



MARUHA NICHIRO

For the ocean, for life

Maruha Nichiro Group Sustainability Report 2023

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President's Message



As a company creating health value that delivers abundant food to people around the world, we aim to increase the creation of Maruha Nichiro Value (MNV)

Masaru Ikemi

President & CEO and Representative Director
Maruha Nichiro Corporation

Maruha Nichiro is a Company with over 140 years of history. Fiscal year 2022 marked the beginning of our Medium-term Management Plan, "For the ocean, for life MNV2024." It was a year in which we declared to both our internal and external stakeholders that in order to succeed in the next 100 years, it is essential to create a corporate value that integrates economic value, environmental value, and social value.

Under "For the ocean, for life MNV2024," we are focusing on three key areas: the integration of business strategy and sustainability, the implementation of management for creating value, and strengthening business foundation for sustainable growth. Through the integration of business strategy and sustainability, we aim to create MNV (Maruha Nichiro Value) for all stakeholders, thus enhancing our corporate value and achieving sustainable growth. In the process of creating MNV, we will work towards maximizing economic value, which serves as the foundation for ensuring the continuity of our business, while also striving to maximize environmental and social value.

The Group's strategy is to integrate economic value (MNEV), environmental value (EV), and social value (SV) in order to maximize MNV. To this end, management of each of these aspects is important, and we are practicing materiality KPI management as well as financial KPI management, targeting 2027 and 2030, respectively.

All nine materiality areas selected are important, and as a concept that runs through all of them, the perspective of Group governance is a challenge and must be disseminated throughout the Group. Because our Company is characterized by a system in which Unit Directors control even their affiliates, examples of successful implementation must be shared and standardized within the Group. The implementation of Group governance has just begun, and I believe that we will be able to determine what we need to do in the future by stimulating interactions within the Group more than ever before and having all employees consider the significance of each Group company's existence.

It is clear from the current global situation that people around the world are feeling a sense of crisis regarding food. As the world's population is certain to grow, and doubts arise as to whether the Earth will continue to produce high-quality protein forever, as a Company involved in the food industry, if we carry out our corporate activities, including our future economic activities, with a strong belief and message that we will be a Company that continues to provide safe, secure, and high-quality protein, we will surely become a sustainable Company and be properly evaluated as such, and we believe that we have the right background to achieve this. I am sure that we will face various hardships in the future, but I am convinced that if all employees can understand the significance of the Long-term Corporate Vision that the Group has set forth, the issues of what we should do will naturally become apparent.

Maruha Nichiro will continue our advancement in order to meet your expectations. Thank you very much for your continued support.

Sustainability Management

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Management Structure

The Maruha Nichiro Group's Medium-term Management Plan "For the Ocean, for Life MNV 2024"

Maruha Nichiro aims to create Maruha Nichiro Value (MNV) for all stakeholders in order to enhance enterprise value and achieve sustainable growth through the integration of management strategy and sustainability.

In the sustainability strategy in the Maruha Nichiro Group's Medium-term Management Plan "For the Ocean, for Life MNV2024" since FY2022, we have reviewed materiality and established KGIs (Ideal state by 2030) and KPIs for each materiality. The Maruha Nichiro Group has established promotion systems, including the Sustainability Committee, and will promote activities to realize materiality and achieve KPIs.

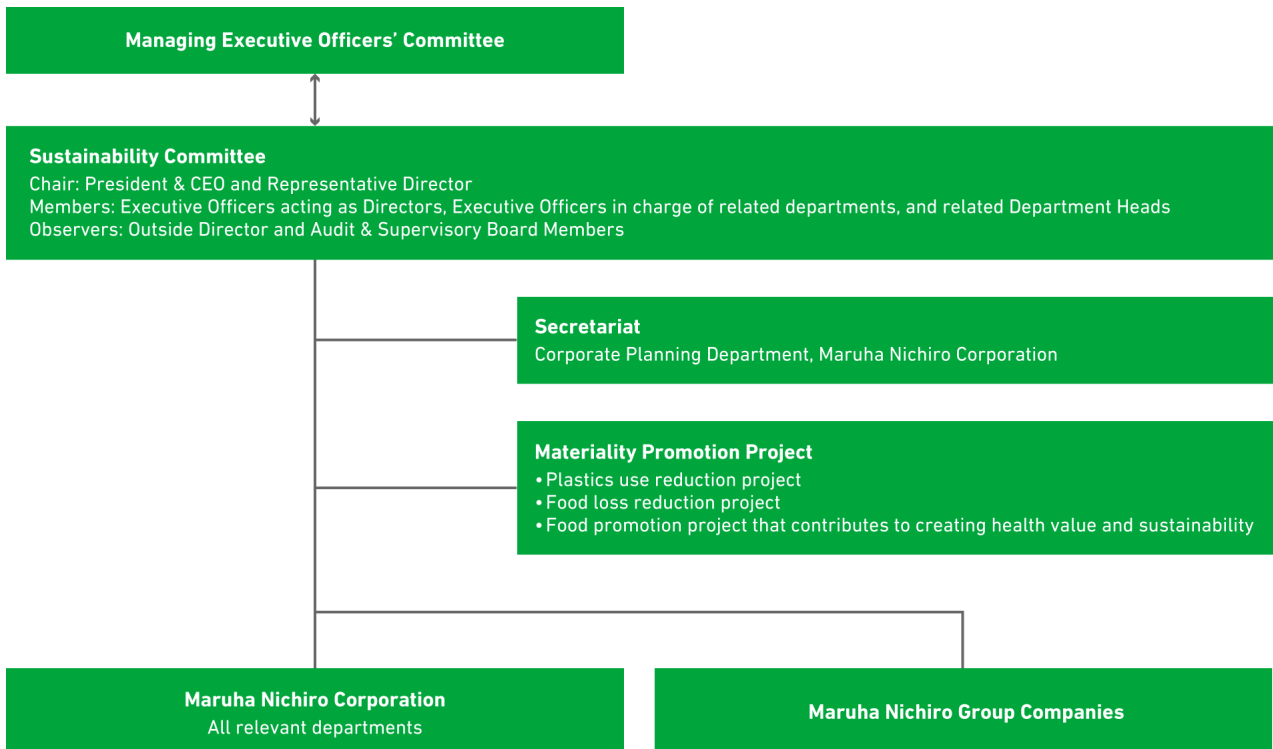
Management Structure

The Sustainability Committee of the Maruha Nichiro Group is chaired by the President & CEO and Representative Director, and consists of the executive officers who also serve as directors of Maruha Nichiro Corporation, officers in charge of related departments, and related Department Heads as committee members, with outside Directors and Audit & Supervisory Board Members as observers.

The Sustainability Committee is responsible for planning the overall Group sustainability strategy, setting targets, and evaluating the activities of each Group company. The Committee also actively engaged in discussions during the materiality review process of the new Medium-term Management Plan. Also, as for each materiality promotion framework after the review, we have launched projects in the areas of "reduction of plastic use and food loss" under the materiality of "Contributing to a recycling-oriented society" and "Food provision contributing to creating health value and sustainability." The project owner is the officer in charge of the project and the project leader is the relevant department head and cross-departmental efforts have begun.

Since FY2022, the Sustainability Committee has been meeting four times a year to manage the progress of each materiality on a quarterly basis. We will promote activities together as a Group to achieve KPIs identified in each materiality.

Maruha Nichiro Group Organization Structure for Sustainability Promotion



Purpose: Verification and evaluation of progress status of materiality and achievement of KPIs for the overall Maruha Nichiro Group's sustainability strategy, as well as sharing issues and information

Overview of Sustainability Committee

Chairperson: President & CEO and Representative Director

Secretariat: Sustainability Group, Corporate Planning Department

Frequency of meetings: Twice a year (ad hoc committee meetings held as necessary)

Committee members: Executive Officers acting as Directors, Executive Officers in charge of related departments, and related Department Heads of Maruha Nichiro Corporation

Purpose: Verification and evaluation of progress status of the Medium-term Sustainable Management Plan for the Group overall, sharing issues and information

Sustainability Committee Results for FY2022

In FY2022, the Sustainability Committee met four times to deliberate on the following agenda. The agenda items and details are distributed to responsible persons and persons in charge of environmental concerns of each Maruha Nichiro Corporation department and group company in an effort to share information with all employees.

Times Convened: 4

Main agenda of the Sustainability Committee in FY2022

Main agenda content

Review of previous Medium-term Sustainability Management Plan

- Progress on the numerical target of "Creation of Environmental Value"
- Progress on other materiality

Progress of materiality in the Medium-term Management Plan "For the ocean, for life"

- Progress on three projects (plastics use reduction, food loss reduction, and food provision contributing to creating health value and sustainability)
- Progress on other materiality

Reflection of non-financial indicators in personnel evaluations for FY2023

- A part of personnel evaluation of Maruha Nichiro Corporation employees includes the progress and achievement of materiality initiatives

Implementation of TCFD scenario analysis

- In addition to the Aquaculture Business Unit in FY2021, targets of TCFD scenario analysis have been expanded to include the Fishery Business, Marine Products Trading, Overseas Business, Processed Foods Business, and Foodstuff Distribution Business units.

In FY2023, meetings will be held quarterly to deliberate on various topics, including the status of KPI achievement for each materiality of the Sustainability Strategy.

Internal Dissemination Measures

Conducting Group Philosophy Training

Group Philosophy Training is a training program developed based on our experience that the Group Philosophy was not resonating with employees following the pesticide contamination incident at AQLI Foods in 2013. From FY2022, we updated the content of this training program with the aim of making the Group Philosophy more personal for employees. Instead of the Company unilaterally explaining the Group Philosophy, the purpose is to provide a space for each employee to independently consider the relationship and connection between their daily work and the Group Philosophy, and to further understand the philosophy as their own.

We have gradually rolled out this philosophy training to all employees of Group companies and all business sites of Maruha Nichiro Corporation, and the training is led by officers of the Company. In FY2022, due to COVID-19 we decided not to conduct group training for all employees, but instead conducted Group Philosophy training for new and mid-career employees of the Company and domestic Group who had not yet attended Group Philosophy training, using an online format.



Third round of the Group Philosophy Training

Materiality

Identification and Review of Materiality

In FY2022, the Sustainability Committee met four times to deliberate on the following agenda. The agenda items and details are distributed to responsible persons and persons in charge of environmental concerns of each Maruha Nichiro Corporation department and group company in an effort to share information with all employees.

The Background of Reevaluating Materiality

Recognizing that improving medium- to long-term enterprise value and achieving sustainable growth are important issues, the Maruha Nichiro Group has been reevaluating materiality in the area of sustainability that were identified in February 2018, which has taken about one year from February 2021, and has formulated the new Medium-term Management Plan "For the Ocean, for Life MNV 2024."

As interest in sustainability issues, including social and global environmental issues, grows worldwide, and as the external environment in which we operate changes daily, the Maruha Nichiro Group has identified nine materiality areas with an emphasis on responding to change, spreading awareness of key issues within the Company, and reflecting the opinions of internal and external stakeholders in its management. From now on, we plan to manage our operations with the aim of realizing "environmental value" and "social value" in each materiality. We plan to reevaluate materiality on an ongoing basis.

Newly Identified Materiality

Creation of Environmental Value

1. Action for climate change
2. Contributing to a recycling-oriented society
3. Action for marine pollution by marine plastics
4. Action for preserving biodiversity and ecosystem

Creation of Social Value

5. Provision of safe and secure food
6. Food provision contributing to creating health value and sustainability
7. Build a work environment that diversified employees can work with a sense of security
8. Building a work environment that diversified employees can work with a sense of security
9. Respect for human rights in business operations
10. Development of Sustainable Supply Chain

Materiality Identification and Review Process

Step 1: Extracted Items to Be Evaluated as Candidates for Materiality

As interest in sustainability issues, including social and global environmental issues, grows worldwide, and as the external environment in which we operate changes daily, the Maruha Nichiro Group has identified nine materiality areas with an emphasis on responding to change, spreading awareness of key issues within the Company, and reflecting the opinions of internal and external stakeholders in its management. From now on, we plan to manage our operations with the aim of realizing "environmental value" and "social value" in each materiality. We plan to reevaluate materiality on an ongoing basis.

Step 2: Evaluated by External Stakeholders, Stakeholder Engagement (Dialogue), and Evaluated from Our Own Company's Perspective.

A short list of 43 items was sent to the external stakeholders below who were asked to rate the importance of each item to our Company and to provide reasons for their rating. For the evaluation of our own Company's perspective, we conducted an internal questionnaire. In addition to collecting opinions from 1,576 employees of Maruha Nichiro Corporation, including 66 executive officers, unit heads, and department heads, opinions were collated from 50 President & CEOs of Japan and overseas consolidated Group companies, to ensure an extensive perspective, including a group perspective.

Also, one of the external stakeholders, Executive ESG Analyst Mr. Megumi Sakuramoto of Asset Management One, Co., Ltd., and the Company's President & CEO Masaru Ikemi, discussed the sustainability issues that should be emphasized.

Main feedback from stakeholders

As interest in sustainability issues, including social and global environmental issues, grows worldwide, and as the external environment in which we operate changes daily, the Maruha Nichiro Group has identified nine materiality areas with an emphasis on responding to change, spreading awareness of key issues within the Company, and reflecting the opinions of internal and external stakeholders in its management. From now on, we plan to manage our operations with the aim of realizing "environmental value" and "social value" in each materiality. We plan to reevaluate materiality on an ongoing basis.

| | |
|---|---|
| <p>Sumitomo Mitsui DS Asset Management Ms. Keiko Akuto</p> | <ul style="list-style-type: none"> • Consideration of human rights, including forced labor and child labor, is important since economic losses are significant when human rights violations occur. • The problem of marine plastics and the conservation of marine biodiversity are high priorities because of their impact on the fishery business. |
| <p>CEO, Response Ability, Inc. Executive Director, Japan Business Initiative for Biodiversity (JBIB) Dr. Naoki Adachi</p> | <ul style="list-style-type: none"> • There is an urgent need to develop and transition to fishing gear that takes into consideration marine resources and the surrounding ecosystems (organisms). • There should be a greater sense of urgency and responsibility for the fact that most marine resources are barely on the edge of abundance. I would prefer Maruha Nichiro to lead the government on resource management and regulation. There is also room for improvement in fishing methods. |
| <p>Founder of First Penguin Ms. Liyong Huang</p> | <ul style="list-style-type: none"> • I think there are many things Maruha Nichiro can do to reduce food loss, from procurement of raw materials to processing, sales, and disposal. • Not all resources and raw materials are infinite, and we are facing a planet boundary, so it is efficient to give top priority to the practice of open innovation, including industry-academia collaboration. |
| <p>Executive ESG Analyst, Asset Management One Co., Ltd. Mr. Megumi Sakuramoto</p> | <ul style="list-style-type: none"> • Addressing climate change issues are very important in the seafood industry. • How to address the circular economy and other aspects of a recycling-oriented society are also important. |
| <p>Attorney at Law, Kotonoha Sogo Law Office Ms. Akiko Sato</p> | <ul style="list-style-type: none"> • In Japanese society, the lack of sufficient human resources is one of the reasons for the delay in sustainability initiatives, so we also expect proactive investment in human resources that can play a key role in sustainable growth. • There is also an urgent need to address food loss, which has become a serious problem in Japanese society. |
| <p>Executive Officer of the Development Bank of Japan Inc. Deputy General Manager, Industrial Research Department and Section Chief, Sustainability Management Office, Corporate Planning Department Mr. Keisuke Takegahara</p> | <ul style="list-style-type: none"> • As strategies to reduce greenhouse gas emissions to net zero by 2050 are required in all industries and business categories, expectations are high, especially from the perspective of the cold chain. • The practice of the aquaculture business in consideration of the environment impacts our long-term enterprise value not only as a means of adaptation and BCP, but also as an opportunity to demonstrate technological capabilities. |

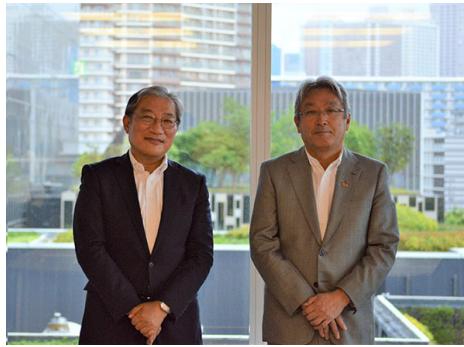
| | |
|---|---|
| <p>Board Chair, CSO Network Japan Ms. Yukiko Furuya</p> | <ul style="list-style-type: none"> • As the recent revision of the Corporate Governance Code has shown, sustainability initiatives by boards of directors will be increasingly important, and it is essential to have diversity and sustainability experts (preferably independent outside Directors) on boards. • Business activities that are sensitive to human rights, including the issues of forced labor and child labor, are priority issues for companies. |
| <p>Resona Asset Management Co., Ltd. Executive Officer and General Manager, Responsible Investment Mr. Minoru Matsubara</p> | <ul style="list-style-type: none"> • The realization of an abundant diet can be a differentiating factor and an outcome for Maruha Nichiro. • In B to C businesses, reducing the environmental impact of packaging and containers is essential. |
| <p>Executive Director, Japan NGO Center for International Cooperation (JANIC) Mr. Hideki Wakabayashi</p> | <ul style="list-style-type: none"> • As an overall corporate activity, it should be consistent with sustainable economic activities, balancing the environment and society. • It is necessary to engage in human rights due diligence on an ongoing basis, including human rights policy development, management structure development, training, awareness-raising, stakeholder engagement, and remediation. |
| <p>Outside Director Somuku Imura</p> | <ul style="list-style-type: none"> • As a leader in the food industry, it is critical for us to be environmentally conscious by reducing CO2 emissions and food loss, as well as reducing plastic waste. • Within the Compliance Committee, we feel the need to address compliance and risk management, especially with regard to factories and subsidiaries. |
| <p>Outside Director Yoshiro Nakabe</p> | <ul style="list-style-type: none"> • As the No. 1 global seafood supplier, we must take a flagship role in the protection of sustainable marine resources. • Compared to other companies, the advancement of women has lagged behind, so I would like to see more emphasis placed on diversity, especially among women and foreign nationals. |
| <p>Outside Director Sonoko Hatchoji</p> | <ul style="list-style-type: none"> • Since we are a "For the Ocean, for life" company, the most important part of our business is the conservation of marine resources, in the sense that we obtain value from the ocean and return value to the ocean. • In order to create the three values of "economic values, social values, and environmental values," we are expected to have the ability to solve optimization issues in a well-balanced and flexible manner. |

Maruha Nichiro Group Organization Structure for Sustainability Promotion

- The opinions of 1,576 employees (65% of all employees) of Maruha Nichiro Corporation, including 66 executive officers, unit directors, and department heads were collated.
- To secure a wide range of perspectives, including the Group's perspective, opinions are collated from 50 President & CEOs of Japan and overseas consolidated Group companies, as well as from production bases in various regions.
- In the evaluation from the company's perspective, the majority of respondents supported GRI Standards, such as supplying safe and secure food as well as the problems of marine plastics and food loss.
- Opinions from executives focused on climate change, the risk of depletion of marine resources and active investment in human resources, while unit directors emphasized GRI Standards such as the promotion of research and new product development to strengthen competitiveness and a diversified Board of Directors, all with an awareness of the sustainability of the business.

Engagement with Stakeholders (Institutional Investors)

In reviewing the company's materiality, Executive ESG Analyst Megumi Sakuramoto of Asset Management One, Co., Ltd., and the Company's President & CEO Masaru Ikemi, discussed the sustainability issues that should be emphasized.



Step 3: Management Discussed, Reviewed, and Identified Materiality

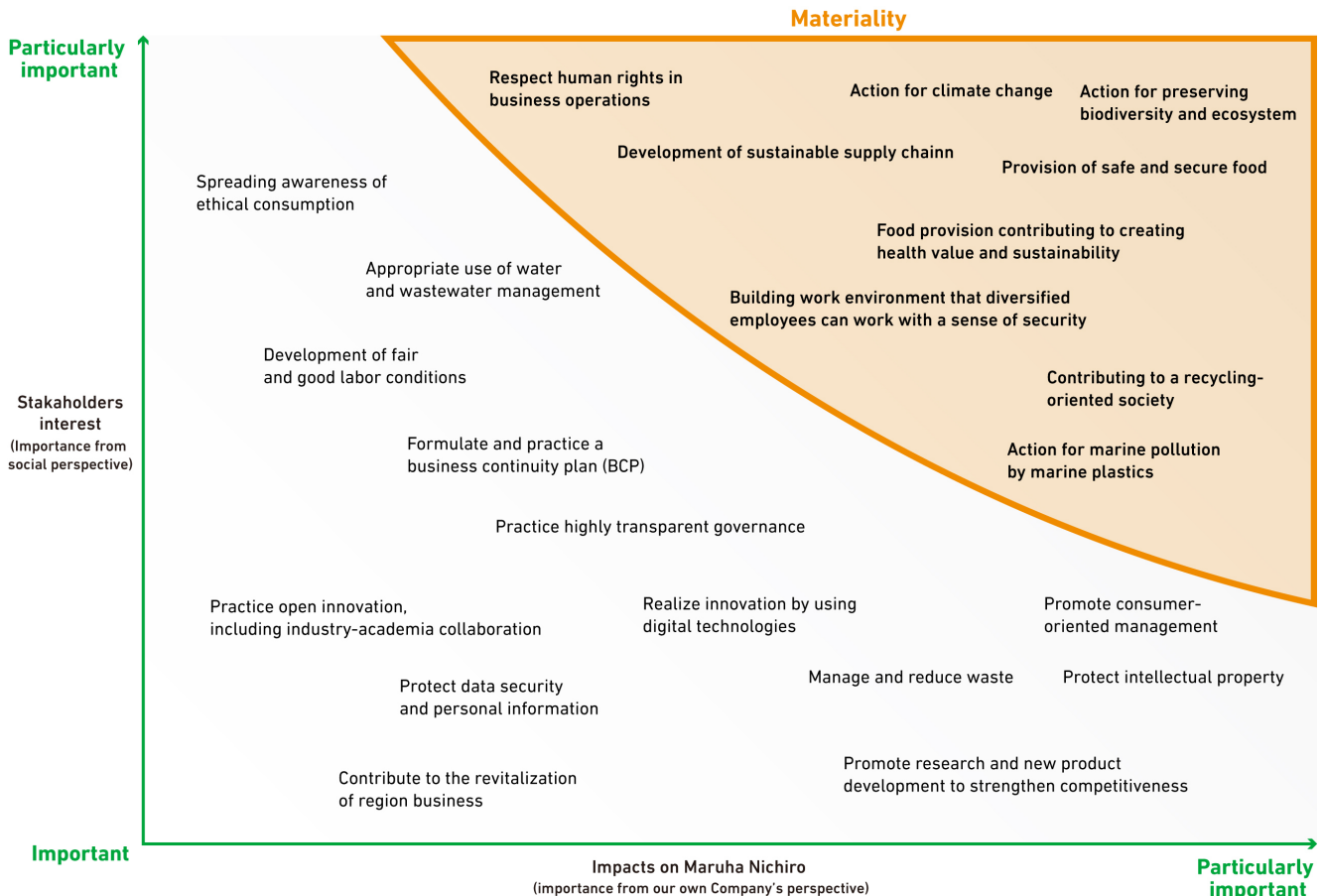
The items to be evaluated by external stakeholders were plotted on the vertical axis and the items to be evaluated by our own Company on the horizontal axis to form a materiality matrix. Subsequently, in addition to the materiality evaluation, the management team discussed and reviewed the possibility of integrating each of the items to be evaluated, their expressions, etc., and identified the nine items below as materiality.

- Creation of Environmental Value










1. Action for climate change
2. Contributing to a recycling-oriented society
3. Action for marine pollution by marine plastics
4. Action for preserving biodiversity and ecosystem








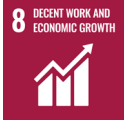



- Creation of Social Value

5. Provision of safe and secure food
6. Food provision contributing to creating health value and sustainability
7. Building a work environment that diversified employees can work with a sense of security
8. Respect for human rights in business operations
9. Development of Sustainable Supply Chain



The ideal state of each materiality in 2030, their basic approach, and the main SDGs to which they will contribute are listed below.

| Materiality | KGI (ideal state by 2030) | Basic approach | Main SDGs to which we contribute |
|---|--|--|---|
| 1. Action for climate change | We are leading the industry on decarbonization and climate change | Climate change, an issue of global importance, is also an important issue to the Maruha Nichiro Group. There could be an impact on marine resources due to rising seawater temperatures, and an impact on agricultural and livestock raw materials due to abnormal weather conditions. Maruha Nichiro is aware that addressing climate change is an important issue on a company-wide level, and we will respond to climate change issues by reducing greenhouse gas emissions through the use of sustainable energy. |   |
| 2. Contributing to a recycling-oriented society | We are spreading a recycling-oriented economy through efficient use of resources and practicing within the Group | In order to realize a recycling-oriented society, it is important to manage and reduce waste generated by business activities. For companies that handle food products, the occurrence of food loss and the low effective utilization rate of plastic waste have become an issue. Maruha Nichiro is working to reduce the occurrence of waste and food loss throughout the product life cycle, and to reduce the environmental impact of packaging and containers and packaging, by reducing the amount of plastic resources used in accordance with the plastic resource recycling strategy. |     |
| 3. Action for marine pollution by marine plastics | We practice zero discharge of plastics into the ocean along our supply chain, including from our own Company | Environmental pollution caused by marine plastic spills is an issue of global importance, and the Maruha Nichiro Group, which is deeply involved in the ocean, sees it as an equally important issue. We will promote our response to the marine plastic issue in cooperation with industry associations, related NGOs, and others to make our activities more effective. |    |
| 4. Action for preserving biodiversity and ecosystem | We confirm that there is no risk of depletion of the marine resources we handle | For the Maruha Nichiro Group, which conducts its business activities while receiving blessings from a wide variety of living organisms, including marine resources from around the world, the conservation of biodiversity is an important issue. In order for the Group to sustainably carry out its business activities, we will promote the conservation of marine and onshore biodiversity and ecosystems by promoting activities that are in line with our business, such as the promotion of international resource management and aquaculture business practices in consideration of the environment. |   |

| Materiality | KGI (ideal state by 2030) | Basic approach | Main SDGs to which we contribute |
|---|---|---|---|
| 5. Provision of safe and secure food | We provide food that people can eat with peace of mind to tables around the world | We believe that quality is the most important factor in providing wholesome, safe, and healthy food. We will always be aware that each and every employee is responsible for quality in all processes of the value chain, from design and development, procurement, production, logistics, and sales and communication, and we will work to improve quality. |   |
| 6. Food provision contributing to creating health value and sustainability | We established our brand as a top food enterprise that contributes to the creation of health value and sustainability | The Maruha Nichiro Group's philosophy is to contribute to the enrichment of people's lives by providing wholesome, safe, and healthy food. To realize this philosophy, we believe it is essential to contribute to improving the health value of consumers and to continue to provide consumers with a stable supply of sustainable food that takes into consideration social and environmental issues. The Maruha Nichiro Group will continue to provide food that contributes to the creation of health value and sustainability, thereby contributing to the enrichment of everyone's daily life. |    |
| 7. Building a work environment that diversified employees can work with a sense of security | We have built a work environment where diversity is respected and employees can work with peace of mind | The Maruha Nichiro Group believes that the growth of its people contributes greatly to the growth of the Company, based on its Company Credo "People: Loyal to our people, the most important asset of our company," and strives to respect the human rights of its employees, provide fair and good working conditions, and build a safe and comfortable working environment. We both realize diversity and inclusion by accepting and recognizing diverse human resources, while proactively investing in human resources who can play a key role in the sustainable growth of the Maruha Nichiro Group and creating an organizational culture that enables employees to demonstrate their abilities. |     |
| 8. Respect for human rights in business operations | We have achieved zero human rights abuses, including forced labor, in our supply chain, including our own Company | The Maruha Nichiro Group's business activities are conducted while using marine products, agricultural and livestock products, and other blessings of nature from all over the world as raw materials. In order to conduct our business activities in a sustainable manner, we are aware that it is essential to build a supply chain that takes into consideration human rights and labor practices, such as the prohibition of forced labor and child labor, and we will promote sustainable procurement practices. |   |

| Materiality | KGI (ideal state by 2030) | Basic approach | Main SDGs to which we contribute |
|---|---|---|---|
| <p>9. Development of sustainable supply chain</p> | <p>We are able to build a sustainable procurement network through collaboration with our suppliers.</p> | <p>The Maruha Nichiro Group's business activities are conducted while using marine products, agricultural and livestock products, and other blessings of nature from all over the world as raw materials. In order for the Group to carry out its business activities, it is essential to establish a socially responsible, environmentally sound, and sustainable supply chain. We will promote sustainable procurement practices, taking into consideration coexistence and co-prosperity with our suppliers.</p> |   |

In the Medium-term Management Plan "For the Ocean, for Life MNV 2024" starting in FY2022, we will promote activities for each materiality and manage progress toward achieving KPIs.

