



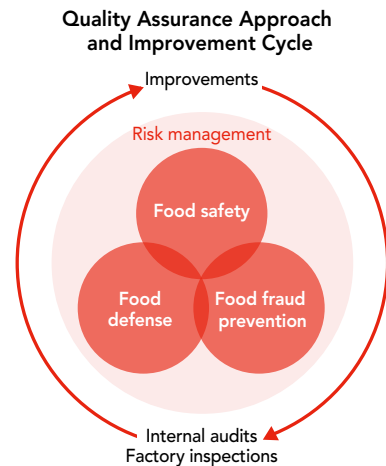
Customers

### Nichirei Group Fundamental Policies on Quality Assurance

The Nichirei Group's fundamental policies on quality assurance aim to ensure the quality and safety of the food products and services the Group 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 indicated 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.



In addition, to assess whether these initiatives are being implemented reliably, we use internal audits and quality audits at our factories based on our quality management system and food safety management system. We strive to upgrade our systems by following a PDCA cycle to facilitate improvements should any deficiencies arise.

■ **Number of Annual Factory Audits by Group Companies (Japan/Overseas) (FY2019–FY2023)**

For factory audits, each operating company rationally and objectively evaluates the magnitude of risks based on various factors such as characteristics of products it handles, whether or not certification of international standards has been obtained and the quantity of products handled. Based on this evaluation, the operating company creates an annual plan according to which it carries out factory audits. Any concerns pointed out by the audits are reflected in factory improvement activities and Company-wide rule reviews.

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of Factory Audits (Japan/overseas)	104	72	50	62	87
Annual Group Implementation Rate (Compared with plan)	99%	85%	48%	60%	84%

Since FY2021, we have not been able to conduct as many regular audits as planned due to restrictions on movement caused by the COVID-19 pandemic. However, we are working to ensure safety by expanding and reviewing our use of remote audits.

■ **Number of Voluntary Monitoring Tests Carried Out (FY2019–FY2023)**

The Food Safety Center works to confirm the safety and legality of the products handled by the Group. It determines annual plans for items to be inspected and frequency of inspection according to the characteristics of the products handled and the magnitude of possible risks, and carries out various inspections, some involving other inspection organizations. Even when the standards are met, if there are any unusual signs or patterns in inspection results, the factory is alerted and the results are used for reference in improvement activities.

	FY2019	FY2020	FY2021	FY2022	FY2023
Microorganisms	679	584	625	637	616
Pesticide residues and veterinary drugs	609	486	485	492	534
Others (radiation, odor, overseas sales, etc.)	202	193	151	144	140

### Proactive Adoption of International Standards for Quality Control

The Nichirei Group offers products and services with a variety of distinguishing characteristics. In addition to applying internal rules aligned to these characteristics, Group companies are actively working to acquire international standard certification for management systems in areas such as quality control and food safety, while strengthening their quality control systems to ensure the safety of the products and services they provide.

■ **Certification Status of Group Companies in FY2023** (Figures in parentheses are certification rates<sup>1</sup>)

	Target Worksites <sup>1</sup>	Quality Management System (ISO 9001)	Food Safety Management System (FSSC 22000, <sup>2</sup> ISO 22000, <sup>3</sup> SQF <sup>4</sup> )	Medical Device Quality Management System (ISO 13485 <sup>5</sup> )
Nichirei Foods	21	2 <sup>6</sup> (10%)	21 (100%)	—
Nichirei Fresh	9	5 <sup>6</sup> (56%)	8 <sup>7</sup> (100%)	—
Nichirei Logistics Group	119	85 (71%)	2 <sup>8</sup> (100%)	—
Nichirei Biosciences	3	0 (0%)	—	3 (100%)

1. Certification rate (%) = No. of certified worksites ÷ Total no. of worksites of consolidated subsidiaries in Japan and overseas (food factories, distribution centers, etc.). 2. Developed by the Foundation FSSC 22000 (the Netherlands) based on ISO 22000. 3. Stipulated by the International Organization for Standardization, based on ISO 9001. 4. Established by The Food Industry Association (FMI) in the United States, based on hazard analysis and critical control points (HACCP) methods and good manufacturing practice (GMP). 5. Some ISO 9001 requirements have been omitted, and specific requirements relating to medical devices have been added. 6. In the process of switching to the FSSC 22000 food safety management system. 7. Excludes Nichirei Fresh Farm. 8. Includes processing centers only.

