

Providing Safe Products and Services

Basic Policy on Quality Assurance

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

The Nichirei Group's fundamental policy on quality assurance ensures the quality and safety of the food products and services we provide, so that they will not be hazardous to the health of consumers. At the same time, we are maintaining and improving on Group-wide levels of quality control, quality assurance, and customer satisfaction.

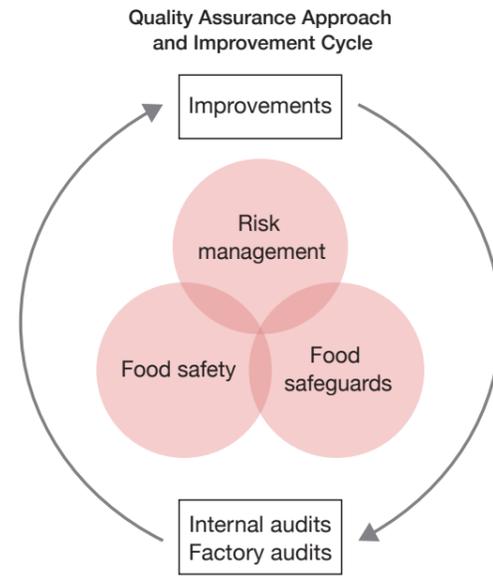
We aim for further enhancements by implementing the PDCA cycle in Quality management system and Food safety management system and encouraging improvements when deficiencies are found through internal audits and quality factory audits.

Regular Audits

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

Regular audits are conducted by each Group company based on an annual plan. The plans are determined by rationally and objectively evaluating the magnitude of possible risks, based on risk management, whether or not certification of international standards has been obtained, the quantity of products handled annually, and product characteristics.

PDCA is also used in regular audits. Audit results are used as a reference when determining audit policies and target sites when developing audit plans for the upcoming year.



Quality Control Based on International Standards

https://sustainability-cms-nichirei-s3.s3-ap-northeast-1.amazonaws.com/uploads/response_file/file/142/csr2019en.pdf#page=68

The Nichirei Group offers a variety of products and services with distinguishing characteristics. In addition to having internal rules and regulations that support these, we are working to acquire international standard certification, while strengthening our quality control system to ensure we continue to provide hazard-free products and services.

Certification Status

| Certification | Operating Company | Rate of Certification ⁵ | | |
|---|-----------------------------|------------------------------------|-------------------|--------|
| | | FY2018 | FY2019 | FY2020 |
| The HACCP system ¹ | Nichirei Foods | 13/15 | 14/15 | 14/15 |
| | Nichirei Fresh ⁶ | 6/7 | 7/7 | 7/7 |
| ISO9001 (Quality management system) | Nichirei Foods | 13/15 | 3/15 ⁷ | 3/15 |
| | Nichirei Fresh | 8/8 | 8/9 | 8/9 |
| | Nichirei Logistics Group | 105/112 | 104/115 | 81/115 |
| FSSC22000 ² , ISO22000 ³ , SQF ⁴ (Food safety management system) | Nichirei Foods | 13/15 | 14/15 | 14/15 |
| | Nichirei Fresh | 6/8 | 7/9 | 7/9 |
| | Nichirei Logistics Group | 2/112 | 2/115 | 2/115 |
| ISO14001 (Environmental management system) | Nichirei Foods | 11/15 | 11/15 | 11/15 |
| ISO13485 (Medical devices / In vitro diagnostics) | Nichirei Biosciences | 2/2 | 2/2 | 2/2 |

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

⁵ Fiscal years (FY) indicate years ended March 31.

Food Defense Initiatives

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

The Nichirei Group emphasizes people management to protect food.

In addition to restricting access to areas where food is handled to authorized individuals, we have made it possible to determine the when, who, and where of such individuals at all times. In-house operation rules covering visitors and contractors, as well as self-checks are in place and audits of our plants are conducted regularly to confirm safety. We are also working to improve the workplace environment based on employee satisfaction surveys and interviews.

We have installed cameras and face recognition systems at all our plants in Japan and overseas. To protect the food we have created a system based on the distinguishing characteristics of each product and which allows follow-up investigations to be conducted should problems arise. If a problem does occur, a link is established with our food crisis management system, which allows accurate information to be disseminated and responded to quickly.



Building of Traceability

https://sustainability-cms-nichirei-s3.s3-ap-northeast-1.amazonaws.com/uploads/response_file/file/142/csr2019en.pdf#page=68

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

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

The Nichirei Group regularly holds study sessions to deepen shared awareness with regard to quality-related information. To digitize and link information, we are also promoting the utilization of our own system that can be centrally controlled.

Traceability in the case of frozen green soybeans (illustration)

What the Trace Code Tells You

The trace code allows you to trace a product back to its place of cultivation. Trace codes are printed on these Nichirei Foods' frozen green soybeans to trace the cultivation and production management. If you know how to read these codes, you can trace the entire history of a product, from the cultivation management status in the field to the conditions in the factory. Nichirei Foods is using the trace codes to conduct ongoing improvements based on its discussions with local producers, in order to better respond to customers' needs.

2020.10.23 / EB

Best-by date Factory code

13B031F401

Arrived Feb. 13 Truck number Production line number

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

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

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

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

Safe Workplaces, Better Service

<https://www.nichirei-logi.co.jp/english/company/csr.html>

The Nichirei Logistics Group sets themes four times a year designed to put safety and quality first in warehouses. It also conducts accident prevention activities at all domestic facilities (114 locations).

Safety and quality awareness poster

