

We will integrate our business and sustainability strategies to deploy them globally.

Yuichi Takaku

Director, Senior Executive Officer, Executive General Manager of Strategy Headquarters in charge of IT Strategy Division, Sustainability Strategy Division and Diversity Promotion Division, General Manager of Strategic Planning Division, General Manager of Innovation Planning & Development Division



Progress of Medium-term Business Plan Compass Rose 2024

The Nichirei Group’s businesses are involved in the entire supply chain, from food procurement and production to logistics and sales, and we recognize that this requires us to address a wide range of social issues. The Group views the three-year span of Medium-term Business Plan Compass Rose 2024 as a period for ramping up sustainability management, and is advancing initiatives in this area. The Group Sustainability Committee is focusing on discussions of sustainable procurement and the environment as it conducts overall monitoring of the Group’s five material matters to achieve our long-term management goals toward 2030.

Sustainable Procurement

To promote sustainability initiatives throughout the supply chain, in FY2023 we began conducting a Supplier ESG Survey in order to promote understanding of the Nichirei Group Supplier Code of Conduct and Supplier Guidelines and to share our values. Responses have been arriving steadily. We are also conducting human rights due diligence with domestic and overseas meat, poultry and marine products suppliers, and promoting initiatives to deepen mutual understanding of our values. Our first due diligence efforts overseas began in FY2024 with shrimp suppliers in Indonesia and Vietnam. For marine products and palm oil, which have been singled out as risks in terms of food resource sustainability, the environment and human rights, we established and started implementing procurement guidelines in April 2023, setting related targets and KPIs.

The Environment

As an initiative for becoming carbon neutral, we are promoting procurement of renewable energy. In addition

to expanding the installation of solar power generation equipment at our own sites, in March 2024 we introduced new off-site corporate power purchase agreement (PPA) services at logistics and production facilities within the service area of Tohoku Electric Power Co., Inc. and logistics facilities within the service area of Shikoku Electric Power Company, Incorporated. As global warming progresses, we recognize the need to accelerate our initiatives to address climate change. To obtain SBT certification, we broadened the scope of our CO<sub>2</sub> emissions reduction targets to include overseas business sites and Scope 3 emissions, and revised the targets upward.

We recognize that the Nichirei Group’s businesses, including agricultural, meat and poultry, and marine resources, are dependent on nature’s bounty, which is derived from biodiversity. In March 2024, we adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum. In April 2024, we added targets for biodiversity, including water resources, to the Nichirei Group’s material matters. We will continue to enhance information disclosure in line with the TNFD framework.

Because realizing a circular economy overlaps with initiatives for climate change and biodiversity, we will address these issues together in our environmental measures.

Integrating Business and Sustainability Strategies

Under the current medium-term business plan, we have strengthened our sustainability promotion structure by establishing a dedicated division and a Group Sustainability Committee, providing sustainability education, and setting and monitoring targets for each operating company linked to the Group’s targets and

KPIs for its material matters.

We provide position-based sustainability education. Study sessions for management were held six times in FY2023 and three times in FY2024, with over 130 executives and staff from related departments attending each session. Three more sessions are scheduled for FY2025, as we work to raise management awareness. In FY2024 we also started an SDGs educational program for approximately 1,300 managers or above, 51% of whom have completed the program. We are aiming for a 100% completion rate by the end of FY2025.

In April 2024, Nichirei Logistics Group established a Sustainability Promotion Department. Having now established such departments in each of our core companies, we are able to implement our measures with greater vigor. In its sustainability management, the Nichirei Group aims to improve both social and economic value. However, recent changes in our operating environment have driven home to us that we must further strengthen the integration of our business and sustainability strategies to enhance our capability to carry them out. While we view the costs associated with responding to social issues as upfront investments in a stronger sustainable business base, balancing social

value and economic value will be important. We will therefore keep in mind the connection between non-financial and financial information while improving the quality of our internal discussions and dialogue with investors and other external stakeholders, with the aim of gaining a competitive advantage.

Moving Beyond Compliance to Strategic Deployment of Global Disclosure

Regarding information disclosure, which is the basis for dialogue with external stakeholders, the global trend to make it mandatory is accelerating, driven by initiatives such as the Corporate Sustainability Reporting Directive (CSRD) in Europe. Overseas business is a growth area for Nichirei, so there is an increasing need to roll out our sustainability management system globally and collect sustainability information in order to comply with disclosure regulations. In our next medium-term business plan covering the period through FY2028, we will ramp up our efforts to address this new challenge and further promote sustainability management.












Evolution of the Nichirei Group’s Sustainability Management Structure

	FY2021	FY2022	FY2023	FY2024	FY2025
Company-wide			• Established Sustainability Policy: The Nichirei Pledge <sup>1</sup> • Revised the Nichirei Group Human Rights Policy		
Group Material Matters (Materiality)	• Identified five material matters	• Set KPIs	• Reviewed as necessary	• Reviewed as necessary	• Reviewed as necessary
Systems		• Established a Sustainability Promotion Department at Nichirei Foods	• Established a Sustainability Promotion Division at Nichirei Corporation • Established a Sustainability Promotion Department at Nichirei Fresh		• Changed name of Sustainability Promotion Division at Nichirei Corporation to Sustainability Strategy • Established a Sustainability Promotion Department at Nichirei Logistics Group
Governance		• Established the Group Supply Chain Committee <sup>2</sup>	• Established the Group Sustainability Committee <sup>3</sup> (members include all outside directors) • Incorporated ESG third-party evaluation in determination of officer remuneration		
Sustainable Supply Chain			• Established Sustainable Procurement Policy, Supplier Code of Conduct, and Supplier Guidelines • Began Supplier ESG Survey • Began human rights due diligence with suppliers	• Established guidelines and set targets for sustainable marine products and palm oil procurement	
Environment	• Adopted the TCFD recommendations • Set long-term environmental targets			• Expanded installation of solar power generation equipment • Introduced off-site corporate PPA services • Revised CO <sub>2</sub> emissions reduction targets upward and expanded their scope <sup>3</sup>	• Added targets for biodiversity • Joined the TNFD Forum
Sustainability Education			• Began sustainability study sessions for management	• Began “One for Future” SDGs educational program for manager or above	

1. A revision of Basic CSR Policy: The Nichirei Pledge  
2. The Group Environmental Protection Committee and the Group Supply Chain Committee have been abolished.  
3. Disclosure in FY2025 (targets changed at the Board of Directors meeting on November 21, 2023 and disclosed in the earnings results presentation materials on May 14, 2024)

KPIs for Group Material Matters (Materiality)

In 2021, we set Group targets for 2030, as well as measures and KPIs, to advance initiatives for the Group’s material matters. Medium-term Business Plan Compass Rose 2024, which began in FY2023 (the year ended March 31, 2023), sets Group KPI milestones (targets) for FY2025 on the road to 2030, as well as measures and quantitative targets for the holding company and each operating company. We aim to achieve our targets by continuously monitoring KPIs and carrying out the plan-do-check-act (PDCA) cycle.

Material Matters (Materiality)		Group Measures	Group KPIs	FY2023 Results	FY2024 Results	FY2025 Plans	FY2031 Targets	Main Operating Companies Involved	Applicable SDGs
1	Creating new value in food and health <sup>1</sup>	<ul style="list-style-type: none"><li>Allocate resources to R&amp;D to investigate health, the global environment and diversifying customer value, as well as to marketing</li><li>Develop products and services and convey information to address people’s mental and physical health and the global environment</li><li>Establish mechanisms to create and cultivate value in new fields and conduct innovation activities</li></ul>	Sales of products and services that create added value for people’s mental and physical health and for the global environment	¥46.4 billion	¥55.2 billion	¥64.5 billion	¥140.0 billion	■ Nichirei Foods Inc. ■ Nichirei Fresh Inc. ■ Nichirei Corporation (Holding company) Relevant pages: 4-9, 32-33, 36-37, and 68-69	 3.d  8.2  9.5
			People provided with information for good eating habits and health (Total number of people per year)	103 million	225 million	Maintain over 200 million	Maintain over 200 million		
2	Strengthening food processing and production technology capabilities; enhancing logistics services	<ul style="list-style-type: none"><li>Promote capacity expansion, work process innovation, reduction of environmental impact, and development of business foundations through proactive capital expenditures in the processed foods and temperature-controlled logistics businesses</li><li>Accelerate overseas expansion by securing and training globally capable human resources, cultivating partner companies, conducting M&amp;As and other means</li></ul>	EBITDA margin	8%	9%	9%	12%	■ Nichirei Foods Inc. ■ Nichirei Logistics Group Inc. ■ Nichirei Fresh Inc. ■ Nichirei Biosciences Inc. Relevant pages: 26-29, 32-39, 48-49, and 68-71	 2.4  9.1/9.4
			EBITDA CAGR * FY2022 is the baseline for FY2023, FY2024 and FY2025 CAGR FY2031 CAGR is the CAGR for 2025–2030	5%	8%	8%	7% or higher		
3	Realizing sustainable food procurement and a circular economy	<ul style="list-style-type: none"><li>Establish a supply chain with consideration for human rights and the environment and conduct due diligence</li><li>Work to conduct sustainable resource procurement and help to realize a circular economy</li><li>Conserve biodiversity and water resources through business activities that consider ecosystems</li></ul>	Rate of procurement from suppliers and OEMs that comply with the Nichirei Group Supplier Code of Conduct and Supplier Guidelines	Support rate 89% (Main domestic suppliers and OEMs)	Support rate 99% (Main domestic suppliers and OEMs)	Support rate 100% (Main domestic and overseas suppliers and OEMs)	Procurement Rate 100%	■ Nichirei Foods Inc. ■ Nichirei Logistics Group Inc. ■ Nichirei Fresh Inc. ■ Nichirei Biosciences Inc. Relevant pages: 52-53 and 60-65	 8.7  12.2/12.6  14.4
			Rate of implementation of ESG due diligence for main raw materials and main suppliers	Domestic meat and poultry 25% (Main suppliers and OEMs)	Domestic meat and poultry 52% (Main suppliers and OEMs)	Domestic meat, poultry, and marine products 100% (Main suppliers and OEMs)	100%		
			Rate of attendance for the SDGs education program aimed at realizing a circular economy	—	51% (Managers or above)	100% (Managers or above)	100% (All employees)		
			Rate of waste recycling at all sites	99.5%	99.7%	99%	99%		
			Procurement ratio of sustainable marine products complying with the Nichirei Group Sustainable Marine Product Procurement Guidelines in marine products business <sup>2</sup>	91%	94%	99%	100%		
			Ratio of marine products in the above from fisheries with MSC, ASC or other global certification <sup>2</sup>	19%	22%	32%	50%		
			Procurement ratio of sustainable palm oil (RSPO certified oil) <sup>2</sup>	100% (Book and claim)	100% (Book and claim)	100% (Book and claim)	100% (Certified oil)		
			Reduce water consumption at sites with high water stress <sup>3</sup>	—	—	—	Reduce water consumption at high-risk locations and implement water conservation activities		
			Conduct biodiversity conservation activities at Nichirei Group sites and Company-owned land <sup>3</sup>	—	—	—	Engage in biodiversity restoration activities, including preservation of plant and animal species at Group sites		
4	Climate change initiatives	<ul style="list-style-type: none"><li>Reduce CO<sub>2</sub> emissions per unit of production and utilize renewable energy at food factories and logistics centers, and disclose information based on the TCFD recommendations</li><li>Replace all refrigerants used in freezing and refrigerating equipment in Japan with natural refrigerants</li><li>Switch to natural refrigerants overseas as necessary, based on on-site confirmation</li></ul>	Reduction in CO <sub>2</sub> emissions <sup>4</sup> (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	—	-42%	■ Nichirei Foods Inc. ■ Nichirei Logistics Group Inc. Company-wide initiatives Relevant pages: 52-53 and 56-59	 7.2/7.3
			Reduction in CO <sub>2</sub> emissions <sup>4</sup> (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	—	-25%		
			Reduction in CO <sub>2</sub> emissions <sup>4</sup> (Compared with FY2016; Scope 1 and 2 in Japan)	-25%	-30%	-33%	-56% <sup>5</sup>		
			Rate of conversion to natural refrigerants Production equipment (Japan)	56%	63%	74%	100%		
			Rate of conversion to natural refrigerants Logistics (Global)	53% <sup>6</sup>	56% <sup>6</sup>	61% <sup>6</sup>	75%		
5	Securing and developing a diverse array of human resources	<ul style="list-style-type: none"><li>Conduct a Company-wide employee engagement survey<sup>8</sup> to monitor the effectiveness of measures</li><li>Establish a personnel system that enables Group employees to choose work styles according to their career outlook and contributes to productivity improvement</li><li>Establish and provide support for application of rules</li><li>Promote communication activities and impartially provide learning opportunities in order to create a work environment and corporate culture in which employees are healthy, lively and satisfied with their jobs</li></ul>	Employee engagement score <sup>7</sup>	—	68pt	70pt	80pt	■ Nichirei Foods Inc. ■ Nichirei Logistics Group Inc. ■ Nichirei Fresh Inc. ■ Nichirei Biosciences Inc. ■ Nichirei (Holding company) Relevant pages: 40-47	 4.3/4.4  5.1/5.5
			Ratio of women directors and women Audit & Supervisory Board members (Holding company)	13.3%	13.3%	18.7%	30% or higher		
			Ratio of women employees in management positions (Holding company)	15.3%	17.0%	20.0%	30%		
			Investment in human resources <sup>7</sup>	¥800 million	¥980 million	¥1.2 billion	¥2.0 billion		

