

Building a Sustainable Supply Chain

We recognize that the sustainable procurement of 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 work with stakeholders in our supply chain to respect the environment and human rights. 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 chain.

Nichirei Group Sustainable Supply Chain Policy <https://www.nichirei.co.jp/english/csr/supplychain>

The Nichirei Group is committed to building a sustainable supply chain. The Group procures products and services in accordance with the following policy and asks suppliers to agree and comply with this policy.

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 effects 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 the 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 the 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.
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. 		

Promoting CSR Procurement: Sedex Membership and SMETA

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

Since FY2020, we have been promoting understanding of the Nichirei Group Sustainable Supply Chain Policy and our CSR procurement activities among business partners. In FY2021, we launched our Group Supply Chain Meeting, where we discuss shared issues in addressing human rights due diligence. In FY2022, we launched the Group Supply Chain Committee.

In addition, Nichirei Foods joined Sedex¹ in July 2019. We established the Nichirei Foods Supplier CSR Guidelines in October 2020 and disclosed them in five languages. In FY2022, we began implementing SMETA² audits at our domestic food factories.

Notes:

1. Supplier Ethical Data Exchange (Sedex): 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.
2. Sedex Members Ethical Trade Audit (SMETA): An audit methodology developed by the Sedex Stakeholder Forum, whose members consist of brand-owners, companies, and audit firms, by consolidating best practices related to ethical audits.

Sustainable Ingredient Procurement

■Aquaculture Stewardship Council, Marine Stewardship Council Certification

Since 2006, Nichirei Fresh has engaged in *Inochi-no-Mori Project*¹ nature conservation activities involving sustainable giant 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. Since 2020, we have planted about 280,000 mangroves. In addition, we are gradually increasing the number of marine products we handle that have obtained Marine Stewardship Council (MSC) certification.³ As of June 2020, we had obtained MSC certification for products of 17 species. We will continue to expand our lineup of MSC-certified processed marine products.

Notes:

1. *Inochi-no-Mori Project*: <https://www.nichireifresh.co.jp/inochinomori/> (Japanese only)
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 MSC/ASC Certification

ASC Certification Number ASC-C-01632	Giant tiger prawn, whiteleg shrimp, Pacific cupped oyster, Atlantic salmon, coho salmon, rainbow trout salmon, rainbow trout
MSC Certification Number MSC-C-52165	Chinook salmon, silver salmon, pink salmon, chum salmon, sockeye-red salmon, Pacific cod, northern rock sole, yellowfin sole, English sole, walleye pollock, arrowtooth flounder, great Atlantic scallop, silver smelt, snow crab, herring, arctic surf clam, red king crab, longfin inshore squid, Pacific oyster



Shio Sujiko (salted sujiko), processed roe from MSC-certified Alaskan sockeye-red salmon

■Sustainable Regional Agricultural and Livestock Cycle through Junwakei Chicken

Over the 12 years since launching a feed rice project in collaboration with the JA cooperative in Iwate Prefecture and farmers from Karumai and Hirono in 2009, Nichirei Fresh 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 FY2021, this area had expanded to around 200 hectares yielding a harvest of roughly 1,600 tons.

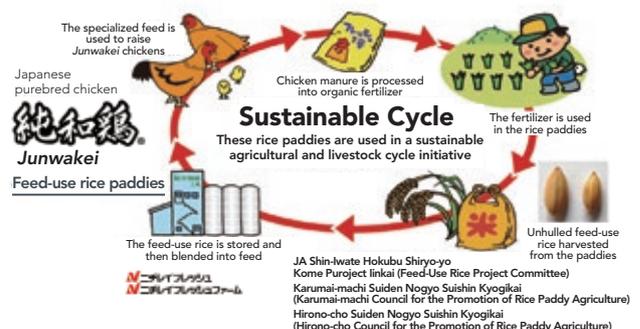
Manure from the poultry farm is made into organic fertilizer at an on-site high-speed chicken manure processing plant. This fertilizer is spread over the feed rice paddies, providing nutrients for the soil, where previously they were resting rice fields. Rice harvested from these paddies is fed to *Junwakei*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



High-speed chicken manure processing plant



Chicken manure made into organic fertilizer



■Certified Sustainable Palm Oil (RSPO Oil Credits)

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 issues, 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 issues.

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 sustainable. This includes calculating the total amount of palm oil used as frying oil at Nichirei Foods' factories (at consolidated subsidiaries in Japan and overseas), and purchasing a corresponding amount of RSPO oil credits (via the book and claim method).



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Membership profile page
<https://rspo.org/members/7750>