, Integrated Report 2019



■ 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.

■ Company Auditor System and Role of Board of Company Auditors

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

■ >Independent Outside Directors and Outside Company Auditors

The Company adheres to its Criteria for Independence when appointing outside directors and outside company auditors designated by the Company as independent directors/auditors. A vested interest in Nichirei is denied outside directors and their close relatives, as well as outside company auditors 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 101st Annual General Shareholders Meeting, pages 9–11



■ Attendance of Outside Directors and Outside Company Auditors at Meetings of the Board of Directors or Board of Auditors (as of June 25, 2019)

Category	Name	Attendance at Meetings of the Board of Directors or Board of Auditors	Main Activities
Outside Directors	Shizuka Uzawa	Attended 19 of 19 meetings of the Board of Directors	Mr. Shizuka Uzawa has extensive experience as a corporate executive coupled with a wide-ranging knowledge of financial affairs and accounting, and where necessary, provides advice from the viewpoint of group management
	Mieko Wanibuchi	Attended 18 of 19 meetings of the Board of Directors	Ms. Mieko Wanibuchi has worked in corporate management for many years, and where necessary, provides advice from perspectives that include the product and service purchasing behaviors of consumers.
	Kuniko Shoji	Attended 15 of 15 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 Company Auditors	Masaaki Okajima	Attended 19 of 19 meetings of the Board of Directors Attended 16 of 16 meetings of the Board of Auditors	Mr. Masaaki Okajima has considerable experience and extensive knowledge in government, and where necessary, makes indications and provides advice that is valuable for management. He also provides advice on internal control systems, business audits, accounting audits, and so on.
	Kazuo Nagano	Attended 16 of 19 meetings of the Board of Directors Attended 14 of 16 meetings of the Board of Auditors	Mr. Kazuo Nagano has experience working as a manager of a financial institution for many years. In his capacity as a finance professional, where necessary, he makes indications and provides advice that is valuable for management. He also provides advice on internal control systems, business audits, accounting audits, and so on.
	Yuhiko Saito	New appointee	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 100th Ordinary General Meeting of Shareholders held on June 26, 2018.

■ 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
Nominating Advisory Committee	Convened by the chairperson twice yearly and as required	1	2
Compensation Advisory Committee	Convened by the chairperson once yearly and as required	1	6
The Group Human Resources Committee	Convened by the chairperson twice yearly and as required	2	2
The Group Risk Management Committee	Convened by the chairperson twice yearly and as required	2	2
The Group Environmental Protection Committee	Convened by the chairperson twice yearly and as required	3	3
The Group Quality Assurance Committee	Convened by the chairperson twice yearly and as required	2	2
The Group Internal Control Committee	Convened by the chairperson once yearly and as required	1	1
The Group Director Review Committee	Convened by the chairperson as required	-	-
The Group Social Contribution Committee	Convened by the chairperson once yearly and as required	1	1
Management Committee	Held weekly on Tuesdays, except the third Tuesday of the month	21	23
Review Committee	Convened by the chairperson as required	-	-
Intellectual Property Management Committee	Convened by the chairperson as required	-	-

Internal Audits, Audits by Company Auditors, and Accounting Audits

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

Officer Remuneration

Design of the remuneration scheme for directors and executive officers incorporates the opinions of a third-party organization. Remuneration comprises a base remuneration component and a bonus component. Base remuneration is paid at a fixed rate determined in accordance with a remuneration schedule. Bonuses are paid according to the concept of productivity-linked bonuses, based on the results of the Nichirei Group, the performance-budget achievement rate of the relevant officer’s business area, and an individual qualitative assessment. Outside directors receive base remuneration only; they are not paid a bonus. Nichirei has established a Remuneration Advisory Committee which meets, in principle, once a year to deliberate on such topics as the remuneration system, remuneration levels, and the validity of remuneration, before reporting its findings to the Board of Directors. The committee comprises the Representative Director and President, a company auditor, 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 101st Annual General Shareholders Meeting, page 17

Status of Board of Directors’ Evaluations

Corporate Governance, Integrated Report 2019

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 15, Annual Securities Report (for the year ended March 31, 2019) (Only available in Japanese)



Nichirei's Value Creation Model, page 13, Integrated Report 2019



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.