1. For material matter 1, “Creating new value in food and health,” the vision for 2030, Group measures and Group KPIs and targets for FY2031 were revised by the Board of Directors of Nichirei Corporation on July 18, 2023.  
2. For material matter 3, “Realizing sustainable food procurement and a circular economy,” in April 2023 the Nichirei Group established procurement guidelines for marine products and palm oil, which are important food resources underpinning its business activities, and added related Group KPIs and targets.  
3. For material matter 3, “Realizing sustainable food procurement and a circular economy,” the vision for 2030, Group measures, Group KPIs and targets for FY2031 were partially revised and additions were made related to water resources and biodiversity by the Board of Directors of Nichirei Corporation on April 16, 2024.  
4. For material matter 4, “Climate change initiatives,” the Group’s FY2025 and FY2031 targets for reduction in CO<sub>2</sub> emissions were reviewed by the Board of Directors of Nichirei Corporation on November 21, 2023. The Group’s target for FY2025 was revised upward by 3 percentage points from 30% to 33% compared with FY2016. The scope of the Group’s targets for reduction in CO<sub>2</sub> emissions was expanded and a new target was added for FY2031.

5. The rate of reduction compared with FY2016 assuming the Group’s FY2031 target for Scope 1 and 2 emissions reduction in Japan is set at 42% compared with FY2023.  
6. The scope was reviewed in April 2024, and the results and targets were revised accordingly.  
7. For materiality matter 5, “Securing and developing a diverse array of human resources,” Group KPIs and targets related to the employee engagement score were added and Group human resource investment targets for FY2025 and FY2031 were revised by the Board of Directors of Nichirei Corporation on May 21, 2024.  
8. Engagement survey: A survey that shows degree of understanding of and resonance with the Management Principles and independent involvement in the organization (job satisfaction)



Greenhouse Gas (GHG) Emissions

2050 Carbon Neutral Declaration

The Nichirei Group will achieve carbon neutrality by 2050

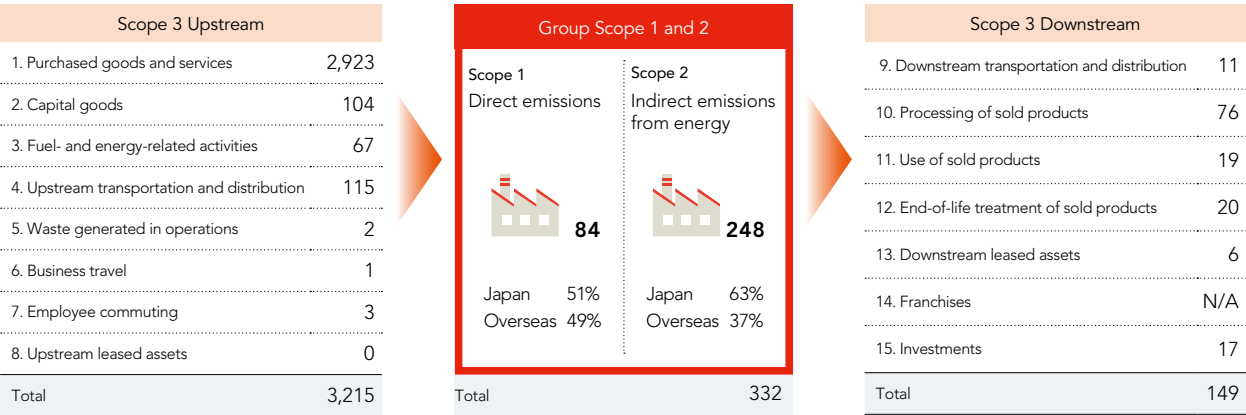
Committed to achieving carbon neutrality by 2050, the Nichirei Group will reduce Scope 1, 2 and 3 GHG emissions from its entire supply chain to zero to the extent possible, both in Japan and overseas. We will also implement programs to achieve carbon neutrality by absorbing or removing the GHG emissions we cannot reduce.

Group KPIs	FY2024 Results	FY2025 Plan	FY2031 Targets
Reduction in CO <sub>2</sub> emissions (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	-42%
Reduction in CO <sub>2</sub> emissions (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	-25%
Reduction in CO <sub>2</sub> emissions (Compared with FY2016; Scope 1 and 2 in Japan)	-30%	-33%	-56% <sup>1</sup>

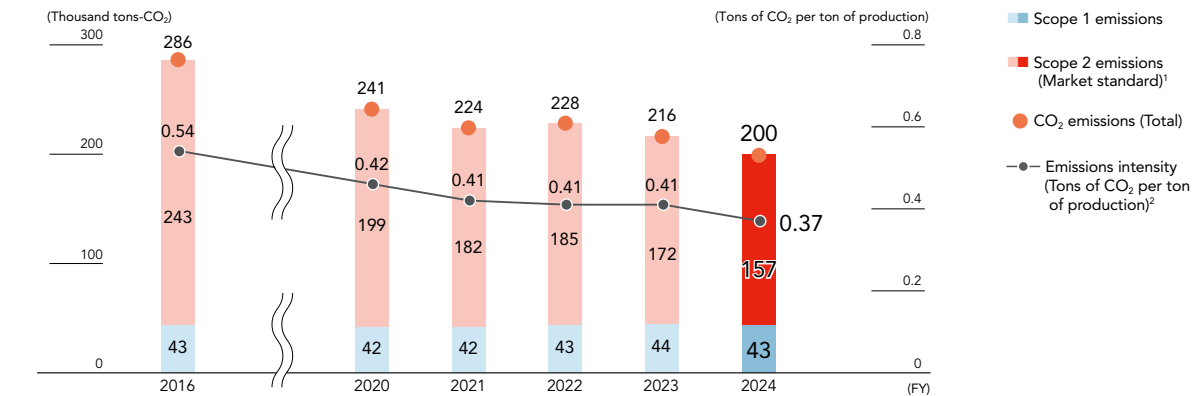
1. The rate of reduction compared with FY2016 assuming the Group's FY2031 target for Scope 1 and 2 emissions reduction in Japan is set at 42% compared with FY2023.

FY2024 GHG Emissions: 3,696 thousand tons-CO<sub>2</sub>e in Japan and Overseas

(Thousand tons-CO<sub>2</sub>e)



Nichirei Group's Scope 1 and 2 CO<sub>2</sub> Emissions in Japan



1. The CO<sub>2</sub> emissions coefficient for electricity has been adjusted for each electric power company (by the Ministry of the Environment).  
2. Emissions intensity calculations are for Nichirei Foods and Nichirei Fresh factories in Japan (Some factories are excluded).

GHG Emissions Reduction Initiatives

Climate Change (Decarbonization and the Elimination of CFCs)  
https://nichirei.disclosure.site/en/themes/225

Increasing Energy Efficiency and Preventing Refrigerant Leaks

The Nichirei Group owns large-scale refrigerated distribution warehouses and food factories, and is implementing various initiatives to increase energy efficiency. In addition, we conduct rigorous inspections and management on a daily basis to prevent fluorocarbon leakage. We also introduced high-performance fluorocarbon detectors in FY2022, and conduct regular inspections to reduce refrigerant leakage.

Freezer upgrades	Appropriate renovation of compressors and coolers
Optimization of cooling tower settings	Suppression of freezer pressure level and reduction of cooling tower operating time
Prevention of warm air infiltration	Installation of warm air exhaust equipment and installation of appropriate dock shelters
Early detection and elimination of refrigerant leaks	Introduction of high-performance fluorocarbon detectors

Switching Energy Sources

The Nichirei Group is switching over to energy sources with lower CO<sub>2</sub> emissions. While switching to electricity from renewable energy sources with zero CO<sub>2</sub> emissions, we are also moving forward with initiatives to switch to fuels that produce low amounts of CO<sub>2</sub> when generating electricity or heat used for frying and baking on food factory production lines.

