

Building of Sustainable Supply Chains



We recognize that the procurement and securing of sustainable resources is extremely important for the Nichirei Group to provide value to society and for its own continued existence. We also recognize that it is important to respect the environment and human rights together with our stakeholders in the supply chains when conducting global business activities.

We set human rights as one of the important initiatives in the Nichirei Group Sustainable Supply Chain Policy established on April 1, 2017. We then established the Nichirei Group Human Rights Policy on April 1, 2019, to respect the basic human rights of all people involved in our business.

In the years to come, we will 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.

■ Specific initiative activities (questionnaire survey and progress with major suppliers) * Fiscal years (FY) indicate years ended March 31.

	FY2018		FY2019
Nichirei Foods	Shared Nichirei Group Sustainable Supply Chain Policy with important suppliers in Japan and overseas, conducted surveys in a questionnaire format	Collected all questionnaires	Analyzed questionnaire content
Nichirei Fresh			Visited some suppliers and exchanged opinions

Initiatives toward ASC- and MSC-certified Marine Products

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/csr/pdf/csr2018.pdf#page=27>

Since 2006, Nichirei Fresh has been involved in the nature conservation initiative known as “Forest of Life Project” in Tarakan City, a joint effort between Indonesia shrimp supplier PT. Mustika Minanusa Aurora (MMA) and Tarakan City in North Kalimantan that involves improving shrimp habitats and planting mangrove trees.

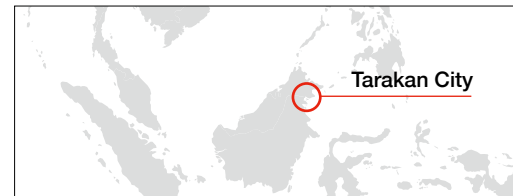
The Forest of Life Project has engaged in traditional cultivation of shrimp that does not use formula feed or electricity. In this cultivation method, fry shrimp are released into cultivation ponds and raised on plankton and aquatic plants and fishing is performed using the ebb and flow of the tide. In addition to actively expanding this shrimp raising method, which has a low environmental impact, Nichirei Fresh donates a portion of its sales profits to MMA's Mangrove Foundation. This foundation funds mangrove planting efforts in Tarakan City and has assisted with the recovery of regional ecosystems and environmental conservation.

As of June 2019, Nichirei Fresh is handling 17 kinds of MSC-certified¹ natural marine products and three kinds of ASC-certified² marine products, in both cases one more product than last year.

In the years ahead, we will continue to increase the number of kinds of sustainable marine products we handle.

Notes: 1. MSC certification: Natural marine products certified by the MSC (Marine Stewardship Council) as having been cultivated in a sustainable manner
2. ASC certification: Marine products certified by the ASC (Aquaculture Stewardship Council) as having been cultivated in a sustainable manner

■ Target area: Tarakan City, North Kalimantan Province, Indonesia



■ Nichirei Fresh products that have obtained ASC/ASC 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*	

* The products that newly obtained the certification in FY2020

Introduction of sustainable palm oil (RSPO-certified palm oil)

In August 2018, the Nichirei Group joined the Roundtable on Sustainable Palm Oil (RSPO). A non-profit organization that promotes the production and use of sustainable palm oil, the RSPO ensures that palm oil production does not adversely affect rainforest conservation, the biodiversity inhabiting those rainforests and the lives of the people who depend on them. To promote sustainable procurement throughout the supply chain, the Nichirei Group will support RSPO initiatives.



» Human Right Policy

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

Under the Nichirei Group's corporate vision of “continuing to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services,” we create new customer value and contribute to finding solutions to challenges facing our society, in an effort to be an indispensable member of society.

Recognizing that our business processes may have direct or indirect effect on human rights, we have 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.
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: <ul style="list-style-type: none"> • 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.
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. <ul style="list-style-type: none"> • 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.

Human Rights Due Diligence Review Begun

The Nichirei Group has begun to review its human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights. Based on our commitment to human rights (Nichirei Group Human Rights Policy), we will continue to communicate with external stakeholders through a series of processes. These will include the identification and evaluation of human rights issues in Nichirei Group supply chains, the planning and execution of initiatives, monitoring and information disclosure.

Nichirei Foods Joins Sedex

In July 2019, Nichirei Foods joined Sedex*, a global corporate ethics information sharing platform. We will continue to work on ethical and responsible business practices in the 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. Sedex currently has around 40,000 companies / organizations / factories / self-employed members in more than 28 industries in 150 countries.