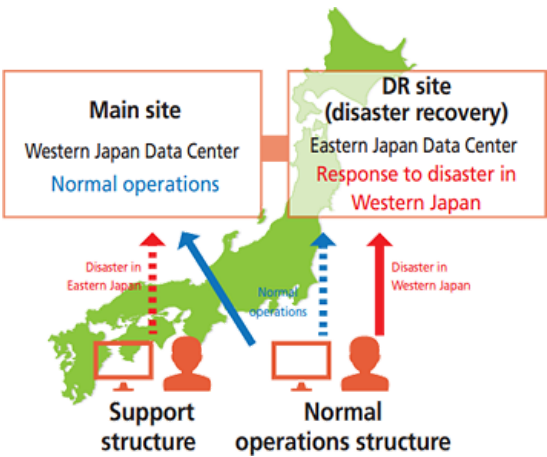
Educating Employees about the Code of Conduct to Ensure Compliance



Enhanced Business Continuity Planning (BCP) Response for the Logistics Core System

As part of risk management, from February 2018, the Nichirei Logistics Group worked to strengthen the BCP response for its logistics core system. The work involved relocating its main data center, which had previously been overconcentrated in Tokyo, to Western Japan, and building a disaster recovery (DR) site capable of rapidly restoring the system in the event of a disaster. By realizing a dual base system that can switch from the main site to the DR site in the event of a major disaster, Nichirei Logistics Group is able to quickly proceed with business recovery. Taking about one hour

from DR activation to resuming online operations, every consideration has been given to preventing customers' businesses and food logistics from being affected under various circumstances. With an aim of also assisting clients with their business continuity, Nichirei Logistics Group will continue to implement advanced initiatives as a lifeline for food distribution.



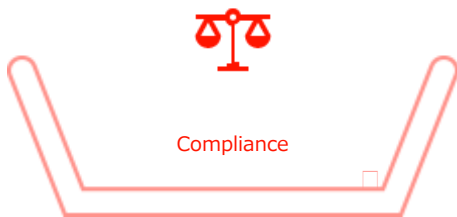
Conceptual diagram of BCP for the logistics core system

Ensure Strict Compliance

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.

Formulated in April 1999, Nichirei's Code of Conduct was focused mainly on Japan. As the company expanded globally, the content of the code became less suitable. Therefore, 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.



Basic Philosophy

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Code of Conduct

- Nichirei Group Code of Conduct (Table of Contents, revised April 2014)
- 1. Compliance with laws and regulations concerning respect for human rights and labor
 - 2. Environmental protection
 - 3. Compliance with laws and regulations, and internal regulations
 - 4. Management and preservation of the Company’s property
 - 5. Prohibition of personal use of Company property
 - 6. Prohibition of insider trading
 - 7. Ensuring the reliability of financial information
 - 8. Management and use of information
 - 9. Prohibition of personal acts conflicting with the Company’s interests
 - 10. Prohibition of unfair benefits given to, or received from, public officers or business partners
 - 11. Prohibition of involvement in, or trade with, antisocial forces
 - 12. Compliance with, reporting of, and consultations concerning, code of conduct

Management Principles



Code of Conduct



Corporate Governance Report (Only available in Japanese)



Sustainable Supply Chain Policy



■ 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

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 898 people participated in 33 seminars held in FY2017–FY2019. 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 FY2019

	E-learning Topic	Eligible Participants	Actual Participants	Participation Rate
1	Harassment	5,356	5,166	96.5%
2	Quality Assurance	5,308	5,178	97.6%
3	Health Literacy	5,320	4,988	93.8%
4	Personal Information Protection Act	5,311	4,973	93.6%
5	Intellectual Property	5,308	5,037	94.9%
6	Competition law; bribery and corruption prevention	5,308	5,005	94.3%
7	Internal Whistleblowing & Consultation System	5,256	4,901	93.2%
8	Internal Controls	5,247	5,080	96.8%
9	Environment	5,234	5,016	95.8%
10	Information Security	5,214	5,115	98.1%

Bribery and Corruption

During FY2019, 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 2019	PDF (Japanese)
	PDF (English)
Integrated Report 2018	PDF (Japanese)
	PDF (English)
CSR Report 2018	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	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Water Use	<div><div></div></div>	<div><div></div></div>		<div><div></div></div>
	Waste and Efficient Use of Resources	<div><div></div></div>	<div><div></div></div>		<div><div></div></div>
	Management of Waste Water, Waste Matter and Chemical Substances				
	Biodiversity	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	
	Supply Chain (Environment)	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	
Social	Supply Chain (Social)	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Human Rights	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Stakeholder Engagement			<div><div></div></div>	
	Safe and Healthy Product and Service	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Occupational Health and Safety	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>
	Workplace Improvement (including Diversity)	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>