Switching to Renewable Energy Sources for Generating Electricity	In FY2024, we achieved a 13 percentage-point increase compared with FY2023. This increase resulted mainly from increased use of renewable energy in the Funabashi Hinode area, where the Funabashi Plant of Nichirei Foods and Funabashi DC of Logistics Network Inc. are located.
--	--

Electricity from Renewable Energy Sources (%)

	FY2022	FY2023	FY2024
	5	9	22

Note: Figures for Japan

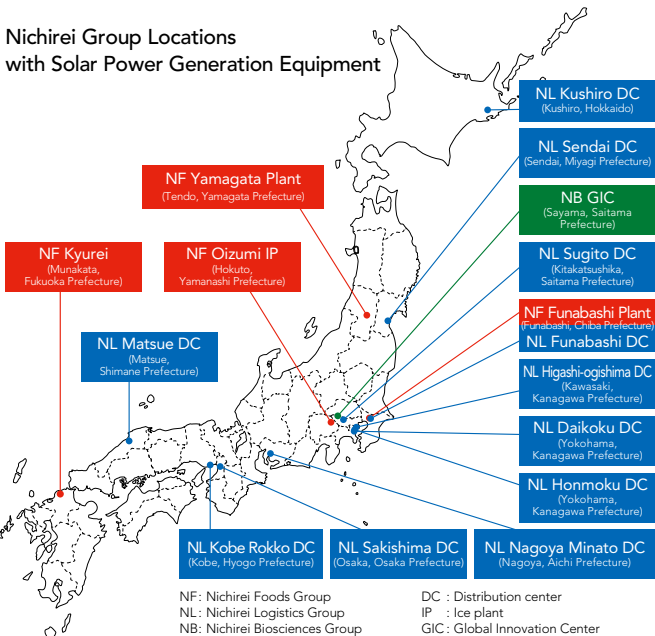
Utilizing Electricity Generated from Solar Power

The Nichirei Group is installing solar power generation equipment on the premises of food factories and on the rooftops of refrigerated distribution warehouses. As of March 31, 2024, fifteen Nichirei Group facilities in Japan had installed solar power equipment that generated 4,268 MWh of electricity and reduced CO<sub>2</sub> emissions by 1,429 tons.

In addition, through our intranet we are also sharing information such as locations that have installed solar panels and daily power generation volume to help increase employee interest in renewable energy and CO<sub>2</sub> emissions reduction.

Solar power generation and CO<sub>2</sub> Emissions Reduction

Year of installation	FY2021	FY2022	FY2023	FY2024
No. of locations where installed (Cumulative total)	9	10	11	15
Power generated (MWh)	2,149	2,974	3,201	4,268
CO <sub>2</sub> emissions reduction (Tons)	986	1,408	1,429	1,842

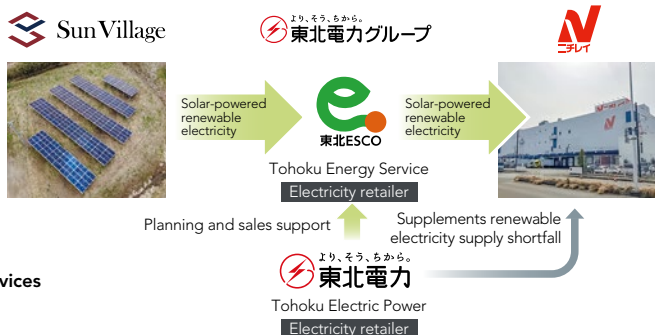


Use of Off-site Corporate PPA Services Initiated

The Nichirei Group has begun using off-site corporate PPA services that employ low-voltage solar power generation. We expect this initiative to reduce CO<sub>2</sub> emissions by approximately 2,000 tons annually. The Group will also increase procurement of renewable energy by expanding the use of these services to other areas, centered on the Kanto and Kansai regions.

Nichirei Corporation Initiates Use of Off-site Corporate PPA Services  
Employing Low-Voltage Solar Power Plants (Japanese only)  
https://www.nichirei.co.jp/news/2024/455.html

Supply of Power from Off-site Corporate PPA Services



# Addressing Climate Change (TCFD)

The effects of climate change are becoming increasingly serious and climate change is considered to be a contributing factor in the frequent abnormal weather patterns and natural disasters that we see currently. The Nichirei Group’s business benefits from nature. Therefore, in addition to its importance as a social challenge, we see climate change as a potential threat to business continuity.

In June 2020, the Nichirei Group expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced its participation in the TCFD Consortium. The Group has positioned climate change initiatives as one of the material matters it identified for achieving its vision for 2030. As such, we are actively promoting initiatives to help resolve social issues related to climate change.

In addition to appropriately responding to risks posed by shifts in the external environment caused by climate change, we will consider several scenarios in which climate change could give rise to business opportunities, and conduct timely disclosure.

## Governance

In April 2022, the Nichirei Group established the Group Sustainability Committee, which formulates sustainability strategies, including initiatives related to climate change, and manages the progress of those strategies. Chaired by the representative director and president of the holding company, the committee includes all officers, including the director and executive officer responsible for implementing climate change strategies, outside directors and outside Audit & Supervisory Board members, as well as relevant personnel from the strategic planning and sustainability divisions of each operating company. The committee discusses and considers climate change-related strategies and targets. The officer in charge of sustainability then submits outcomes to the holding company’s Board of Directors, which reviews the strategies, targets, and plans as appropriate.

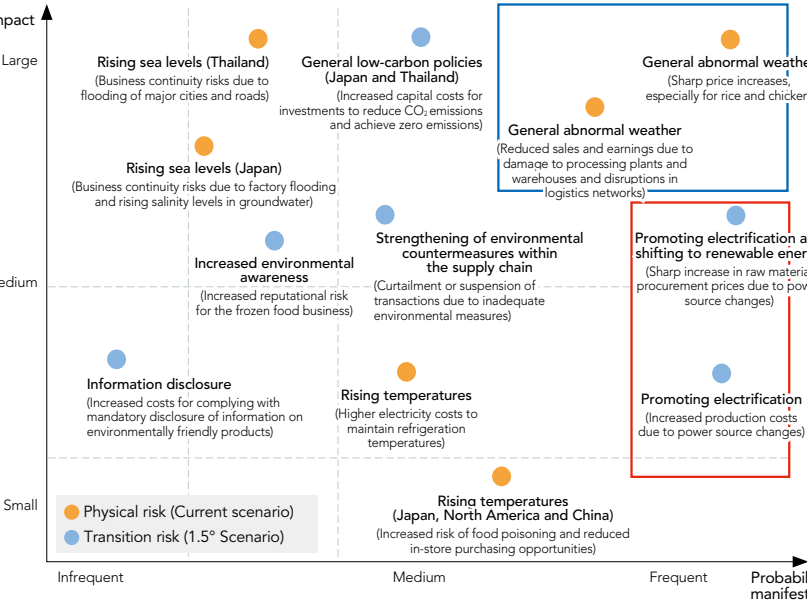
In addition, we established Sustainability Management as a division at the holding company in April 2022 (name changed to Sustainability Strategy in April 2024) to address a broad array of sustainability issues including climate change.

The Group Sustainability Committee also deliberates the details of various scenario analyses that have been conducted since 2019. The latest disclosure includes content deliberated at a committee meeting held on July 30, 2024.

## Strategy

In the first phase (during FY2025), we reevaluated our scenario analyses and financial impact assessments for transition risks associated with carbon and energy price regulations, referring to FY2021 scenario analyses that identified risks and opportunities by degree of importance. During the second phase, we will also reevaluate physical risks and disclose the results as they become available.

Probability of Risk Manifestation vs. Impact (2020 Actual)



Risk Assessment Overview

Target fiscal years	FY2031 and FY2051	
	Phase 1	Phase 2
Risk type	Transition risk	Physical risk
Reference scenario	IEA WEO2023 and ETP2023	IPCC AR5
Assessment items	Carbon and energy pricing regulations	Flooding and high tides
		Drought
		Water stress
		Rising temperatures (Raw materials)

## Financial Impact Calculation Results

Risk type	Business risk	Financial impact
Transition risk	Impact of the introduction of carbon pricing and fluctuations in prices of energy procured	Negative impact of ¥5.0 billion (FY2031 Scope 1 and 2)
		Positive impact of ¥700 million (FY2051 Scope 1 and 2)

**Calculation Parameters** Electricity and fuel prices: IEA WEO2022  
Agency for Natural Resources and Energy, “Simplified Calculation Table for Energy Consumption (Crude Oil Equivalent)” and “Standard Calorific Value and Carbon Emission Coefficients”  
Carbon pricing: World Bank, *State and Trends of Carbon Pricing 2023*  
GX League Secretariat, *Rules for the First Phase of GX-ETS*

**Reference Scenario** IEA WEO2023・ETP2023

We did not identify any new opportunities in reevaluating our scenario analyses. However, we did estimate the financial impact from the transition risk associated with the introduction of carbon pricing and fluctuations in prices of energy procured to be negative ¥5.0 billion for FY2031 and positive ¥700 million for FY2051.

Based on these results, we will reduce CO<sub>2</sub> emissions by shifting to renewable energy in ways such as using solar power generation and expanding the use of corporate PPAs.

## Risk Management

The Nichirei Group ensures that appropriate divisions employ optimum methods to comprehensively manage the impact of a variety of risks (including climate change-related risks) on business management. The risks are also deliberated and reviewed by the Group Risk Management Committee, which is chaired by the representative director and president. The committee has been managing the Group’s responses to major risks related to business operations. However, due to the need to respond more quickly and accurately to various ESG-related issues, we established the Group Sustainability Committee in FY2023 as a separate entity to deal with ESG-specific risks and opportunities, including climate change.

The Group Sustainability Committee works with the strategic planning and sustainability divisions of each operating company to identify important ESG-related issues and risks for the Group. The most important themes are then deliberated by the committee. Specifically, risks associated with climate change scenarios are positioned as critical risks for the Group, and the committee deliberates and manages responses to business risks and opportunities identified through scenario analyses.

## Metrics and Targets

Group KPIs	FY2024 Results	FY2025 Plans	FY2031 Targets
Reduction in CO <sub>2</sub> emissions (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	-42%
Reduction in CO <sub>2</sub> emissions (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	-25%





Conserving Biodiversity (TNFD)

Conserving Biodiversity (TNFD)  
https://nichirei.disclosure.site/en/themes/167

The Nichirei Group is engaged in a wide variety of businesses globally, centered on food, and our business is dependent on the blessings of the Earth generated from biodiversity, including agricultural, livestock, and fishery resources. We depend heavily on the natural capital and ecosystem services that the Earth provides, and we recognize that our business activities impact these resources in a variety of ways. The Group is therefore implementing initiatives to conserve biodiversity and use natural capital sustainably.