Environmental Value

| | | |
|-----------------------|-------|-----|
| ● Management Approach | ----- | P11 |
| ● Climate Change | ----- | P16 |
| ● Recycling | ----- | P21 |
| ● Marine Resources | ----- | P26 |
| ● Marine Pollution | ----- | P31 |

Management Approach

Basic Approach

The Maruha Nichiro Group, which has operated thus far thanks to the abundant blessings of nature, believes that building a business model that allows us to exist together with the Earth's environment is indispensable to sustainable growth as a company.

We aim to create "environmental value" by focusing on our materiality of "Combating Climate Change" through the introduction of energy-saving equipment, improving energy efficiency, and switching to non-CFC freezers, and "Building a Recycling-oriented Society" by reducing manufacturing problems, and turning waste into valuable resources, and increasing the recycling rate.

Environmental Policy

Presently on Earth, with the rapid increase in the world population, global warming, depletion of resources, and destruction of ecosystems are becoming more and more serious. It is becoming increasingly difficult for humanity to live together with a diversity of plants and animals, or to maintain the Earth's natural productivity going into the future.

Against this backdrop, the Maruha Nichiro Group examined what kind of environmental considerations are needed to continue to sustain "food"—the foundation of all human activity. Then we created the Maruha Nichiro Group Environmental Policy which applies the Maruha Nichiro Group Vision through concrete actions. Thus, the entire group is engaged in environmental management. Our Environment Policy is comprised of the Basic Policy and Principles below. We thoroughly familiarize all our employees with the policy through our website and Intranet, employee training, and other activities as we strive to implement environmental management.

Basic Policy

The Maruha Nichiro Group will work to reduce the environmental impact of our global business activities and strive to create a sustainable society in order to contribute to the enrichment of people's lives and their happiness.

Principles

1. We will use sustainable resources effectively and work to minimize our environmental impact and mitigate climate change.
2. We will actively engage in environmental conservation efforts, taking biodiversity into consideration.
3. We will provide environmentally friendly products and services.
4. We will implement our environmental management system effectively and work on continuous improvements to boost our environmental performance.
5. We will observe environmental laws and regulations.
6. We will disclose company information related to environmental management as appropriate and work on our communication with society.

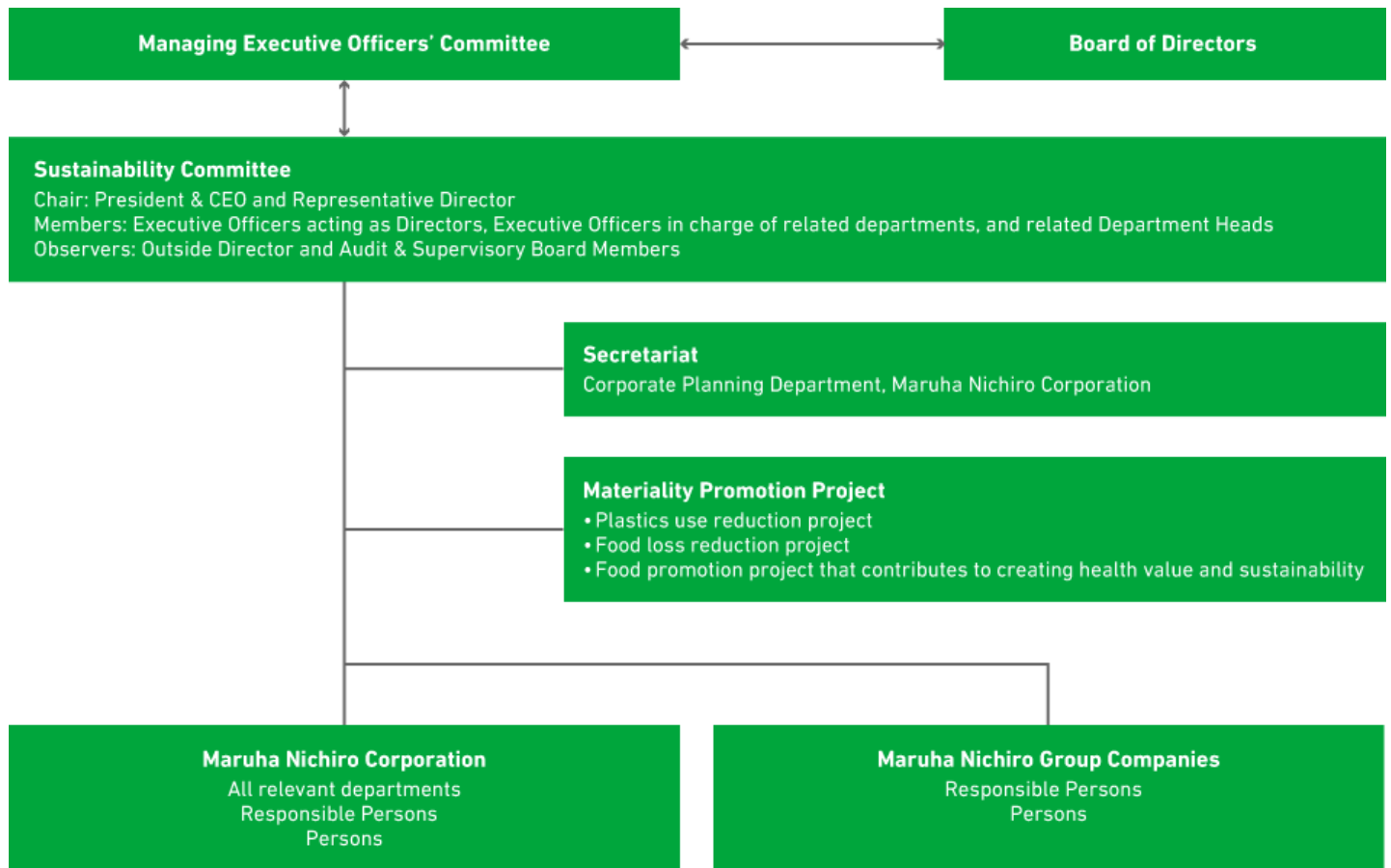
Management Structure

In FY2018, the Maruha Nichiro Group established a new Sustainability Committee. This committee puts together general plans for the Group's environmental management, establishes goals, and evaluates the activities of Group Companies. It also assigns responsible persons and persons in charge of environment at Group Companies who work on environmental activities tailored to the characteristics of each company's business.

At the Sustainability Committee meeting held in FY2022, the Committee discussed efforts to analyze scenarios based on TCFD recommendations, as well as various surveys.

In addition, we strive to share and spread information about things such as the roles of responsible persons and persons in charge of environment, regulations related to environmental management, and frameworks for compliance with environmental laws and ordinances, by holding a meeting of responsible persons and persons in charge of environment at the start of each fiscal year.

Maruha Nichiro Group Organization Structure for Sustainability Promotion



Roles of Responsible Persons and Persons in Charge of Environment

- Execution of environmental management by responsible persons of environment
- 1. Promote the Maruha Nichiro Group's Environmental Policy among employees
- 2. Comply with environmental regulatory requirements
- 3. Establish a structure for environmental regulatory compliance and verify the compliance status
- 4. Grasp environmental aspects and data
- 5. Plan, operate, evaluate and improve the implementation plan for environmental goals
- 6. Prevent, reduce, and implement correctional measures on harmful impacts on the environment
- 7. Promptly respond to environmental accidents and implement measures to permanently prevent recurrence
- 8. Ensure employee competence and raise environmental awareness
- 9. Communicate environmental initiatives with internal and external stakeholders
- Persons in charge of environment are assistants to the responsible persons of environment

Main Initiatives in FY2022

ISO 14001 Certification Status

The Maruha Nichiro Group has obtained ISO 14001 certification, the international standard for environmental management systems, at our production plants in Japan and other countries. As of April 2023, eight companies among domestic and international production sites have acquired ISO 14001 certification.

Maruha Nichiro Group Companies with ISO 14001 Certification (as of April 1, 2023)

| Company name | Workplaces |
|---|---|
| Maruha Nichiro Yamagata Co., Ltd. | - |
| Maruha Nichiro Kyushu, Inc. | - |
| Maruha Nichiro Chikusan Co., Ltd. | Head Office, Sapporo Plant, Nayoro Plant, Tokachi Plant, Hassamu Distribution Center |
| Yayoi Sunfoods Co., Ltd. | Production Division, Shimizu Plant, Kyushu Plant, Nagaoka Plant, Kesenuma Plant |
| Maruha Nichiro Kitanippon, Inc. | Production Management Department, Furano Plant, Kushiro Plant, Mori Plant, Aomori Plant |
| Zhejiang Industrial Group Co., Ltd. | - |
| Southeast Asian Packaging & Canning, Ltd. | - |

Environmental Regulatory Compliance

At Maruha Nichiro Group, we keep up with the various laws and ordinances for regulating water, air, and soil pollution, bad odors, noise, vibration, energy consumption, and waste disposal. Plants that have acquired ISO 14001 certification, in particular, manage the environmental laws applicable to their factory in a spreadsheet, and the environmental manager checks the state of compliance more than once a year.

Also, each Group Company compiles information relating to major environmental laws and regulations in a "major environmental laws and regulations manual," which the environmental manager uses to check the company's own state of compliance with laws and regulations.

Furthermore, in FY2022, there were three incidents of environment-related accidents within the Maruha Nichiro Group, and measures were taken, including improvement of facilities and revisions to the monitoring management system.

| | Environment-related accidents | Countermeasures |
|--------|-------------------------------|--|
| FY2022 | 3 | Improvement of facilities and revisions to the monitoring management systems |

Environmental Audits

At each Maruha Nichiro Group factory that has obtained ISO 14001 certification, an internal auditor is designated to conduct periodic internal audits.

In addition, Maruha Nichiro Corporation, Maruha Nichiro Kitanippon, Inc., and Yayoi Sunfoods Co., Ltd., which each have multiple plants, conduct reciprocal internal audits between factories. Not only does this allow auditing to be conducted from a more objective viewpoint, but it helps improve auditing skills and facilitates exchange of environmental information between plants.

In FY2022, in addition to these internal auditing, the Internal Auditing Department of Maruha Nichiro Corporation conducted an audit into the state of compliance with environmental laws and regulations at the company.



Utsunomiya Plant reciprocal internal audit



Shimonoseki Plant reciprocal internal audit

Maruha Nichiro Group List of Environmental Audits

| Audit name | Company audited | Auditing details |
|---|--|---|
| ISO 14001 Internal audit | ISO 14001 certified companiese | We formed an internal auditing team based on the requirements of ISO 14001, which is the international standard for environmental management, and carried out autonomous checks of the environmental management system. |
| ISO 14001 Reciprocal internal audit | ISO 14001 certified companies (Maruha Nichiro Corporation, Maruha Nichiro Kitanippon, Inc., Yayoi Sunfoods Co., Ltd.) | For the ISO 14001 Internal Audit, auditors were dispatched from factories other than the factory being audited. The aim was to reveal items and points of concern that the employees at the factory being audited had failed to notice. |
| ISO 14001 External audit | ISO 14001 certified companies | A certification authority conducted a "management system audit" based on ISO 14001. |
| Internal Auditing Department Audit | All Maruha Nichiro Group Companies | The Maruha Nichiro Corporation Internal Auditing Department conducted an audit into the state of compliance with environmental laws and regulations at Group Companies. |

Overview of Business Activities and Environmental Impact over Our Entire Supply Chain

At the Maruha Nichiro Group, we believe that our integrated value chain built around seafood products, which includes "procurement and distribution," "production and processing" and "storage and logistics," has various impacts on the environment. To mitigate these impacts, we are implementing activities centered around our Medium-term Sustainability Management Plan.

Environmental Education

At the Maruha Nichiro Group, we emphasize training and internal education to raise the environmental awareness of each of our employees and promote proactive engagement. We also hold regular briefings for our employees to educate them about environmental laws and ordinances. In FY2022, we asked waste disposal company Kaname Kogyo Co., Ltd. to serve as a lecturer and organized an online legal briefing for those in charge of waste disposal within the Group. In FY2023, we will continue to plan legal briefings for those in charge of waste disposal within the Group to ensure compliance with laws and regulations.


Environmental Briefings Organized in FY2022

| Information session name | FY2020 | FY2021 | FY2022 |
|---|--------|--------|--------|
| Briefing on Waste Disposal Law (Basic) | 60 | 333 | 241 |
| Briefing on Waste Disposal Law (Application) | 49 | 144 | 123 |
| Briefing on Waste Disposal Law (On-site Confirmation) | 69 | 116 | 133 |


In addition, we share information related to the environment both inside and outside the Group through our intranet, which is a tool for sharing information among group officers and employees. We are working to increase environmental awareness among our employees by compiling information related to sustainability into our "Sustainable News," which we publish periodically.

Topics for FY2022

- Medium-Term Management Plan and Materiality
(How to formulate and proceed with materiality and specific KPIs)
- Response to climate change issues
(Regarding Maruha Nichiro's "Decarbonization Roadmap" formulated in August 2022 and case studies of on-site PV installation)
- About food loss
(About the food loss issue in Japan and Maruha Nichiro's food loss situation/ Maruha Nichiro's initiatives)
- About the marine plastic problem
(About global/Japan initiatives and Maruha Nichiro's initiatives)



サステナブル通信




Vol.32 2022年6月発行

サステナビリティ推進グループでは、四半期に一度、サステナビリティに関連するトピックを扱う「サステナブル通信」を発行しております。今回は、2022年3月に公表した新中期経営計画のサステナビリティ戦略の“マテリアリティ”について取り上げます。

新中期経営計画で9つのマテリアリティが特定されました！

今年の3月に発表された中期経営計画「[海といのちの未来をつくる MNV2024](#)」のサステナビリティ戦略において、9つのマテリアリティを公表しました。
(詳細はリンクのp38参照)



マテリアリティとは？

自社に関わる「重要課題」のことであり、企業活動による社会課題への影響度合いを評価、特定し、優先順位をつけ「企業としてそれぞれの課題をどの程度重要と認識しているか」を分かりやすく示します。
(参考：A207)

マルハニチロのマテリアリティはどう決めたの？


→数多ある社会課題、環境課題について1500名以上の従業員のご意見、当社役員の方々へのヒアリングに加え、社外有識者へのアンケートを実施し、重要度を考慮し下記表（マテリアリティ・マトリックス）にプロットして、決定しました。

縦軸：ステークホルダー(社会視点)から見た重要性

以下の有識者にヒアリング（一部）

- ・アセットマネジメントOne（株）エグゼクティブESGアナリスト 櫻本 恵氏
- ・ファースト・ペンギン創業者 黄 麗容氏
- ・株式会社日本政策投資銀行 執行役員 竹ヶ原啓介氏

その他6名の有識者にアンケート実施



横軸：自社から見た重要性
マルハニチロ（株）従業員1,576名の意見を収集

Sustainable News

15

Climate Change

Basic Approach

The Maruha Nichiro Group's business consists of an independent value chain from procurement, through production and processing, to sales. We recognize that climate change poses threats to our business activities such as shifting fishing areas for marine products, shifting production areas for agricultural products, and depletion of marine resources due to the destruction of ecosystems.

As countermeasures against these kinds of risks, we are working to reduce CO2 emissions through efficient energy use and capital investment.

KGIs and KPIs from FY2022 to FY2030

Materiality: Action for climate change

Ideal state in 2030 (KGI): Establish a leading position in the industry for decarbonization and action for climate change

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|--|-------------|--------------|--|-----------------|
| | | | Achievements | Self-assessment |
| Formulation of CO2 emission reduction roadmap (Domestic G*1) | 2022 | - | Established and disclosed in September 2022 | ★★★★★ |
| CO2 emissions reduction rate (FY2017 ratio: Domestic G) | 2030 | 30% or more | CO2 emissions reduced by 8.8% from FY2017 | ★★★★☆ |
| Achieve carbon neutrality (Overall G*1) | 2050 | - | Various measures underway to achieve carbon neutrality | ★★★☆☆ |

*Domestic G: Domestic Group Consolidated Companies

Note: The department in charge is the Corporate Planning Department Sustainability Group, Maruha Nichiro Corporation.

Message from Representative



Yusuke Sato

Deputy general Manager
 Sustainability Group
 Corporate Planning Department

The Maruha Nichiro Group has set a KPI of reducing CO2 emissions by 30% by 2030 (compared to fiscal 2017) and achieving carbon neutrality by 2050 as a response to climate change issues, and is promoting various initiatives within the Group.

However, our group has many manufacturing sites and logistics warehouses, and a considerable number of these sites are not equipped with solar panels due to their age or structure. In addition, we also own fishing vessels for which specific CO2 emission reduction technologies have not yet been established, so achieving the KPI will not be an easy task. We recognize that it is essential to share methods and technologies for reducing CO2 emissions within the Group, and to promote efforts by doing what we can, as well as to ensure that all employees understand the significance of these efforts.

Main Initiatives in FY2022

The Maruha Nichiro Group's business consists of an independent value chain from procurement, through production and processing, to sales. We recognize that climate change poses threats to our business activities such as shifting fishing areas for marine products, shifting production areas for agricultural products, and depletion of marine resources due to the destruction of ecosystems.

Carbon Neutrality

In September 2022, in addition to assessing the current status of energy consumption across the entire Group (amount of electricity and fuel usage, details of contracts with electric power companies, etc.), we analyzed the feasibility of installing solar power generation panels and switching to renewable energy sources at each of our business sites, prioritized them, and developed a "CO2 Emission Reduction Roadmap" as a Group-wide reduction plan. This Roadmap is divided into three phases leading up to 2030: in Phase 1 (FY2022-2024), we aim to achieve a CO2 reduction rate of 10%, in Phase 2 (FY2025-FY2027) a CO2 reduction rate of 20%, and in Phase 3 (FY2028-FY2030) a CO2 reduction rate of 30% or more, with the ultimate goal of achieving carbon neutrality. In FY2022, the first year of Phase 1, we conducted site inspections of plant and warehouse sites identified as having significant potential for the introduction of solar power generation facilities both onsite (the installation of solar power generation equipment on, e.g., the roofs of company facilities) and offsite (procurement of remote renewable electricity directly from power producers). We are proceeding with the introduction of onsite solar power generation facilities at feasible locations, and as of FY2022 we have reduced CO2 emissions by 8.8% compared to the baseline year of FY2017.

Reduction in CO2 emissions



Third Party Assurance

To ensure the reliability of disclosed data, CO₂ emissions data (Scope 1-3) are subject to third-party verification by a verification organization.

Please refer to the following for Scope 1-3 data (GHG Protocol compliant data excluding offsets) and the third-party assurance report.

Utilizing sustainable energy

As a concrete initiative in FY2022, we compiled detailed data such as power-related materials and structural statements for sites subject to onsite and offsite solar power implementation. At sites subject to onsite solar power generation implementation, site inspections were conducted by installation contractors. Based on the compiled data and the results of onsite inspections, each site is discussing the specifics of implementation. In FY2023, we will continue proceeding with the introduction of onsite solar power at applicable sites. We will also discuss specifics for the implementation of offsite solar power. Through these efforts, we project that we will reduce CO₂ emissions by approximately 23,000 tons over the three-year period.

In January 2023, we installed solar panels on the roof of the building at Marine Access Corporation. This has enabled us to supply part of our purchased electricity through solar power, estimated to generate approx 650,000 kWh and reduced CO₂ emissions by approximately 260 tons.



Exterior view of Marine Access Corporation



Solar panels

In March 2021, we installed solar panels on the roof of the building at the Maruha Nichiro Corporation's Utsunomiya Plant. This has enabled us to supply part of our purchased electricity through solar power. As a result, we generated approximately 192,526 kWh and reduced CO2 emissions by approximately 86 tons annually.



Exterior view of Utsunomiya Plant



Solar panels

Express Support for TCFD Recommendations Conducted a Scenario Analysis in Our Aquaculture Operations



In July 2021, Maruha Nichiro Corporation expressed its support for the TCFD recommendations and joined the TCFD Consortium. In the same year, Maruha Nichiro was selected as a participating company in the "Climate Risk and Opportunity Scenario Analysis Support Project in line with the TCFD (Task Force on Climate-related Financial Disclosure) Recommendations" organized by the Ministry of the Environment, and conducted a scenario analysis of its aquaculture business, the results of which were published on the Ministry's website in March 2022. In FY2023, we will conduct scenario analysis for other businesses in the value chain (fisheries, marine products trading, overseas, processed foods, and foodstuff distribution units) and disclose climate-related financial information.

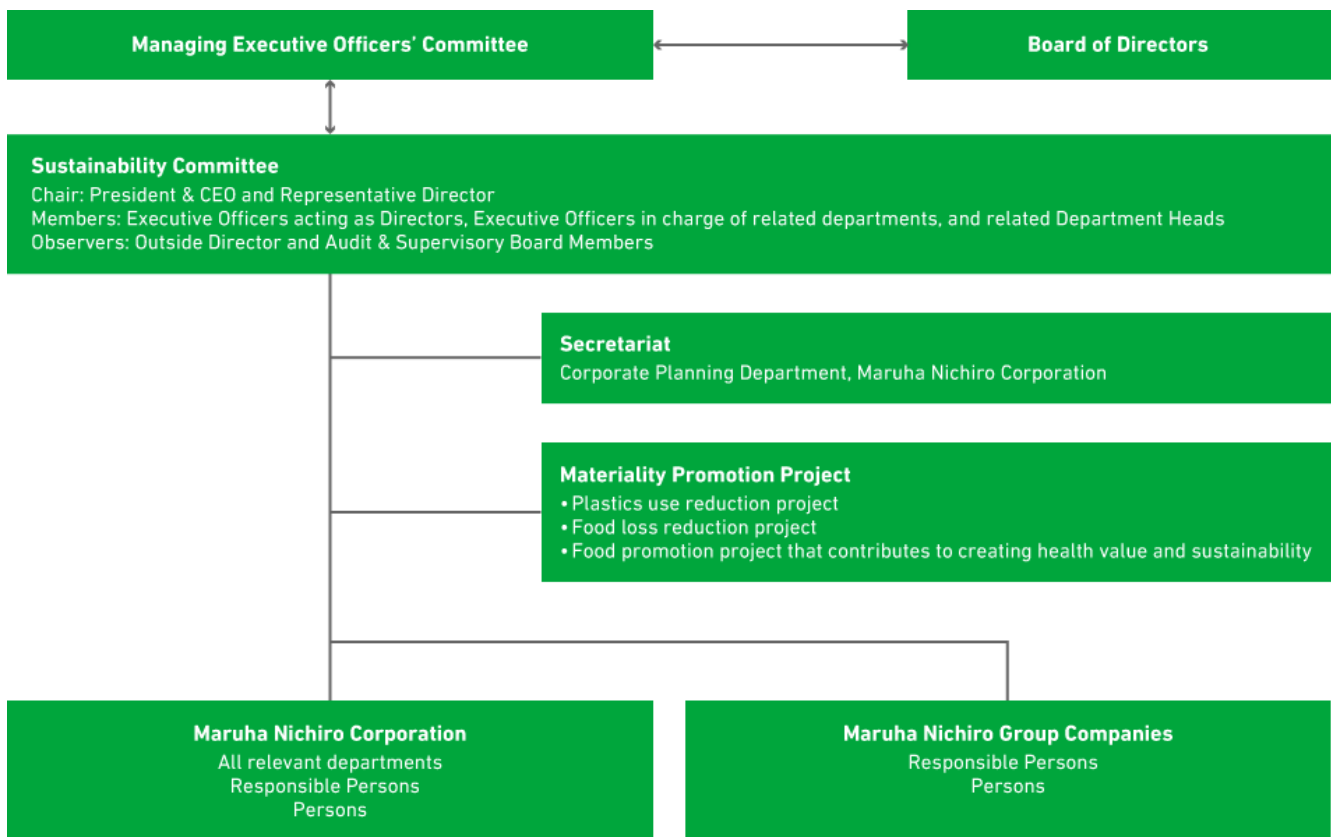
Governance

The Maruha Nichiro Group established the Sustainability Promotion Committee in 2018 directly under the Management Committee in order to promote the sustainability strategy. The committee is chaired by the President and Representative Director, and consists of executive officers who also serve as directors of Maruha Nichiro Corporation, directors in charge of related departments, and heads of related departments as committee members, and outside directors and auditors as observers, to plan the overall Group sustainability strategy, set targets, and evaluate the activities of each Group company. The Sustainability Promotion Committee is composed of the chief of related departments, outside directors and corporate auditors as observers.

The Sustainability Committee meets four times a year on a quarterly basis, at which the responsible officers and project leaders report on the progress of each materiality, including the materiality of "addressing climate change issues," and engage in active discussions.

The contents of the discussions held by the Sustainability Committee are reported to the Board of Directors at least four times a year through the Executive Committee. The contents of the Sustainability Committee's report and discussions on the materiality "Addressing Climate Change" in fiscal 2022 are as follows.

Maruha Nichiro Group Organization Structure for Sustainability Promotion



| Committee meetings | Agenda item on "Coping with Climate Change" | Main topics of discussion |
|---------------------|---|--|
| 1st April 2022 | Promotion structure for each materiality | The Sustainability Group, including TCFD, CDP, and Scope 3, as well as the KPI for "addressing climate change issues," is responsible for coordinating the environmental managers and staff of each department and Group company. |
| 2nd July 2022 | Completion of decarbonization roadmap and progress report | <ul style="list-style-type: none"> Report and approve the roadmap to reduce CO2 emissions of the entire Group in Japan by 30% from the fiscal 2017 level by 2030 Report and approval of the roadmap to reduce Group-wide CO2 emissions by 30% from FY17 levels by 2030 |
| 3rd October 2022 | | |
| 4th January 2023 | Expanded implementation of TCFD scenario analysis | In addition to the aquaculture unit in FY2021, TCFD scenario analysis was expanded to the fishery, marine products trading, overseas, processed food, and food ingredients distribution units. |

Strategy

The Maruha Nichiro Group operates in a broad value chain centered on marine products, from production and procurement to the dinner table. Climate change will affect the Group's business through its impact on marine resources and raw material procurement, as well as the suspension of business activities due to large-scale natural disasters.

We conducted a scenario analysis based on TCFD recommendations to determine what business risks could emerge due to climate change as we transition to a decarbonized society. The scenario analysis was also conducted for other businesses (fisheries, marine products, overseas, processed foods, and foodstuff distribution units), and the entire value chain was extensively analyzed in the 1.5°C worldview, where decarbonization efforts have advanced, and in the 4°C worldview, where warming will continue without specific mitigation measures, as shown below.

Risk Management

The Maruha Nichiro Group has established a system in which the Legal & Risk Management Department, as well as risk management managers and risk management personnel from each department of Maruha Nichiro Corporation and each Group company, work together to address risk management tasks.

The identification and assessment of climate-related risks and opportunities applies to all stages of the value chain, upstream and downstream, in addition to the direct operations of the Maruha Nichiro Group, and is conducted for all time horizons: short-term (0-5 years), medium-term (5-10 years), and long-term (10 years and beyond).

In this process, the Secretariat, which is subordinate to the Sustainability Committee, first gathers information and assesses the situation in order to identify risks and opportunities, in cooperation with the planning departments of each unit, environmental managers and environmental officers of business units and Group companies, and corporate departments. The Sustainability Committee also discusses climate change issues and evaluates climate change impacts and responses as reported and recommended by the Secretariat.

Risk Management Framework



Indicators and Targets

The Maruha Nichiro Group has set "addressing climate change" as one of the materialities in its medium-term management plan "MNV 2024: Creating a Future of Life and Oceans" and has set KGI (what we want to be in 2030) as establishing a leading position in the industry with respect to decarbonization and climate change. One of the KPIs is to establish a leading position in the industry with regard to decarbonization and climate change. One of the KPIs is CO₂ emissions, with the goal of reducing CO₂ emissions by 30% or more from the FY2017 level by FY2030, and achieving carbon neutrality by FY2050. In order to achieve these targets, the period up to FY2030 is further divided into three phases with more detailed targets. In Phase 1 (FY2022 to FY2024), we aim to achieve a 10% CO₂ reduction rate, in Phase 2 (FY2025 to FY2027) a 20% CO₂ reduction rate, and in Phase 3 (FY2028 to FY2030) a 30% CO₂ reduction rate or higher, with the ultimate goal of achieving carbon neutrality by the end of FY2050. We will continue to promote various initiatives with the aim of eventually achieving carbon neutrality by the end of FY2050.

Case Study: Upgrading Freezers for Frozen/Refrigerated Warehouses to Non-CFC Equipment

In FY2022, Marine Access Inc. installed a non-fluorocarbon facility cooled by a high-efficiency natural refrigerant chiller for freezing and refrigerated warehouses. This project was adopted and subsidized by the Ministry of the Environment as a "Project for Accelerates Introduction of Energy-saving Equipment Using Natural Refrigerant for the Early Realization of a Fluorocarbon -free, Low-carbon Society." In FY 2022, we expect to reduce annual CO₂ emissions by 247 tons.



Non-fluorocarbon freezer

Recycling

Basic Approach

The Maruha Nichiro Group, which uses marine resources as its main source of business activities, recognizes that resource depletion is inextricably linked to its business survival, and poses a risk with great impact that could lead to the decline or end of its business. We will continue to pursue technologies and systems for the effective use of resources.