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

		Information Security	<u>●</u>
	Matters relating to the General Meetings of Shareholders	Notification of the Convocation	<u>●</u>
		Notification of the Resolution	

ESG-related Policies

ESG-related Policies

■ The Nichirei Group ESG-related Policies

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

ESG Data

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	▼ Main education and training	▼ Education time and number of participants	

Number of employees

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total	Executives and employees total		Number of people	6,106	5,932	6,087	6,073	6,002
	Breakdown	Male		3,668	3,629	3,746	3,792	3,748
		Female		2,438	2,303	2,341	2,281	2,254
	Number of executives			63	63	62	65	62
	Breakdown	Male		62	62	60	63	60
		Female		1	1	2	2	2
	Number of company employees			3,635	3,628	3,755	3,780	3,782
	Breakdown	Male		2,729	2,732	2,800	2,786	2,789
		Female		906	896	955	994	993
	【Number of employees in management positions】			1,267	1,270	1,285	1,293	1,309
	Breakdown	Male		1,196	1,196	1,206	1,205	1,216
		Female		71	74	79	88	93
	【Number of general employees】			2,368	2,358	2,470	2,487	2,473
	Breakdown	Male		1,533	1,536	1,594	1,581	1,573
		Female		835	822	876	906	900
	Number of staff other than employees			2,408	2,241	2,270	2,228	2,158
	Breakdown	Male		877	835	886	943	899
		Female		1,531	1,406	1,384	1,285	1,259
Nichirei	Executives and employees total			246	263	273	277	252

Corporation	Breakdown	Male		148	159	157	156	148	
		Female		98	104	116	121	104	
	Number of executives			20	20	20	21	19	
	Breakdown	Male		19	19	18	19	17	
		Female		1	1	2	2	2	
	Number of company employees			175	189	205	213	187	
	Breakdown	Male		114	127	125	128	122	
		Female		906	896	955	994	65	
	【Number of employees in management positions】			89	99	100	111	112	
	Breakdown	Male		73	81	79	85	85	
		Female		16	18	21	26	27	
	【Number of general employees】			86	90	105	102	75	
	Breakdown	Male		41	46	46	43	37	
		Female		45	44	59	59	38	
	Number of staff other than employees			51	54	48	43	46	
	Breakdown	Male		15	13	14	9	9	
		Female		36	41	34	34	37	
	Executives and employees total			3,193	3,014	3,126	3,133	3,054	
	Nichirei Foods	Breakdown	Male		1,773	1,716	1,799	1,866	1,821
			Female		1,420	1,298	1,327	1,267	1,233
Number of executives			13	13	13	12	12		
Breakdown		Male		13	13	13	12	12	
		Female		0	0	0	0	0	
Number of company employees			1,512	1,472	1,541	1,535	1,524		
Breakdown		Male		1,128	1,110	1,155	1,146	1,134	
		Female		384	362	386	389	390	
【Number of employees in management positions】			530	525	533	534	532		
Breakdown		Male		496	488	499	498	497	
		Female		34	37	34	36	35	
【Number of general employees】			982	947	1,008	1,001	992		
Breakdown		Male		632	622	656	648	637	
		Female		350	325	352	353	355	
Number of staff other than employees			1,668	1,529	1,572	1,586	1,518		
Breakdown		Male		632	593	631	708	675	
		Female		1,036	936	941	878	843	
Nichirei Fresh		Executives and employees total			308	313	313	308	315
		Breakdown	Male		222	225	228	228	228
			Female		86	88	85	80	87
	Number of executives			7	8	7	9	9	
	Breakdown	Male		7	8	7	9	9	
		Female		0	0	0	0	0	

