

Building a Sustainable Supply Chain

The Nichirei Group is working to build a sustainable supply chain. On April 1, 2022, the Group established the Nichirei Group Human Rights Policy, the Nichirei Group Sustainable Procurement Policy, the Nichirei Group Supplier Code of Conduct, and the Nichirei Group Supplier Guidelines. These policies are based on the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact as well as on The Nichirei Pledge, which is the Group's basic sustainability policy. They also provide the foundation for "realizing sustainable food procurement and resource recycling," one of the Group's material matters. Going forward, we will continue to promote the Nichirei Group Supplier Code of Conduct and Guidelines. We will evaluate risk factors in the supply chain and work with suppliers to mitigate these risks in accordance with the potential impact on business.

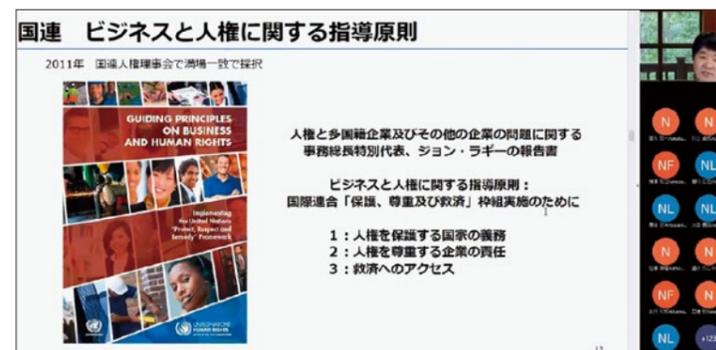
We will work to build a sustainable supply chain by sharing values and building close relationships within the Group and with suppliers.

Policy	Key Points for Amendment and Enactment
Nichirei Group Human Rights Policy	Respect for human rights in the Group and throughout the supply chain, implementation of human rights due diligence, introduction of system for filing grievances, etc. https://www.nichirei.co.jp/english/corpo/management/humanrightspolicy.html
Nichirei Group Sustainable Procurement Policy	Respect for human rights throughout the supply chain, reduction of environmental impact, consideration for animal welfare and biodiversity, etc. https://www.nichirei.co.jp/english/sustainability/social/supplychain/supply.html
Nichirei Group Supplier Code of Conduct	Clarification of requirements for suppliers based on the Nichirei Group Sustainable Procurement Policy https://www.nichirei.co.jp/english/sustainability/social/supplychain/regulation.html
Nichirei Group Guidelines Supplier	Explanation of items in the Nichirei Group Supplier Code of Conduct https://www.nichirei.co.jp/english/sustainability/social/supplychain/guideline.html

Initiatives for Sustainable Procurement

Study Sessions on Sustainability for Management

In FY2023, we are inviting experts to participate in study sessions on sustainability for management. We plan to hold five such sessions. At the third session, Mr. Hidemi Tomita of LRQA Sustainability K.K. gave a lecture on sustainable procurement and human rights. A total of 139 people* attended the event, which created greater awareness of human rights issues in the supply chain.



Online study session

* Including 85 directors from the holding company and operating companies and 54 officers from related divisions

Regenerating Marine Habitats

In June 2022, Nichirei Fresh joined Fukuoka Uoichiba Co., Ltd. and the Amakusa Fisheries Cooperative in launching the *Inochi-no-Umi-Project*. This initiative focuses on regenerating *Zostera* beds, which are areas of the seabed where this type of marine eelgrass grows. The project is funded using a portion of sales of natural shiba shrimp caught in Amakusa City, Kumamoto Prefecture. *Zostera* beds are a spawning and nursery ground for marine life. They play an important role in the marine ecosystem. However, *Zostera* beds are declining in number each year, which impacts the habitat of marine life and causes water quality to deteriorate.

Nichirei Fresh will use the expertise and experience it has gained overseas to protect ecosystems in Japan that support seafood and the marine environment, and engage in sustainable procurement of marine products.



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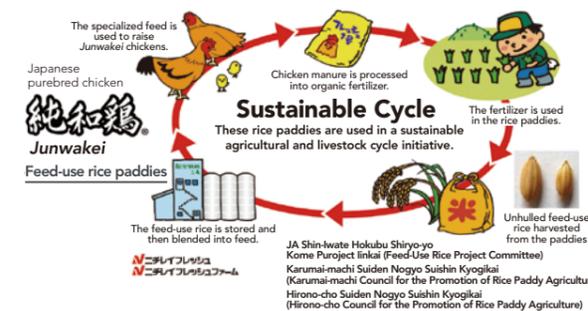
Sustainable Regional Agricultural and Livestock Cycle through *Junwakei* Chicken

<https://www.nichireifresh.co.jp/product/livestock/detail/?id=347> (Japanese only)



High-speed manure processing plant

Organic fertilizer made from chicken manure



In 2009, Nichirei Fresh launched a feed rice project in collaboration with the Japan Agricultural Cooperative in Iwate Prefecture and farmers from Karumai and Hirono in 2009, and in the 13 years since then the project has been implementing a sustainable regional agricultural and livestock cycle through the production of the *Junwakei* breed of chicken (a crossbreed of two native Japanese species). When the project was first launched, paddies for feed rice covered around 15 hectares. By FY2022, this area had expanded to around 249 hectares yielding a harvest of roughly 1,700 tons.

Manure from the poultry farm is made into organic fertilizer at an on-site high-speed manure processing plant. This fertilizer is spread over the feed rice paddies that were previously fallow rice fields, providing nutrients for the soil. Rice harvested from these paddies is fed to *Junwakei* chickens as formula feed. Moreover, waste heat energy from the manure processing plant is used to heat the chicken coops.

Initiatives for Sustainable Palm Oil (RSPO Oil Credits)

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 oil credits (via the book and claim method) corresponding to 100% of the palm oil they use.