Participation in the TNFD Forum

In March 2024, Nichirei Corporation endorsed the philosophy of the Task Force on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum to support its activities.



Strategy

Given the Nichirei Group's dependence and impact on natural capital, we conducted an assessment in accordance with the LEAP approach advocated by the TNFD to understand nature-related risks and opportunities for our businesses. This analysis covers our upstream value chain encompassing regions where we procure raw materials, as well as the direct operations of all 202 Nichirei Group business sites. Drawing on the results of this assessment, we identified water resources as the most important risk common to the Group, and have begun to implement specific initiatives, starting with sites with high water stress.

We will continue to conserve and restore biodiversity from perspectives including water resources and agricultural, livestock and fishery resources.

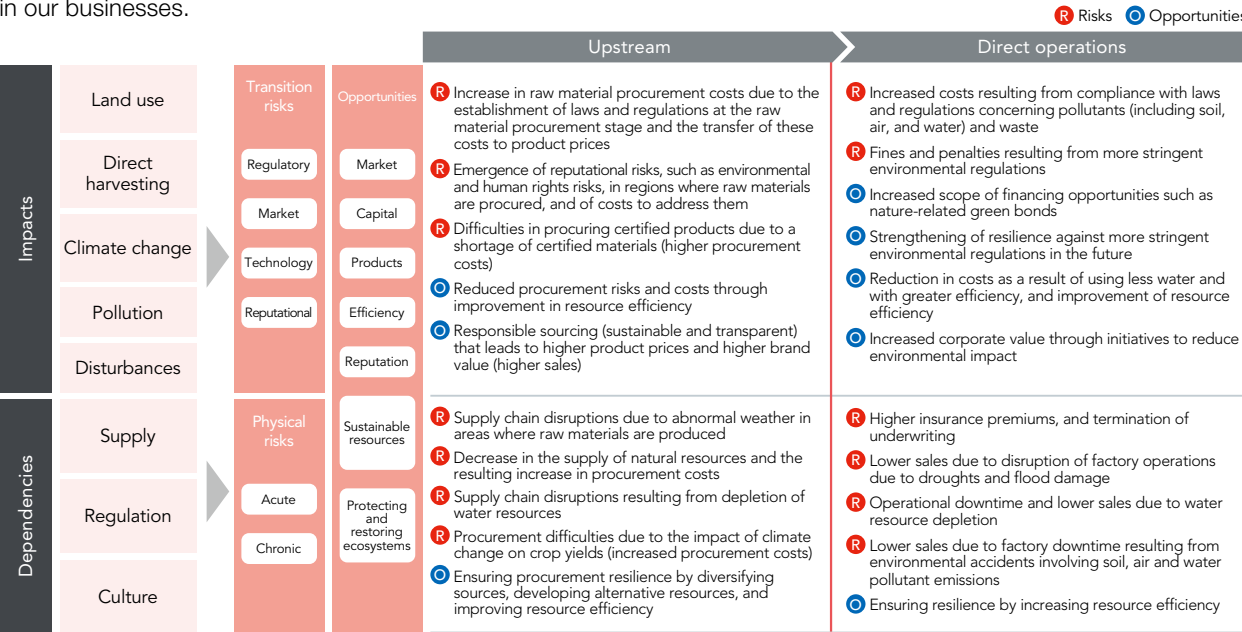
1. Dependence on and Evaluation of Nature in Business Activities

Our businesses are highly dependent on natural capital and ecosystem services. We clarified the relationship between our businesses and nature by identifying significant dependencies and impacts on nature in our upstream value chain and direct operations, and by assessing the degree of those dependencies and impacts.



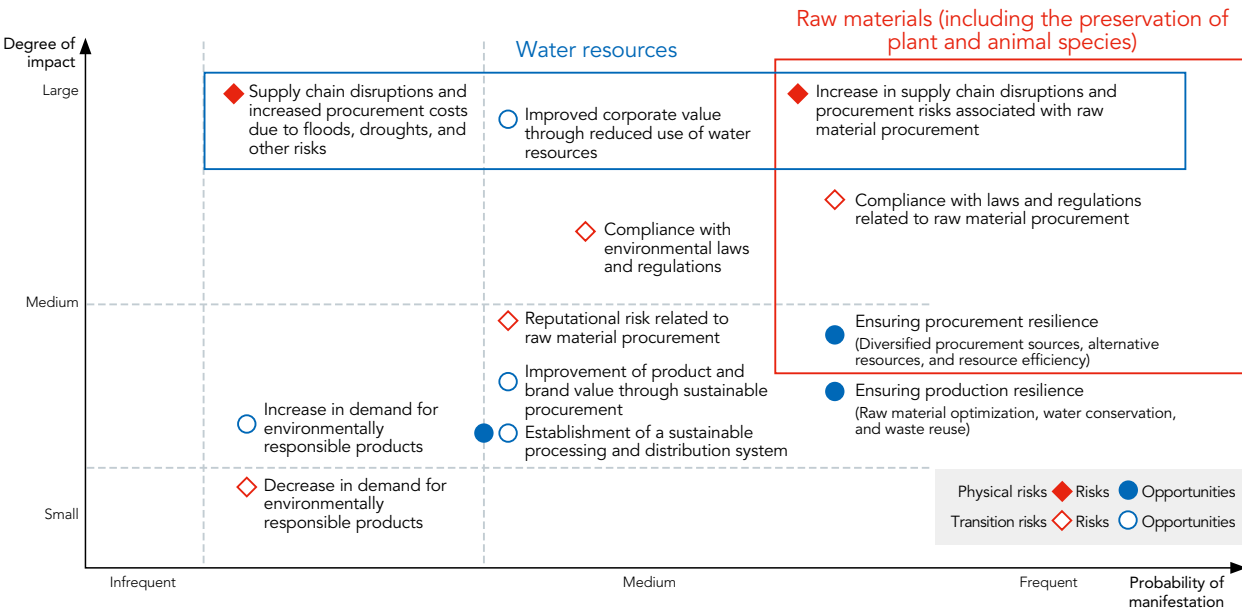
2. Identify Risks and Opportunities in the Value Chain

To delineate the relationships among Group businesses and nature-related dependencies and impacts, we used the four quadrants of upstream, direct operations, impacts and dependencies and then identified risks and opportunities in our businesses.



3. Identify High-priority Risks and Opportunities

We assessed the importance of identified risks and opportunities, with due consideration of the probability of manifestation and the impact on Group businesses, and identified items that may have a large financial impact on our businesses as risks and opportunities for the Nichirei Group.



Metrics and Targets

We have established metrics and targets for the conservation of biodiversity and water resources as a measure for realizing sustainable food procurement and a circular economy, one of the Group's material matters. (April 2024)

Group Measures	We will work to conserve biodiversity and water resources through business activities that take biodiversity into account.
Group KPIs	• Initiatives to reduce water consumption at sites with high water stress • Initiatives to restore biodiversity, including the conservation of plant and animal species, at Nichirei Group sites and Company-owned land

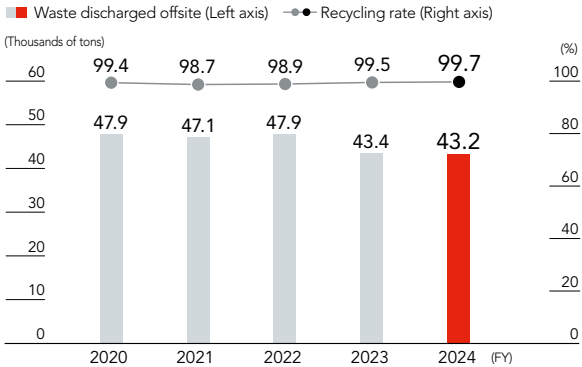
# Resource Recycling Initiatives

## Waste Recycling

The Nichirei Group is reducing the amount of industrial and general waste from its business activities. We aim to maintain a waste recycling rate of 99% by incorporating a variety of recycling methods.

Total Waste Recycling Rate for All Sites

FY2023 Result	FY2024 Result	FY2025 Plan	FY2031 Target
99.5%	99.7%	99%	99%



## Reducing Plastic Use

Since FY2007, Nichirei Foods has been reducing the amount of plastic used for household-use frozen food product containers and packaging. Recently we reduced plastic use by over 215 tons for 10 items in a product series, compared with usage prior to these initiatives. While continuing to reduce plastic use by reviewing product containers and packaging, we will also work toward reducing our CO<sub>2</sub> emissions.



Initiatives for Thinner Packaging

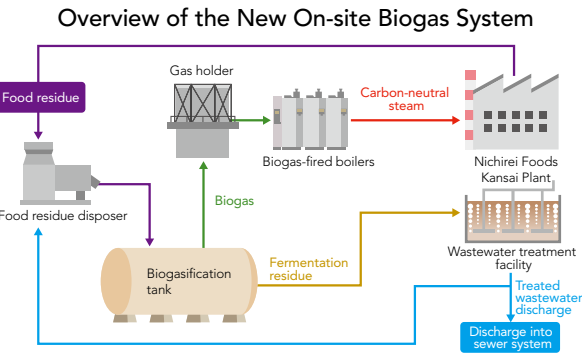
(FY)	Products	Measures
2010	Yaki-Onigiri (grilled rice balls) 10-pack	Elimination of trays
2012	Honkaku-Itame-Chahan (fried rice)	Thinner packaging
2015	Yaki-Onigiri (grilled rice balls) 10-pack	Thinner packaging
2016	Honkaku-Itame-Chahan (fried rice)	Thinner packaging (second reduction)
2019	Ebi-Pilaf and Chicken Rice	Thinner packaging
2021	Ebi-to-Cheese-no-Gratin (shrimp and cheese gratin) and Ebi-to-Cheese-no-Doria (shrimp and cheese doria)	Thinner trays, reduced tray handle width
2022	Yaki-Onigiri (grilled rice balls)	Elimination of trays
2024	Cho-Menchi-Katsu (minced meat cutlet) Kikubari-Gozen (dietary-conscious meals) (selected items)	Reduced plastic use by switching tray material to STONE-SHEET®, which incorporates calcium carbonate

## Food Residue Recycling

### ■ Kansai Plant to Install New Daigas Energy D-Bio Methane System for On-site Conversion of Food Residue into Energy

Nichirei Foods Kansai Plant will use a D-Bio Methane system that ferments food residue to produce methane gas. The methane gas is used as fuel to operate biogas boilers, generating carbon-neutral steam, which is circulated within the factory premises and reused in the manufacturing process.