	Number of company employees		243	248	254	252	256
	Breakdown	Male	198	200	203	200	197
		Female	45	48	51	52	59
	【Number of employees in management positions】		142	146	151	149	149
	Breakdown	Male	138	142	146	144	142
		Female	4	4	5	5	7
	【Number of general employees】		101	102	103	103	107
	Breakdown	Male	60	58	57	56	55
		Female	41	44	46	47	52
	Number of staff other than employees		58	57	52	47	50
	Breakdown	Male	17	17	18	19	22
		Female	41	40	34	28	28
Nichirei Logistics Group	Executives and employees total		2,244	2,227	2,260	2,224	2,252
	Breakdown	Male	1,470	1,473	1,504	1,479	1,488
		Female	774	754	756	745	764
	Number of executives		19	18	17	18	16
	Breakdown	Male	19	18	17	18	16
		Female	0	0	0	0	0
	Number of company employees		1,641	1,654	1,687	1,701	1,738
	Breakdown	Male	1,247	1,250	1,270	1,262	1,287
		Female	394	404	417	439	451
	【Number of employees in management positions】		472	467	466	464	479
	Breakdown	Male	462	457	454	451	464
		Female	10	10	12	13	15
	【Number of general employees】		1,169	1,187	1,221	1,237	1,259
	Breakdown	Male	785	793	816	811	823
		Female	384	394	405	426	436
	Number of staff other than employees		584	555	556	505	498
Nichirei Biosciences	Breakdown	Male	204	205	217	199	185
		Female	380	350	339	306	313
	Executives and employees total		115	115	115	131	129
	Breakdown	Male	55	56	58	63	63
		Female	60	59	57	68	66
	Number of executives		4	4	5	5	6
	Breakdown	Male	4	4	5	5	6
		Female	0	0	0	0	0
	Number of company employees		64	65	68	79	77
	Breakdown	Male	42	45	47	50	49
		Female	22	20	21	29	28
	【Number of employees in management positions】		34	33	35	35	37
	Breakdown	Male	27	28	28	27	28

		Female		7	5	7	8	9
	【Number of general employees】			30	32	33	44	40
	Breakdown	Male		15	17	19	23	21
		Female		15	15	14	21	19
	Number of staff other than employees			47	46	42	47	46
	Breakdown	Male		9	7	6	8	8
		Female		38	39	36	39	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 (FY2019)

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

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■ Female Managers Ratio

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total			%	5.6	5.8	6.1	6.8	7.1
Nichirei Corporation				18.0	18.2	21.0	23.4	24.1
Nichirei Foods				6.4	7.0	6.4	6.7	6.6
Nichirei Fresh				2.8	2.7	3.3	3.4	4.7
Nichirei Logistics Group				2.1	2.1	2.6	2.8	3.1
Nichirei Biosciences				20.6	15.2	20.0	22.9	24.3

* Applicability: Employees

■ Average age

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total			Age	41.3	41.2	41.6	41.9	42.1
				38.5	39.0	39.5	39.6	39.8
Nichirei Corporation				42.1	42.7	43.7	43.3	44.1
				39.7	40.9	41.1	41.9	43.1
Nichirei Foods				41.2	41.4	41.8	42.3	42.5
				40.0	40.7	40.8	41.2	41.5
Nichirei Fresh				42.5	42.5	42.8	42.9	42.6
				41.9	42.5	42.6	42.5	41.2
Nichirei Logistics Group				41.2	41.1	41.1	41.2	41.6
				36.5	36.9	37.6	37.6	37.9
Nichirei Biosciences				40.9	40.9	40.6	40.2	40.7
				37.3	37.3	37.7	36.3	36.7

* Applicability: Employees

■ Average Number of Years Employed

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total			Year	16.1	16.2	16.4	16.7	16.7
				14.3	14.8	15.1	15.3	15.7
Nichirei Corporation				16.9	17.5	18.3	18.2	19.1
				14.0	15.4	13.6	14.4	18.5
Nichirei Foods				16.0	16.2	16.8	17.3	17.7
				14.9	15.5	15.8	16.3	16.7
Nichirei Fresh				18.7	18.5	18.7	18.8	18.4
				21.0	20.8	20.9	20.5	18.6
Nichirei Logistics Group				15.8	15.6	15.6	15.7	15.9
				13.0	13.5	14.1	14.1	14.3
Nichirei Biosciences				15.3	15.2	14.9	14.2	15.3
				13.1	13.2	13.4	11.9	12.1

* 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.