KGIs and KPIs from FY2022 to FY2030

Materiality: Contributing to a recycling-oriented society

Ideal state in 2030 (KGI): We are spreading a recycling-oriented economy through efficient use of resources and practicing within the Group

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|---|-------------|--------------|--|-----------------|
| | | | Achievements | Self-assessment |
| Reduction rate of plastic usage (including switching to bioplastic, recycled materials, etc.) (MN*) | 2030 | 30% or more | The amount of plastic usage for container and packaging was reduced by 1.5% from FY2020 | ★★☆☆☆ |
| Food loss (product waste) reduction rate (Domestic G) | 2030 | 50% or more | The amount of food loss was reduced by 10.4% from FY2020 | ★★★★☆ |
| Recycling rate of food waste (Domestic G) | 2024 | 99% or more | Recycling rate of food waste: 98.4% | ★★★★☆ |
| Extended shelf life of commercial products assessed as extendable (MN) | 2030 | 100% | Establishment of a draft and preparation of trial implementation of fishing gear management guidelines | ★★☆☆☆ |

*MN: Maruha Nichiro Corporation

Note: The department in charge is Plastics Use Reduction Project, Food Loss Reduction Project, Maruha Nichiro Corporation.

Message from Representative



Kazunori Tani

Plastics use reduction project leader
 General Manager
 Product Development Department

The plastics use reduction project aims to reduce the amount of plastic used in the containers and packaging materials of various products, such as commercial, institutional, and marine products, by 30% by 2030, in order to realize a recycling-oriented society, which is the materiality for the creation of environmental value.

Reducing plastic, which is a material closely associated with the design of all of our products, presents various obstacles from a quality perspective, such as preventing deterioration in quality due to thinner packaging materials and ensuring resistance to impacts during shipping. This is no easy task, but we will promote the sharing of information among staff members and the permeation of an internal awareness of this topic so that all of our business divisions can take personal responsibility for realizing a sustainable society. We are making steady progress, specifically on reducing the volume of trays and the size of packaging materials, as well as using alternative materials such as biomass.

We will continue working as an entire company to promote the realization of a sustainable society.

Message from Representative



Ayumu Katano
Food loss reduction project leader
General Manager
Logistics Department

This project began by examining the reasons for disposal and countermeasures to reduce food loss, and then visiting disposal sites together with relevant Company personnel. Almost all of the products that were discarded due to defective exterior packaging had issues with the foods inside. Until then, it was not uncommon to mechanically dispose of any products that had even slight issues with their exterior packaging, but these site visits made us feel the necessity of revising mechanical disposal. However, since it takes time and effort to check for and determine exterior packaging defaults at logistics sites, we believe it is necessary to have an automatic tool for determining exterior packaging criteria since there is a need to set determination criteria for the industry as a whole. In addition, facilities-related issues had previously hampered the donation of frozen foods, but through the partnership with Food Bank Kanagawa from FY2022 we have established a scheme for regular frozen food donations, and expect to expand these donations going forward.

Main Initiatives in FY2022

Materiality: Contributing to a recycling-oriented society

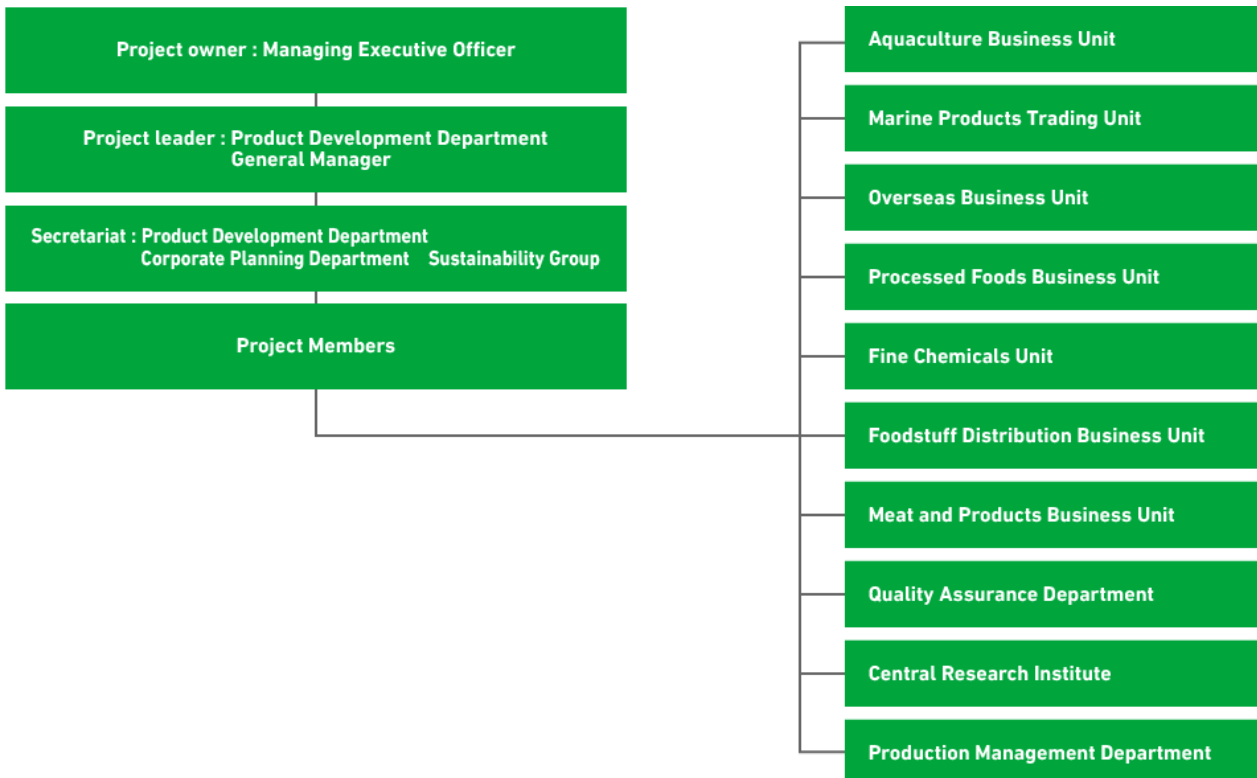
Ideal state in 2030 (KGI): We are spreading a recycling-oriented economy through efficient use of resources and practicing within the Group

"Deplastification": Reducing the Amount of Plastics Used for Containers and Packaging

Promotion framework

Since it is necessary for the entire Company to share information and cooperate on the materiality, which involves a large number of units, from FY2022 we launched a project to reduce the amount of plastics used. With the Managing Executive Officer as project owner and the General Manager of the Product Development Department as project leader, we have established targets for FY2024 and are proceeding with specific efforts to achieve the targets.

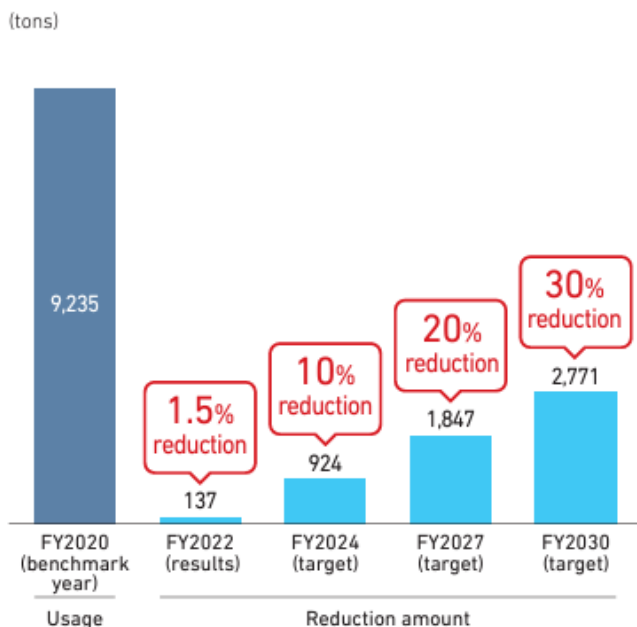
Plastics Use Reduction project promotion structure



Establishing Targets for Reducing the Amount of Plastics Used for Containers and Packaging, and Status of Progress

In FY2020, the baseline year, the amount of plastic containers and packaging used amounted to approx. 9,235 tons. In order to achieve our KPI of reducing this amount by 30% by FY2030, we are aiming to reduce this amount by approx. 2,771 tons. Our target for FY2024, the target year of the Medium-term Management Plan, is a 10% reduction (approx. 924 tons) compared to FY2020 levels, and in FY2022, while we implemented various measures, we achieved a reduction of 137 tons (approx. 1.5%)

Reduction in Petroleum-Derived Plastics



Improving product containers and packaging

Measures such as switching to environmentally friendly materials and reducing the size of packaging materials, which have been implemented in the past, as well as issues, are being shared within the project team, and we are considering utilizing these for other products. Also, multiple workshops held by a packaging material manufacturer helped promote this initiative internally, and in FY2022 the marine products division revised the tray size for fresh shrimp and began working to reduce the amount of plastic used. We regularly share information so that other business divisions can deploy the above-mentioned initiatives.

Efforts to Save Resources on Product Containers and Packaging

The Maruha Nichiro Group is working to develop containers with low environmental impact. By reducing the weight of containers, we expect to not only save resources, but also reduce CO2 emissions during distribution due to the reduced weight.

In fiscal 2022, Maruha Nichiro Co., Ltd. reviewed the composition of the film used for rice and cup gratin frozen foods for commercial use and reduced the size while maintaining sufficient strength, resulting in a 16.7-ton reduction in the amount of plastic used.



Example of improving containers/packaging
(Center tray: before improvement; Right tray: after improvement)

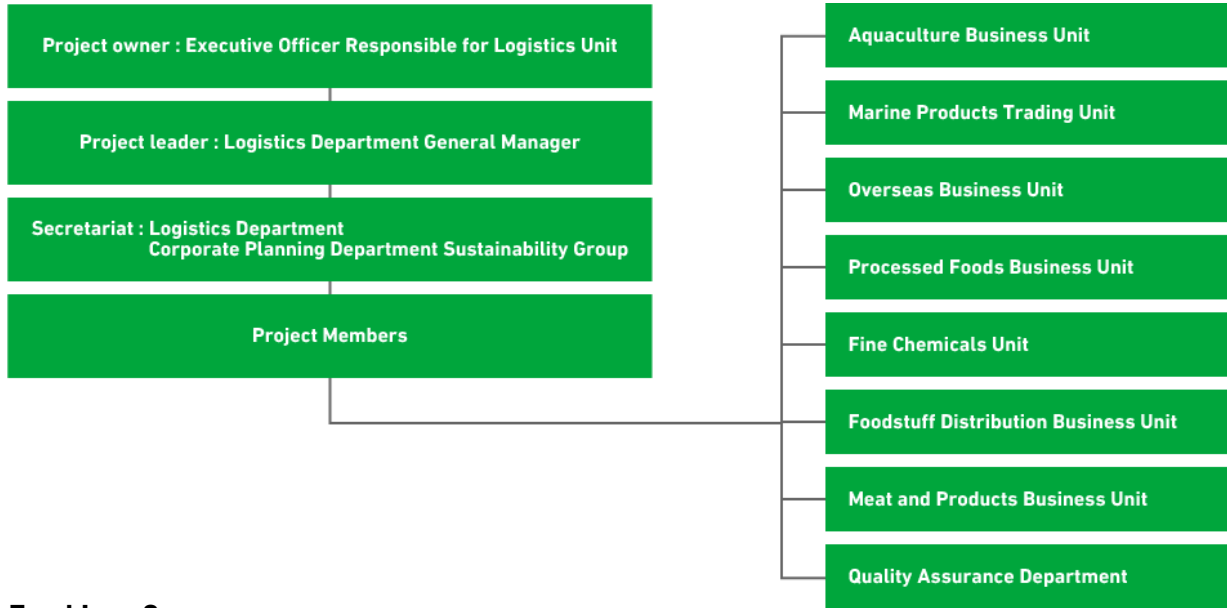


Food Loss Reduction Initiatives

Improving Product Containers and Packaging

To reduce food loss throughout the Group, we launched the Food Loss Reduction Project in FY2022 with the aim of promoting measures including spreading awareness to all employees within the Group. The Executive Officer in charge of the Logistics Unit is the project owner, and the General Manager of the Logistics Department is the project leader. This project sets targets for the food loss reduction rate by FY2024, drafts a schedule for achieving the targets, and promotes related activities.

Food loss reduction project promotion structure



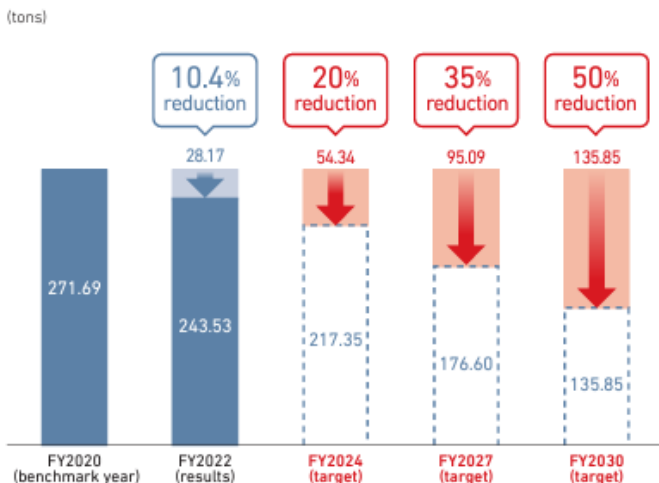
What is Food Loss?



Setting Food Loss Reduction Targets and Status of Progress

In FY2020, there was 271.69 tons of food loss at Maruha Nichiro's business divisions and domestic Group companies. For the food loss reduction KPI of "Reducing the domestic Group's food loss by 50% by 2030 compared to 2020 levels," our target is to reduce food loss by 135.85 tons by 2030. Our target for FY2024, the target year of the current Medium-term Management Plan, is to reduce food loss by 20% (a reduction of 54.34 tons) compared to FY2020 levels, and as a result of measures such as establishing a scheme for the donation of frozen foods, we have achieved a reduction of 10.4% (28.17 tons) as of FY2022.

Reduction of Food Loss



Surveying the current state and discussing response measures

At Maruha Nichiro Group, most food loss is generated by business divisions belonging to the Processed Foods Business Unit and Foodstuff Distribution Business Unit and by Group companies, and a large amount of food loss tends to be generated by frozen foods compared to non-frozen foods. The main reasons for this are that frozen foods, which are also often produced outside of Japan, are prone to packaging damage when shipped in transport containers, and a certain amount of waste is also generated by products left over from box-opening sampling inspections at the time of import.

Responding to food loss from exterior packaging damage

In response to food loss from exterior package damage, we have reconsidered the type of packaging, reduced banding of multiple boxes, and are promoting modularization of carton cases and pallet transportation. With regard to exterior package damage, it is necessary to standardize industry-wide criteria and reduce the burden on workers to confirm damage. Therefore, we are working to engage in dialogue and partner with the government, other companies in the industry, and upstream and downstream companies, with the aim of developing and proliferating an AI app that determine exterior packaging damage based on uniform criteria.

Example of damaged exterior packaging



Damage from crushed corner



Damage from band penetration

Establishing a donation scheme for frozen foods

We have been donating food to food banks since 2009. However, due to the shipment costs and lack of sufficient frozen storage facilities at food banks, we had not made progress on the donation of frozen foods, which make up a large portion of our food loss. As we considered how to overcome this problem, we formed a partnership between Food Bank Kanagawa and logistics companies that store our products. This enabled us to establish a scheme by which Food Bank Kanagawa receives our frozen products directly from the warehouse in periodic donations. As a result, donations of frozen products in addition to non-frozen products have increased dramatically, bringing the total amount of FY2022 donations to 16.87 tons. Currently, periodic donations are primarily for the remaining products following box-opening sampling inspections, for which quality can be guaranteed. In the future we intend to expand this to products with damaged exterior packaging.

Regular Donation Scheme Flow



Left: Frozen food stored in logistics company warehouse

Center: Confirmation of condition of open boxes removed during import inspection

Right: Picked up in a freezer owned by Food Bank Kanagawa

Food loss generated by distribution or consumers after sale

In addition to extending the shelf-life of non-frozen foods, which we have been implementing thus far, in 2022 we began selling some frozen foods for commercial or institutional use with shelf-life extended by six months—extended from 12 months to 18 months—by checking the quality through storage testing. We are making steady progress on reducing food loss through the implementation of various measures. In FY2023, we plan to work to drastically reduce food loss caused by damage to exterior packaging.

Marine Resources

Basic Approach

The Maruha Nichiro Group has a history rooted in the sea and spanning over 140 years. Precious natural resources and the natural life force of the sea have supported our growth.

With the increase in the world's population and the economic development of emerging countries, the demand for fish consumption is expected to increase in the future. In order to meet demands and protect marine resources, we will continue to contribute to the creation of a sustainable global environment and society through our business activities.

KGIs and KPIs from FY2022 to FY2030

Materiality: Action for preserving biodiversity and ecosystem

Ideal state in 2030 (KGI): Confirm that there is no risk of resource depletion in the fish stocks we handle

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|---|-------------|--------------|---|-----------------|
| | | | Achievements | Self-assessment |
| Resource status confirmation rate of handled seafood products (Overall G) | 2030 | 100% | Resource status confirmation rate of handled marine products: 81.8% | ★★★☆☆ |
| Conduct biodiversity risk assessment (Domestic G) | 2024 | - | Method for conducting biodiversity risk assessment under review | ☆☆☆☆☆ |
| Implementation of certification level management for aquaculture farms (Domestic G) | 2024 | - | Formulation of draft voluntary management standards for aquaculture farms | ★★★☆☆ |

Message from Representative



Hiroyuki Metoki

Acting General Manager
Corporate Planning Department

As mentioned in this article, it is important to monitor the resource status of marine products we handle, and we must respond appropriately. Conversely, most marine products we procure go through several stages of distribution after they are landed, and have already been processed in various ways. From the perspective of resources, it is necessary to calculate the weight at the time of landing based on the amount of processed marine products. Also, in order to ascertain the status of resource management, it is necessary to ascertain this in a subdivided way, as the management status varies based on the timing, place, and method of the catch, even for the same type of species. While resource surveys require a considerable amount of labor, we will give the highest priority to responding to the result of this survey.

Main Initiatives in FY2022

Overview of the Second Marine Resources Survey

We launched a marine resources survey from 2019, and in FY2021 we conducted a second year-long survey targeting raw materials and products procured outside the Group. We will continue conducting this survey with the aim of realizing our ideal state in 2030, based on our belief that monitoring the state of marine resources handled in our business activities will help us recognize issues and make improvements to preserve biodiversity and ecosystems.

Survey Objective

- To gain an overall picture of the marine products handled by the Maruha Nichiro Group (fish species, area, quantity, etc.)
- Assessment of resource status and management of natural marine products handled
- Identification of issues and consideration of countermeasures to achieve KGI

Survey Method

| FY of implementation | First (FY2020) | Second (FY2022) |
|----------------------------------|--|---|
| Target FY | FY2019 | FY2021*1 |
| Survey scope | 48 Group companies (31 in domestic, 17 overseas) | 42 Group companies (25 in domestic, 17 overseas) |
| Analysis agency / Reference data | SFP*2/FishSource*3 | SFP/FishSource |
| Evaluation method | Our proprietary criteria | Criteria of ODP*4 methodologies |
| Evaluation criteria | <p>(1) Healthy The five FishSource scores average 6 or higher, and score 4 is 6 or higher</p> <p>(2) Not healthy The five FishSource scores average less than 6, or score 4 is less than 6</p> <p>(3) Data deficient If there are missing items for the five FishSource scores and evaluation cannot be performed</p> | <p>(1) Well managed The five FishSource scores are all 8 or higher</p> <p>(2) Managed The five FishSource scores are all 6 or higher</p> <p>(3) Needs improvement If there is a score less than 6 for the five FishSource scores</p> <p>(4) Not scored If there are missing items for the five FishSource scores and evaluation cannot be performed</p> |

*1: April 2021-March 2022 for domestic and some overseas companies; January 2021-December 2021 for other overseas companies

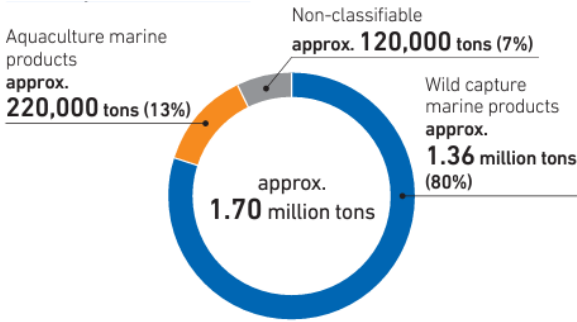
*2: Sustainable Fisheries Partnership. The US NPO which manages FishSource.*3

*3: An international marine resources database developed based on marine resources information from the administrative agencies of various countries.

*4: Ocean Disclosure Project. An information disclosure platform aimed at enhancing the transparency of marine product procurement, managed by the SFP.

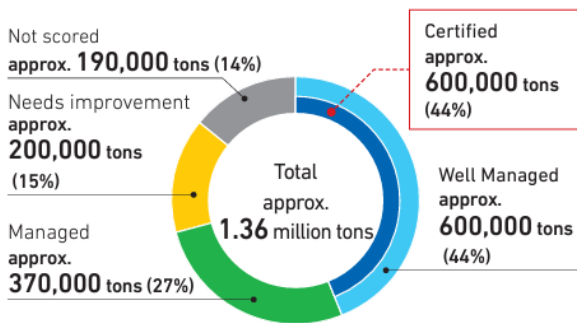
Survey Results

Marine Products Overall



In FY2021, the Group as a whole handled approximately 1.7 million tons of raw fish equivalent, and in terms of scientific name, handled 337 species of wild fish and 83 species of farmed fish. On the other hand, the amount of non-classifiable was approx. 120,000 tons, mainly from raw materials for feed, and while this is an improvement from 140,000 tons at the time of the previous survey, we recognize that it is still a major issue.

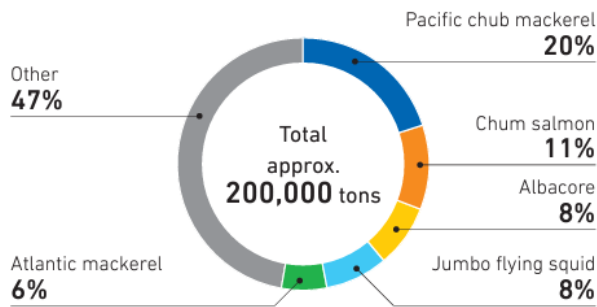
Wild Capture Marine Products



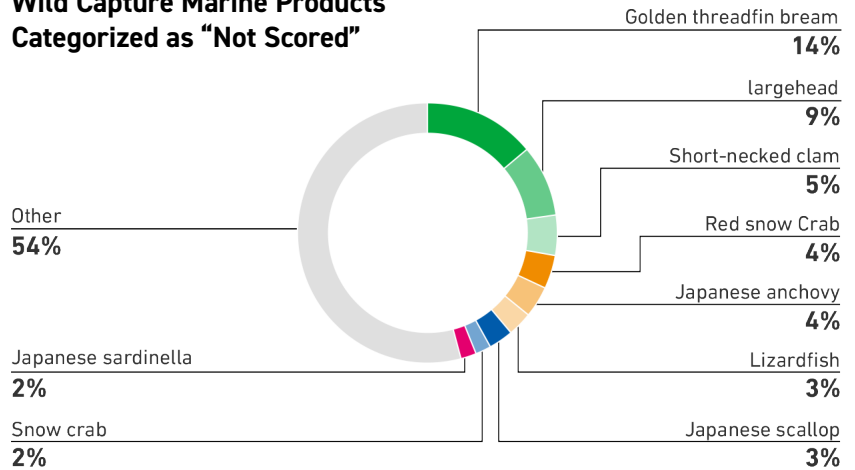
In order to evaluate the resource status and management status of wild capture marine, we conducted an analysis based on the SFP's ODP methodology. As a result, we found that among wild capture marine handled by Maruha Nichiro Group, 44%, or about 600,000 tons, was evaluated as "Well managed," and of this, most of this, were mainly Alaska pollock and other similar species caught by fishery businesses certified as sustainable by MSC or other agencies. In addition, 27%, or about 370,000 tons, was evaluated as "Managed." In contrast, 15%, or about 200,000 tons was evaluated as "Needs improvement," and 14%, or about 190,000 tons, was evaluated as "Not scored" due to insufficient data, and we recognize that these are issues requiring improvement.

Note: Scope of survey is Maruha Nichiro Corporation

Wild Capture Marine Products Categorized as "Needs Improvement"



Wild Capture Marine Products Categorized as "Not Scored"



The top five species accounted for 53% of the "Needs improvement" category. Regarding fish species classified as "Not scored" due to insufficient data, such as golden threadfin bream and largehead hairtail, we will work to accurately ascertain the situation by obtaining more detailed information on the catch area and fishing method of these handled marine products.

Endangered Species

As a result of this survey, we confirmed that some of the wild capture marine handled include fish species that fall under the category of endangered species (EN) as defined by the International Union for Conservation of Nature (IUCN) (diagram below). We will continue handling fish species caught in accordance with fishery business management rules while monitoring the situation based on scientific knowledge, and discuss reviewing the handling of other fish species.

Handling of Endangered Species (As of June 2023*1)

| Red List evaluation | Species | Scientific name | Weight (t) | Country of procurement | Remarks |
|------------------------------|-----------------------|--------------------|------------|---|--|
| EN*2 (Endangered species) | Southern bluefin tuna | Thunnus maccoyii | 732 | Japan, New Zealand, South Korea, Taiwan | Has resource recovery plan |
| EN (Endangered species) | Shortfin mako | Isurus oxyrinchus | 575 | China | Gradual considerations regarding handling based on viewpoint of effective use of by-products |
| EN (Endangered species) | Acadian redfish | Sebastes fasciatus | 71 | Norway, United States, Åland Islands, Japan | Consider a review of handling |

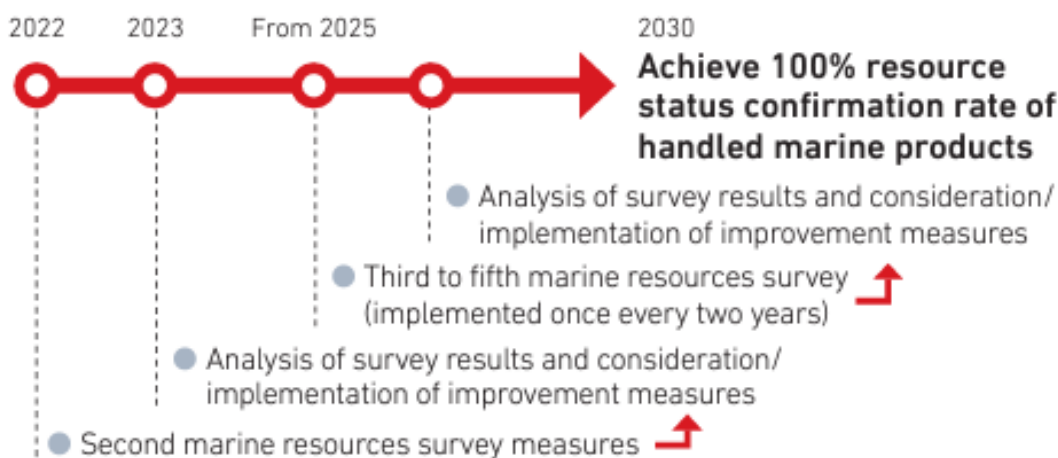
*1: Evaluation results from SFP and handling data is from FY2021

*2: IUCN (International Union for Conservation of Nature) category: Endangered (EN)

Realizing Our Ideal State in 2030

It is essential to make improvements on identified issues in order to realize our ideal state in 2030. We will promote a cycle of periodical surveys, issue identification, and improvement, with the aim of realizing our ideal state in 2030.

Future Roadmap



Enhancing Access to the North American Alaska Pollock Resources

To further enhance our ability to procure sustainable marine products, in January 2022, the Maruha Nichiro Group acquired an Alaska pollock processing facility and nine fishing vessels from Icycle Seafoods Inc. of the United States, further strengthening our access to pollock resources in North America's Bering Sea.

Rights to wild marine resources, such as fishing quotas, are limited worldwide, and new acquisitions can be quite difficult. Through the addition of this access share, we will be strengthening our access to Alaska pollock, a plentiful and sustainable fish species, in the large waters that is the Bering Sea. In addition to capturing approximately 27% of the whole general quota share (the quota share generally available to companies, excluding the quota given to natives) in the Bering Sea Alaska pollock quota, and assuming the time of the first marine resources survey as of 2019, this would equate to an increase in certified sustainable fisheries from approximately 820,000 tons to approximately 880,000 tons.

In addition, compared to other proteins, it has been reported that Alaska pollock is a climate-friendly protein. As a sustainable protein, global demand is strong from the standpoint of population growth and health consciousness, but it will be possible to cater more to general consumers in various forms such as fillets and surimi.