Converting food residue into methane fuel enables the Kansai Plant to reduce the volume of animal- and plant-based waste it generates by approximately 20%. Furthermore, the recycling of carbon-neutral steam is expected to reduce annual CO<sub>2</sub> emissions by approximately 40 tons.



# Human Rights Initiatives

 **Nichirei Group Human Rights Policy**  
<https://www.nichirei.co.jp/english/corpo/management/humanrightspolicy.html>

At the Nichirei Group, we understand that our business activities, from research and development to procurement and provision of products and services, have potential or actual impacts on human rights. In line with the United Nations Guiding Principles on Business and Human Rights, we carry out due diligence to identify, prevent and mitigate adverse impacts on the human rights of people involved in the Nichirei Group's business activities.

## Human Rights Education

### ■ Study Sessions for Management

Date	Theme	Lecturer	Number of participants (Number of directors in parentheses)	Percentage of Company directors attending
June 28, 2022	Sustainable Procurement and Human Rights Issues	Hidemi Tomita, President LRQA Sustainability Co., Ltd.	139 (8)	80%
January 24, 2023	"Human Rights" Tackled in the Supply Chain—What is the Human Rights Due Diligence Expected of Companies Nowadays?	Hiroshi Ishida Executive Director Caux Round Table Japan	154 (10)	100%
July 4, 2023	Considering DE&I from an LGBTQ perspective—How LGBTQ perspectives can transform the workplace and society	Maki Muraki Director NPO Nijiro Diversity	173 (10)	100%

### ■ E-learning for All Employees in Japan

	Theme	Related global events	Number of participants	Participation rate
December 2022	Business and Human Rights	December 10/Human Rights Day	5,385	93.9%
December 2023	Business and Human Rights	December 10/Human Rights Day	5,391	94.2%

## Human Rights Due Diligence for Foreign Technical Interns and Specified Skilled Workers

The Nichirei Group accepts foreign technical interns at its food factories in Japan. As a responsible host company, we provide various forms of support to ensure that interns can live safe, healthy and fulfilling lives, both mentally and physically. We arrange their living environment, offer safety training and provide language support, including multilingual signage in factories. We also work closely and exchange information with supervising organizations that introduce interns to us.

In October and November 2022, we conducted a survey\* on the actual conditions of foreign technical interns and specified skilled workers with the support of NPO Caux Round Table Japan (Executive Director: Ishida Hiroshi). Based on the issues identified in the survey, we have taken appropriate steps to improve conditions, such as installing personal lockers in intern residences and reimbursing the expenses interns paid in their home countries during their recruitment. We are also implementing a PDCA cycle for human rights due diligence.

Amid ongoing revision of our system for technical interns and specified skilled workers, in August 2023 we held a study session with an external lecturer, Shoichiro Ikebe of Worlding Inc. A total of 51 people from the human resource and sustainability departments of the Head Office and factories participated in the study session, deepening their understanding of the proper functioning of the system as a host company, ways to improve communication with non-Japanese workers, and examples of unforeseen human rights violations.

 **Nichirei Group Integrated Report 2023 Page 89**  
[https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2023\\_en\\_jinken\\_p89.pdf](https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2023_en_jinken_p89.pdf)




## Discussing the Introduction of a Grievance Mechanism

The Nichirei Group has been operating an internal whistleblower hotline and consultation service (Nichirei Hotline) since October 2003 to allow employees to report and seek advice on actions that violate laws, regulations, the Articles of Incorporation, or internal rules, including human rights violations, as well as actions that raise social or ethical concerns. (See page 88.) We also recognize the need to set up a system and contact points that function as a grievance mechanism enabling employees of the Nichirei Group's business partners and suppliers to report human rights violations, either personally or through a representative, and are currently discussing this issue.



# Building a Sustainable Supply Chain

The Nichirei Group is promoting sustainability initiatives in its supply chain, which is the foundation of its business. With reference to the OECD's *Due Diligence Guidance for Responsible Business Conduct*, we recognize that our business activities could potentially have a negative impact on workers, human rights, the environment, bribery, consumers and corporate governance. We therefore take action to avoid and address potential negative impacts associated with our business, our supply chain and other business relationships.

-  **Nichirei Group Sustainable Procurement Policy** <https://www.nichirei.co.jp/english/sustainability/social/supplychain/supply.html>
-  **Nichirei Group Supplier Code of Conduct** <https://www.nichirei.co.jp/english/sustainability/social/supplychain/regulation.html>
-  **Nichirei Group Supplier Guidelines** <https://www.nichirei.co.jp/english/sustainability/social/supplychain/guideline.html>

## Sustainable Marine Product Procurement

Marine products are fundamental resources in the Nichirei Group's business. Problems identified in recent years include climate change, the impact on ecosystems from overfishing and bycatch, habitat destruction including deforestation for aquaculture, and fishery worker human rights violations. In April 2023, we established the Nichirei Group Sustainable Marine Product Procurement Guidelines, and also set KPIs and targets for the Nichirei Group material matters (materiality) for which initiatives are underway.

### ■ Nichirei Fresh Products That Have Obtained MSC/ASC Certification

<b>MSC</b> Certification Number MSC-C-52165	Chinook salmon, Chum salmon, Coho-silver salmon, Pink salmon, Sockeye-red salmon, Pacific cod, Northern rock sole, Yellowfin sole, Flathead sole, Walleye pollock, Arrow-tooth flounder, Kamchatka flounder, Yesso scallop, Capelin, Snow crab, Herring, Arctic surf clam, Red king crab, Longfin squid, Pacific cupped oyster, Japanese carpet shell, Pacific ocean perch, Atka mackerel, Greenland halibut, Albacore tuna, and Skipjack tuna	<b>ASC</b> Certification Number ASC-C-01632	Giant tiger prawn, Whiteleg shrimp, Pacific cupped oyster, Atlantic salmon, Coho-silver salmon, and Rainbow trout
---	--	---	---

## Sustainable Palm Oil Procurement

In August 2018, the Group became a member of the non-profit organization Roundtable on Sustainable Palm Oil (RSPO), which promotes the production and use of sustainable palm oil. We are advancing efforts to ensure that the palm oil used to make our products is from sustainable sources. Since 2018, Nichirei Foods' factories (at consolidated subsidiaries in Japan and overseas) that use palm oil have been purchasing RSPO certified sustainable palm oil credits (via the book and claim method) corresponding to 100% of the palm oil they use. We are making progress toward achieving a procurement rate for RSPO certified sustainable palm oil of 100% by 2030.

-  **Nichirei Group Sustainable Palm Oil Procurement Guidelines** [https://www.nichirei.co.jp/english/sustainability/social/supplychain/palm\\_oil\\_guideline.html](https://www.nichirei.co.jp/english/sustainability/social/supplychain/palm_oil_guideline.html)



## Supporting Sustainable Development in Ecuador through Product Sales

Nichirei Foods has begun making ongoing donations through Provefrut S.A. for local community support activities carried out by local NPOs. Headquartered in Ecuador, Provefrut packs locally produced frozen broccoli. As a new approach to supporting Provefrut and the local community, we donate ¥1 to a local NPO via Provefrut for every bag of ready-to-cook, highland-grown broccoli sold. Through this initiative, we are contributing to local communities by sustainably procuring frozen broccoli from Ecuador.



## Supplier ESG Survey

Since FY2023, the Nichirei Group has been conducting a Supplier ESG Survey in Japan and overseas. We ask suppliers to support the Nichirei Group Supplier Code of Conduct and Supplier Guidelines\* and to answer a self-assessment questionnaire so we can confirm the status of their initiatives. The questions pertain to legal compliance and ethical conduct; human rights and labor; health and safety; environment; management; and corporate governance related to sustainability. We drew up the questions with reference to the *CSR Procurement Self-Assessment Tool Set (1st Edition)* created by the Global Compact Network Japan.

\*Please refer to "KPIs for Group Material Matters" for information on the increase in the support rate.  Pages 54-55

## Initiatives to Expand Use of Sedex



Nichirei Foods is implementing initiatives to expand its use of the Sedex sustainability platform.

July 2019	Nichirei Foods joins the Supplier Ethical Data Exchange (Sedex) as a Buyer/Supplier (AB) member.
May 2021–February 2022	We conducted a SMETA audit* for all 15 of the factories we own and operate in Japan (using the four pillars of Labor Standards, Health and Safety, Environment, and Business Ethics)
December 2022	Ten food and beverage companies, including Nichirei Foods, have formed the Buyer Members Sedex Working Team for the Japanese Food & Beverage Industry to promote shared use and standardization of Sedex within the food and beverage industry. <a href="https://www.nichireifoods.co.jp/news/2022/info_id14398">https://www.nichireifoods.co.jp/news/2022/info_id14398</a> (Japanese only) January–February 2023: Conducted Sedex joint online briefing for supplier companies July 2023: Conducted an online briefing for companies involved in trading
February–March 2023	Nichirei Foods held four online briefing sessions to promote the use of Sedex among suppliers
October 2023–February 2024	Nichirei Food's Procurement Department held procurement policy briefings for suppliers at four locations in Japan to explain joint decarbonization and human rights initiatives, and promote the use of Sedex.

\* An audit scheme managed by Sedex

## Human Rights Due Diligence Initiatives with Suppliers

In FY2023, we launched human rights due diligence initiatives with agricultural, meat, poultry and marine product suppliers, which account for the largest proportion of procurement volume in the Nichirei Group's business activities. We determine priorities based on importance of transactions and human rights risk by country and industry. When conducting human rights impact assessments and human rights audits, we confirm with our suppliers that the goal is to address issues related to human rights, labor, and health and safety, while building long-term, mutually positive relationships.

### ■ Human Rights Due Diligence Results and Plan for FY2023–2025

	Target companies
FY2023 Results	Meat and poultry suppliers (Domestic chicken)
FY2024 Results	Meat and poultry suppliers (Domestic) Marine products suppliers (Overseas)
FY2025 Plan	Meat and poultry suppliers (Domestic) Marine products suppliers (Domestic) Agricultural Products suppliers (Overseas)

### ■ Identifying Human Rights Violation Risks

We use the human rights risk database of Verisk Maplecroft to identify human rights violation risks that the Group should be aware of, and prioritize our responses.