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

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total	New graduates		Number of people	106	83	92	101	88
	Breakdown	Male		61	58	57	54	46
		Female		45	25	35	47	42
	Mid-career			50	45	68	45	80
	Breakdown	Male		36	36	42	36	60
		Female		14	9	26	9	20
Nichirei Corporation	New graduates			4	5	5	3	0
	Breakdown	Male		2	5	1	2	0
		Female		2	1	4	1	0
	Mid-career			7	2	22	4	2
	Breakdown	Male		3	1	4	2	2
		Female		4	1	18	2	0
Nichirei Foods	New graduates			36	29	25	27	31
	Breakdown	Male		27	20	15	18	20
		Female		9	9	10	9	11
	Mid-career			7	3	2	8	13

	Breakdown	Male	6	3	2	1	6
		Female	1	0	0	1	7
Nichirei Fresh	New graduates		6	8	9	10	10
	Breakdown	Male	5	7	6	7	6
		Female	1	1	3	3	4
	Mid-career		0	3	1	0	5
	Breakdown	Male	0	2	1	0	1
		Female	0	1	0	0	4
Nichirei Logistics Group	New graduates		57	38	47	53	42
	Breakdown	Male	26	25	32	24	19
		Female	31	13	15	29	23
	Mid-career		36	36	41	32	60
	Breakdown	Male	27	29	34	26	51
		Female	9	7	7	6	9
Nichirei Biosciences	New graduates		3	3	6	8	5
	Breakdown	Male	1	2	3	3	1
		Female	2	1	3	5	4
	Mid-career		0	1	2	1	0
	Breakdown	Male	0	1	1	1	0
		Female	0	0	1	0	0

* Applicability: Employees

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■ Number of Resignations/Resignation Rate/Reasons for Resignation

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total		Number of Resignations	Number of people	160	144	131	137	146
	Breakdown by reason	Retirement		74	61	52	48	64
		Personal circumstances		65	62	65	69	74
		Company circumstances		1	2	1	0	0
		Others		20	19	13	20	8
	Resignation rate			2.3%	2.2%	2.0%	2.3%	2.1%
Nichirei Corporation		Number of Resignations		13	10	9	9	12
	Breakdown by reason	Retirement		8	3	2	3	6
		Personal circumstances		4	6	5	4	5
		Company circumstances		0	0	0	0	0
		Others		1	1	2	2	1
	Resignation rate			2.7%	3.7%	3.2%	2.8%	3.0%

Nichirei Foods		Number of Resignations	73	43	52	43	57
	Breakdown by reason	Retirement	33	22	22	17	30
		Personal circumstances	28	17	26	23	26
		Company circumstances	0	0	0	0	0
		Others	12	4	4	3	1
	Resignation rate		2.6%	1.4%	1.9%	1.7%	1.7%
Nichirei Fresh		Number of Resignations	10	9	9	10	14
	Breakdown by reason	Retirement	7	5	3	2	7
		Personal circumstances	3	3	3	7	4
		Company circumstances	0	0	0	0	0
		Others	0	1	3	1	3
	Resignation rate		1.2%	1.6%	2.3%	3.1%	2.7%
Nichirei Logistics Group		Number of Resignations	62	80	59	72	60
	Breakdown by reason	Retirement	25	31	25	25	21
		Personal circumstances	29	35	29	35	36
		Company circumstances	1	2	1	0	0
		Others	7	12	4	12	3
	Resignation rate		2.2%	2.9%	2.0%	2.7%	2.3%
Nichirei Biosciences		Number of Resignations	2	2	2	3	3
	Breakdown by reason	Retirement	1	0	0	1	0
		Personal circumstances	1	1	2	0	3
		Company circumstances	0	0	0	0	0
		Others	0	1	0	2	0
	Resignation rate		1.6%	3.0%	2.7%	2.6%	3.6%

* Applicability: Employees

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

* "Others" includes appointed executives who resigned

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■ Number of Employees Rehired After Retirement

Coverage	Item	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total		Number of people	64	54	45	44	59
Nichirei Corporation			8	3	2	3	5

Nichirei Foods			27	18	19	14	28
Nichirei Fresh			6	5	3	2	7
Nichirei Logistics Group			22	28	21	24	19
Nichirei Biosciences			1	0	0	1	0
Ref. Number of employees who retired group total			74	61	52	48	64

* 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

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■ Employment Rate of People with Disabilities

Coverage	Item	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total		%	2.36	2.64	2.62	2.5	2.56