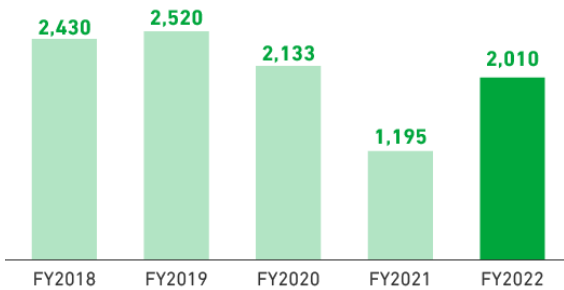
Northern Victor processing facility

Use of Seafood Products Obtained through Sustainable Fishery/ Aquaculture Certificates (MSC/ASC)

The Maruha Nichiro Group actively promotes the handling of MSC/ASC-certified seafood products.

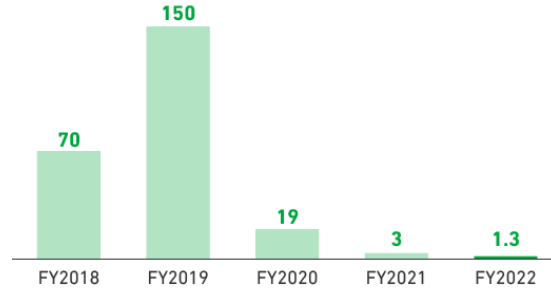
As of April 2023, Maruha Nichiro Corporation has handled 2,010 tons of consumer frozen foods bearing the MSC Marine Eco-Label in FY2022, which was more than the 1,195 tons in FY2021. The amount of foods bearing the ASC label handled in 2022 (period between January 1 and December 31) was approx. 1.3 tons, which significantly decreased from approx. 3 tons in 2021. The main reasons is thought to be the impact of soaring prices of raw materials.

Trend in Volume of Frozen Foods for Household Use Bearing the MSC Label (t)



Note: Scope of survey is Maruha Nichiro Corporation

Trend in Volume of Processed Foods for Household Use Bearing the ASC Label (t)



Note: Scope of survey is Maruha Nichiro Corporation

Activities for Obtaining Sustainable Aquaculture Certification (ASC Certification) for Greater Amberjack and Yellowtail

Maruha Nichiro Corporation AQUA Kunezu fishery (formerly Amami Yougyo Inc.) became the first company in the world to receive ASC certification for greater amberjack aquaculture in July 2019 and full-scale shipments began in May 2020.

Maruha Nichiro Corporation AQUA Kamiura Fishing Grounds (formerly Aquafarm Co., Ltd.) obtained ASC certification for yellowtail aquaculture in April 2018, and full-scale shipments began in February 2019.

We will continue to deliver to customers through an integrated value chain that encompasses catch, live transport, fillet processing at specified plants contracted by Maruha Nichiro, and sale through mass retailers.



Greater amberjack farming



Maruha Nichiro Corporation AQUA Kunezu Fishing Grounds

Note: On Friday, April 1, 2022, the six Group Companies engaged in the aquaculture operations were merged into two companies, Maruha Nichiro AQUA Co., Ltd. and Maruha Nichiro Marine Co., Ltd. Maruha Nichiro AQUA (Head Office: Kagoshima City, Kagoshima Prefecture) integrated four companies in the Kyushu region, Sakurajima Yougyo Co., Ltd., Amami Yougyo Inc., Aquafarm Co., Ltd., and Genkai Co., Ltd. while Maruha Nichiro Marine Co., Ltd. (Head Office in Kushimoto, Wakayama Prefecture) integrated two companies in the Kishu region, Kushimoto Marinefarm Co., Ltd. and Kumano Yougyo.

Marine Pollution

Basic Approach

Environmental pollution caused by marine plastic spills is an issue of global importance, and the Maruha Nichiro Group, which is deeply involved in the ocean, sees it as an equally important issue. We will promote our response to the marine plastic issue in cooperation with industry associations, related NGOs, and others to make our activities more effective.

KGIs and KPIs from FY2022 to FY2030

Materiality: Action for marine pollution by marine plastics

Ideal state in 2030 (KGI): We practice zero discharge of plastics into the ocean along our supply chain, including from our own Company

Department in charge: , Maruha Nichiro Corporation

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|---|-------------|--------------|--|-----------------|
| | | | Achievements | Self-assessment |
| Establishment of fishing gear management guidelines and operational rates (Overall G) | 2024 | 100% | Establishment of a draft and preparation of trial implementation of fishing gear management guidelines | ★★★★☆☆ |
| Employee participation rate in coastal cleanup(Domestic G) | 2030 | 30% or more | Employee participation rate in cleanup: 7.9% | ★★★★☆☆ |

*MN: Maruha Nichiro Corporation

Note: The department in charge is Maruha Nichiro Corporation.

Message from Representative



Yusuke Sato
Deputy general Manager
Sustainability Group
Corporate Planning Department

The "Marine pollution" is a characteristic materiality of our group that is not often seen in other companies.

The reduction of plastic usage is also included in the initiatives and KPIs under the materiality "Contribute to the realization of a recycling-oriented society," and it was the second most interesting social issue in the employee survey conducted during the materiality review process of the medium-term management plan. However, we have set "addressing the marine plastic problem" as a separate materiality because it was the second most important social issue in the employee survey during the materiality review process of the medium-term management plan, and because the Maruha Nichiro Group is a company deeply involved in the ocean.

Our efforts can be divided into two categories: activities to prevent the discharge of marine plastic (management of fishing gear) and activities to collect as much of the discharged material as possible (clean-up activities). The former is to be promoted along the supply chain, including our group, and the latter is to be spread throughout society by observing the efforts of our group.

Main Initiatives in FY2022

Cleanup Activity "Make Sea Happy!"

The Maruha Nichiro Group conducts cleanup activities throughout Japan. In recent years, the problem of marine plastic has become a major environmental issue, and in order to make our cleanup activities more effective, we are conducting cleanup activities under the new name of "Make Sea Happy!" In FY2022, "Make Sea Happy!" activities were held 16 times with 780 participants (including the general public).

Purpose of "Make Sea Happy!"

"Make Sea Happy!" is defined as a "cleanup activity to address the marine plastic problem," and its main feature is to keep a record of the types of litter picked up, instead of just throwing it away. Information on litter collected is submitted to NGO groups such as the Ocean Conservancy, and is used as litter survey data, along with data from cleanup activities being conducted around the world. Although the amount of trash that can be picked up each time is limited, the goal of "Make Sea Happy!" is to increase the number of participants and expand the circle of people who are interested in the problem of ocean plastic through the use of information on the trash submitted.



Make Sea Happy !

"Make Sea Happy!" Cleanup Activities at NSA (Nippon Surfing Association) Competitions

As an effort to expand the "Make Sea Happy!" cleanup activities outside the company, "Make Sea Happy!" clean-up activities are conducted at the venue of Junior Open Surfing Championships of the Nippon Surfing Association (NSA) held, and at the venue of All Japan Surfing Championships held. Many people, mostly athletes who participated in the tournament and their associates, participated in the activities.

Started Test Operation of Lost Fishing Gear Records

The Maruha Nichiro Group has begun test operation of lost fishing gear records at Taiyo A&F Corporation to record fishing gear lost during the operation of fishing vessels, with the aim of establishing fishing gear guidelines by 2024. The Group plans to study recording methods and other details, and to begin operating the system on a Group-wide basis.

Social Value

| | |
|--|-----|
| ● Customer Value | P34 |
| Food Safety | P34 |
| Consumer-Oriented Management | P38 |
| Health Value Creation | P39 |
| ● Employee Value | P42 |
| Labor-Management Relations | P42 |
| Growth Opportunities | P43 |
| Better Workplaces | P46 |
| Diversity & Work-Styles | P47 |
| Health Management | P52 |
| Human Rights Awareness | P59 |
| Personnel and Labor-Related Data | P60 |
| ● Human Rights | P66 |
| ● Development of Sustainable Supply Chain | P69 |
| Animal Welfare | P72 |
| ● Value for Communities & Society | P74 |

Food Safety

Basic Approach

At the Maruha Nichiro Group, we work to supply safe, quality food to customers and pursue food that customers can feel safe eating by putting ourselves in the customer's shoes and considering the type of quality they are looking for. This approach comes from our Quality Assurance System based on the Maruha Nichiro Group Philosophy and the Maruha Nichiro Group Quality Assurance Policy.

To that end, we take an array of measures, from product development to delivery to the customers, as well as in all the processes thereafter. At the same time, we provide employees with quality assurance training to raise the level of their knowledge and skills and heighten awareness about quality.

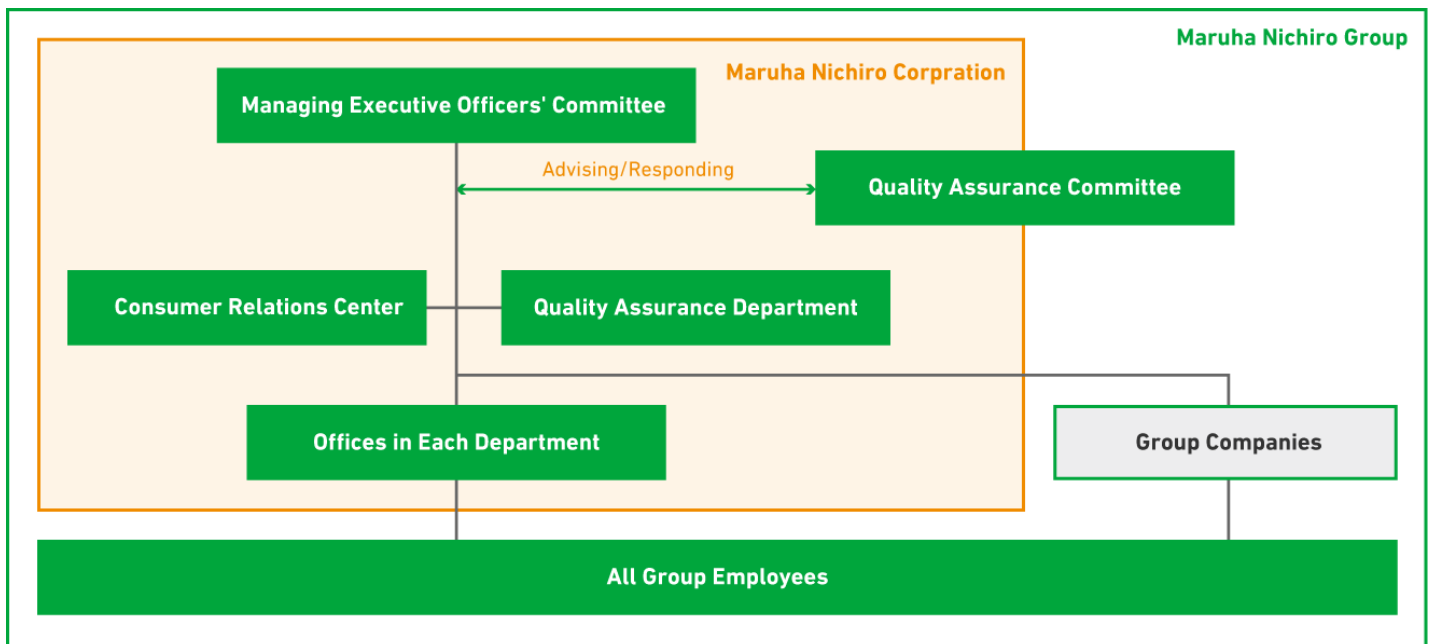
Management Structure

The Maruha Nichiro Group has established a system in which the Managing Executive Officers' Committee is the highest decision-making body for quality assurance. It is also in charge of setting and implementing necessary quality assurance policies and initiatives. In addition, the Quality Assurance Committee has been established as an advising body to the Managing Executive Officers' Committee to deliberate on advisory matters.

The Quality Assurance Department at Maruha Nichiro, the central company of the Group, serves as the focal point of the Group's quality assurance by formulating various policies, monitoring and supporting improvements in management status through quality audits and product information maintenance, collecting and disclosing information on quality and labeling, and initiating employee training programs to increase quality awareness.

Responsible persons and persons in charge of quality assurance are appointed for each Company department and Group company to communicate information about Group policies and measures as well as to create and implement quality assurance plans and measures.

Quality Assurance Structure



Materiality: Provision of safe and secure food

Ideal state in 2030 (KGI): Providing safe food to people around the world

KGIs and KPIs from FY2022 to FY2030

Materiality: Provision of safe and secure food

Ideal state in 2030 (KGI): Providing safe food to people around the world

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|---|-------------|--------------|---------------------------------------|-----------------|
| | | | Achievements | Self-assessment |
| Major quality incidents*1 (Domestic G*2) | 2024 | zero | Four Major quality incidents occurred | ★☆☆☆☆ |

*1 Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's Web site due to violations of relevant regulations and voluntary codes as specified in GRI Standards 416-2 and 417-2

*2 Domestic G= Domestic Group Consolidated Companies

Note: The department in charge is the Quality Assurance Department, Maruha Nichiro Corporation.

Message from Representative



Tomoyuki Okumura
Quality Assurance Department
General Manager

As stated in our corporate philosophy, our business is to provide wholesome, safe, and healthy food. On the other hand, changes in the social environment in the world are affecting each process of procurement, processing, sales, and logistics, and it is becoming more difficult to provide consistent quality day by day. In the last three years, we have been unable to visit domestic and overseas production sites due to COVID-19, but from FY2023, we have been actively visiting to communicate face-to-face, identify issues firsthand, and start working to resolve them. We are also working to introduce a new system to strengthen product information management and enhance training contents to develop personnel responsible for quality assurance. In order to continue to provide safe food to customers for many years to come, we will first build a systematic and robust quality assurance system to realize our ideal state for 2030, "Providing safe food to people around the world."

Main Initiatives in FY2022

Materiality: Provision of safe and secure food

Ideal state in 2030 (KGI): Providing safe food to people around the world

Product Incidents and Measures to Prevent Recurrence

The Maruha Nichiro Group implements various initiatives to ensure the safety and security of its products. However, in the unlikely event that a product sold to a customer is found to have a serious defect or flaw, we will promptly make a public announcement and recall the product in question.

In fiscal 2022, there were four serious quality incidents* in the Maruha Nichiro Group. In addition to promptly recalling the products in question, we are investigating the causes in depth and implementing countermeasures. We are also working to prevent recurrence by sharing the causes and countermeasures with relevant parties within the Group.

*Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's website due to violations of relevant regulations and voluntary codes.

Overview of Serious Quality-Related Incidents in FY2022

| Product category | Content | Company of occurrence |
|--------------------------------|--|----------------------------|
| Commercial prepared food | Missing label of allergens | Group companies |
| Commercial heated meat product | Incorrect labeling of the country of origin of raw materials | Group companies |
| Commercial prepared food | Missing label of expiry date | Maruha Nichiro Corporation |
| Commercial heated meat product | Product spoilage | Group companies |

Furthermore, in order to prevent the occurrence of "serious quality accidents," the Maruha Nichiro Group has defined "complaints leading to voluntary recalls" that may lead to "serious quality accidents" and is working to eliminate such complaints. The following three specific activities are being undertaken.

- (1) Activities to prevent even a single defective product from leaving the factory or outside the company
- (2) Efforts to eliminate complaints that lead to voluntary recalls
- (3) Efforts to reduce problems in the manufacturing process

In (1), we have established a communication system to ensure that problems are addressed when they occur and to prevent the outflow of defective products through mechanical control even if a problem occurs at directly managed plants and domestic Group production sites by June 2022.

In (2), we are working to "eliminate complaints that lead to voluntary recalls" by promoting the introduction of inspection equipment, etc., mainly at the production bases of the Processed Foods Unit, starting in July 2022. We plan to gradually expand the scope of our activities in the future.

In parallel with (2), (3), a survey on the occurrence of problems was conducted at directly managed plants and domestic Group production sites from September 2022, based on the initiatives described in (1). Going forward, we will work to reduce the number of incidents that lead to quality-related accidents through the identification of issues and the formulation of solutions.

Providing Accurate Product Specification Information

Maruha Nichiro Corporation handles a wide range of products, from foods close to raw materials such as marine products, livestock products, and agricultural products to processed foods. In response, Maruha Nichiro will introduce a new system that will enable integrated management of product specification information, starting in fiscal year 2023, in order to provide accurate product specification information not only within the company but also to customers, such as business partners.

Promote quality education and training

Promote quality education and training



Although it was difficult to conduct group training in FY2022 due to the infection situation of the new coronavirus, we continued our efforts to ensure the competence of employees by further promoting remote training while maintaining the quality of content through the use of e-learning for training and other measures. As a result, a total of 8,583 employees took the course, approximately double the number of the previous year, partly due to the ease of adjusting participants' schedules. We will continue to enhance the content and maintain and improve the level of employee education and training.

| Type of training | Total sessions | Participants |
|---|----------------|--------------|
| Food label training (learning about universal guidelines, frozen food, shelf-stable food, seafood products, livestock products and practicing food label) | 18 times | 800 people |
| Quality management workshops (factory hygiene management) | 5 times | 485 people |
| Food defense workshops | 7 times | 323 people |
| FSSC/ISO22000 standards study session | 1 time | 112 people |
| FSSC 22000 internal auditor training (introductory training, skill advancement training) | 4 times | 86 people |
| Food bacteria training | 2 times | 593 people |
| Skills training for food bacteria inspectors | 1 time | 33 people |
| Practical inspection skills training for food bacteria inspectors | 1 time | 9 people |
| Customer service training | 5 times | 877 people |
| Customer feedback monitoring training | 18 times | 5,188 people |
| Customer service training | 2 times | 77 people |

Strengthening Factory Audits and Guidance

In FY 2022, we continued to maintain and improve the level of food safety and food protection by flexibly responding to the situation by resuming the implementation of factory audits and guidance by visiting contract manufacturers of our products while monitoring the infection situation of the new coronavirus, and also by using communication applications to conduct remote audits in combination. In addition, as we accelerate the provision of food not only in Japan but also globally, we will further strengthen our quality assurance system, including factory audits and guidance systems, by stationing quality assurance personnel in China and Southeast Asia, in addition to the conventional combination of on-site and remote audits. We will continue to strengthen our factory inspection and guidance system so that we can respond flexibly to changes in the environment.



Factory audit by the Quality Assurance Department of Maruha Nichiro Co. The inspection focuses on the production lines of certified factories and confirms sanitary management conditions through question-and-answer sessions with employees.

Consumer-Oriented Management

Basic Approach

The basic mission of the Maruha Nichiro Group is to be "a corporate group that contributes to people's affluent life and happiness by providing authentic, safe, and healthy 'food' that is needed by society" based on the Group's philosophy. The Maruha Nichiro Group made a voluntary consumer-oriented declaration in March 2018. The Maruha Nichiro Group will promote consumer-oriented management by firmly recognizing and acting on these three activities: "listening to and making use of customers' voices," "working for the future and the next generation," and "complying with laws and regulations and strengthening corporate governance."

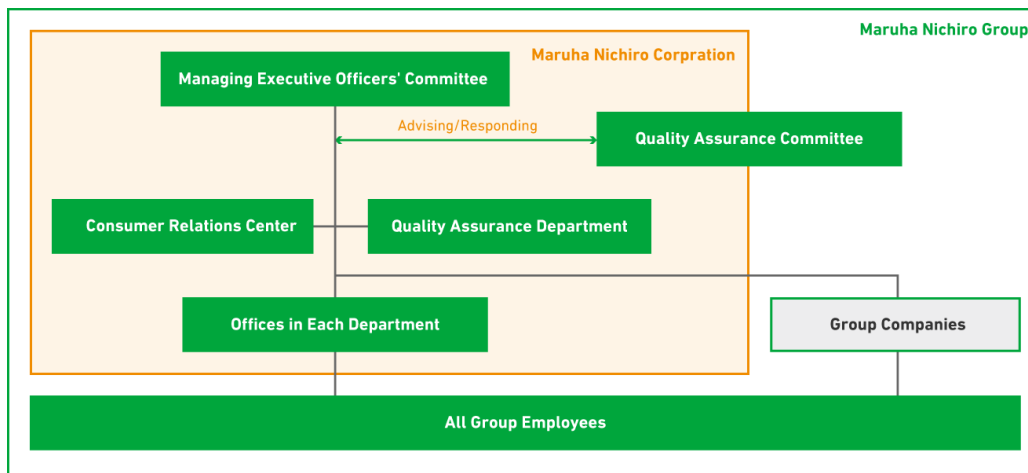


Management Structure

Based on the "Maruha Nichiro Group Quality Assurance Policy," each Group company has established a quality assurance system tailored to its business field based on a common approach.

Moreover, we reflect customers voices in our quality assurance activities.

Quality Assurance Structure



Main Initiatives in FY2022

To Deepen Communication with Customers

The Customer Service Center plays a role in communicating with customers even after delivering products to them. Specifically, in the COVID-19 pandemic, we have enhanced our customer service by building a system that allows customers to answer phone calls from home and by providing information on a website dedicated to the Customer Service Center. The scope of use of the chatbot, an automated response function installed on the website that answers customers' questions 24 hours a day, 365 days a year, was expanded to all commercial products (8 categories) from February 2023. In addition, since December 2019, when we acquired an official corporate account on Yahoo! Chiebukuro, a Q&A site operated by Yahoo! Japan, we have answered as many questions as possible and solved the doubts of numerous customers.

Furthermore, as an effort to apply "customer feedback" to the improvement and refinement of our products and services, we regularly hold "Product Improvement Study Meetings" attended by directors and the heads of relevant departments, which led to 36 improvements and refinements in FY2022.

n-House Penetration of “Consumer-Oriented Management”

In order for all employees of the Maruha Nichiro Group to understand and act on “consumer-oriented management,” we have established an internal promotion system and continue to promote the implementation of awareness-raising training on “consumer-oriented management” and the enhancement of business activities based on “customers’ voices.”

Since FY2020, we have been conducting in-house training on “consumer-oriented management” for Maruha Nichiro Group employees using an e-learning learning system; in FY2022, approximately 4,300 employees participated in the training to deepen their understanding.

In the Quality Management Reconfirmation Campaign, all Maruha Nichiro Group employees complete questionnaires on our products to share and utilize their opinions as consumers within the company. The “customer opinions” received daily are distributed to the president and other executives and employees, and we are striving to strengthen our system for utilizing the “customer opinions” in our business operations. In addition, as part of our efforts to ensure safety and security, we identify potential problems in the “Customer Comments” and continue to distribute them once a week.



e-Learning “About Consumer-Oriented Management”

Social Value Customer Value

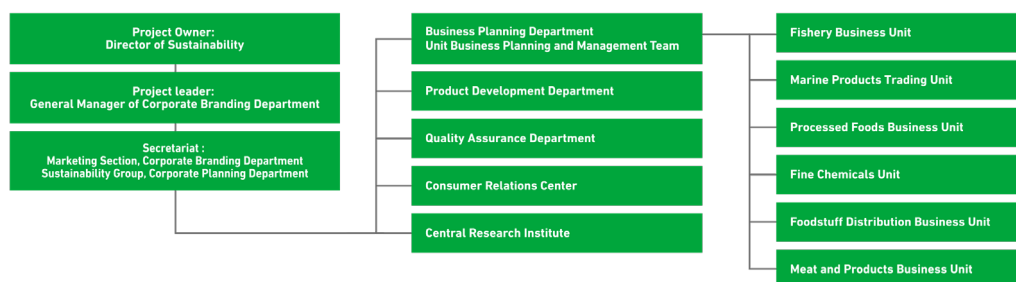
Health Value Creation

Basic Approach

The Group’s philosophy is to be an essential part of society by improving everyone’s daily life with wholesome, safe, and healthy food. To realize this philosophy, we believe it is essential to contribute to improving the health value of consumers and to continue to provide consumers with a stable supply of sustainable food that takes into consideration social and environmental issues. The Group will continue to provide food that contributes to the creation of health value and sustainability, thereby contributing to the enrichment of everyone’s daily life.

Management Structure

In order for Maruha Nichiro to formulate definitions and standards for “food that contributes to the creation of health value” and “food that contributes to sustainability,” and to promote the penetration and handling of such definitions and standards within the Group, a project to promote food that contributes to the creation of health value and sustainability (“Health Value Creation Project”) was launched in FY 2022. The “Health Value Creation Project” is owned by the director in charge of sustainability and led by the general manager of the Corporate Branding Department, and its members include planners from six units (Fishery, Seafood Trading, Processed Foods, Fine Chemicals, Foodstuff Distribution, and Livestock), the Quality Assurance Department, the Customer Service Center, the Central Research Institute, and the Development Department. The Sustainability Promotion Group of the Corporate Planning Department and the Corporate Branding Department serve as the secretariat.



Management structure of the project of providing food that contributes to health value creation and sustainability “Health Value Creation Project”



A look at "Health Value Creation Project"

KGIs and KPIs from FY2022 to FY2030

Materiality: Food provision contributing to creating health value and sustainability

Ideal state in 2030 (KGI): Branded as a top food company contributing to health value creation and sustainability

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|--|-------------|--------------|--|-----------------|
| | | | Achievements | Self-assessment |
| Establish product standards that contribute to health value creation and sustainability and set targets for FY2030 (MN*) | 2024 | - | Definition and basic concept of food that contributes to health value creation and sustainability already formulated | ★★★★☆☆ |
| Build an external evaluation method of an enterprise that contributes to the creation of health value and sustainability (MN*) | | | | |

*MN: Maruha Nichiro Corporation

Note: The department in charge is Food promoting project that contributes to creating health value and sustainability, Maruha Nichiro Corporation.

Message from Representative



Yoshiyuki Usuda

Food promoting project that contributes to creating health value and sustainability Manager
Corporate Branding Department / General Manager

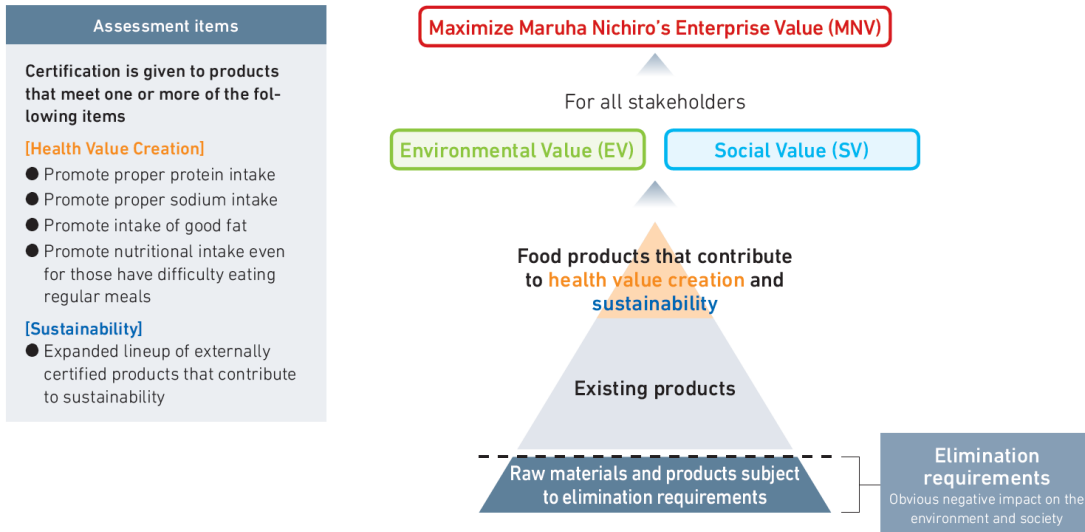
As the Group's philosophy, Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food. In terms of providing healthy food, the Group has made identifying its approach to resolve health issues for customers as a food company thereby improving everyone's health value as a materiality in the current Medium-term Management Plan. In 2022, the Ministry of Health, Labour and Welfare launched "HSFE" to start initiatives that focus on addressing nutritional issues in Japan. Under the slogan of "For the ocean, for life," we believe it is also our mission to aid in resolving nutritional issues.

Main Initiatives in FY2022

Establishing the Concept of Product Standards That Contribute to MNV Creation

In FY2022, Maruha Nichiro launched the project of providing food that contributes to health value creation and sustainability (known as "Health Value Creation Project"), in aims of establishing, disseminating, and promoting the handling of, definitions and standards for food provision contributing to creating health value and sustainability. The Company also established a system of standards for products that contribute to MNV creation. In formulating the system, after listing the issues that Japan's society faces, we selected issues that strongly require our business involvement, and set evaluation items for each selected issue.

System of Standards for Products That Contribute to MNV Creation



For the creation of health value, we endorse the two action plans of promoting innovation in food related industries and promoting behavioral change for personal nutrition as part of the important agenda in Tokyo Nutrition for Growth Summit 2021 hosted by the government of Japan. Given this, we have established criteria for evaluating products that contribute to health value creation including the following four items: promote proper protein intake, promote proper sodium intake, promote intake of good fat, and promote nutritional intake even for those with difficulty eating regular meals.

And we will promote an "expanded lineup of externally certified products that contribute to sustainability (MSC-certification, ASC-certification, etc.)" as the criteria for evaluating products. In addition, as a premise, we have clarified the requirement to eliminate any ties to IUU fishing (illegal, unreported, and unregulated) as well as eliminate any ties to forced or child labor that clearly have a negative impact on the environment and society. We will ensure that raw materials and products we handle are not subject to any exclusion requirements.

Collaborative Initiatives Such as Industry-Government-Academia Collaboration

In January 2023, Maruha Nichiro joined "HSFE" organized by the Ministry of Health, Labour and Welfare. This initiative aims to develop a naturally healthy food environment for all through collaboration and cooperation between multiple sectors including industry, academia and government. Participating companies are required to set SMART* action goals and evaluation indicators to enable discussion and collaboration toward a more effective plan among participating businesses.