### Initiatives for Establishing a Food Safety Culture

In recent years, the United States and countries in Europe have broadly adopted the concept of food safety culture,<sup>9</sup> which focuses on the human behaviors and organizational culture that affect food safety. Additional requirements are being introduced to food safety management systems such as FSSC 22000.

In our Management Principles, we have had a longstanding focus on the guiding principle, “Prioritize customers, safety, and quality,” and have striven to build long-term trust with our customers. To bolster this principle further, in addition to incorporating the concept of food safety culture into our internal rules, in FY2023 we also arranged training sessions featuring guest lecturers for approximately 60 quality assurance personnel at Group companies.

Continuous employee education and promotion of communication are essential for establishing a Company-wide food safety culture, so we will continue our efforts to pass on “Nichirei quality” going forward.

9. Adopted by the Codex Alimentarius Commission for its *General Principles of Food Hygiene* in 2020.

### Food Defense Initiatives

To prevent intentional contamination of food products, the Nichirei Group believes it is critically important to foster strong bonds of trust with employees at worksites, creating environments in which accidents are unlikely. Furthermore, it is necessary to employ both procedures and physical safeguards, as well as verification methods in the event of an accident. We have established food safeguard (food defense) systems tailored to each product type.

Based on this approach, we have established food safeguard systems tailored to each product type at each operating company. In addition to confirming safety through factory self-checks and factory audits, we are actively working to improve the workplace environment based on employee interviews.

■ **Nichirei Foods’ Four Principles of Food Defense**

<p><b>Principle 1</b></p> <p><b>Build relationships of trust</b></p> <p>Create an organizational climate of fairness and justice.</p>	<p><b>Principle 2</b></p> <p><b>Avoid suspicious persons</b></p> <p>Prevent intrusion by outsiders or suspicious persons.</p>
<p><b>Principle 3</b></p> <p><b>Prevent attacks</b></p> <p>Discourage suspicious behavior.</p>	<p><b>Principle 4</b></p> <p><b>Enable verification</b></p> <p>Monitor employee activities.</p>

### Building a Traceability System

To always provide safe, reliable and high-quality food, the Nichirei Group conducts rigorous quality control and inspections at every stage, from ingredients to final products, and has built a traceability system suited to the distinguishing characteristics of each product. For example, in the event that an issue should arise in frozen vegetables, the cause can be investigated by using the product code symbol to trace the product back through the management records stored by the factory. In this way, it is possible to prevent the issue from spreading or recurring.

Transporting raw materials	The farm manager (field person) checks the quantity of raw materials, status of pollution prevention measures, truck departure time, etc. and prepares an invoice.
Receipt of shipment at the factory	The person in charge of receiving the raw materials checks them against the invoice, and then labels the raw materials with the truck number.
Processing	Trace code labels are established for each process in the production line. Raw materials are processed in the order they arrive at the factory (raw materials are separated by production area).

■ **Traceability of Frozen Green Soybeans (Illustration)**

**Information Contained in the Trace Code**

The trace code allows a product to be traced back to its place of origin (cultivation). Trace codes printed on Nichirei Foods’ frozen green soybeans record cultivation and production management data. Simply by checking the trace code, the entire history of a product can be tracked, from cultivation management conditions in the field to production conditions at the factory. Nichirei Foods is using trace codes to conduct ongoing improvements based on its discussions with local producers, in order to better respond to customers’ needs.

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

- The farm at which the product was harvested
- The truck used to transport the harvested product
- When the product arrived at the 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