	Main human rights violation risks	Main countries of production and raw material procurement
Japan	Factories (Raw material in general)	—
	Logistics industry	—
Overseas	Agricultural products	China, United States, Thailand, Brazil, Ecuador, and Vietnam
	Meat and poultry products	Thailand, Mexico, Brazil, Spain, China, Australia, United States, and Canada
	Marine products	Indonesia, United States, China, Russia, Mauritania, Morocco, Vietnam, Thailand, Canada, and Norway

### ■ Human Rights Due Diligence Initiatives with Shrimp Suppliers

In September and October 2023, a third party conducted human rights impact assessments at three of Nichirei Fresh's shrimp suppliers (two in Indonesia and one in Vietnam), accompanied by Nichirei Group employees. While no serious human rights violations, such as forced labor or child labor, were identified, some macro-level risks were identified. We held follow-up dialogues with the two Indonesian suppliers in April 2024 to address the issues related to human rights, labor, and health and safety. Through these dialogues, we confirmed that some of the issues had already been resolved. For more challenging, longer-term issues, the parties discussed possible countermeasures while acknowledging the risks involved.



## Sustainable Procurement Training for Personnel Involved in Procuring Raw Materials

Event date	Subject	Common theme	Lecturer	Themes by business area	Lecturers	Participants
November 28, 2023	Marine products			Sustainable Seafood Procurement	Wakao Hanaoka CEO Seafood Legacy Co., Ltd.	34
November 29, 2023	Meat and poultry products	Why Sustainable Procurement Is Necessary	Hidemi Tomita President LRQA Sustainability Co., Ltd.	Animal Welfare in Japan and Worldwide, Present and Future	Tsuyoshi Shimmura Professor, Faculty of Agriculture Tokyo University of Agriculture and Technology	34
April 18, 2024	Agricultural products			What Is Sustainable Procurement of Agricultural Products?	Akiko Minami, Akihiko Haga, Takashi Namiki, and Mei Haneo WWF Japan	26

# Providing Safe Products and Services

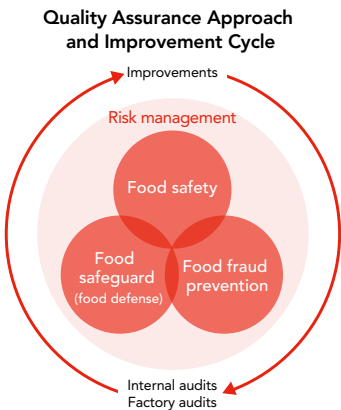
Providing Safe Products and Services  
https://nichirei.disclosure.site/en/themes/180

## Basic Philosophy

Fundamental Policies on Quality Assurance  
https://www.nichirei.co.jp/english/safety/policies.html

**Ongoing Support for Daily Routines**  
The Nichirei Group's fundamental policies on quality assurance aim to ensure the quality and safety of the food products and services it provides, to prevent consumer health hazards, as well as to maintain and improve Company-wide quality management and assurance standards, and ensure customer satisfaction.

- Fundamental Policies on Quality Assurance**
- (1) Compliance with legal requirements regulating food products.
  - (2) Compliance with norms and standards defined by industry groups.
  - (3) Recognition of customer and partner needs regarding food safety and security, as well as making efforts to maintain Group quality management and assurance capabilities.
  - (4) Incorporation of food safety measures, food crisis management, steps to ensure food defense, and food fraud prevention initiatives to protect consumer health.



## Management System

The Nichirei Group has established systems to properly manage and maintain the quality of the products and services it delivers at designated levels. We have established rules and standards for quality control and quality assurance, and perform internal audits and monitoring inspections based on our quality management standards to ensure that the Group's quality management system is functioning effectively.

### The Nichirei Group Quality Assurance System



## Proactive Adoption of International Standards for Quality Control

To evaluate and verify that management is being conducted in accordance with our fundamental policies on quality, we are actively promoting the introduction of the internationally recognized Food Safety Management System (FSMS) and working to strengthen our quality assurance system while providing safe products and services.

### FSMS Certification Status

Operating companies	Certified worksites				Total	Target worksites	Certification rate <sup>5</sup>
	FSSC22000 <sup>1</sup>	ISO22000 <sup>2</sup>	SQF <sup>3</sup>	BRCGS <sup>4</sup>			
Nichirei Foods Inc.	21	—	—	—	21	21	100%
Nichirei Fresh Inc.	3	2	—	1	6	6	100%
Nichirei Logistics Group Inc.	—	—	2	—	2	2	100%

1. Developed by the Foundation FSSC (Netherlands) based on ISO 22000.  
2. Established by the International Organization for Standardization, based on ISO 9001.  
3. Established by FMI, The Food Industry Association in the United States, based on hazard analysis and critical control points (HACCP) methodology and good manufacturing practice (GMP).  
4. Established by British Retail Consortium (BRC, United Kingdom) based on HACCP methodology and ISO 9001.  
5. Certification rate (%) = No. of certified worksites ÷ Total no. of worksites of consolidated subsidiaries in Japan and overseas (food factories, processing centers, etc.).

## Employee Education for Quality Enhancement

The Nichirei Group conducts training for quality assurance personnel at each operating company with the goal of enhancing their skills. In addition, the holding company conducts annual training on specific topics primarily for quality assurance personnel to enhance their food quality assurance awareness and capabilities.

Operating companies	Target group	Content	2021	2022	2023
Nichirei Corporation	Quality assurance personnel at each Group company	Annual topics	○	○	○
Nichirei Foods Inc.	Manufacturing and quality control personnel	New recruits to 3rd-year Group employees	○	○	○
		Mid-career employees	○	○	○
		FSSC22000 managers	○	○	○
Nichirei Fresh Inc.	Head Office and branch offices	New recruits to 2nd-year Group employees	○	○	○
		Mid-career employees	○	○	○
	Factories	Quality assurance personnel	○	○	○

## Building a Traceability System

### Case study Frozen vegetable quality control

Food quality and safety initiatives  
https://www.nichireifoods.co.jp/corporate/company/vegetable.html (Japanese only)

Nichirei Foods implements the following initiatives to ensure the quality and improve the safety of its frozen vegetables. These initiatives have helped Nichirei Foods to maintain zero violations due to the detection of pesticide residues during import customs clearance for 14 consecutive years.



**Management of Designated Farms**  
Nichirei Foods limits cultivation to its own farms or contracted farms, and its personnel visit food factories to confirm the accuracy of cultivation records and monitor growth conditions.



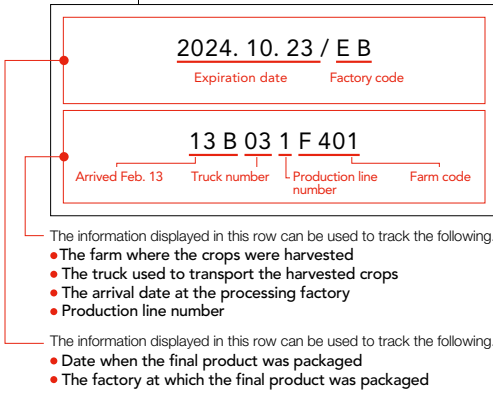
**Cultivation Management (Pesticide Management System)**  
We select pesticides and stipulate usage methods based on Nichirei Foods guidelines, and field supervisors verify the use of pesticides to ensure compliance with Japan's positive list system.



**Pesticide Residue Inspection System**  
We conduct tests for pesticide residues and are also enhancing the skills of our inspection personnel at factories outside Japan.



**Traceability Management**  
We print lot codes on products and have a traceability system to track cultivation history, helping us to identify causes and implement countermeasures in the event of problems.



## Safety Initiatives

### Case study Loginet Cooperative Association Driver Contest National Competition

The logistics network of Nichirei Logistics Group and its partner companies in the Loginet Cooperative Association hold a driver contest to improve the safety skills of truck drivers. Drivers from six branches nationwide who advance through the preliminary rounds compete in their safety inspection skills and academic knowledge developed in their daily work. At the Eighth National Competition in FY2024, a woman driver won first place in the individual category for the first time. We remain committed to ensuring safe vehicle operation.





Nichirei Foods Inc.

# Creating New Value through Frozen Foods

(Personal Use and Health)

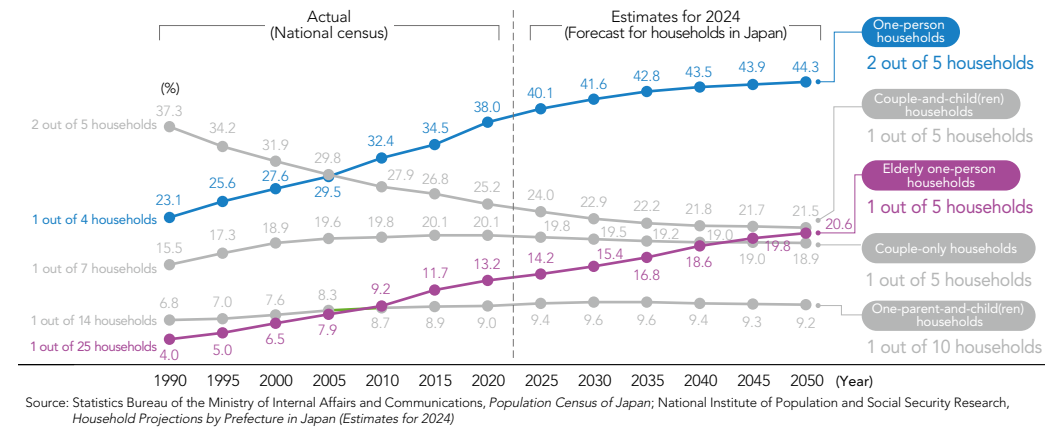
Social Issues

Increase in one-person households and decrease in household size  
Growing attention to health (such as protein deficiency)

In Japan, the increase in the number of one-person households and the decrease in household size are accelerating rapidly. Furthermore, diversifying values and lifestyles are resulting in fewer occasions when even members of the same household share meals or mealtimes. These trends back a growing need for personal-use meals available in single-serving sizes. Attention to health is also growing due to factors such as concern about infectious diseases and increased life expectancy. While there are many aspects to “health,” protein deficiency and excessive salt intake are particularly important issues in Japan.

## Trends and Outlook for Household Composition

Both one-person households and elderly one-person households are expected to continue to increase in the future. The proportion of one-person households is forecast to reach 44.3% by 2050 (based on a total of approximately 55.7 million households in 2020).