Setting an action goal and evaluation indicators for improving the nutritional issue of excess sodium intake indicated in the initiative aligns with our mission of providing food that contributes to health value creation. Through our involvement, we aim to encourage behavioral change particularly in sodium intake in the dietary habits of people in Japan.

*SMART goal setting approach stands for Specific, Measurable, Achievable, Relevant, and Time-Bound as the five parameters to include in goal setting.

Future roadmap

In FY2023, we will determine the specific product standards for protein, sodium and fat intake and establish KPI for each product evaluation item in contributing to MNV creation. Following the establishment of product standards, we will urge internal members to increase the number of compliant products based on marketing data for each. Furthermore, we will review methods for external evaluation while working with agencies, such as the Strategic Initiative for a Healthy and Sustainable Food Environment by the Ministry of Health, Labour and Welfare, with the aim to meet the 2024 KPI of establishing an external evaluation method as an enterprise that contributes to health value creation and sustainability, thereby embodying our brand statement, "For the ocean, for life."



Labor-Management Relations

Basic Approach

At the Maruha Nichiro Group, we believe that maintaining and strengthening good labor-management relations is a prerequisite to creating stable lives for our employees and achieving sustainable growth.

Freedom of Association of Labor Unions

The Maruha Nichiro Group respects the rights of workers to organize, bargain collectively, and act collectively, and recognizes the freedom of association of labor unions.

Maintain and Improve Good Labor-Management Relations through Labor-Management Consultations

Maruha Nichiro Corporation has introduced a "labor-management consultation system" with the Maruha Nichiro Union to ensure that labor and management share a common understanding of management issues, productivity improvement issues, and the working conditions and general welfare of union members, and to respect the positions of both parties.

In fiscal 2022, labor-management consultations were held 31 times.

Percentage of Trade Union Members to All Employees (Percentage of Employees with Collective Bargaining Rights)

At Maruha Nichiro Corporation, 100% of general employees (regular employees in non-managerial positions) (60% of all employees) are members of the labor union.

Themes and Implementation Status of Labor-Management Consultation

At Maruha Nichiro Corporation, labor-management talks in fiscal 2022 focused mainly on the following themes, and each theme has been steadily realized.

- Abolition of Hiroshima Plant
- Revision of collective agreement
- Spring labor offensive

Notification When Implementing a Material Change in Business

The collective bargaining agreement stipulates that when making significant business changes that may significantly affect employees, notice is to be given to the union that represents the employees (minimum notice periods are not disclosed due to confidentiality concerns).

Growth Opportunities

Basic Approach

The Maruha Nichiro Group will follow its Company Credo of "Loyal to our people, the most important asset of our company" and believes that the personal growth of our employees contributes greatly to the development of the Group.

We provide opportunities for each and every employee to take on challenges by leveraging their strengths and demonstrating initiative.

Management Structure

President & CEO, Executive Officers and the General Manager of the Personnel Department regularly hold discussions on approaches to human resources and workforce requirements in order to realize management strategy.

Cross-functional cooperating also takes place among multiple sections within the Personnel Department and we are accumulating and utilizing information on human resources using our talent management system and learning management system (LMS).

KGIs and KPIs from FY2022 to FY2030

Materiality: Building work environment that diversified employees can work with a sense of security

Ideal state in 2030 (KGI): A workplace environment where diversity is respected, and employees feel safe and comfortable to work

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
|--|-------------|--------------|---|-----------------|
| | | | Achievements | Self-assessment |
| Percentage of female employees by maintaining 50% female recruitment ratio (MN*) | 2030 | 35% or more | Female recruitment ratio: 52% | ★★★★☆☆ |
| Percentage of women on Board of Directors (MN) | 2030 | 30% or more | Ratio of female among all Directors and Audit & Supervisory Board members: 15.4% | ★★★★☆☆ |
| Female management job ratio (MN) | 2030 | 15% or more | In April 2023, the ratio of female managers increased from 5.5% to 7.0% | ★★★★☆☆ |
| Establishment of Maruha Nichiro Human Resource Development Program and targets set 2030 targets (MN) | 2024 | - | Establish various training programs including Global Personnel Training Program | ★★★★☆☆ |
| Establish employee engagement assessment methodology and set 2030 targets (MN) | 2024 | - | Approach to employee engagement was established at Maruha Nichiro Corporation and expanded globally | ★★★★☆☆ |

*MN: Maruha Nichiro Corporation

Note: The department in charge is Personnel Department, Maruha Nichiro Corporation.

Message from Representative



Akira Abe
Personnel Department
General Manager

Personnel Department has set forth three action themes in the mid-term plan as "proactive investment in human resources": "enhancement of human capital," "human resources development," and "visualization and utilization of human resources," and by the end of FY2024, we will establish the foundation of a system to produce the human resources necessary to achieve the next mid-term plan, and by April 2025, we will establish a system that will enable us to recruit, assign, and train human resources in accordance with our management strategy. By April 2025, we aim to establish a system that will enable us to hire, assign, and train human resources in accordance with our management strategy.

In addition, we will work to foster a corporate culture in which the strengths of each individual can be fully demonstrated by promoting the activities of diverse human resources, health management and wellbeing, and flexible work styles. Furthermore, we aim to create an organizational culture that facilitates innovation and collaboration, and to achieve continuous growth and increase corporate value through a win-win relationship between the company and its employees.

Main Initiatives in FY2022

Visualization and Utilization of Human Capital

In 2022, we introduced a talent management system with the aim of effectively utilizing human resources, and in 2023, we are working on creating a job definition (Job Description: JD) for section managers with the aim of enhancing employee career independence, retention, and succession programs.

With the formulated JD, we aim to use it to visualize abilities that are lacking within the company, as well as to implement reskilling (human resource development), selection of key positions, and renewal of the Succession Program. Measures leading to career independence and retention will be formulated during FY2024, and we will continue to focus on human resource development.

Human Resource Development for Management Leaders

As the business environment undergoes rapid changes, globalization and technological innovation, it is essential to create core human resources with a higher and broader perspective to take charge of management and business in the mid- to long-term. Maruha Nichiro Corporation is therefore actively promoting the development of next-generation management leaders and global human resources. In particular, for next-generation management leaders, we have launched a program in fiscal 2018 to identify "human assets" with such qualities from a wide range of positions and departments, and systematically develop them as candidates for management human assets to be shared by Maruha Nichiro Corporation.

In FY2022, we dispatched employees to external training programs for the purpose of nurturing next-generation management leaders.

Total number of participants dispatched: 26 (managers: 15, assistant managers and below: 11); total cost: 11 million yen; total learning time: 927 hours.

Develop and Secure Human Resources That Contribute to Our Sustainability Strategy (Materiality)

We believe that the appropriate conservation and sustainable use of biodiversity and ecosystems is an important initiative to further strengthen our competitiveness.

Against this background, as a human resources strategy for the conservation of fishery resources and the future of the fishery industry, we will actively promote the development and securing of human resources who are familiar with international fishery and aquaculture certification standard systems, as well as domestic and international fishery administration.

Global Human Resource Development

In recent years, the declining birthrate and aging population, especially in developed countries, in addition to the decline in the working-age population in Japan, and the recent acceleration of the mobility of human resources, have made it a challenge to secure human resources that can contribute to the creation of corporate value. As part of our management strategy to maximize corporate value, we are working to develop human resources with specific skills directly related to corporate competitiveness and who can play an active role in the global market, in addition to the usual training programs by job level, with the priority theme of expanding our group-wide expansion into overseas markets and strengthening access to resources.

As part of this effort, Maruha Nichiro Co., Ltd. has renewed its "Global Human Resource Development Program" and has been operating and promoting it annually since fiscal 2018. Participants are selected based on self-reported applications (career-track employees who have been with the company for two years or more and are under 35 years of age), and are determined based on TOEIC and TSST (Test of Spoken English) results. 19 employees newly registered to participate in fiscal 2022, and a total of 58 employees are enrolled, including those continuing from the previous year.

The content of the training program consists of mandatory training such as "Intercultural Responsiveness," "Leadership," "Management," and "Resilience," and our original elective training such as "GLOBUS Work Seminars" and "Overseas Trainee System." In order to obtain certification for completion, employees must meet four criteria, including "attendance at mandatory training," "meeting internal TOEIC and TSST standards," and a final presentation to management within three and a half years of the training period.

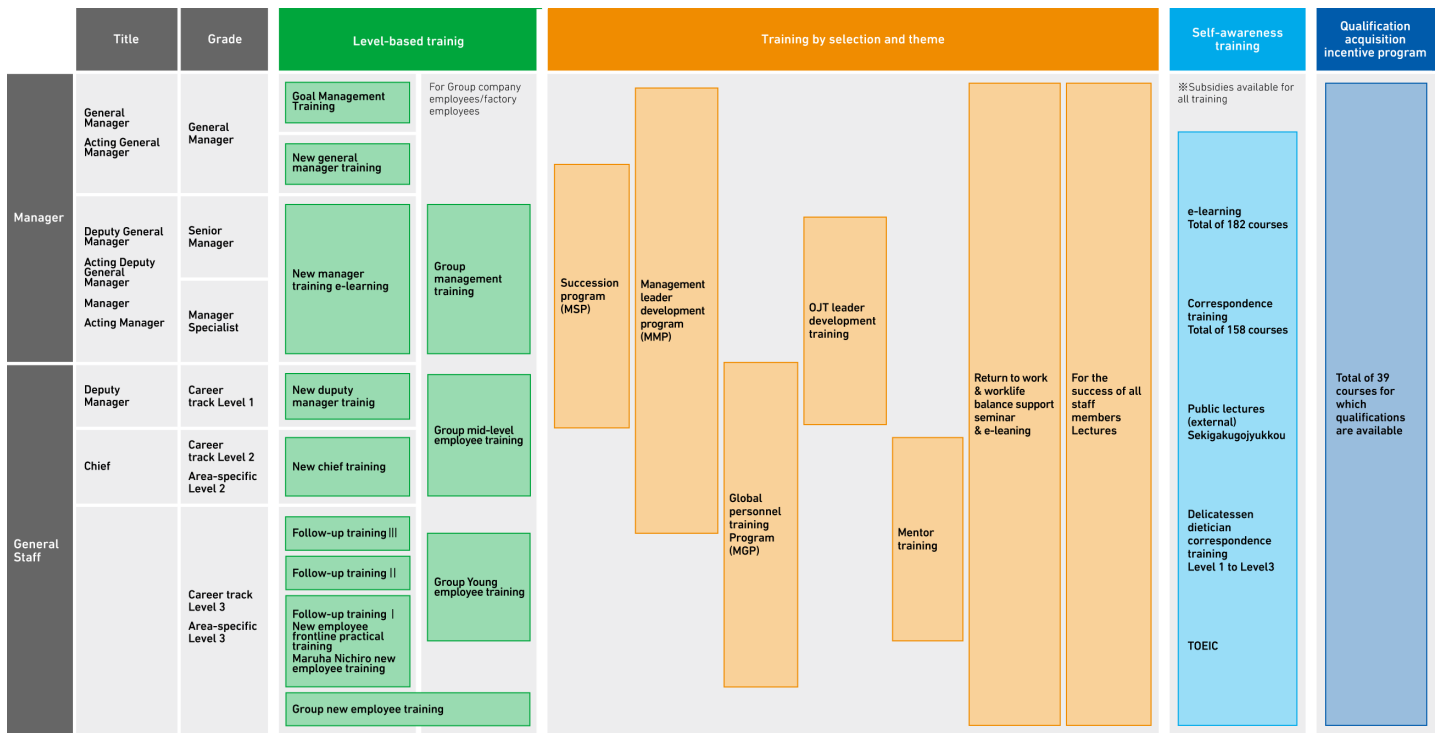
In this way, while building a pool of human resources who have acquired skills in cross-cultural management, presentation in the global market, negotiation, etc., in addition to improving their language skills, we will systematically have them take on the core roles of management and business operations at overseas subsidiaries and gain experience from among them. We are developing managerial human resources who can make the most of our governance overseas.

Persons certified as having completed the Global Human Resource Development Program: Cumulative total of 9 people

Career Development Support

The Maruha Nichiro Group is working on effective measures by creating various systems and mechanisms as growth opportunities, such as redesigning training programs to encourage behavioral changes in the workplace and supporting proactive career development based on surveys of employees' transfer requests. Based on a competency development system that corresponds to role grades, we are working to synergistically enhance individual abilities and promote complementary career development through rank-specific training, elective training, and self-development training.

Maruha Nichiro Ability Development System Diagram for FY2023



Better Workplaces

Basic Approach

In the Maruha Nichiro Group's broad-ranging supply chain, human resources are active at a variety of sites, including fishing, aquaculture, processing, storage and logistics, and sales bases. We recognize that ensuring the health and safety of our employees leads to increased productivity and greater employee awareness, which is essential for sustainable corporate growth, and we are working to maintain and promote occupational health and safety.

Management Structure

Occupational Health and Safety Management Structure

Maruha Nichiro has acquired ISO 45001* certification for its six directly managed plants and the Chemical Bioscience Production Group.

*ISO45001: International standard for occupational health and safety management systems

Main Initiatives in FY2022

Occupational Accident Incidents

The products developed over the years have become more complex and diverse, and the details of work-related accidents have become correspondingly more complicated. The Maruha Nichiro Group is striving to reduce the number of industrial accidents by sharing information on industrial accidents that occur within the Group.

The following table shows the number of occupational accidents that occurred in the Maruha Nichiro Group in fiscal 2022. We will continue our efforts to prevent occupational accidents in the future.

Occupational Accidents in the Maruha Nichiro Group in FY2022 (Maruha Nichiro Corporation + 27 Major Group Companies)

| | |
|-----------------------|------|
| Frequency rate | 2.95 |
| Intensity rate | 0.06 |

[Formula]

Frequency rate = number of fatalities and injuries due to occupational accidents/total number of working hours x 1,000,000

Intensity rate = number of days lost due to work-related accidents/total number of working hours x 1,000,000

[Scope of survey]

Maruha Nichiro Group (survey covers the following domestic companies: Aisia, Kannonji Seafoods, Kyushu Uoichi, Kyushu Chuo Uoichi, Koyo Suisan, Sangurume, Shinko Seafoods, Daikyo Seafoods, Daito Seafoods, Daito Seafoods, Taiyo A&F, Taiyo Foods, Central Surimi Laboratory, Maruha Nichiro Yamagata, Delica Wave (Shonan Factory, Niigata Factory, Maruha Nichiro Seafoods, Maruha Nichiro Livestock, Nihon Silo, Maruha Nichiro Asset, Maruha Nichiro North Japan, Maruha Nichiro Kyushu, Maruha Nichiro Logistics, Maruha Nichiro Retail Service, Yayoi San Foods, Ryukyu Taiyo, Hayashida Food Industry, Marine Access), Maruha Nichiro (Headquarters and branches, Livestock Products Division I Tokachi, Central Research Laboratory, Development Center, directly managed plants, Kasei Bio [Mori, Utsunomiya])

Prevention of Long Working Hours

The Maruha Nichiro Group has established committees on occupational safety and health at each business site based on employment regulations and collective labor agreements to "prevent long working hours," and is taking measures such as confirming the actual status of overtime work and identifying problems in the workplace. In addition, Maruha Nichiro Corporation has adopted a flexible work schedule with no core working hours for all departments at the head office and branch offices, in an effort to realize flexible work styles and prevent long working hours.

Average overtime hours in FY2022 (per month): 20.5 hours

*Maruha Nichiro Corporation employees (including regular employees hired at Maruha Nichiro directly managed plants)

Implementation of Labor Relations Managers' Meeting

The Maruha Nichiro Group has made the "promotion of safe and comfortable workplaces" one of its top priorities and continues to hold meetings of labor affairs managers. The Labor Managers' Meeting is an annual meeting of labor managers from Group companies. At the meeting, participants discuss how to respond to revised labor-related laws and precedents, and exchange information on labor-related issues within the Group.

Improving the Working Environment at Aquaculture Farms

Work at aquaculture farms tends to place a heavy physical burden on employees. Maruha Nichiro is working to improve the working environment for employees working at aquaculture farms by utilizing the latest machinery and AI/IoT technologies.

Social Value Employee Value

Diversity & Work-Styles

Basic Approach

The Maruha Nichiro Group recognizes that respecting each other's differences in gender, nationality, values, age, lifestyle, disability, etc., and allowing each and every employee to fully express their abilities, are crucial to our sustainable corporate growth.

Above all, we have put in place a policy aimed at promoting diversity and inclusion, and are implementing various measures toward that end.

Maruha Nichiro Declaration of Action for Diversity and Inclusion

To support the sustained growth of the Group through the creation of value, the Maruha Nichiro Group, preserves a corporate culture that respects the diversity in society and creates a work environment that enables all employees to demonstrate their individual strengths and reach the full potential of their abilities.

Management Structure

At Maruha Nichiro Corporation, under the supervision of the Managing Executive Officer, each department works together to determine important policies and measures to promote diversity and inclusion. Personnel Department is responsible for formulating, managing, planning, and implementing various policies, collecting and disseminating information, and promoting education and awareness. In addition, a Diversity and Inclusion Officer has been appointed in each department to share information on the policies and measures planned by the Human Resources Department and to gather opinions within the workplace.



KGIs and KPIs from FY2022 to FY2030

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Ideal state in 2030 (KGI): A workplace environment where diversity is respected, and employees feel safe and comfortable to work

| Achievement targets (KPI) | Target year | Target value | FY2022 | |
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| | | | Achievements | Self-assessment |
| Percentage of women on Board of Directors (MN*) | 2030 | 30% or more | Ratio of female among all Directors and Audit & Supervisory Board members: 15.4% | ★★★★☆☆ |
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Akira Abe

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Main Initiatives in FY2022

Promotion of Culture Reform

Maruha Nichiro's Corporate Culture

Maruha Nichiro Corporation aims to foster the following culture through culture reform.

- A culture that respects individual careers and lives, including various life events.
- A culture of autonomous career thinking that allows individuals to communicate their wills and align them with the company's path.
- A culture of psychological safety where challenges and failures are allowed and appropriate feedback is provided.
- A culture that understands and respects diversity.

Human Resource Development for Management Leaders

Workplace with High Psychological Safety Resulting from Culture Change

A workplace with high psychological safety is specifically a workplace with the following conditions



Employee Engagement

Maruha Nichiro Corporation regards employee engagement as an important factor in raising corporate value, and has conducted a pulse survey to measure employee engagement levels once a month since fiscal 2021, and once every two months since fiscal 2023. The results are used as a tool for managers to reflect on their own management, and are also used to grasp the level of engagement from a company-wide perspective on a case-by-case basis.

In the future, we will expand this survey to the entire Group in FY2023, and in FY2024, we will establish a Group employee engagement evaluation method and set targets to be achieved by FY2030.

Women's Activities

Maruha Nichiro considers efforts to "promote women's activities" to be an important issue as a step toward fostering a highly motivating and comfortable work environment for all employees, and as a solid stepping stone to becoming a sustainable corporate group in the promotion of diversity and inclusion.

In FY2017, we established the Diversity Promotion Office (now the Diversity & Inclusion Office) and are working to create a workplace environment where diversity is respected and employees can play an active role with peace of mind, and to maximize the potential of each individual regardless of gender.

Acquisition of "Eruboshi" Certification

In FY 2017, Maruha Nichiro Co. acquired the "Eruboshi" certification from the Ministry of Health, Labour and Welfare, which is issued to companies with excellent status in promoting women's activities under the certification system based on the Law Concerning the Promotion of Women's Activities in the Workplace (Women's Activities Promotion Law). The certification is based on the evaluation of the company's efforts to create an environment in which women can easily play an active role. Of the five evaluation items, the company meets the criteria for three of them: "continuous employment," "working hours and other working styles," and "diverse career courses. In addition, in March 2021, we formulated a general business owner action plan (2021-2025) based on the Law for the Promotion of Women's Activities.



Second-level Eruboshi

Ratio of Male to Female Employees at Maruha Nichiro Co.

The gender ratio of new graduate employees who joined the company in April 2023 was 47.7% (41 men) and 52.3% (45 women), and the ratio of women hired has been over 50% since fiscal year 2022.

We are also actively working to promote non-regular employees to regular employees, and the proportion of those promoted during the most recent three-year period was 97.1% (one male and 34 female). Furthermore, the percentage of women taking childcare leave continues to be at the 100% level. The percentage of women among our employees has been increasing year by year, and as of April 1, 2023, the percentage of women was 28.1%.

We will continue our efforts to promote women in various fields, including the appointment of women to managerial positions, the appointment of non-regular employees, and the assignment of women to overseas locations, in order to further develop customer-driven management, and to ensure that diverse opinions are reflected in decision-making and management participation.

Ratio of Male to Female New Graduates (Male:Female)

| 2020 | 2021 | 2022 | 2023 |
|-----------|-----------|---------|-----------|
| 62.7:37.3 | 60.3:39.7 | 50 : 50 | 47.7:52.3 |

*Scope: Maruha Nichiro Co.

Changes in Female Managers

| FY | 2021 | 2022 | 2023 |
|--------|-----------|-----------|-----------|
| People | 34 (4.5%) | 42 (5.5%) | 54 (7.0%) |

*Scope: Maruha Nichiro Co.

*All figures are actual as of April 1.

Childcare Support

Acquisition Rate of Childcare Leave

Maruha Nichiro Corporation has maintained a 100% rate of women taking childcare leave from FY2017 to FY2022. In addition, 52.3% of men used the childcare leave system in fiscal 2022.

Percentage of Employees Taking Childcare Leave

| FY | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------|--------|-------|--------|--------|--------|--------|
| Female | 100% | 100% | 100% | 100% | 100% | 100% |
| Male | 12.60% | 9.10% | 33.30% | 42.50% | 35.50% | 52.30% |

*Scope: Maruha Nichiro Co.

Promoting Male Employees to Take Childcare Leave

To encourage the development of a corporate culture that makes it easier for men to take childcare leave, in FY2022 we endorsed the "100% Male Childcare Leave Declaration" and joined the "Ikubosu Kigyo Renmei" (Alliance of "Ikubosu" companies). In addition, we held a "Management Seminar for Promoting Male Childcare Leave" for management and managers, which was attended by about 350 people, and the seminar was broadcast on our intranet site.

Support before and after Childcare Leave

The situation changes rapidly from pregnancy to childcare leave, from childcare leave to return to work, and after returning to work. Employees in the childcare period are faced with endless anxiety. These anxieties are generally said to be "anxiety about balancing work and family" and "anxiety and impatience about future career development." We support employees from childcare leave to return to work by eliminating the above concerns, fostering motivation toward returning to work, and using our intranet site to visualize their careers while raising children, viewing childcare leave as a period of preparation for balancing work and family.

Acquisition of the Certified Employer Mark for Childcare Support (Nicknamed "Kurumin") Certification

Maruha Nichiro Co. acquired the fourth "Kurumin" certification from the Minister of Health, Labour and Welfare in fiscal 2022, in recognition of the high rate of female and male employees taking childcare leave (including short-term leave).

Going forward, we will continue to implement a variety of measures, not limited to childcare leave, to support employees in balancing work and childcare as their children grow up, and to promote further participation in childcare by men as well as women, and to promote understanding among supervisors.



Promoting Reforms in Work Styles

Maruha Nichiro Corporation has multiple systems in place to allow all employees to choose a variety of work styles to suit their individual circumstances while cherishing their own lives. By FY2021, all departments will be working flextime with no core hours. Telecommuting, which was in the form of test operation until FY 2019, has been institutionalized from FY 2020, and from FY 2022, it is possible to work not only at home but also at the home of the employee's parents. We also introduced a new personnel system in FY2022, which includes a three-day workweek and a side job system.

We will continue to strive to create a system that enables employees to work while flexibly responding to their life events.

| System | Overview | FY2022 (people) |
|---|--|-------------------------------|
| Maternity Leave Before and After Childbirth | The maximum length of leave is 14 weeks. A system that compensates employees on maternity leave with a portion of their wages through our health insurance association. | 39 |
| Childcare Leave | A system of absence until the child reaches the age of 2 years. This system can also be used by male employees. | 62 (54 females, 8 male) |
| Employees returning from childcare leave | Employees returning to work after childcare leave | 17 (10 female, 7males)*1 |
| Short-term Childcare Leave | A system of absence until the child reaches the age of 2 years. Salary can be claimed without reduction for up to a maximum of 10 days. | 17 |
| Paternity Childbirth Leave | A leave system that can be used when an employee's spouse is giving birth. Salary can be claimed without reduction for up to a maximum of 5 days. | 30*2 |
| Childcare Working Hour Leave | A system to exempt an employee from work for up to 1 hour 40 mins in a day, until the employee's child finishes the third grade of elementary school. | 92*3 |
| Nursing Care Leave | A system for approving an aggregate leave of up to 1 year for each family member who requires nursing care. | 0 |
| Return to Work Program | A system to support employees who have left work due to various reasons such as marriage, childbirth, providing nursing care, work relocation by their spouse, or career enhancement to play an active role again and utilize the expertise, personal connections and experience they have gained during their absence, in addition to the knowledge and experience they built up before leaving work. | 2 |
| Flexitime System | A system for improving productivity and contributing to employee welfare by entrusting the starting and ending times for an employee's appointed monthly working hours to the individual discretion of the employee. | 1,660*3 |
| Shortened Work Hours Program for Nursing Care | A system for shortening the prescribed working hours in 30 minute increments by up to a maximum of 2 hours per day. The total amount of leave that can be taken under the Shortened Work Hours Program for Nursing Care and Nursing Care Leave system is limited to 3 years for each family member who requires nursing care. | 0 |
| Short-term Nursing Care Leave | A system allowing employees to utilize up to five days a year of accumulated time off (up to 10 days a year if two or more family members require nursing care) before annual paid leave is used. | 6 |
| Post-retirement Reemployment | A system for rehiring retirees who meet specific qualifications and express a desire to be reemployed. | 42(29 males, 13 females)*3, 4 |

*1: 94% of employees whose leave expired between April 2022 and March 2023

*2: Male employees with spouses who had children in FY2022

*3: As of April 1, 2023

*4: Including seconded employees

Various systems related to working styles and the results of their use

Nursing Care Support

Information on nursing care is solicited via the intranet for employees who wish to receive such information, and information and seminars on nursing care are provided on a regular basis. We have also introduced a cafeteria plan as a benefit plan, which allows employees to customize as needed regarding nursing care.

Employment of People with Disabilities

We are actively promoting the employment of people with disabilities with the aim of becoming a company where a diverse range of human resources, regardless of gender, nationality, age, or disability, can play an active role.

Employment Ratio of People with Disabilities

| 2018FY | 2019FY | 2020FY | 2021FY | 2022FY | 2023FY |
|--------|--------|--------|--------|--------|--------|
| 1.89% | 2.01% | 1.94% | 2.00% | 2.20% | 2.27% |

*Scope: Maruha Nichiro Co.

Social Value Employee Value

Health Management

Basic Approach

Each and every employee's mental and physical health and the ability to maximize their individuality and abilities will lead to the sustainable growth of the Company. The Maruha Nichiro Group will promote activities to practice health management in cooperation with the Health Insurance Association and our employees.

Health Management Policy

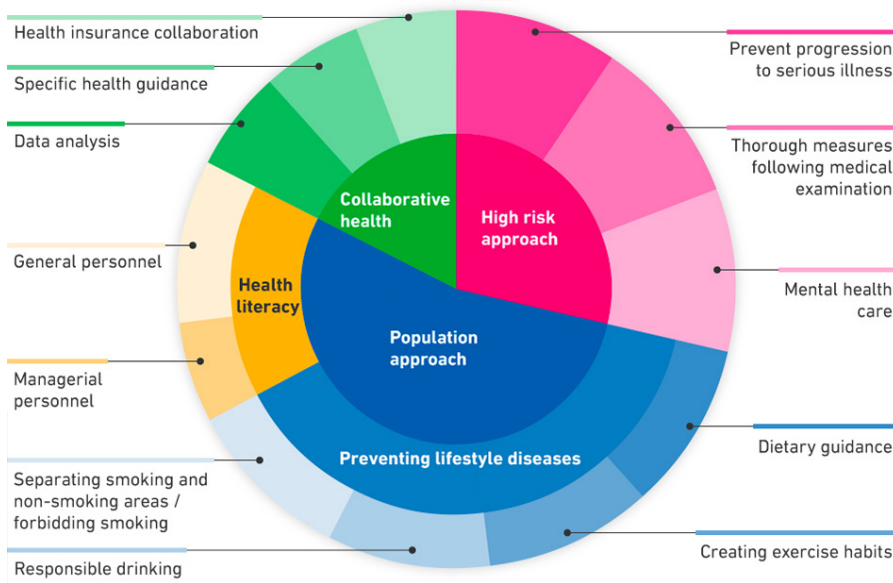


Strategy map

In this expert organization, Maruha Nichiro Corporation health issues are organized according to our health management framework, and goals are arranged as follows.

