

Building of Sustainable Supply Chains

We recognize that the procurement and securing of sustainable resources is extremely important for the Nichirei Group to continue to provide value to society. In addition, we recognize that, when conducting global business activities, it is important to respect the environment and human rights together with our stakeholders in our supply chains.

In the years to come, we continue to contribute to the realization of a sustainable society through efforts to resolve social issues along our supply chains.

Nichirei Group Sustainable Supply Chain Policy

<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.

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.

Human Rights Policy

<https://www.nichirei.co.jp/english/corpo/humanrightspolicy.html>

Recognizing that our business processes may have direct or indirect effect on human rights, Nichirei Group has 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.	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.
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.		

Inaugural Supply Chain Meeting to Promote CSR Procurement

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

In FY2021 (ending in March 2021), we launched a Supply Chain Meeting to enable Group companies to participate in formulating Group CSR procurement guidelines, as well as to share with us and examine issues regarding the addressing of human rights due diligence. In addition to Nichirei Foods having joined the July 2019 Sedex* London conference, the Group is engaged in ethical and responsible business practices throughout our global supply chain.

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



Sustainable Ingredient Procurement

■ Aquaculture Stewardship Council, Marine Stewardship Council Certification

Since 2006, Nichirei Fresh has been engaged in the Forest of Life Project¹ nature conservation activities involving sustainable black tiger prawn farming and mangrove tree planting in Kalimantan, Indonesia.

These activities were extended to whiteleg shrimp ponds in Sumatra, Indonesia, and obtained Aquaculture Stewardship Council (ASC) certification² in 2018. From 2020, mangrove planting will begin in earnest, with plans to plant about 280,000 trees.

In addition, we are gradually increasing the handling of marine products certified³ by the Marine Stewardship Council (MSC) and, June 2019, we have been handling 17 fish species of marine products. In the years ahead, we plan to increase the variety of sustainable marine products we handle.

Notes:
1. Forest of Life Project: <https://www.nichireifresh.co.jp/inochinomori/>
2. ASC certification requires that marine products used have been cultivated in a sustainable manner.
3. MSC certification requires that wild seafood used has been caught using methods that do not deplete the natural supply.

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

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

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

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

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

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

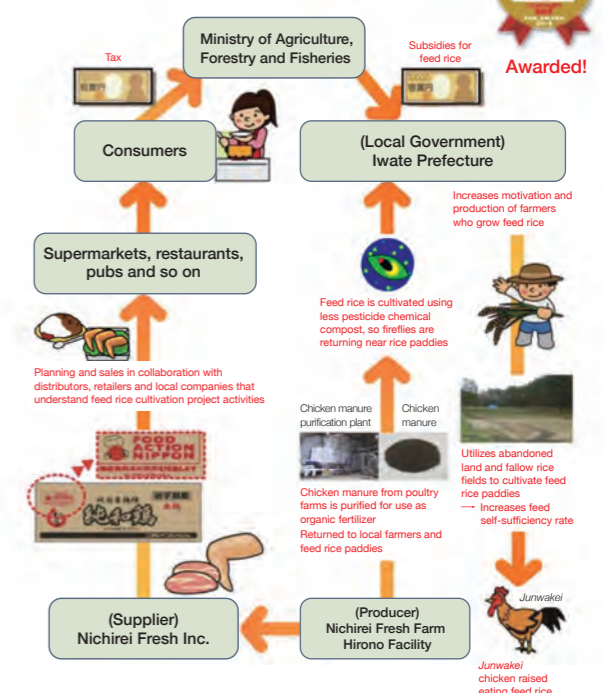
In addition, with the cooperation of the JA Shin-Iwate Agricultural Cooperative, Nichirei Fresh has signed contracts with rice farmers in the towns of Karumai, Hirono and their suburbs in Iwate Prefecture to produce feed rice using abandoned and fallow rice fields. Locally harvested feed rice is included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

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

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

Groundbreaking Business Cycle Involving Agriculture and the Public and Private Sectors

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



Certified Sustainable Palm Oil

Palm oil from the fruit of the oil palm is used as a raw material in such products as cooking oil, soap, and detergent. In recent years, the ongoing large-scale development of oil palm plantations has led to environmental problems, including deforestation of tropical rain forests and CO₂ emissions from peat areas, as well as forced labor and child labor among plantation workers, which are global problems.

In August 2018, the Group joined the non-profit organization Roundtable on Sustainable Palm Oil (RSPO), which promotes the production and use of sustainable palm oil. In FY2020, these efforts resulted in the total amount of palm oil used for frying oil at Nichirei Foods plants (at consolidated subsidiaries in Japan and overseas) totaled, and a corresponding amount of RSPO certified oil credits (book & claim method) were purchased. The Nichirei Group is supporting RSPO initiatives to promote sustainable procurement throughout the supply chain.