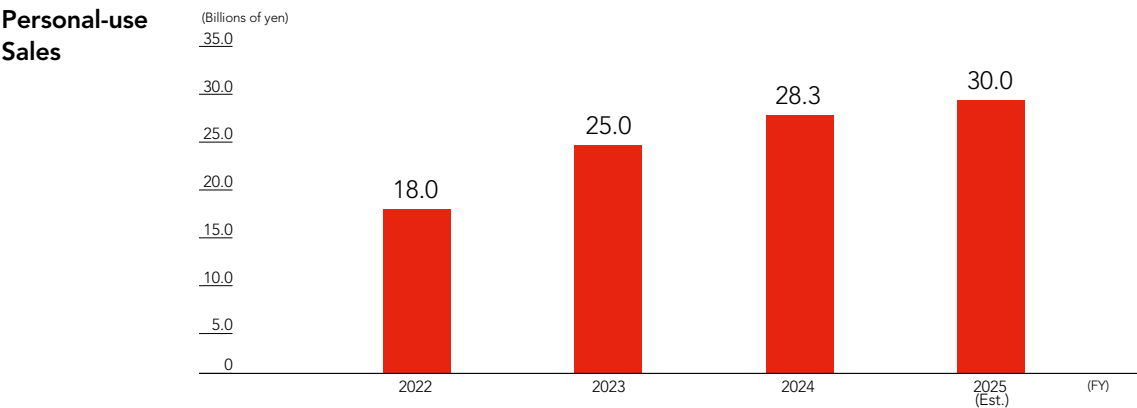
## Initiatives to Help Resolve the Issues

# Frozen Foods Hold Great Potential for Helping Resolve Future Social Issues

Frozen foods are known for their value in terms of preservation and convenience, helping to overcome a variety of social issues such as labor shortages and food loss & food waste. Nichirei Foods is focusing on developing products that enhance value for personal use and health, while maintaining our capabilities for “reproducing deliciousness.” By combining these values, Nichirei Foods is able to create unique products with distinctive value that can help overcome social issues.

We added a new production line for single-serving frozen meals at the Yamagata Plant in February 2022, and are ramping up development of noodle dishes and side dishes. Sales of personal-use products, including those produced at the Yamagata Plant, increased to ¥28.3 billion in FY2024, establishing this category as a growth driver for the frozen food market going forward.

The Nichirei Group leverages the knowledge and technology for nutritional component control that it has acquired over more than 30 years to provide health value, mainly through *Kikubari-Gozen* and other product lineups marketed on the Group’s e-commerce site. Building on this strength, we launched a new brand in FY2025 that enhances health value through increased protein content. In addition, Nichirei Foods is developing health-related technologies such as salt reduction technology, and will continue to develop products that embody the company’s distinctive approach to enhancing health value.



## Nichirei Foods’ Unique Competencies

Development and processing/production technology capabilities for reproducing the deliciousness of homemade meals or meals prepared by chefs

Ability to make proposals tailored to diverse business types and consumer needs

Quality assurance and traceability that support safety and reliability

## Case study A diverse lineup of personal-use products

### New Product Development Utilizing the Single-serving Meal Production Line at the Yamagata Plant

We have launched noodle products produced on the Yamagata Plant’s production line for single-serving frozen meals. These include the microwaveable *Hiyashi-Chuka* and *Kobashi-Men-no-Gomoku-Ankake-Yakisoba*, which have received an enthusiastic market reception. We have been able to replicate delicious flavor that rivals homemade meals by optimizing the flour blend for each product, placing particular emphasis on ingredient color and texture, and ensuring authentic aroma.

The production line is also flexible, and enables production of meal sets that combine a main dish and a side dish. We are aggressively developing the *Mitsuboshi Plate* series of meal sets, which is steadily establishing a position in the market. We will continue to expand our markets by developing a broad array of meals.



## everyONe meal



## Case study Launch of a new health brand

### Delicious and Easy Way to Get Additional Protein in the Diet

Protein is a key nutrient taking center stage as health consciousness grows. In Japan, people of all ages are not getting their recommended protein intake, and in recent years daily protein intake per person in Japan has decreased to the same level as in the 1950s.\* Given these circumstances, we launched a new brand called *everyONe meal* in FY2025 that offers a delicious way for people to add protein to their diet. This brand name combines “Everyone,” representing individual customers, with “Meal,” representing daily meals, and emphasizes the addition (adding on) of protein with “ON” in upper case letters, thus expressing our desire to deliver meals that provide essential nutrients. We are marketing this product via our own e-commerce site, and have also launched sales in certain retail stores.

\* Source: Ministry of Health, Labour and Welfare, *Changes in Nutrition and Health in Japan 1947-1993, 1994-2002 National Nutrition Survey, National Health and Nutrition Survey from 2003* ([http://www.mhlw.go.jp/bunya/kenkou/kenkou\\_eiyou\\_chousa.html](http://www.mhlw.go.jp/bunya/kenkou/kenkou_eiyou_chousa.html))

- Meeting the demand for single-serving sizes from one-person households and others
- Helping to maintain and improve health
- Helping to ease labor shortages and reduce food loss

Social Value

Economic Value

- Acquiring new customer segments
- Developing new growth categories

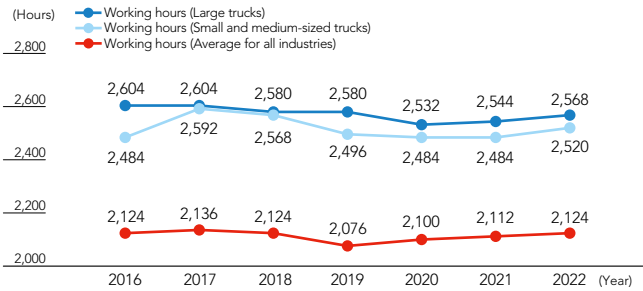


Nichirei Logistics Group Inc.  
**SULS** Next-generation Transportation and Delivery System

Social Issue    **The Logistics Industry's 2024 Problem:  
A Shortage of Truck Drivers and Long Working Hours**

Long working hours have become the norm for truck drivers due to business practices that require them to both drive long distances and help with incidental tasks such as loading and unloading at logistics facilities. The “2024 Problem” is a general term for the various issues that the shipping and logistics industries must now address as a result of the Work Style Reform Act of April 1, 2024, with the aim of improving working conditions by limiting driver overtime to 960 hours per year.

Annual Working Hours for Truck Drivers



Source: Ministry of Health, Labour and Welfare, Basic Survey on Wage Structure



Initiatives to Help  
Resolve the Issues

**Using SULS to Build a New Transportation  
and Delivery Platform for Temperature-  
controlled Logistics**

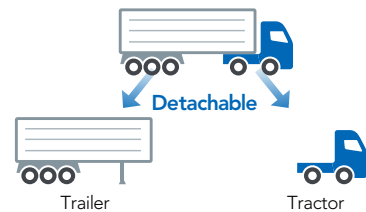
SULS is an acronym for S&U Logistics System. The “S” stands for speedy, sustainable, and solutions, and the “U” stands for utility, usability, and user experience. By synergizing the advantages of Nichirei Logistics Group, we will generate speedy, sustainable logistics solutions and provide utility, usability and superior user experience to our customers and society.

- Using low-temperature trailers with detachable cargo beds enables return trips from relay points. **Reduction of long-distance transport**
- Loading, unloading and related work are performed by Nichirei Logistics Group facility personnel rather than the truck drivers. **Help truck drivers devote their time to driving**
- Nichirei Logistics Group keeps its own trailers loaded and ready to go at relay points at all times to allow drivers to proceed to their next destination immediately after arrival. **Reduction of dwell time at logistics facilities**

**SULS**  
S&U Logistics System

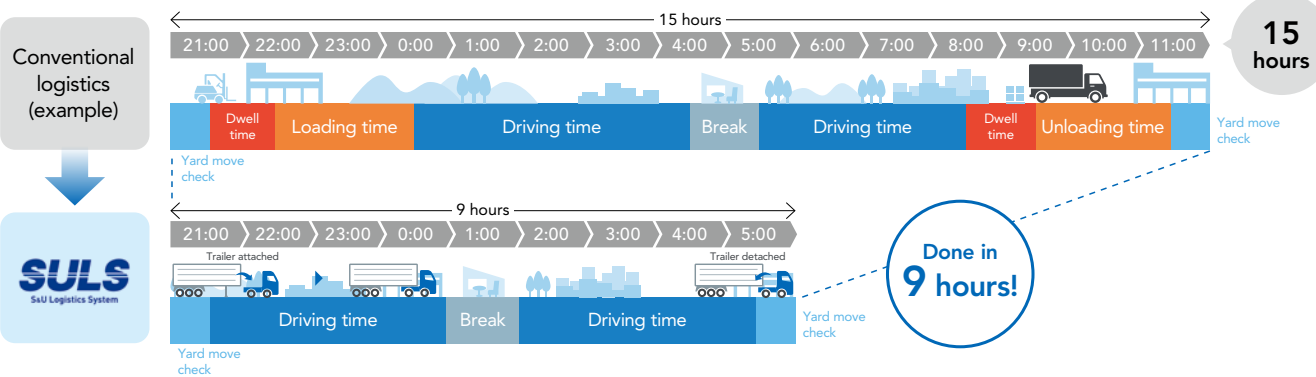


Using trailers with the largest capacity in Japan, capable of hauling 24-pallet loads (1.5 times the capacity of a 10-ton truck loaded with 16 pallets)



Expected Effect

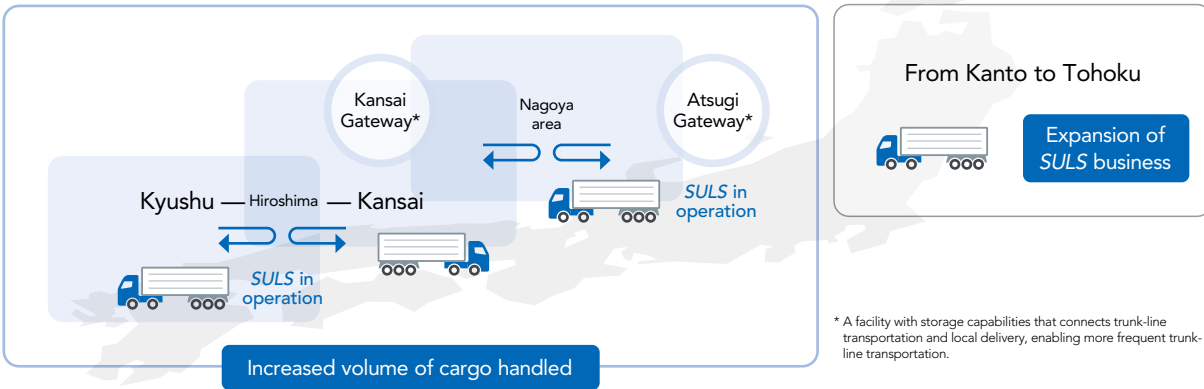
SULS dramatically reduces driver operation time including dwell time, loading time, and unloading time, making transportation more efficient than with conventional logistics.