Target

Framework for Health Management

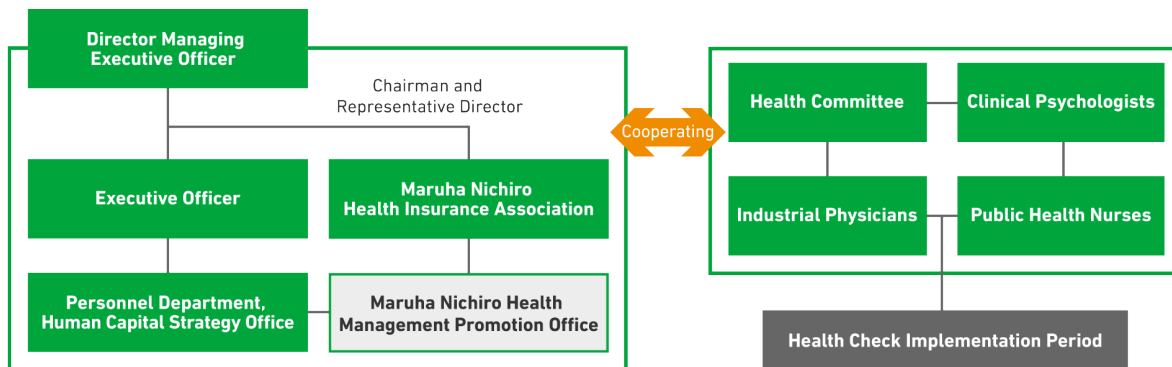


1. High risk approach
 - Achieve zero deaths from untreated patients requiring medical treatment and zero deaths from incumbency by providing thorough individual guidance
 - Strengthen health check follow-up measures and achieve 70% secondary health checkup participation rate
2. Population approach
 - Conduct seminars for employees to improve health literacy and foster health consciousness and prompt behavioral changes / Aim to achieve 70% or more willingness to change behavior among seminar participants
 - Hold corporate events that incorporate food, sleep, and exercise as a series of activities, and aim for an achievement rate of at least 50% of employees' voluntary goals.

Management Structure

Maruha Nichiro Corporation has established a specialized organization under the supervision of the Managing Executive Officer, consisting of the Maruha Nichiro Health Insurance Association, the Human Resources Department, and the Maruha Nichiro Health Promotion Office (industrial physicians, public health nurses, clinical psychologists, and nursing clerks).

Chart of Health Management Promotion Framework (Maruha Nichiro Corporation)



To promote health management throughout the Maruha Nichiro Group, we explain the significance of our efforts and share case studies at Group Labor Relations Managers' Meetings and Health and Safety Committee Meetings.

Main Contents of the Regular Monthly Meeting

(Participated by Human Resources Department, Maruha Nichiro Health Promotion Office, and Maruha Nichiro Health Insurance Association)

- Construction of health management strategy map
- Formulation of measures
- Analysis of health checkup and specific health guidance data
- Measures to prevent serious illness
- Follow-up for employees posted overseas
- Mental health, etc.

Maruha Nichiro Health Promotion Office

The Maruha Nichiro Health Promotion Office, located at the head office, also functions as a clinic, with an industrial physician (4 days a week), public health nurse, and clinical psychologist (every weekday) on staff to support the physical and mental health of our employees. The office also provides follow-up health checkups for employees on loan and those posted overseas, as well as information dissemination.

Support by Maruha Nichiro Health Promotion Office

- Medical examination and consultation
- Prescription of about 50 kinds of medicines
- Provision of over-the-counter medicines according to symptoms
- Hospital referrals (issuance of letters of introduction)
- Private beds • Sanitary care products
- Health checkup follow-up
- Support for employees working long hours
- Stress check for high-stress employees
- Support for employees returning from leave
- Providing influenza vaccinations
- Lending of books on mental and physical health and LGBTQ+ issues



Maruha Nichiro Health Promotion Office consultation room

Maruha Nichiro Health Insurance Association

The Maruha Nichiro Health Insurance Association promotes health management in cooperation with the Human Resources Department to support the maintenance and promotion of the health of its members.

Health Service Policies by Maruha Nichiro Health Insurance Association

- Health Examination We focus especially on diabetes management and primary and secondary prevention of cancer.
- Specific health checkups and specific health guidance
In cooperation with industrial health staff, we strive to prevent serious illnesses.
- Data health planning and collaborative health
We analyze receipts and medical checkup data, etc., to identify medical expenses, stratify health risks, and identify highly effective subjects for health projects, and share this information with occupational health staff.
- Dental Health Consultation
Dental health consultations (dental health examinations, dental checkups) are conducted periodically to prevent dental caries (carious teeth) and periodontal disease, and to detect and treat dental disease in its early stages.
- Prevention of Infectious Diseases
Subsidies for influenza vaccination are provided.
- Educational activities for health promotion With health management at the core, we focus on raising awareness of lifestyle-related diseases, self-medication, etc.

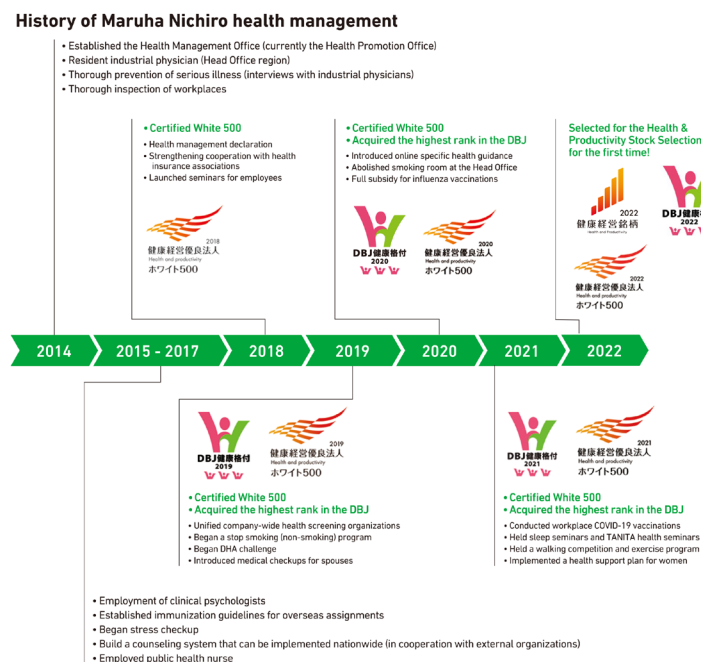
Health Management Promotion Staff

One person in charge of health management promotion is assigned to each department at the head office and to each branch office and plant to strengthen employee participation in health management. Once a quarter, a meeting of health management promotion officers is held to provide information and exchange opinions.

Examples of Health Management Promotion Staff Meeting Content

- What is Maruha Nichiro's Health Management?
- Health checkups and follow-up measures
- Mental Health and Return-to-Work Support
- Introduction of health insurance association
- Introduction of measures and report on implementation

History of Maruha Nichiro health management



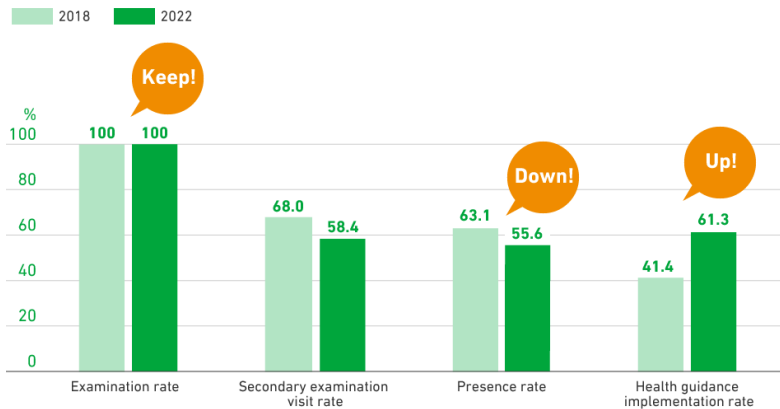
Main Initiatives in FY2022

At Maruha Nichiro, we are promoting initiatives for both "physical" and "mental" health.

Initiatives for "Body"

Health Checkups and Subsequent Measures

Maruha Nichiro Co., Ltd. conducts more comprehensive health checkups by adding its own checkup items in addition to those required by laws and regulations. While aiming for a 100% health checkup rate, the company is also working to improve the figures for post-medical checkups by providing individual guidance by public health nurses and fully covering the cost of secondary checkups. As a result, various numerical improvements have been recognized.



Maruha Nichiro Corporation's own additional medical checkup items

- Abdominal ultrasound
- Fundus examination
- Uric acid level
- Rubella antibody
- ABC checkup (gastric cancer risk test) *Performed at age 27 and 35 (stomach X-ray for age 40 and over)
- Fecal occult blood (colorectal cancer screening)
- Breast ultrasound (breast cancer screening)

Efforts to Promote Health Management Using In-House Products

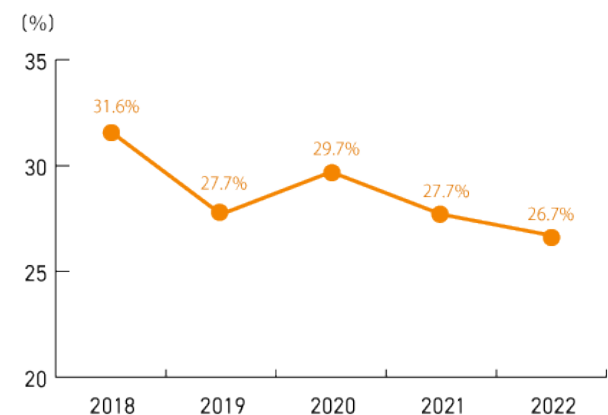
The "DHA Challenge," which was implemented for three consecutive years starting in fiscal 2019, was a core project of our health management, as a total of more than 400 employees ate our DHA-containing products, and all of them showed improvement in neutral fat. The three-year initiative has been a central part of our health management plan, as it has shown a certain degree of success in improving triglycerides, health issues are not limited to triglycerides, and exercise, not just food, is essential to achieve good health. In addition, health issues are not limited to triglycerides, but are also individualized, and exercise is essential in addition to diet to achieve good health.

Through this initiative, we aim to help people understand their own health status in preparation for health checkups, strengthen (Boost) their health (Wellness) by practicing well-balanced dietary habits and exercise habits, and help each person to be in a good state (Well-being) mentally, physically, and socially. We are committed to providing a wide range of services to our clients.



Officers who participated in the 2023 well-B Challenge

The DHA Challenge and well-B Challenge initiatives have improved the prevalence of lipids.



Prevalence of lipids after DHA challenge and well-B challenge in Maruha Nichiro Co.

After the program is completed, the results of the health checkups of the participants are analyzed, and awards are presented to employees who have shown particularly outstanding improvements in results and behavioral changes.

The number of participants in this program is increasing every year, and the management system is being strengthened.

Number of Participants in the DHA Challenge and Well-B Challenge

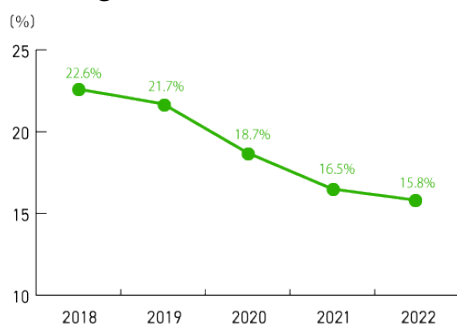
| | DHA challenge | | | well-B challenge | |
|--------------|---------------|------|------|------------------|------|
| FY | 2019 | 2020 | 2021 | 2022 | 2023 |
| participants | 100 | 151 | 193 | 221 | 295 |

Efforts to Reduce Smoking Rates

Efforts are being made to reduce the smoking rate among employees by providing free online interviews and app-based support titled "Graduated Smoking Program" starting in 2019.

As a result, a decrease in smoking rates has been observed. We will continue our efforts with the goal of reducing the smoking rate below 12%.

Smoking Rates



Providing Healthy Meals

Maruha Nichiro Co., Ltd. has introduced "office nosh," a health-conscious boxed lunch that contains less than 30 g of sugar and 2.5 g of salt per serving. By offering sales hours until the evening, the lunchboxes can be used not only for lunch but also for dinner or to-go. In addition, sales are handled by the Nanairo Support Team, which employs people with disabilities.



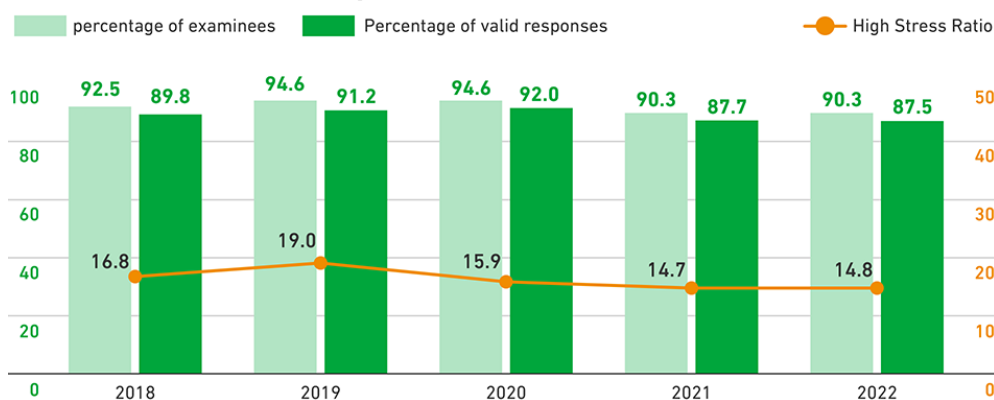
"office nosh"

Initiatives Related to Mental Health

Stress Check Implementation and Analysis

Maruha Nichiro Corporation has been conducting stress checks at all of its business sites since fiscal 2016 in accordance with the December 2015 introduction of mandatory stress checks. The goal is to respond early to those with mental disorders or pre-morbidities, and to improve the workplace environment. The results of the post-implementation analysis will be reported to the management meeting to strengthen the follow-up for workplace improvement based on the data.

Status of Stress Check Implementation



In addition, the company measures presenteeism (a state in which employee performance is declining due to physical or mental health problems) at the same time as stress checks, and uses it as a productivity and performance indicator. Maruha Nichiro Corporation is working to eliminate presenteeism with the goal of achieving a performance score of 65 or higher.

Score of Presenteeism

| FY | Number of people measured | response rate | Score |
|------|---------------------------|---------------|-------|
| 2021 | 3,449 | 90.30% | 64.4 |
| 2022 | 3,387 | 90.30% | 64.4 |

Measured by WHO-HPQ methods.
 0 to 100 points, with higher actual values indicating better performance.

Preventive Measures against Mental Health Problems

Maruha Nichiro Co., Ltd. has named the program "Kokoroba" so that employees can easily consult with clinical psychologists and other professionals to prevent mental health problems, and is promoting its use within the company. In fiscal year 2022, all 50 new employees were given individual counseling by a clinical psychologist.

In addition, as part of our mental care program, we have introduced company-wide "Bukasil," a 1-on-1 meeting. While this is partly to foster a corporate culture, it also aims to ensure that supervisors are good interlocutors for their subordinates and pay attention to how their subordinates are doing from a comprehensive perspective, including their health. Furthermore, we have introduced a mentor system to improve the quality of relationships, or primary prevention.

Initiatives to Improve Employee Health Literacy

New Employee Training

Maruha Nichiro Corporation provides opportunities for new employees to deepen their understanding of D&I and health management during their training, and introduces the meaning of "Diversity & Inclusion" and its position in our company, the meaning of "health management" based on the concept of D&I, and our actual approaches to it in order to create a corporate culture that includes the future generation. and our actual approaches to it.

Efforts to Eliminate Lack of Exercise and Establish Exercise Habits

| FY | Events | Contents | Number of participants |
|------|---------------------------------|---|------------------------|
| 2020 | Exercise Lesson Video Streaming | Video distribution of a total of 4 exercise programs, "home version" and "office version," in response to the Corona Disaster. | Viewed 705 times |
| 2021 | Walkinpic | Aim for the gold medal by earning points for the number of steps taken + physical activity (METs) + participation in the exercise program | 252 |
| 2022 | Steps Competition | Steps competition as part of well-B Challenge 2022 | 221 |
| 2023 | Steps Competition | Steps competition as part of well-B Challenge 2023 | 295 |
| 2023 | Exercise DAYS | Exercise events open to anyone, anytime, anywhere | 307 |

Efforts to Improve Eating Habits and Prevent Lifestyle-Related Diseases

| FY | Events | Contents | Number of participants |
|------|--------------------------------------|--|------------------------|
| 2021 | Lifestyle seminar | A seminar on dietary techniques to improve work efficiency was held. | 126 |
| 2021 | Body Composition Measurement Session | Body composition measurement and advice by public health nurses | 260 |
| 2022 | Yakult Relay | In conjunction with the promotion of intestinal health, a message of gratitude was sent to department members and Yakult was passed on by baton. | 200 |
| 2023 | Veg-Check measurement session | Raise awareness of vegetable intake, confirm current status, and promote behavioral change | 1000 and more |

Efforts to Improve Eating Habits and Prevent Lifestyle-Related Diseases

| FY | Contents | Number of participants |
|------|---|------------------------|
| 2021 | Acquire knowledge and skills to obtain good sleep | 68 |

Women's Health Initiatives

| FY | Events | Contents | Number of participants |
|------|---|---|------------------------|
| 2020 | Women's Fest2020 | Five events focused on women's health issues | 139 |
| 2021 | Working women's health video distribution | A three-part video on the theme of "working women's health" was released | Viewed 226 times |
| 2022 | Working Women's Health Seminar | Invited obstetrician-gynecologist Dr. Miho Takao to learn about health issues specific to women and promote behavioral change | 149 |

Case Report to External Parties

- 2022 Case Report at the Society for Occupational Health
"Introducing ABC screening for employees under 40 years of age during periodic health checkups"
- 2021 Spring and Autumn / 2022 Spring HR Conference Speaker
- 2023 Seminar hosted by Sankei Shimbun
Speaker at "Health Management and Well-Being*1 Management: The Intrinsic Value of Investing in People" with leading companies

External Evaluation of Health Management Initiatives

Maruha Nichiro Corporation has received the following external recognition for its health management initiatives.

- Health Management Brand 2022
- White 500: Excellent Corporation for Health Management 2022
- Highest rank in the DBJ Health Management Rating
- Sports Yell Company 2023
- Tokyo Metropolitan Government Sports Promotion Company



Social Value Employee Value

Human Rights Awareness

Basic Approach

The Maruha Nichiro Group aims to engage in activities that consider and deepen understanding of the rights of every individual and promote respect for the fundamental human rights of all people.

Adherence to the Ten Principles of the UN Global Compact and the Group Code of Conduct

In 2010, the Maruha Nichiro Group joined the United Nations Global Compact, which calls for the endorsement of 10 principles that encapsulate the essential values of human rights, labor, environment, and anti-corruption in all domestic and international business activities.

We endeavor to observe these ten principles, beginning with "Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: Businesses should make sure that they are not complicit in human rights abuses."

Moreover, our Group Code of Conduct cites "respect for human rights and prohibition of forced and child labor" among its items related to "labor & human rights."

Management Structure

Establishing our Human Rights Awareness Promotion Committee

Maruha Nichiro Corporation has established the Human Rights Awareness Promotion Committee to educate and enlighten officers and employees, including those of Group Companies, on human rights in order to deepen their understanding and awareness of various human rights issues and to build a corporate culture that does not tolerate discrimination.

Maruha Nichiro Corporation Human Rights Awareness Promotion Organizational Chart



Main Initiatives in FY2022

Internal Human Rights Awareness Training for All Employees

Maruha Nichiro Corporation aims to engage in activities to deepen each employee's consideration and understanding of respect for human rights as stipulated in the "Group Action Guidelines. As part of these efforts, the company conducts annual in-house human rights awareness training for all employees. In fiscal 2022, continuing from fiscal 2021, e-learning on "human rights" was conducted for Maruha Nichiro Group employees under the theme of "Let's learn about the people we work with - Let's value human rights around us, The theme was "Let's know who we work with - let's value human rights in our daily lives." The Maruha Nichiro Group provided employees with an awareness-raising activity to deepen their understanding of human rights by explaining why the Group respects human rights, and by using familiar workplace examples of important human rights issues such as the "Dowa issue" and "issues related to sexual orientation and gender identity (LGBTs).

We are also a member of the Tokyo Human Rights Enlightenment Association and the Osaka Businesses for Children's Storytelling Human Rights Issues Association, and are actively involved in awareness-raising activities.

We will continue to promote awareness-raising activities to raise awareness of human rights against various forms of human rights discrimination.

Employee Consultation Desk

In order to appropriately respond to issues related to harassment and compliance by employees, we have established a "Harassment Consultation Desk" and "Internal Reporting Desk" both inside and outside the company. In FY2022, the "Harassment Consultation Desk" received 3 consultations. Please refer to the link below for the number of cases related to the "Internal Reporting Desk.

These consultation offices have established a system that allows users to consult with us with greater peace of mind by strictly managing the personal information of the consultants and prohibiting any prejudicial treatment of the consultants.

Social Value Employee Value

Personnel and Labor-Related Data

Personnel and Labor-Related Data (FY2022)

Organizations Subject to Personnel Data

Maruha Nichiro Corporation non-consolidated and consolidated subsidiaries

Definition of Terms

Employee : Managerial and general employees directly employed by the corporation

Temporary employees: Contract employees, contract employees, part-timers, temporary employees dispatched by staffing agencies, and seasonal employees.

Managers: Employees in positions equivalent to or higher than section managers or section managers (excluding directors, etc.) in the corporation.

Data on Number of Employees FYE2020

| | | Male | Ratio | Female | Ratio | Total |
|----------------------------|-----------------|-------|---------|--------|--------|--------|
| Maruha Nichiro Group total | Employees | 6,249 | 56.30% | 4,858 | 43.70% | 11,107 |
| | Management | 1,667 | 89.00% | 206 | 11.00% | 1,873 |
| | Non-management | 4,582 | 49.60% | 4,652 | 50.40% | 9,234 |
| | Temporary staff | 4,838 | 36.30% | 8,504 | 63.70% | 13,342 |
| Japan | Employees | 4,252 | 72.90% | 1,578 | 27.10% | 5,830 |
| | Management | 1,464 | 95.70% | 65 | 4.30% | 1,529 |
| | Non-management | 2,788 | 64.80% | 1,513 | 35.20% | 4,301 |
| | Temporary staff | 2,141 | 38.40% | 3,439 | 61.60% | 5,580 |
| Maruha Nichiro | Employees | 1,257 | 77.90% | 357 | 22.10% | 1,614 |
| | Management | 594 | 94.70% | 33 | 5.30% | 627 |
| | Non-management | 663 | 67.20% | 324 | 32.80% | 987 |
| | Temporary staff | 1,037 | 49.60% | 1,053 | 50.40% | 2,090 |
| Group companies in Japan | Employees | 2,995 | 71.00% | 1,221 | 29.00% | 4,216 |
| | Management | 870 | 96.50% | 32 | 3.50% | 902 |
| | Non-management | 2,125 | 64.10% | 1,189 | 35.90% | 3,314 |
| | Temporary staff | 1,104 | 31.60% | 2,386 | 68.40% | 3,490 |
| Overseas | Employees | 1,997 | 37.80% | 3,280 | 62.20% | 5,277 |
| | Management | 203 | 59.00% | 141 | 41.00% | 344 |
| | Non-management | 1,793 | 36.40% | 3,139 | 63.60% | 4,932 |
| | Temporary staff | 2,697 | 34.70% | 5,065 | 65.30% | 7,762 |
| North America | Employees | 416 | 66.20% | 212 | 33.80% | 628 |
| | Management | 76 | 72.40% | 29 | 27.60% | 105 |
| | Non-management | 340 | 65.00% | 183 | 35.00% | 523 |
| | Temporary staff | 651 | 72.80% | 243 | 27.20% | 894 |
| Asia | Employees | 1,227 | 29.40% | 2,940 | 70.60% | 4,167 |
| | Management | 100 | 50.80% | 97 | 49.20% | 197 |
| | Non-management | 1,127 | 28.40% | 2,843 | 71.60% | 3,970 |
| | Temporary staff | 1,935 | 28.90% | 4,760 | 71.10% | 6,695 |
| Europe | Employees | 83 | 66.40% | 42 | 33.60% | 125 |
| | Management | 7 | 100.00% | 0 | 0.00% | 7 |
| | Non-management | 75 | 64.10% | 42 | 35.90% | 117 |
| | Temporary staff | 30 | 32.60% | 62 | 67.40% | 92 |
| Others ^{*1} | Employees | 271 | 77.00% | 81 | 23.00% | 352 |
| | Management | 20 | 57.10% | 15 | 42.90% | 35 |
| | Non-management | 251 | 78.00% | 71 | 22.00% | 322 |
| | Temporary staff | 81 | 100.00% | 0 | 0.00% | 81 |

*1 Austral Fisheries Pty Ltd., Maruha (N.Z.) Corporation Ltd., Taiyo Micronesia Corporation

Data on Number of Employees FYE2021

| | | Male | Ratio | Female | Ratio | Total |
|----------------------------|-----------------|-------|---------|--------|--------|--------|
| Maruha Nichiro Group total | Employees | 7,252 | 55.30% | 5,865 | 44.70% | 13,117 |
| | Management | 1,752 | 87.00% | 261 | 13.00% | 2,013 |
| | Non-management | 5,500 | 49.50% | 5,604 | 50.50% | 11,104 |
| | Temporary staff | 4,546 | 35.00% | 8,430 | 65.00% | 12,976 |
| Japan | Employees | 4,356 | 73.00% | 1,614 | 27.00% | 5,970 |
| | Management | 1,520 | 95.50% | 72 | 4.50% | 1,592 |
| | Non-management | 2,836 | 64.80% | 1,542 | 35.20% | 4,378 |
| | Temporary staff | 2,140 | 38.00% | 3,496 | 62.00% | 5,636 |
| Maruha Nichiro | Employees | 1,262 | 76.00% | 399 | 24.00% | 1,661 |
| | Management | 601 | 94.90% | 32 | 5.10% | 633 |
| | Non-management | 661 | 64.30% | 367 | 35.70% | 1,028 |
| | Temporary staff | 883 | 44.20% | 1,116 | 55.80% | 1,999 |
| Group companies in Japan | Employees | 3,094 | 71.80% | 1,215 | 28.20% | 4,309 |
| | Management | 919 | 95.80% | 40 | 4.20% | 959 |
| | Non-management | 2,175 | 64.90% | 1,175 | 35.10% | 3,350 |
| | Temporary staff | 1,257 | 34.60% | 2,380 | 65.40% | 3,637 |
| Overseas | Employees | 2,896 | 40.50% | 4,251 | 59.50% | 7,147 |
| | Management | 232 | 55.10% | 189 | 44.90% | 421 |
| | Non-management | 2,664 | 39.60% | 4,062 | 60.40% | 6,726 |
| | Temporary staff | 2,406 | 32.80% | 4,934 | 67.20% | 7,340 |
| North America | Employees | 403 | 65.60% | 211 | 34.40% | 614 |
| | Management | 92 | 74.80% | 31 | 25.20% | 123 |
| | Non-management | 311 | 63.30% | 180 | 36.70% | 491 |
| | Temporary staff | 566 | 65.50% | 298 | 34.50% | 864 |
| Asia | Employees | 2,123 | 35.20% | 3,915 | 64.80% | 6,038 |
| | Management | 112 | 44.40% | 140 | 55.60% | 252 |
| | Non-management | 2,011 | 34.80% | 3,775 | 65.20% | 5,786 |
| | Temporary staff | 1,721 | 27.30% | 4,572 | 72.70% | 6,293 |
| Europe | Employees | 83 | 66.40% | 42 | 33.60% | 125 |
| | Management | 7 | 100.00% | 0 | 0.00% | 7 |
| | Non-management | 76 | 64.40% | 42 | 35.60% | 118 |
| | Temporary staff | 40 | 38.50% | 64 | 61.50% | 104 |
| Others ^{*1} | Employees | 287 | 77.60% | 83 | 22.40% | 370 |
| | Management | 21 | 53.80% | 18 | 46.20% | 39 |
| | Non-management | 266 | 80.40% | 65 | 19.60% | 331 |
| | Temporary staff | 79 | 100.00% | 0 | 0.00% | 79 |

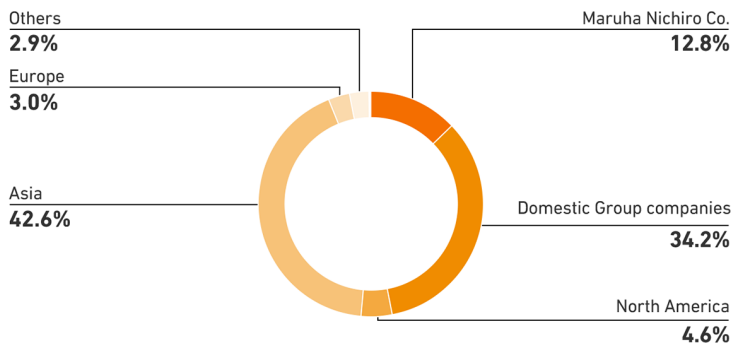
*1 Austral Fisheries Pty Ltd., Maruha (N.Z.) Corporation Ltd., Taiyo Micronesia Corporation