* 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	FY2015	FY2016	FY2017	FY2018	FY2019
Group total	Total	hours	2,038	2,025	2,026	2,025	1,997
	Official working hours-Hours of vacation time		1,822	1,807	1,804	1,801	1,780
	Hours worked outside official working hours		216	218	222	225	217
Nichirei Corporation	Total		1,998	1,934	1,943	1,906	1,905
	Official working hours-Hours of vacation time		1,765	1,732	1,740	1,729	1,718
	Hours worked outside official working hours		233	202	203	176	187
Nichirei Foods	Total		1,998	1,987	2,007	2,020	1,998
	Official working hours-Hours of vacation time		1,807	1,790	1,791	1,790	1,772
	Hours worked outside official working hours		191	197	216	230	226
Nichirei Fresh	Total		2,034	1,983	1,972	1,981	1,948

	Official working hours-Hours of vacation time			1,818	1,800	1,796	1,795	1,770
	Hours worked outside official working hours			216	183	176	185	178
Nichirei Logistics Group	Total			2,081	2,076	2,061	2,052	2,014
	Official working hours-Hours of vacation time			1,845	1,833	1,826	1,821	1,796
	Hours worked outside official working hours			236	243	235	231	218
Nichirei Biosciences	Total			2,025	1,993	2,024	1,980	1,954
	Official working hours-Hours of vacation time			1,767	1,738	1,761	1,749	1,736
	Hours worked outside official working hours			258	255	263	232	218

* Average number of hours worked per employee annually

* Applicability: Employees

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

Coverage	Item	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total	Average days acquired	Days	5.9	5.7	5.5	6.6	8.0
	Acquisition rate	%	30.8	29.6	28.5	34.8	41.8
Nichirei Corporation	Average days acquired	Days	12.6	12.9	10.9	14.3	15.1
	Acquisition rate	%	65.2	67.2	58.5	76.9	78.0
Nichirei Foods	Average days acquired	Days	7.4	6.8	6.4	7.4	8.3
	Acquisition rate	%	37.8	35.1	33.0	37.9	42.7
Nichirei Fresh	Average days acquired	Days	7.2	7.5	6.8	7.9	9.9
	Acquisition rate	%	37.2	39.1	35.5	41.2	51.9
Nichirei Logistics Group	Average days acquired	Days	3.5	3.4	3.6	4.6	6.5
	Acquisition rate	%	18.4	18.1	19.2	24.8	34.6
Nichirei Biosciences	Average days acquired	Days	10.5	11.5	9.5	12.6	12.5
	Acquisition rate	%	55.6	60.9	51.3	70.7	69.0

* 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).

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■ Employees Using Time Off for Childrearing

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total		Male	Number of people	1	0	0	2	1
		Female		42	52	44	34	42
Nichirei Corporation		Male		0	0	0	2	0
		Female		4	4	4	1	2
Nichirei Foods		Male		1	0	0	0	1
		Female		16	28	20	17	14
Nichirei Fresh		Male		0	0	0	0	0
		Female		2	0	3	0	2
Nichirei Logistics Group		Male		0	0	0	0	0
		Female		20	15	15	15	20
Nichirei Biosciences		Male		0	0	0	0	0
		Female		0	5	2	1	4

* Applicability: Employees

* From FY2015, includes employees taking maternity leave

■ Employees Using Time Off for Caregiving

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group total			Number of people	1	1	1	0	3
Nichirei Corporation				0	0	0	0	0
Nichirei Foods				0	1	1	0	3
Nichirei Fresh				0	0	0	0	0
Nichirei Logistics Group				1	0	0	0	0
Nichirei Biosciences				0	0	0	0	0

* Applicability: Employees

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■ Number of Work-Related Accidents at Food Plants

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Food Plants	Number of lost time injuries		Case	18	21	17	34	34
	Number of days of inactivity			25	23	18	12	11

* 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	FY2015	FY2016	FY2107	FY2018	FY2019
Group	Regular employees		Case	-	-	-	1	0
	Non-employees (including temporary employees, contract employees, part-time workers, etc. & excepting agency temps)			-	-	-	0	0

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■ General regular health checkup rate

Coverage	Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Group			%	90.0	92.0	99.3	99.8	100

■ Stress Check Coverage

	FY2017	FY2018	FY2019
Group	88.3	89.2	84.6

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■ New Graduate Hire Turnover Status

Coverage	Item		Turnover (number of people)	Turnover rate (%)
Group total	Joined Company in FY2013	End of first year	0	0.0%
		End of second year	3	3.8%
		End of third year	8	10.1%
	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 FY2013	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	1	33.3%
	Joined Company in FY2014	End of first year	0	0.0%
		End of second year	0	0.0%

