

## Approach to Internal Control [https://www.nichirei.co.jp/english/corpo/governance/internal\\_control.html](https://www.nichirei.co.jp/english/corpo/governance/internal_control.html)

The Group recognizes that developing and operating an internal control system to facilitate operational effectiveness and efficiency, ensure the accuracy of financial reports, comply with laws and regulations pertinent to business, and to safeguard its assets will translate into higher corporate value.

In terms of the development of systems necessary to ensure that the execution of the duties by the directors complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by ordinance of the Ministry of Justice as systems necessary to ensure the propriety of operations of the Company and the operations of the group of enterprises consisting of the Company and its subsidiaries pursuant to the Companies Act of Japan, the Company has established the basic policy for its internal control system. The Company will endeavor to improve the policy by reviewing it annually to adapt to changes in the business environment, etc.

## Compliance <https://www.nichirei.co.jp/english/corpo/compliance.html>

The Nichirei Group is implementing various initiatives to promote highly ethical business activities in compliance with the laws and social norms of all the countries in which it operates. We have established a code of ethics, which serves as a guideline for officers and employees for following laws and regulations and the Articles of Incorporation and for acting in accordance with corporate ethics, and a code of conduct, which sets forth basic matters to be observed by everyone working for the Nichirei Group to ensure thorough compliance. The code of conduct also includes information concerning prevention of corruption-related matters that have been deemed important from the perspective of international compliance, including insider trading bans and the prohibition of engagement or trading with antisocial forces.

- Nichirei Group Code of Conduct**
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 on Personal Use of the Company's Property
  6. Prohibition on Insider Trading
  7. Ensure the Reliability of Financial Information
  8. Management and Use of Information
  9. Prohibition of Personal Acts Conflicting with the Company's Interests
  10. Prohibition on Unfair Benefits Given to/Received from Public Officers or Business Partners
  11. Prohibition on Involvement/Trade with Antisocial Forces
  12. Compliance with/Reporting of and Consultation on Code of Conduct

## Educating Employees to Ensure Thorough Compliance

The Nichirei Group aims to continue to operate and develop as a company that is widely trusted and favorably received by society due to the high ethical standards of its officers and employees. The Group conducts compliance training for officers and employees aimed at ensuring a more pervasive understanding of compliance management and a more universal compliance management framework. In order to foster a sense of ethics in each and every officer and employee, we have issued a series of presentation materials designed to help employees understand case studies related to the code of conduct, offered e-learning sessions, and continued providing compliance education and training. The Nichirei Group has also developed frameworks, including a compliance audit and an internal whistleblower hotline and consultation service.



Presentation materials related to the code of conduct

## Establishment of the Nichirei Group Global Governance Basic Rules

In 2021, we established the Nichirei Group Global Governance Basic Rules, which are based on existing policies and rules and have been reorganized for overseas subsidiaries to make them easier to understand. Laws and cultures differ in Japan and overseas, and companies that joined the Nichirei Group through M&As have their own corporate climates built up over time. These rules therefore incorporate the most important concepts for the Nichirei Group, while respecting the autonomy of each company. The rules are available in six languages (Japanese, English, Chinese, Vietnamese, Portuguese, and Thai), and we are working to disseminate and implement them. Through these efforts, we will strengthen the governance of overseas subsidiaries in order to achieve an overseas sales ratio of 30%, one of the targets of our vision for 2030.



## Initiatives to Prevent Corruption and Bribery

The Nichirei Group has established the Corruption and Bribery Prevention Policy, as a public declaration that the entire Group is working on initiatives to prevent corruption and bribery. The Group has also established the Bribery Prevention Standards and the *Bribery Prevention Manual*. They clarify the basic matters that all officers and employees must follow to prevent bribery of public officials or other parties. In addition to Japanese laws and regulations, the documents provide an overview of laws and regulations in major countries such as the United States, the United Kingdom and China, and present specific matters that require caution in a Q&A format.

For overseas subsidiaries, the Nichirei Group Global Governance Basic Rules stipulate the prohibition of bribery, and we are raising awareness of applicable laws and regulations in each country and the Group's bribery and corruption prevention standards among employees.

## Internal Whistleblower Hotline and Consultation Service

In October 2003, we introduced an internal whistleblower hotline and consultation service (Nichirei Hotline) to respond to reports and consultations from employees regarding actions that violate laws and regulations, the Articles of Incorporation, internal rules, or actions that are ethically questionable. In FY2016, we updated our internal whistleblower hotline system in response to the requirements of Japan's Corporate Governance Code, which specifies that internal whistleblower hotline systems are to be independent from a company's management, and introduced monitoring/checking functions through Audit & Supervisory Board members and outside officers. In 2022, we updated the system again in line with the amended Whistleblower Protection Act that went into effect in June of that year and in compliance with government guidelines. The response system is being redesigned to strengthen whistleblower protection and confidentiality, and to expand the scope of whistleblowers.

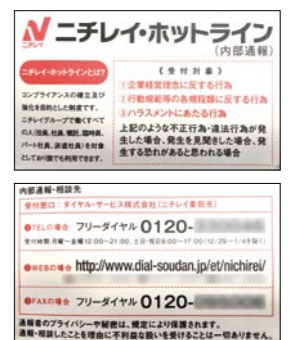
To ensure that all officers and employees are aware of the new hotline, the Company created promotional posters for display at workplaces nationwide and distributed Nichirei Hotline reminder cards to all employees. All reports and consultations received by the Nichirei Hotline are investigated by the administration office to confirm the facts and, if necessary, corrective measures are taken, in accordance with the Group Whistleblowing Regulations. Whistleblowers are assured anonymity and any adverse treatment is prohibited, including retaliation by the Company, those who are the subject of complaints, or any other party. The whistleblower may also receive feedback from the secretariat if he or she so requests.

In line with the acceleration of overseas business expansion, the need for internal whistleblower hotlines and consultation services at facilities outside of Japan has also increased. We are working on appropriate designs for these systems, based on laws and regulations regarding personal information in each country.

The status of response to whistleblowing and consultation is regularly reported to the Board of Directors and monitored to ensure that it is being properly managed.

### Number of Internal Reports Received

FY2019	FY2020	FY2021	FY2022	FY2023	Five-year Total (FY2019–2023)
12	21	27	20	26	106



Nichirei Hotline card