Data on Number of Employees FYE2022

| | | Male | Ratio | Female | Ratio | Total |
|----------------------------|-----------------|-------|--------|--------|--------|--------|
| Maruha Nichiro Group total | Employees | 7,147 | 55.65% | 5,696 | 44.35% | 12,843 |
| | Management | 1,715 | 85.45% | 292 | 14.55% | 2,007 |
| | Non-management | 5,432 | 50.13% | 5,404 | 49.87% | 10,836 |
| | Temporary staff | 4,828 | 36.08% | 8,552 | 63.92% | 13,380 |
| Japan | Employees | 4,292 | 71.17% | 1,739 | 28.83% | 6,031 |
| | Management | 1,482 | 94.33% | 89 | 5.67% | 1,571 |
| | Non-management | 2,810 | 63.00% | 1,650 | 37.00% | 4,460 |
| | Temporary staff | 2,030 | 38.80% | 3,202 | 61.20% | 5,232 |
| Maruha Nichiro | Employees | 1,200 | 73.17% | 440 | 26.83% | 1,640 |
| | Management | 605 | 93.94% | 39 | 6.06% | 644 |
| | Non-management | 595 | 59.74% | 401 | 40.26% | 996 |
| | Temporary staff | 772 | 44.81% | 951 | 55.19% | 1,723 |
| Group companies in Japan | Employees | 3,092 | 70.42% | 1,299 | 29.58% | 4,391 |
| | Management | 877 | 94.61% | 50 | 5.39% | 927 |
| | Non-management | 2,215 | 63.94% | 1,249 | 36.06% | 3,464 |
| | Temporary staff | 1,258 | 35.85% | 2,251 | 64.15% | 3,509 |
| Overseas | Employees | 2,855 | 41.91% | 3,957 | 58.09% | 6,812 |
| | Management | 233 | 53.44% | 203 | 46.56% | 436 |
| | Non-management | 2,622 | 41.12% | 3,754 | 58.88% | 6,376 |
| | Temporary staff | 2,798 | 34.34% | 5,350 | 65.66% | 8,148 |
| North America | Employees | 398 | 67.69% | 190 | 32.31% | 588 |
| | Management | 66 | 82.50% | 14 | 17.50% | 80 |
| | Non-management | 332 | 65.35% | 176 | 34.65% | 508 |
| | Temporary staff | 374 | 75.86% | 119 | 24.14% | 493 |
| Asia | Employees | 1,934 | 35.39% | 3,531 | 64.61% | 5,465 |
| | Management | 112 | 42.59% | 151 | 57.41% | 263 |
| | Non-management | 1,822 | 35.02% | 3,380 | 64.98% | 5,202 |
| | Temporary staff | 2,163 | 29.50% | 5,168 | 70.50% | 7,331 |
| Europe | Employees | 244 | 62.72% | 145 | 37.28% | 389 |
| | Management | 24 | 55.81% | 19 | 44.19% | 43 |
| | Non-management | 220 | 63.58% | 126 | 36.42% | 346 |
| | Temporary staff | 57 | 49.14% | 59 | 50.86% | 116 |
| Others*1 | Employees | 279 | 75.41% | 91 | 24.59% | 370 |
| | Management | 31 | 62.00% | 19 | 38.00% | 50 |
| | Non-management | 248 | 77.50% | 72 | 22.50% | 320 |
| | Temporary staff | 204 | 98.08% | 4 | 1.92% | 208 |

*1 Austral Fisheries Pty Ltd., Maruha (N.Z.) Corporation Ltd., Taiyo Micronesia Corporation

Data on Number of Employees



*1 Austral Fisheries Pty Ltd., Maruha (N.Z.) Corporation Ltd., Taiyo Micronesia Corporation

Number of Employees by Age

| Age | Male | Female | Total |
|----------|-------|--------|-------|
| Under 30 | 186 | 133 | 319 |
| 30–39 | 198 | 106 | 304 |
| 40–49 | 402 | 115 | 517 |
| 50–59 | 412 | 86 | 498 |
| Total | 1,198 | 440 | 1,638 |

Scope: Employees of Maruha Nichiro Corporation (excluding seconded employees and employees on leave)
 *As of March 31, 2023

Number of Recruits

| | FY | Male | Female | Total |
|------------------------|------|------|--------|-------|
| New graduate | 2018 | 41 | 17 | 58 |
| | 2019 | 54 | 30 | 84 |
| | 2020 | 47 | 28 | 75 |
| | 2021 | 35 | 23 | 58 |
| | 2022 | 25 | 25 | 50 |
| Mid-career recruitment | 2018 | 12 | 32 | 44 |
| | 2019 | 10 | 20 | 30 |
| | 2020 | 25 | 9 | 34 |
| | 2021 | 7 | 18 | 25 |
| | 2022 | 23 | 16 | 39 |

Scope: Employees of Maruha Nichiro Corporation (excluding seconded employees and employees on leave)
 *As of March 31, 2023

Number of Job Leavers

(Unit: People)

| FY | Mandatory retirement | Other retirement | Total |
|------|----------------------|------------------|-------|
| 2018 | 13 | 41 | 54 |
| 2019 | 33 | 41 | 74 |
| 2020 | 19 | 47 | 66 |
| 2021 | 34 | 60 | 94 |
| 2022 | 32 | 55 | 87 |

Scope: Employees of Maruha Nichiro Corporation *As of March 31, 2023

Retirees for Personal Reasons

(Unit: People)

| FY | 2018 | | | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|----------|--------|------|-------|--------|------|-------|--------|------|-------|--------|------|-------|--------|------|-------|
| Age | Female | Male | Total | Female | Male | Total | Female | Male | Total | Female | Male | Total | Female | Male | Total |
| Under 30 | 5 | 4 | 9 | 6 | 6 | 12 | 4 | 11 | 15 | 5 | 20 | 25 | 2 | 23 | 25 |
| 30-39 | 4 | 6 | 10 | 1 | 6 | 7 | 5 | 6 | 11 | 4 | 9 | 13 | 3 | 7 | 10 |
| 40-49 | 1 | 4 | 5 | 1 | 3 | 4 | 2 | 1 | 3 | 2 | 2 | 4 | 0 | 5 | 5 |
| 50-59 | | 6 | 6 | | 4 | 4 | 1 | 3 | 4 | | 5 | 5 | 0 | 6 | 6 |
| Total | 10 | 20 | 30 | 8 | 19 | 27 | 12 | 21 | 33 | 11 | 36 | 47 | 5 | 41 | 46 |

Scope: Employees of Maruha Nichiro Corporation

Number of Employees by Segment

(Unit: People)

| Segment | Type of employment | Male | Female | Total |
|------------------------|--------------------|-------|--------|--------|
| Marine Products | Employees | 4,058 | 4,249 | 8,307 |
| | Temporary staff | 3,124 | 5,432 | 8,555 |
| Processed Foods | Employees | 769 | 443 | 1,212 |
| | Temporary staff | 736 | 1,055 | 1,791 |
| Foodstuff Distribution | Employees | 679 | 175 | 854 |
| | Temporary staff | 58 | 25 | 83 |
| Logistics | Employees | 1,325 | 677 | 2,002 |
| | Temporary staff | 878 | 1,996 | 2,874 |
| Others | Employees | 316 | 152 | 468 |
| | Temporary staff | 32 | 44 | 76 |
| Total | Employees | 7,147 | 5,696 | 12,843 |
| | Temporary staff | 4,828 | 8,552 | 13,379 |

Scope: Employees of Maruha Nichiro Corporation *As of March 31, 2023

Social Value

Human Rights

The Maruha Nichiro Group has formulated the Maruha Nichiro Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights in order to fulfill our responsibility to respect the human rights of stakeholders, including those in our supply chain. In FY2019, we began full-scale efforts to establish a system for human rights due diligence and are making progress toward identifying human rights risks and understanding the current situation through our business activities both in Japan and overseas. We are also striving to increase awareness of international standards with respect to human rights through human rights training targeted at group employees.

Maruha Nichiro Group Human Rights Policy

The Maruha Nichiro Group conducts its activities in a manner that respects the basic human rights of all persons around it, in order to practice the Group Philosophy: "We aim to be an essential part of society by improving everyone's daily life with wholesome, safe, and healthy food."

1. Respecting Human Rights

The Maruha Nichiro Group supports and respects the human rights designated in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and engages in activities that are in line with the United Nations Guiding Principles on Business and Human Rights.

2. Practicing Human Rights Due Diligence

The Maruha Nichiro Group continues to develop and implement a process of human rights due diligence, in order to prevent, mitigate, and remedy both direct and indirect negative impacts on human rights through our business activities. In the event that we discover the Group has caused or contributed to negative impacts on human rights, we take remedial action. Furthermore, we operate a channel for reporting concerns over impacts on human rights.

3. Scope of Application

This Human Rights Policy applies to all officers and employees of the Maruha Nichiro Group. The Maruha Nichiro Group implements human rights education to provide opportunities for each officer and employee to gain a deeper understanding of human rights. The Executive Officer in charge of the Personnel Department at Maruha Nichiro Corporation is responsible for putting this policy into action. The Maruha Nichiro Group pursues this policy in cooperation with its business partners and other stakeholders.

4. Positioning of the Human Rights Policy

The Code of Conduct of the Maruha Nichiro Group, under the heading of labor and human rights, calls for "Diversity, safety and openness in the workplace" and "Respect for human rights and the abolition of forced/child labor." This Human Rights Policy supplements the Code of Conduct and shall be reflected in related policies and guidelines.

5. Regulatory Compliance

The Maruha Nichiro Group complies with the laws and regulations of the countries and regions where it conducts business. If a country's laws conflict with internationally recognized human rights, the Maruha Nichiro Group looks for a way to ensure respect for the principles of international human rights.

6. Important Human Rights Issues

The Maruha Nichiro Group forbids harassment in the workplace and thoroughly practices labor management, pursuant to verifying that its employment practices are consistent with labor laws. The Maruha Nichiro Group also requires its business partners to adhere to these guidelines.

7. Dialogue with Stakeholders

The Maruha Nichiro Group engages in dialogue with stakeholders regarding its efforts to respect human rights. The Maruha Nichiro Group discloses information about its activities via its website and in its integrated report.

Established: July 2019
Maruha Nichiro Corporation

Due Diligence on Human Rights

The Maruha Nichiro Group considers respect for human rights, including within our supply chain, to be a management issue, and has launched activities starting in FY2019 aimed at constructing a united due diligence system (activities for identifying, assessing, preventing, and mitigating human rights risks).

Due Diligence on Human Rights within the Maruha Nichiro Group

Self-Assessment Questionnaires on Employment of Foreign Technical Intern Trainees

The Maruha Nichiro Group hires a large number of foreign technical intern trainees at its manufacturing sites in Japan.

Incidents of violation of the human rights of foreign technical intern trainees have been occurring in recent years, and it is believed that one of the factors is that foreign technical intern trainees are in a position where they are vulnerable to human rights violations. In FY2021, a Self-Assessment Questionnaire was conducted to ascertain the situation under the current situation of employment of foreign technical intern trainees at directly operated plants and Group Companies in Japan.

As a result of the Self-Assessment Questionnaires, we found that of the 62 domestic business sites surveyed, 23 are currently hiring foreign technical intern trainees and two are reviewing the possibility of employing such interns in the future.

Also, all business sites hired foreign technical intern trainees through a supervisory body. However, recognizing the issues such as the fact that many offices have not established specific criteria for the selection of supervisory bodies, we provided feedback on the Self-Assessment Questionnaires to each of our business sites in May FY2022.



Online feedback based on the results of human rights Self-Assessment Questionnaires foreign technical intern trainees

Interviews with Supervisory Bodies

In order to ascertain the status of the employment of foreign technical intern trainees at supervisory bodies, we conducted interviews with the Asahi Net Cooperative, the supervisory body for the employment of foreign technical intern trainees at directly-managed plants of Maruha Nichiro Corporation.

Although no major issues were identified, we recognized that the establishment of a human rights due diligence mechanism is a future issue, and we confirmed that both companies will cooperate with each other to address human rights due diligence.

Interview with Business Sites

In order to ascertain the actual status of responding to foreign technical intern trainees at business sites, we visited selected business sites, confirmed the actual working conditions, and conducted interviews.

Through interviews with plant supervisors and foreign technical intern trainees, checking the living environment and training sites of foreign technical intern trainees, and verifying various documents, we confirmed whether any human rights violations were occurring and whether any potential risks existed.

In the interviews with the foreign technical intern trainees, there were no particular complaints about their lives in Japan or the content of their training, and they appeared to be engaged in their training with cheerful expressions on their faces. However, throughout business site interviews, we became aware of issues that need to be addressed in the future, such as the fact that there are cases where foreign technical intern trainees pay unclear fees in the sending country, that there is room for improvement in the living environment, and that language support at the training site is inadequate.



Interviews with foreign technical intern trainees

Addressing Issues and Formulating Guidelines

We are working to promptly improve issues identified in the status of response to the Self-Assessment Questionnaire of foreign technical intern trainees and in interviews with supervisory bodies and some business sites.

In addition, based on these survey results, and referring to laws, regulations, and guidelines of third-party organizations, we will work to create a better working environment by formulating Maruha Nichiro Group guidelines for the employment of foreign workers so that foreign technical intern trainees can work to acquire skills with greater peace of mind. We will continue our efforts to create a better working environment.

Human Rights Due Diligence for Suppliers

In FY2021, we expanded the number of business partners surveyed regarding human rights and labor practices, and conducted Self-Assessment Questionnaires at certified plants that manufacture Maruha Nichiro products.

In FY2022, countermeasures will be implemented for business partners identified by the survey to pose risks.

Promote a Proactive Approach to Human Rights

At the Maruha Nichiro Group, we hold annual in-house human rights training targeting all employees as part of our activities for respecting human rights as defined in the Group Code of Conduct.

In FY2021, we conducted e-learning program training from the standpoint of preventing the spread of COVID-19.

We conducted e-learning training on "Everyday human rights" and "Human rights in business" targeting all employees and officers of the entire Group, with 5,870 people participating.



Human rights training (FY2019)

KGIs and KPIs for FY2022 to FY2030

In line with formulating the new Medium-term Management Strategy "For the Ocean, for Life MNV 2024," we reevaluated the new nine important issues (materiality) on March 28, 2022 and formulated the Ideal State in 2030 (KGI) and Achievement Targets (KPI) in each materiality.

From FY2022, we will work on the targets we have formulated and aim to be Ideal State in 2030.

| | | | |
|----------------------------------|---|---------------------|--------------------|
| Materiality | Respect human rights in business activities | | |
| Ideal state in 2030 (KGI) | We have achieved zero human rights abuses, including forced labor, in our supply chain, including our own Company | | |
| Achievement targets (KPI) | GRI Standards | Target value | Target year |
| | Rate of human rights training (Domestic G) | 100% | 2024 |
| | Confirmation of zero human rights violations in the supply chain (Overall G) | 100% | 2030 |

Main SDGs to which we contribute



Social Value Development of Sustainable Supply Chain

Development of Sustainable Supply Chain

Basic Approach

The Maruha Nichiro Group engages in the stable procurement of marine resources from Japan and around the world.

We also strive to build a safe and secure supply chain for livestock meat products and agricultural products.

We recognize that in order to achieve stable and sustainable management into the future, we must cooperate with our business partners and consider social dimensions such as environmental problems, human rights, and occupational safety within our supply chain. Accordingly, we are working to build a CSR-oriented supply chain.

Establishment of Maruha Nichiro Group Basic Procurement Policy / Supplier Guidelines

In FY2017, we established the Maruha Nichiro Group Basic Procurement Policy and Maruha Nichiro Group Supplier Guidelines following the Group Code of Conduct and the approaches of ISO 26000, an international standard for social responsibility, and the Ten Principles of the United Nations Global Compact.

We are also committed to fair competition and anti-corruption in overseas markets through our Declaration of Anti-corruption.

In July 2022, we revised the Supplier Guidelines to the second edition, adding a new requirement on matters concerning the elimination of IUU fishing and requesting suppliers to "confirm that there is no involvement in IUU fishing in the marine products they procure through thorough traceability."

We make these policies/guidelines known to our business partners and monitor their compliance on a regular basis, and have prepared a guideline commentary in conjunction with the revision to the second edition.

We are promoting activities to strengthen our management system, such as encouraging improvement activities based on the explanatory notes, and to construct a supply chain that will carry out honest business activities together with our business partners.

Management Structure

The Maruha Nichiro Group maintains a variety of businesses that cover a broad supply chain. The selection of procurement sources for raw materials, resources, and products for these business activities is carried out under the responsibility of each business division.

Therefore, supply chain management within the Maruha Nichiro Group is based on the Basic Policies of Procurement and Supplier Guidelines established in 2017, and the Procurement Department plays a central role in implementing CSR procurement through communication with business partners.

Progress on materiality and KPI achievement

Message from Representative



Yusuke Sato

Corporate Planning Department
Sustainability Group
Group Director

Our Group conducts its business activities by procuring raw materials and products from a large number of suppliers. In FY2022, we began operating a survey system for these suppliers. Initially, penetration was slow and we had difficulty in compiling the data, but through careful explanation to suppliers and continued requests, penetration has gradually increased. We expect to expand regular implementation of supplier surveys and human rights/labor practices surveys. In order to provide customers with wholesome, safe, and healthy food, which is our Group Philosophy, it is essential that suppliers understand and cooperate with our philosophy and approach. We will carefully and patiently explain the significance of this initiative to suppliers to build a more sustainable and robust supply chain with the aim of maximizing Maruha Nichiro Value (MNV).

Main Initiatives in FY2022

Monitoring of Suppliers

Introduction of Supplier Survey System and Revision of Guidelines

In FY2022, Maruha Nichiro Corporation newly introduced and began operating the Maruha Nichiro Supplier Survey System. By systemizing supplier surveys and analyses, both the Company and our suppliers are able to accumulate data and visualize issues. In addition, we partially revised the Group Procurement Policy and Supplier Guidelines issued in 2017 to clarify items on the abolition of IUU fishing, environmental considerations, and cooperation requests to secondary suppliers, and a handbook of the guidelines was also created. We will continue working to strengthen our management structure by encouraging suppliers to follow these guidelines and urging them to make improvements based on the handbook.

Confirmed Status of Compliance with Supplier Guidelines

In FY2022, using the new Supplier Survey System, we surveyed 1,000 of Maruha Nichiro Corporation's 1,996 suppliers to confirm the status of their compliance with the revised Supplier Guidelines (the results are shown below).

Going forward, we will seek cooperation on improvements from suppliers identified in the survey as problematic, expand the scope of the survey to all suppliers including those who make spot deliveries, supply packaging, etc., and promote the deployment of this system within the Group in order to achieve related KPIs.

With the aim of building a sustainable supply chain, we have established a working group on purchasing management with the Quality Assurance Department, Production Management Department, and Corporate Planning Department, and are proceeding with cooperative initiatives. The Group's business is supported by numerous suppliers, and we believe that evaluating them from ESG perspectives as well as on QCD aspects (quality, cost, delivery) will contribute to a more robust supply chain. We will organize our internal operational regulations and aim to create mechanisms to put sustainable procurement into practice.

Status of Supplier Survey

| Targeted scope | No. of surveys | No. of responses | Suppliers recognized as having issues (%) |
|--|----------------|------------------|---|
| Domestic in-house certified plants | 125 Companies | 125 Companies | 38 Companies (30.4%) |
| Overseas in-house certified plants | 162 Companies | 155 Companies | 1 Companies (0.6%) |
| Suppliers of directly managed factories (excluding certified plants) | 194 Companies | 194 Companies | 39 Companies (20.1%) |
| Suppliers of other raw materials and third party brand manufacturing suppliers | 519 Companies | 453 Companies | 81 Companies (17.9%) |
| Total | 1000 Companies | 927 Companies | 159 Companies (17.2%) |

| Targeted scope | No. of suppliers | Ratio of agreement with the guidelines | System cover rate |
|--|------------------|--|-------------------|
| Survey implemented | 1000 companies | 46.4% | 50.1% |
| Response received | 927 companies | | |
| All transacting suppliers (population parameter) | 1996 companies | | |

Educating Suppliers through "Quality Assurance Meetings" for Partner Factories

At Maruha Nichiro Corporation, we hold "managers' meetings on quality assurance at subcontract factories" for management executives of major contract manufacturers in Japan who cooperate with us in the production of our products, with the aim of improving the quality assurance level by strengthening cooperation with our supply chain.

In FY2021, in addition to receiving reports on quality-related initiatives and the status of complaints and incidents, Maruha Nichiro Corporation held a presentation led by a representative from the Corporate Planning Department on CSR procurement and informed business partners of the "Basic Policies of Procurement" and "Supplier Guidelines," and requested suppliers' understanding of the Maruha Nichiro Group's policies/guidelines and their cooperation in building a CSR-conscious supply chain together.

We intend to continue holding this meeting in the future as an opportunity to educate and share information with partner factories, as well as gain their understanding of the Action Plan and strive for greater collaboration in the supply chain

KGIs and KPIs from FY2022 to FY2030

In line with formulating the new Medium-term Management Strategy "For the Ocean, for Life MNV 2024," we reevaluated the new nine important issues (materiality) on March 28, 2022 and formulated the Ideal State in 2030 (KGI) and Achievement Targets (KPI) in each materiality.

From FY2022, we will work on the targets we have formulated and aim to be Ideal State in 2030.

Animal Welfare

Maruha Nichiro Group Policy on Animal Welfare

Maruha Nichiro Group has continued to grow supported by the irreplaceable blessings of nature and its life force, recognizes that taking animal welfare into consideration is an important social issue.

We promote business activities that respect the "Five Freedoms" as defined by the International Organisation for Animal Health (OIE).

The Five Freedoms

1. Freedom from hunger, malnutrition and thirst
2. Freedom from fear and distress
3. Freedom from heat stress or physical discomfort
4. Freedom from pain, injury and disease
5. Freedom to express normal patterns of behaviour

We believe that consideration for animal welfare is not only for the health of the animals, but also for the health of the people who consume their products. Maruha Nichiro Group will promote the following initiatives in its own business and supply chain, aiming to realize a society in which we can live in better harmony with animals, and provide food that contributes to the creation of health value and sustainability.

Initiatives promoted by Maruha Nichiro Group

- Consideration for animal welfare at Group's own business sites
- Dialogue on animal welfare considerations and collaboration in the supply chain
- Disclosure of information on efforts to improve animal welfare

Main Initiatives in FY2022

Initiatives at Maruha Nichiro Group Aquaculture Farms

Introduction of Large Floating and Sinking Copper Alloy fish cages to Improve Aquaculture Environment

In 2022, Maruha Nichiro introduced a large floating and sinking copper alloy wire mesh cages for the purpose of improving the rearing environment for farmed fish. Compared to conventional cages, this new system is more environmentally friendly in the following three respects.

1. Reduction of stocking density
By increasing the size and volume of the cage, it has become possible to reduce the farming density by approximately 10%. The reduction in stocking density is expected to reduce the risk of disease in farmed fish. In addition, the larger size and volume of the cages have reduced the number of cages required for farming the same number of fish, allowing the fish keeper to spend more time in each cage and to more carefully observe the health of the fish.
2. Consideration for farming water temperature
The floating and sinking type cages can float and sink in accordance with changes in sea water temperature, enabling fish to be kept under a comfortable temperature for farmed fish.
3. Prevention of shellfish and seaweed from attaching to the cage
Since the large-sized floating and sinking type copper alloy cage is made of copper alloy, it is possible to control the adhesion of shellfish and seaweed to the cage when compared with conventional cages. This is expected to reduce abrasion injuries to farmed fish caused by shellfish and seaweed adhering to the fishtank. In addition, the Water exchange in the cage is improved, leading to the realization of an environment in which farmed fish can breathe easily.



Larger-scale floating and sinking copper-alloy cage with consideration for farming environment.

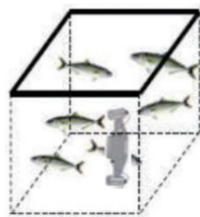
Fish Measuring Method with Reduced Load on Fish

In the past, length and weight measurements of farmed fish were required when taking the fish out of the fish cage, but Maruha Nichiro has introduced a system that enables length and weight measurements without leaving the fish in the cage, using an AI fish measuring camera.

AI fish measurement camera

Camera measurement

- Measurement possible in 5 to 10 minutes per fish cage
- Number of samples is 300 to 1,000 fish
- Possible for one person to take measurements (camera hanging only)
- No damage to body of fish
→ Consideration for animal welfare



Example: Yellowtail captured by an underwater camera, AI automatically recognizes the fish's body.

Automatic identification by AI
Length and weight estimation



Utilize data



To analysis and system

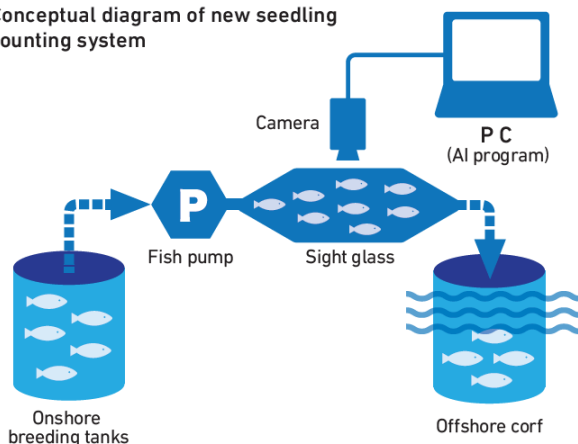
Introduce AI equipment to yellowtail fishing areas

AI fish-measuring camera that can measure fish without taking them out of the water

Development of an original seedling counting system that reduces the burden on them

Maruha Nichiro is engaged in the production of yellowtail and amberjack seedlings(juvenile fish). When transferring juvenile fish raised in land-based cages to offshore waters (operation name: offshore release), the number of fry has been counted by a method called the "gravimetric method". but due to the large load on the fish body and counting inaccuracies, there were problems in optimizing the medicine dosage and breeding density after offshore placement. As a result, the Central Research Institute and Maruha Nichiro Aquaculture Technology Development Center Co., Ltd. have developed a high-precision tail counting system that combines fish pump, specially shaped sight glass, and AI image recognition technology. The introduction of this system is expected to improve the farming environment for juvenile fish by "reducing the physical load on fry during offshore release" and "optimizing the farming density and dosage of medication for juvenile fish after release."

Conceptual diagram of new seedling counting system



Conceptual diagram of new seedling counting system

Introduction of Automated Vaccination Machines to Reduce Stress

Appropriate vaccination contributes greatly to reducing the use of antibiotics and producing healthy fish. However, in the past, the vaccinator had to hold each fish individually during vaccination, which caused stress to the fish due to human body heat, or the fish got out of line, causing the needle to penetrate an unintended part of the body. The automated vaccination machine introduced in 2023 is expected to reduce the stress on fish during vaccination by sedating the fish with anesthesia prior to vaccination, and vaccinating them by machine rather than by human.

Initiative Participation to Reduce Antibiotic Use

As a member of SeaBOS (Seafood Business for Ocean Stewardship), an initiative that aims to collaborate and lead science-based strategies and activities to ensure sustainable seafood production and a healthy marine environment, we are working to reduce the use of antibiotics.

In FY2022, as part of SeaBOS activities, three Japanese companies (Maruha Nichiro Corporation, Nissui Corporation, and Kyokuyo Corporation), the Ministry of Agriculture, Forestry and Fisheries, the Fisheries Agency, National Research and Development Agency Japan Fisheries Research and Education Agency, and pharmaceutical companies will launch a study group to promote the development of vaccines in the aquaculture sector, which is important for reducing the use of antibiotics. The Vaccine Study Group was established to promote the development of vaccines in the field of aquaculture, which is important for reducing the use of antibiotics.

Value for Communities & Society

Basic Approach

Our business has the potential to affect the local community from an economic, social and environmental standpoint in places where the Maruha Nichiro Group has business locations. We engage in appropriate communication and various activities that contribute to society in order to build good relationships toward the goal of co-existence and co-prosperity.

Main Initiatives

Food Education Activities

Case Study: Corporate Fish-Eating Promotion Event “Chef-Directed Parent-Child Cooking Class –How to Cook Fish at Home”

Since 2015, Maruha Nichiro Corporation has held cooking classes by chefs for parents and children nationwide to inform them about the joy and deliciousness of fish cuisine and to help them benefit by healthier diets. In FY2022, we organized two events under the theme of “Chef-directed Parent-Child Cooking Class - How to Cook Fish at Home” in July in collaboration with HIROSHI-MA GAS Co., Ltd. and Keiyo Gas Corporation in November. At the outset of the event, a “fish seminar” was also held, where participants enjoyed learning about various fish trivia.



Demonstration (Hiroshima)



Fish seminar (Keiyo)

For a detailed report on the corporate events, please see our seafood promotion website.

Case Study: Holding of the “For the Ocean, for Life—Fish Lunch Cooking Class for the Future”

In April 2022, Maruha Nichiro Corporation organized the “For the Ocean, for life — Fish Lunch Cooking Class for the Future” to communicate the importance of ocean and fish sustainability, in collaboration with Osaka Gas Cooking School Co., Ltd. in June 2023.