Nichirei Corporation		End of third year	0	0.0%
		End of first year	0	0.0%
		End of second year	0	0.0%
	Joined Company in FY2015	End of third year	0	0.0%
		End of first year	1	20.0%
		End of second year	1	20.0%
	Joined Company in FY2016	End of third year	1	20.0%
		End of first year	0	0.0%
		End of second year	0	0.0%
Nichirei Foods	Joined Company in FY2017	End of third year	0	0.0%
		End of first year	0	0.0%
		End of second year	0	0.0%
	Joined Company in FY2013	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	2	8.7%
	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%
Nichirei Fresh	Joined Company in FY2013	End of first year	0	0.0%
		End of second year	1	20.0%
		End of third year	1	20.0%
	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 FY2013	End of first year	0	0.0%
		End of second year	2	4.4%
		End of third year	4	8.9%
	Joined Company in FY2014	End of first year	1	2.6%

Nichirei Logistics Group		End of second year	3	7.7%
		End of third year	3	7.7%
		End of first year	0	0.0%
	Joined Company in FY2015	End of second year	2	3.5%
		End of third year	3	5.3%
		End of first year	0	0.0%
	Joined Company in FY2016	End of second year	1	2.6%
		End of third year	2	5.3%
		End of first year	1	2.1%
	Joined Company in FY2017	End of second year	1	2.1%
		End of third year	6	12.8%
Nichirei Biosciences	Joined Company in FY2013	End of first year	0	0.0%
		End of second year	0	0.0%
		End of third year	0	0.0%
	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%

* Applicability: Employees

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■ 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

■ 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
Total	95,199	3,078

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■ Environmental Data

▼ Medium-term Business Plan Targets (FY2020-FY2022)	▼ Nichirei Group CO ₂ Emissions	▼ Amount of Discharged Waste and Recycling Rates	▼ Material Balance INPUT
▼ Material Balance OUTPUT	Nichirei Group specially ▼ controlled industrial waste emissions		

■ Medium-term Business Plan Targets (FY2020-FY2022)

	Item	Contents
Group Medium-term Business 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	FY2015	FY2016	FY2017	FY2018	FY2019
Fixed power emission coefficient	t-CO ₂	223	226	228	227	228
Variable power emission coefficient	t-CO ₂	290	287	279	273	260

■ Amount of Discharged Waste and Recycling Rates

Item	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Amount of discharged waste	1,000 tons	40.4	41.9	45.2	45.2	45.4
Recycling Rates	%	99.6	99.6	99.7	99.5	99.5

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■ Material Balance INPUT

Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Raw materials	Total	1,000 tons	161	167	185	188	195
	Material	1,000 tons	145	149	167	170	177
	Packaging materials	1,000 tons	16	18	18	18	18
	Purchased power	1,000 GJ	438,673	444,843	447,574	443,480	447,277

Energy	Heavy oil	kl	3,314	3,329	3,335	3,319	2,609
	Kerosene	kl	189	198	200	191	173
	City gas	1,000m ³	5,951	6,385	6,705	6,923	7,142
	LGP	tons	4,487	4,623	4,620	4,650	4,814
	Gasoline (Company-owned vehicles)	kl	588	524	467	461	402
	Light oil (Company-owned vehicles)	kl	1,144	1,270	1,340	1,378	1,556
	Solar power generation	1,000 kWh	243	186	211	400	1,444
Breakdown of energy (1,000 GJ) used at each business company	Nichirei Foods	1,000 GJ	1,569	1,649	1,716	1,726	1,761
	Nichirei Fresh	1,000 GJ	159	173	179	169	173
	Nichirei Logistics Group	1,000 GJ	3,161	3,159	3,129	3,098	3,089
	Nichirei Biosciences	1,000 GJ	10	10	8	11	12
	Others	1,000 GJ	73	72	73	74	72
Water	Clean water	1,000m ³	1,276	1,336	1,284	1,293	1,267
	Industrial water	1,000m ³	638	853	877	797	907
	Groundwater (well water)	1,000m ³	1,867	1,845	1,770	1,906	1,943
Breakdown of water (1,000 m ³) used at each business company	Nichirei Foods	1,000m ³	2,372	2,595	2,581	2,652	2,812
	Nichirei Fresh	1,000m ³	352	352	353	331	322
	Nichirei Logistics Group	1,000m ³	1,043	1,070	977	998	963
	Nichirei Biosciences	1,000m ³	6	5	8	6	6
	Others	1,000m ³	8	12	12	11	13