Nichirei Logistics Group's Unique Competencies

- Nichirei Logistics Group-owned logistics facilities in approximately **80 locations** throughout Japan
- Dominant lead in volume of storage consignors' products handled as base cargo
- Collaborative partnerships spanning **more than 30 years** with **about 100** companies nationwide

Current SULS Operations



In June 2023, the Kansai Gateway began operating and the SULS link between Kyushu and Kansai was opened through the use of the Hiroshima Switch Center, a relay hub. As a result, SULS now connects the Kanto region to Kyushu.

Initiatives  
in FY2025

- By the end of FY2025, we will increase the total number of trailers to 50, and expand operations in the Tokyo, Nagoya and Osaka regions, utilizing the trailers for deliveries within each region.
- With the opening of routes to Tohoku and Kyushu, the expansion of SULS will facilitate growth in the volume of cargo handled by trunk-line transportation from central distribution centers and the production facilities of manufacturers throughout Japan.
- Expanding collection of northbound cargo from western Japan

- Achieving stable and sustainable transportation and delivery
- Reducing truck drivers' workload by shortening their on-duty work hours
- Reducing environmental impacts
- Reducing risk of inability to transport cargo

Social  
Value

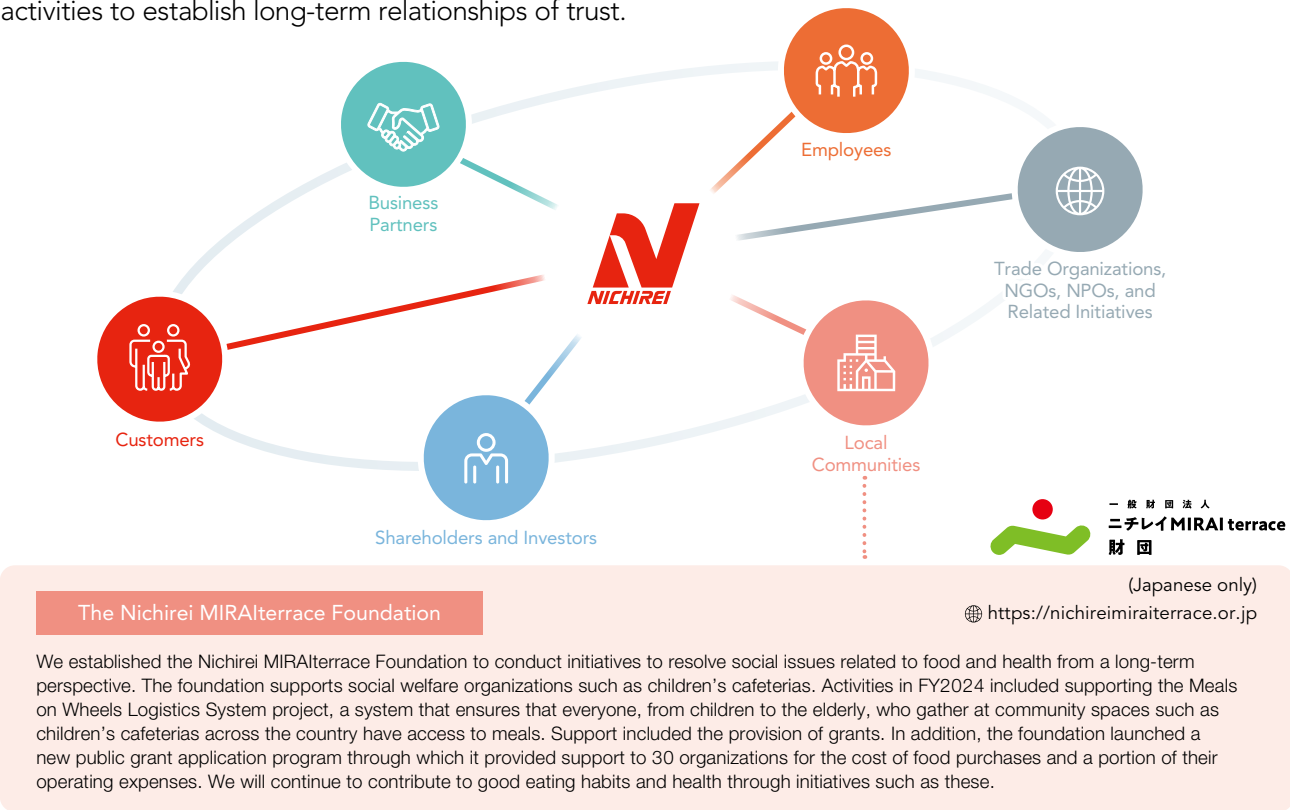
Economic  
Value

- Significantly reducing total driving time
- Building efficient and seamless transportation infrastructure
- Significantly expanding transportation capacity



Stakeholder Engagement

The Nichirei Group engages in global business activities, and as such recognizes the importance of maintaining dialogue with its diverse stakeholders. We work to promote understanding of our business through various methods of communication with stakeholders and by disclosing information. The Group works to build corporate value by reflecting the expectations and concerns of stakeholders in its business activities to establish long-term relationships of trust.



Customers

Customers who use the Nichirei Group's products and services. By responding to the needs of diverse customers while providing new value, we will contribute to good eating habits and health.

**Expectations and Interests**

- Creation of new value
- Provision of safe, high-quality products and services
- Realization of good eating habits and health
- Provision of appropriate information
- Sustainability initiatives

**Communication Channels**

- Day-to-day sales and business activities
- Customer Service Center
- Customer satisfaction surveys
- Website
- Social media

**Outcomes**

- Solutions to customer issues through promotion of innovation

**Related Capital**

- Social and relationship capital

**Related Material Matters**

- 1 Creating new value in food and health
- 2 Strengthening food processing and production technology capabilities; enhancing logistics services

Shareholders and Investors

The providers of financial capital for the Nichirei Group. Through dialogue and information disclosure, we gain their support for our sustainable growth.

**Expectations and Interests**

- Maintaining and improving corporate value
- Appropriate distribution of profits
- Timely and appropriate disclosure of information
- ESG initiatives

**Communication Channels**

- General Meetings of Shareholders
- Financial results briefings
- Business information sessions, facility tours
- Detailed interviews with individual investors in Japan and overseas
- IR website, ESG website
- Integrated Report

**Outcomes**

- Improvement in long-term corporate value

**Related Capital**

- Financial capital

**Related Material Matters**

- 1 Creating new value in food and health
- 2 Strengthening food processing and production technology capabilities; enhancing logistics services
- 3 Realizing sustainable food procurement and a circular economy
- 4 Climate change initiatives
- 5 Securing and developing a diverse array of human resources

Local Communities

As a member of society, the Nichirei Group contributes to the development of local communities and helps resolve social issues through dialogue and by thinking and acting together with a broad range of stakeholders. In addition to creating local employment through our businesses, we consider local communities and their environment and promote coexistence.

**Expectations and Interests**

- Coexistence with local communities
- Preservation of local environments
- Educational activities in local communities
- Contribution to job creation and local community development
- Consideration for the environment and noise levels, and safe operations

**Communication Channels**

- Social contribution activities
- Participation in local events
- Volunteer activities
- Dietary education activities (ethical consumption)
- Food factory and distribution warehouse tours
- Sponsorship of sporting events
- Website

**Outcomes**

- Coexistence with local communities
- Sustainable food procurement
- Realization of a circular economy
- Climate change initiatives

**Related Capital**

- Social and relationship capital
- Natural capital

**Related Material Matters**

- 3 Realizing sustainable food procurement and a circular economy
- 4 Climate change initiatives
- 5 Securing and developing a diverse array of human resources

Trade Organizations, NGOs, NPOs and Related Initiatives

By actively participating in trade organization conferences and other events, the Nichirei Group collaborates with other companies to help resolve issues. We also work to resolve such issues by collaborating and cooperating with various NGOs and NPOs in Japan and abroad.

**Expectations and Interests**

- Human rights
- Climate change
- Preservation of the global environment
- Food loss and food waste
- Sustainable procurement
- Resolution of industry issues through collaboration

**Communication Channels**

- The TCFD Consortium
- Japan Frozen Food Association
- The TNFD Forum
- Japan Association of Refrigerated Warehouses
- Japan Fisheries Association
- World Wide Fund for Nature
- Roundtable on Sustainable Palm Oil
- Caux Round Table Japan
- The Consumer Goods Forum
- The UN Global Compact

**Outcomes**

- Solutions to social issues through collaboration

**Related Capital**

- Social and relationship capital

**Related Material Matters**

- 3 Realizing sustainable food procurement and a circular economy
- 4 Climate change initiatives

Business Partners

The suppliers who do business with the Nichirei Group, including suppliers of raw materials and commercial products; OEMs to which it outsources manufacturing; and third parties to which it outsources logistics services, such as transportation and cargo handling. They are important partners for co-creating value, and we build long-term relationships of trust with them for mutual growth.

**Expectations and Interests**

- Impartial, fair, and honest transactions
- Initiatives to improve quality
- Formation of long-term, constructive relationships and mutual development premised on coexistence and co-prosperity
- Realization of sustainable procurement throughout the supply chain

**Communication Channels**

- Day-to-day procurement and business activities
- Meetings and seminars for business partners
- Implementation of Supplier Code of Conduct, Supplier Guidelines, and Supplier ESG Survey
- Initiatives for improving quality through communication

**Outcomes**

- Mutual growth with partners
- Sustainable food procurement
- Realization of a circular economy
- Climate change initiatives

**Related Capital**

- Social and relationship capital
- Natural capital

**Related Material Matters**

- 1 Creating new value in food and health
- 2 Strengthening food processing and production technology capabilities; enhancing logistics services
- 3 Realizing sustainable food procurement and a circular economy
- 4 Climate change initiatives

Employees

Nichirei Group employees are indispensable for creating value and producing safe, high-quality products and services. We respect the diversity of our employees, and strive to ensure occupational health and safety and to provide fair treatment and opportunities for personal development. We also strive to increase engagement by continuously improving the workplace to enable every employee to thrive.

**Expectations and Interests**

- Occupational health and safety
- Health management
- Improvement of work satisfaction
- Opportunities for employees to develop and fully demonstrate their skills
- Diversity, equity and inclusion (DE&I)
- Respect for diversity

**Communication Channels**

- Internal whistleblower hotlines
- Employee assistance and mental health consultation center
- Labor-management council
- Health and safety committees
- Symposiums involving management and employees
- Employee award system
- Intranet
- Employee engagement survey
- Employee stress checks

**Outcomes**

- Success of diverse human resources

**Related Capital**

- Intellectual capital
- Human capital

**Related Material Matters**

- 5 Securing and developing a diverse array of human resources