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■ Material Balance OUTPUT

Item		Unit	FY2015	FY2016	FY2017	FY2018	FY2019
Waste	Amount of Discharged Waste	1,000 tons	40.4	41.9	45.2	45.2	45.4
	Recycle volume	1,000 tons	40.3	41.7	45.0	45.0	45.2
	Volume of waste for final disposal *1	1,000 tons	0.1	0.2	0.2	0.2	0.2
Breakdown of discharged waste (tons) at each business company	Nichirei Foods	tons	17,806	18,469	21,227	20,965	18,155
	Nichirei Fresh	tons	9,474	11,029	11,453	11,426	13,973
	Nichirei Logistics Group	tons	12,795	12,330	12,436	12,733	13,236
	Nichirei Biosciences	tons	45	43	20	46	44
	Others	tons	—	—	—	—	—
Atmospheric system	CO ₂ *2	tons	289,396	286,382	279,465	273,348	259,980
	SOx *3		7	5	4	4	3
Breakdown of CO ₂ emissions (tons) at each business company	Nichirei Foods	tons	90,775	92,894	93,613	93,076	90,717
	Nichirei Fresh	tons	9,956	9,830	9,914	9,281	9,376

	Nichirei Logistics Group	tons	184,258	179,529	171,652	166,509	155,815
	Nichirei Biosciences	tons	510	406	538	574	568
	Others	tons	3,897	3,724	3,747	3,909	3,503
Water system	Drainage	1,000m ³	2,295	2,444	2,525	2,458	2,421
	Sewer system	1,000m ³	1,453	1,530	1,577	1,514	1,464
	Public water area (river etc.)	1,000m ³	841	913	948	945	957
	Drainage load BOD *4	tons	52	26	46	48	48
	COD *4	tons	16	19	24	22	24
Breakdown of drainage (1,000 m ³) at each business company	Nichirei Foods	1,000m ³	1,731	1,902	1,922	1,758	1,751
	Nichirei Fresh	1,000m ³	168	165	234	328	308
	Nichirei Logistics Group	1,000m ³	382	360	349	355	343
	Nichirei Biosciences	1,000m ³	6	5	8	6	6
	Others	1,000m ³	8	12	12	11	14

Environmental Data Top ▲

■ Nichirei Group specially controlled industrial waste emissions

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019
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

*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 FY2019 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 (35), NK Trans (4), Nichirei Logistics Hokkaido (7), Nichirei Logistics Tohoku (4), Nichirei Logistics Kanto (11), Nichirei Logistics Tokai (10), Nichirei Logistics Kansai (13), Nichirei Logistics Chushikoku (14), Nichirei Logistics Kyushu (13), Kyokurei (4)

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)
Inside directors	Male	7	7
	Female	0	0
	Total	7	7
Outside directors	Male	1	1
	Female	2	2
	Total	3	3
Total	Male	8	8
	Female	2	2
	Total	10	10

■ Board of Directors meeting attendance rate

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

External Review

External Review

The Nichirei Group has been rated highly by various external organizations as a corporate group that is enhancing communication, and which shares its CSR activities to a wide range of stakeholders.

By conducting regular reviews based on the categories and results of these external evaluations, the Group is making further improvements to its activities and reporting.

External Evaluations

Incorporation of ESG Indexes

FTSE4Good Index Series

World-renowned ESG investment index published since 2001 by FTSE International (currently FTSE Russell), a wholly-owned subsidiary of the London Stock Exchange (LSE) Group.



FTSE4Good

year										
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.



FTSE Blossom Japan

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).



MSCI Japan ESG Select Leaders Index

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.



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

■ Water Security

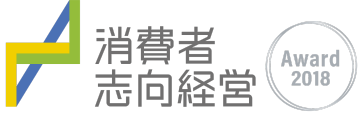
2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
B-	B-	—	—	—	—	—	—	—	—	—

■ List of Certifications

Acquisition Year	Name		
From FY2019	DBJ Employees' Health Management Rated Loan Program		https://www.nichirei.co.jp/news/2019/328.html (Japanese only)
From FY2017	The Certified Health and Productivity Management Organization Recognition Program under the large enterprise category		

From FY2018	Eruboshi "Stage 3" (Accredited by the Minister of Health, Labor and Welfare based on the "The Act of Promotion of Women's Participation and Advancement in the Workplace")		https://www.nichirei.co.jp/news/2017/293.html (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.