With the goal of educating people about sustainable fisheries and aquaculture, we created food using the Company’s MSC certification and ASC certification products. At the fish seminar mentioned above, an explanation was given about the severe situation of marine resources amid the rising popularity of fish eating around the world. Next, the MSC Marine Eco-Label and the ASC logo was introduced as a way to identify sustainable seafood products that ensure everyone can continue to eat delicious fish.



Demonstration



Fish Seminar

Case Study: Broadcasting of the "Fish Kitchen," Cooking Class for Parents and Children

As a new project in FY2021, we collaborated with Tokyo Bay Network to record the "Fish Kitchen," a cooking class for parents and children.

It was broadcast in Koto-ku and Chuo-ku for two weeks from March 27, 2022, and was further broadcast on cable TV throughout Japan, reaching 1.05 million households by July.

While it was difficult to hold cooking classes throughout Japan due to the COVID-19 pandemic, the Company's cooking advisors introduced easy yet authentic recipes using Maruha Nichiro's canned foods to inform a larger number of people about the joy and deliciousness of fish cuisine. This program can also be viewed at "Sakana Tabetara Fukukitaru" which is seafood promotion website.



Osakana Kitchen

Sharing Information about Food Education

The Maruha Nichiro Group will disseminate a variety of information related to food education to our stakeholders. We disseminate information on our website for everyone to learn, enjoy and acquire knowledge our seafood promotion websites, Salmon Museum and Fish Gallery.

Environmental Activities

Case Study: Ongoing Cooperation with Tokyo Bay Restoration Eelgrass Project

The Maruha Nichiro Group has been participating in activities since 2014 to restore eelgrass beds, which improve water quality in Tokyo Bay, serve as habitats for aquatic organisms, and conserve the coastal environment. Since 2016, we have been selected as a partner company in the Tokyo Bay UMI Project (Project for everyone to love the sea and Tokyo Bay) launched by the Ministry of Land, Infrastructure, Transport and Tourism to improve the environment of Tokyo Bay.

Eelgrass is a species of seaweed that grows naturally around sandy coastlines at a depth of one to several meters and is called the "cradle of the sea" because it serves as a nursery and spawning ground for sea creatures. In addition to cleaning the seawater through the absorption of nutrients such as nitrogen and phosphorus, recent years have seen a growing interest in "blue carbon," the carbon dioxide captured and sequestered by seaweed beds of eelgrass and other seaweeds and seagrasses. Not only does it absorb carbon dioxide through photosynthesis and supply oxygen to the ocean, but the carbon incorporated into the sediments on the seafloor of algal beds is stored for thousands of years, and thus it has become a promising new absorber in combating climate change. The Maruha Nichiro Group has been harvesting flowering branches of eelgrass as an internal Group corporate event under the guidance of the NPO Association for Shore Environment Creation.

In FY2023, the event was scheduled to be held on Saturday, June 3, at the Yokohama Sea Park for the first time in four years, but the weather did not cooperate and the large scale event was cancelled, and instead, a small group of people collected flower branches. We also participated in small-scale collection of flowering branches at Hashirimizu, Yokosuka in May and at Kaneda Beach, in Kisarazu City, Chiba Prefecture in June.



Seeds on eelgrass seed stalks



Group photo of participants

Case Study: Participated in Mangrove Reforestation in Amami Oshima

On Friday, January 13 and 14, 2022 seven employees of Maruha Nichiro AQUA Amami Office and two employees of Maruha Nichiro participated in mangrove planting in Setouchi Town on Amami Oshima, where Maruha Nichiro AQUA Amami Office conducts aquaculture operations. Mangroves are a collective term for plants that grow in tropical and subtropical wetlands, tidal flats, and estuaries where seawater flows in during high tide. They are distributed along coastlines in Oceania, Southeast Asia, Africa, and the southern parts of North America, and in Japan, they can be found on the islands of Okinawa, Amami Oshima in Kagoshima, Tanegashima, Yakushima, and others.

Background to Mangrove Reforestation:

Setouchi Town has been working towards becoming a Zero Carbon City, and they have been studying the creation of mangroves and seaweed beds through the Aquaculture Department since last year. The employees of Maruha Nichiro AQUA Amami Office have been actively cooperating from the stage of raising seedlings last summer, which led to our participation in this reforestation event.

Mangroves store carbon as trees as they grow, and organic matter including dead branches and roots accumulates in the mud on the sea bottom and continues to store carbon, so they have higher carbon storage efficiency than forests, seaweed, and seagrasses. In Japan, this activity is only possible in subtropical regions south of the remote islands of Kagoshima Prefecture.

Case Study: Cleaning Activities around Offices throughout Japan

The Maruha Nichiro Group strives to beautify the local environment by conducting cleanup activities around its plants and offices throughout Japan. We will continue these activities in the future.



Group photo of participants with planted mangroves



Cleanup activities around Yayoi Sunfoods Shimizu Plant

Case Study: "Make Sea Happy!" Coastal Cleanup Activity

"Make Sea Happy!" is the Group's cleanup activity taking into account the problem of marine plastics.

In these activities, in addition to simply picking up waste, the waste picked up is tabulated, recorded by the secretariat, and then provided to the Japan Environmental Action Network (JEAN Corporation) as part of its cooperation in surveys to provide information on waste.

Regional Contribution Activities

Case Study: Aomori Nebuta Festival

Since entering a large-scale Nebuta float in 1953, for the purpose of supporting regional development, Maruha Nichiro Corporation has participated in the Nebuta Festival* every year (except some years) for over half a century.

In 2022, it was held the first time in three years since 2019 with appropriate infection control measures in place in response to the COVID-19 pandemic.

The Company also participated in the festival by creating a large-scale Nebuta (a traditional Japanese float) depicting "Gouketsu Bushou Mokotaiji," which was enjoyed by the local people and many tourists.

*Aomori Nebuta is one of the three big festivals in the Tohoku region registered as a National Important Intangible Folk Cultural Asset.



Maruha Nichiro's Nebuta

Case Study: Participation in the Toyosu Mirai Project Event

As part of the "Toyosu Mirai Project," Maruha Nichiro Corporation held a "Science Experiment Class: Now Everyone Can Become a Salmon Expert: The Story of the Birth of Salmon and Secrets of the Blueprint for Life" at its Toyosu headquarters to promote science education.



Case Study: The Swan-Canning Estuary Restoration Campaign in Perth, Australia

Austral Fisheries Pty Limited supports the Swan-Canning Estuary restoration campaign which aims to restore the once abundant shellfish reefs in the mouth of the estuary that runs through the center of Perth and improve the river environment.

This project is being conducted by the international NGO, The Nature Conservancy, and aims to restore the ecology of the river.

Cultural and Educational Activities

Case Study: Activities to Support Education and Learning for Junior High School Students through Study Visits

Maruha Nichiro Corporation regularly accepts visiting junior high and high school students as part of our education and learning support program to provide students with opportunities to learn about and deepen their understanding of the Company's business and activities related to the SDGs.

In FY2022, we accepted visits from Shochi Fukaya High School, Saga Nishi High School (online), Shibaura Institute of Technology Junior High School, and Moriue Elementary School in Suzaka City (online) to introduce the Company's business activities and its efforts to achieve the SDGs through its business activities.

As interest in the SDGs grows in the whole society, the number of opportunities to learn about the SDGs as part of the school curriculum is increasing, and there are more and more inquiries from junior and senior high school students and university students about the Company's activities.



Case Study: Yayoi Sunfoods Co., Ltd. Activities to Support Cambodia Yayoi School

Cambodia's Yayoi School was donated by the former Yayoi Foods to Kontarnan Elementary School in Cambodia in 2008, in cooperation with the Japan Team of Young Human Power, as a project to commemorate the 60th anniversary of the Company's founding.

In FY2022, with COVID-19 almost completely under control, we donated stationery for all students and provided financial support for the installation of fences in all windows of the school building.

A presentation ceremony was held in August 2023 for the new school building constructed last year, and the area around the school building and classroom furniture have been prepared and will be operational from next school year.



Activities Related to Donations

Case Study: Support for Food Banks / Children's Cafeterias

Since 2009, the Maruha Nichiro Group has been implementing activities to donate food products that are still edible but can no longer be sold to NPO Association engaged in food bank activities.* The Group's activities include contributing to efforts to improve social welfare as well as to reduce the food loss. In FY2022, we continued to donate frozen foods and other products to organizations such as Second Harvest Japan, Food Bank Kanagawa, and NPO Corporation Lion Heart, which conduct food bank activities.

Case Study: Donation to Food Bank Yamagata Central

Maruha Nichiro Corporation made a donation to Food Bank Yamagata Central through a food drive within the "Mogami Eco Festa 2022" held in Shinjo City, Yamagata Prefecture on Saturday, October 1 and 2, 2022.



Governance

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| ● Global Compact | P92 |
| ● Board Members | P93 |

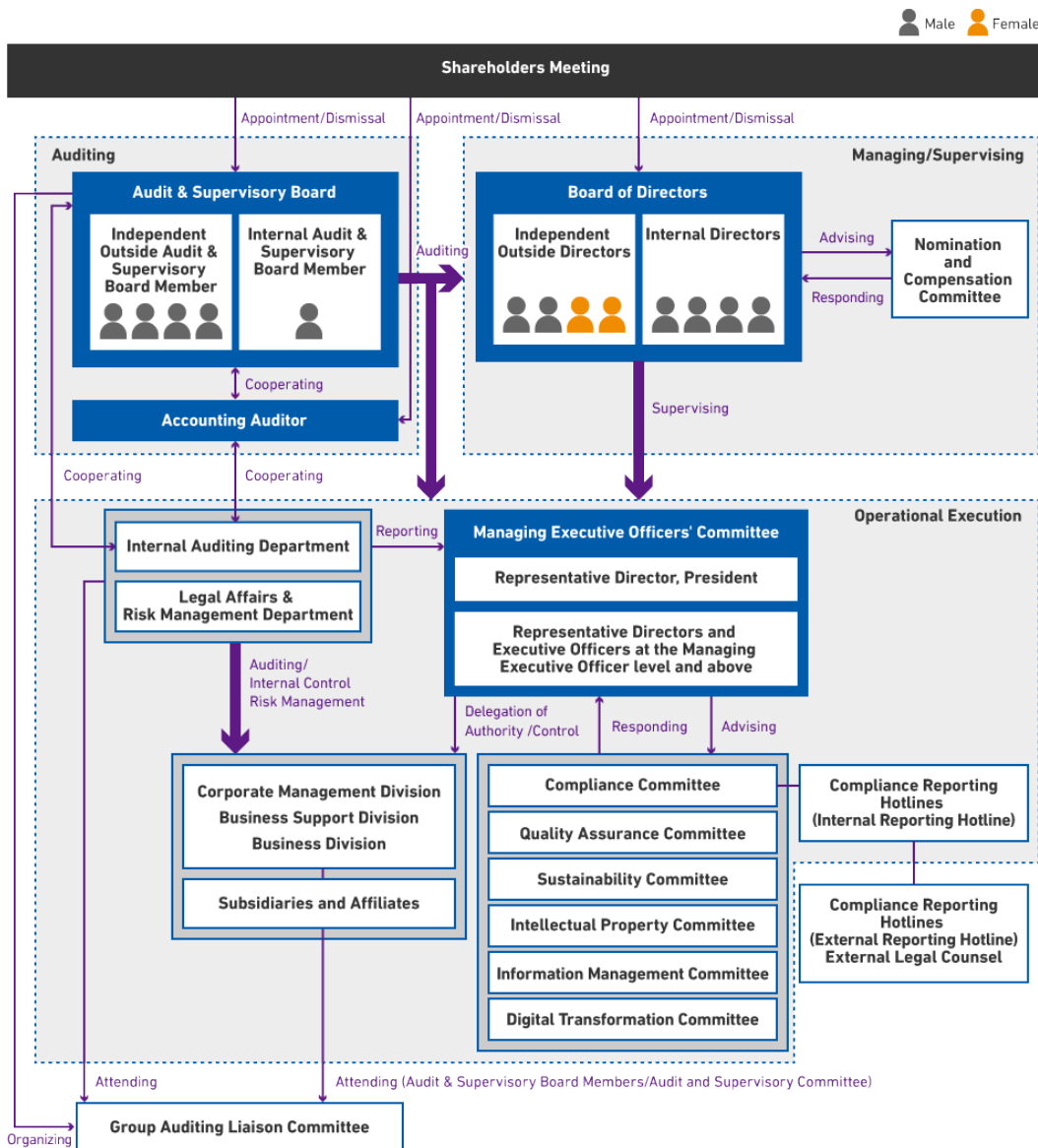
Corporate Governance

The Maruha Nichiro Group strives to achieve sustainable growth and implement improvements in corporate values focusing on the long term by building equitable and productive relationships with our stakeholders. To this end, we place importance on ensuring operational integrity, transparency and efficiency while working to enhance corporate governance utilizing measures to accelerate decision making and strengthen oversight.

Corporate Governance Framework

Maruha Nichiro Corporation has adopted a corporate auditing system recognizing that having Audit & Supervisory Board members supervise the execution of duties by directors as an independent institution consigned by shareholders represents an effective means for securing the sound and sustainable growth of the company and strengthening our high-quality corporate governance framework in response to social credibility.

Corporate Governance Framework



(As of June 27, 2023)

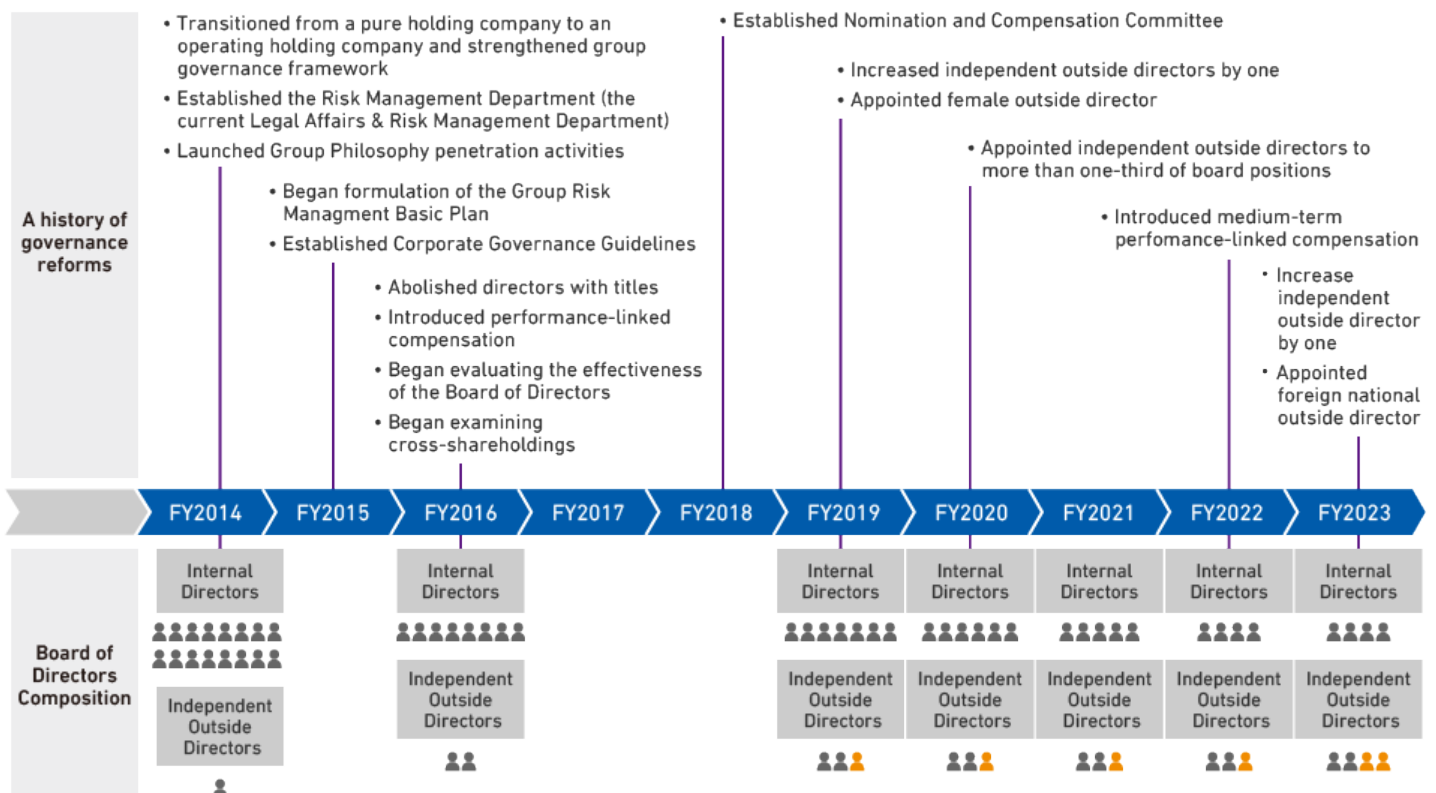
Overview of the Corporate Governance Structure

| | |
|--|---|
| Corporate Governance System | Company with Audit & Supervisory Board |
| Directors | 8 (Of whom 4 are Outside Directors) |
| Chairperson of the Board of Directors | President |
| Auditors & Supervisory Board Member | 5 (Of whom 4 are Outside Audit & Supervisory Board Members) |
| Term of office for Directors | One year |
| Adoption of Executive Officer System | Yes |
| Advisory Committees to the Board of Directors | Nomination and Compensation Committee |
| Independent External Auditor | KPMG AZSA LLC |

(As of June 27, 2023)

History of Recent Governance Reforms

Male Female



* Board of Directors composition for the FY2022: One internal director resigned during the fiscal year.

* Board of Directors composition for the FY2023: Four internal directors and four independent outside directors (including two female directors) as of June 27, 2023.

Audit & Supervisory Board

Maruha Nichiro Corporation has implemented a corporate auditing system involving five auditors, four of whom are outside Audit & Supervisory Board members. Audit & Supervisory Board members audit the operational execution of directors by meeting at regularly held meetings and deciding on matters pertaining to audit policies, audit plans, audit methods, and execution of auditor duties, and by attending important meetings including Board of Directors meetings, holding interviews with Maruha Nichiro directors and division directors, conducting site visits at domestic and overseas subsidiaries, receiving and reviewing the results of audits from, and exchanging opinions with our accounting auditor, and regularly holding meetings of the Group Auditing Liaison Committee. In FY2022, Audit & Supervisory Board meetings were held seven times, with an average Audit & Supervisory Board Member attendance rate of 100%. Moreover, at Maruha Nichiro, four highly independent outside Audit & Supervisory Board members are designated as independent officers. Three outside members have been appointed based on their long years of experience and in-depth knowledge from their career experience at financial institutions.

Nomination and Compensation Committee

Outside directors comprise a majority of the members of the Nomination and Compensation Committee. The chair and members of this committee are appointed by the Board of Directors. Additionally, this committee deliberates on the nomination and compensation system, and standards for directors and executive officers. The committee assists the Board of Directors with decision making by responding to views regarding these matters. With regard to nominations, the Nomination and Compensation Committee met in May 2022 to deliberate on candidates for director and executive officer positions after the Shareholders' General Meeting held in June 2022. Respecting the findings of the committee, the Board of Directors passed resolutions on the selection of director and executive officers. Moreover, when appointing a former President & CEO, Representative Director, etc., as Counselor or Corporate Advisor, the Nomination and Compensation Committee deliberates on the matter and the Board of Directors decides on the matter, but, at present, there are no applicable persons.

With regards to compensation, the Nomination and Compensation Committee met in May 2022 to deliberate on officer compensation for July 2022 and beyond. Respecting the findings of the committee, the Board of Directors passed a resolution on officer compensation during its meeting in June 2022. In FY2022, the Nomination and Compensation Committee met twice, with an average Committee member attendance rate of 90%.

Managing Executive Officer's Committee

Maruha Nichiro Corporation's Managing Executive Officer's Committee has eight members comprised of Representative Directors and executive officers at the executive director level and above. The Managing Executive Officer's Committee plans and formulates management strategies for the entire Maruha Nichiro Group, to develop a system to promote such strategies, and to establish and effectively promote policies regarding overall management strategies to realize the long-term vision.

The Managing Executive Officer's Committee generally meets once a week in which decisions are promptly made on matters delegated by the Board of Directors and matters of importance are reported at the Board of Directors meetings. 45 meetings were held in FY2022.

Other Committees

Maruha Nichiro Corporation has established the following committees which are chaired by persons appointed by the Managing Executive Officers' Committee as advisory bodies to the Management Committee.

Maruha Nichiro Ability Development System Diagram for FY2023

| Committee Name | Committee Chair / Chairperson | Role of Committee |
|--|--|---|
| Investment Council | Managing Executive Officer (Officer in charge of Business Planning Department) | Deliberates on matters related to investment and other proposals promptly and accurately from a broad perspective based on expert knowledge and contributes to rational decision-making based on risk analysis and evaluation |
| Compliance Committee | Representative Director, President & CEO | Prevention and early detection of violations of laws and regulations within the Group, as well as spreading awareness of compliance with laws and regulations |
| Quality Assurance Committee | Representative Director, President & CEO | Formulates quality assurance policies for the Group, develop strategies and plans for quality assurance, and promote and manage the progress of activities related to quality assurance |
| Sustainability Committee | Representative Director, President & CEO | Plans and implements the Group's sustainability strategies and activities, and progress management of initiatives for each materiality |
| Intellectual Property Committee | Managing Executive Officer (Officer in charge of Corporate Planning Department) | Plans the Group's intellectual property strategy, as well as protecting and expanding the intellectual property of the core business |
| Information Management Committee | Managing Executive Officer | Appropriately manages personal and confidential information, regardless of the form in which it is used, to address significant management risks related to information. |
| Product Development Committee | Representative Director, Executive Vice President | Approves policies and strategies for product development, gives final approval of new product launches, and establishes and operates systems related to product development |
| DX Promotion Committee | Representative Director, President & CEO | Promotes DX infrastructure design, innovation, and digital technology through the consolidation and promotion of DX-related information |
| Human Rights Awareness Promotion Committee | Director, Managing Executive Officer (Officer in charge of Human Resources Department) | Conducts human rights education and awareness programs in the Group to deepen correct understanding and awareness of various human rights issues and to build a corporate culture of respect for human rights that does not tolerate discrimination |

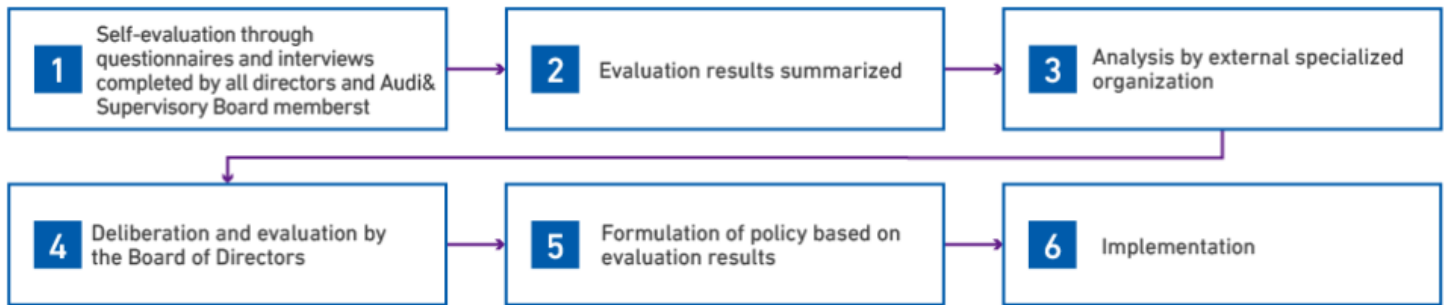
Main Deliberations by the Board of Directors (FY2022)

- Examination of cross-shareholdings
- Evaluation of Board of Directors effectiveness
- Revision of executive compensation system and medium-term performance-linked stock compensation system
- Acquisition and Cancellation of Treasury Stock
- Issuance of Domestic Unsecured Bond (Blue Bond)

Evaluation of Board of Directors' Effectiveness

Once every year, Maruha Nichiro Corporation conducts a self-evaluation of its Board of Directors by each director as stipulated in Article 21 of the Corporate Governance Guidelines to analyze and evaluate the board's effectiveness, and discloses the summary of the results. In FY2022, the Board of Directors deliberated on the results of the evaluation based on self-assessment in the form of a questionnaire and interview with all Directors and all Audit & Supervisory Board Members conducted from February to April, and an analysis was conducted with the support of an external specialized organization. The Board of Directors is functioning appropriately, and its effectiveness is ensured.

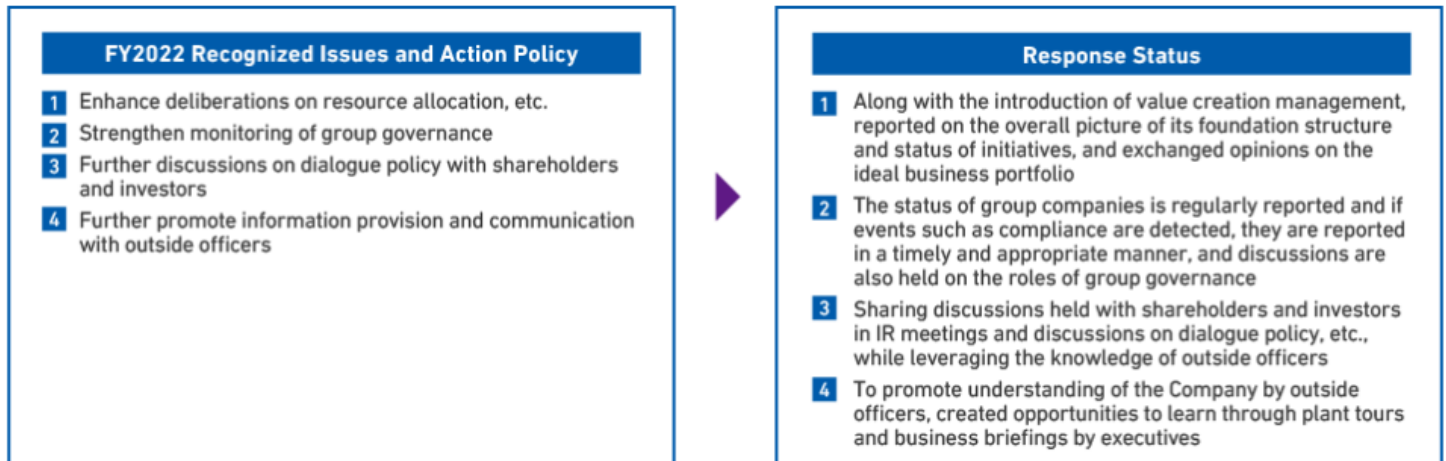
Effectiveness Evaluation Process



Evaluation Items

| | | |
|---|--|---|
| 1 Growth Strategy and Medium-term Management Strategy | 6 Resource allocation | 11 Addressing sustainability issues |
| 2 Group governance | 7 Use of voluntary governance mechanisms | 12 Dialogue with stakeholders |
| 3 Risk management | 8 Diversity, qualities and expertise of Board of Directors | 13 Operation of the Board of Directors (discussion topics, roles and responsibilities of the Board of Directors, provision of information, management of issues raised, etc.) |
| 4 Compliance | 9 Officer training | |
| 5 Secure audit reliability | 10 Diversity of core human resources | |

Analysis and Evaluation of Board of Directors' Effectiveness



Looking Ahead

| FY2023 Recognized Issues and Action Policy | Response Status |
|--|--|
| | 1 Setting a strategic agenda with an emphasis on substantive discussion of management themes |
| | 2 Enhance a mechanism for information provision, to fully draw out the knowledge of outside directors and officers and to further deepen discussions |
| | 3 Clarification and continuous improvement of indicators, frequency, and depth to materialize execution monitoring |

Independence Criteria for Outside Officers

Maruha Nichiro Corporation deems an outside officer independent if the following conditions do not apply.

- Operational execution person of a major business partner of the Group. A major business partner is a business partner whose transaction amount exceeds 2% of the consolidated net sales of the Group or the business partner (including its parent company and major subsidiaries).
- Operational Execution person of the Group's major lender. Major lenders are lenders who have financed the Group in excess of 2% of the Company's consolidated total assets at the end of the most recent fiscal year.
- Lawyer, certified accountant, tax accountant or consultant receiving monetary or financial benefits in excess of 10 million yen a year from the Company in addition to compensation as director
- Person or Operational Execution person who received donations or subsidies from the Company in excess of 10 million yen a year
- A person who fell under (a) to (d) above within the past 2 years
- If the person who falls under (a) to (d) above is an Operational Execution person, including Director, Executive Officer, or General Manager level or higher, or an operational executor with equivalent authority, the spouse or a blood relative within the second degree kinship of the above.

Training and Discussions among Outside Directors and Outside Audit & Supervisory Board Members

Maruha Nichiro Corporation is taking measures for briefings and inspections as needed in order to promote understanding of the Maruha Nichiro Group's businesses among outside directors and outside Audit & Supervisory Board members. In addition, outside directors participate as members of the Compliance Committee, which is an advisory body to the Managing Executive Officers' Committee, and provide opinions based on objective and specialized knowledge. Moreover, opinion exchange led by outside directors and outside Audit & Supervisory Board members are also held to aid in ensuring the effectiveness of Auditing.

Approach to the Remuneration System for Directors and Audit & Supervisory Board Members

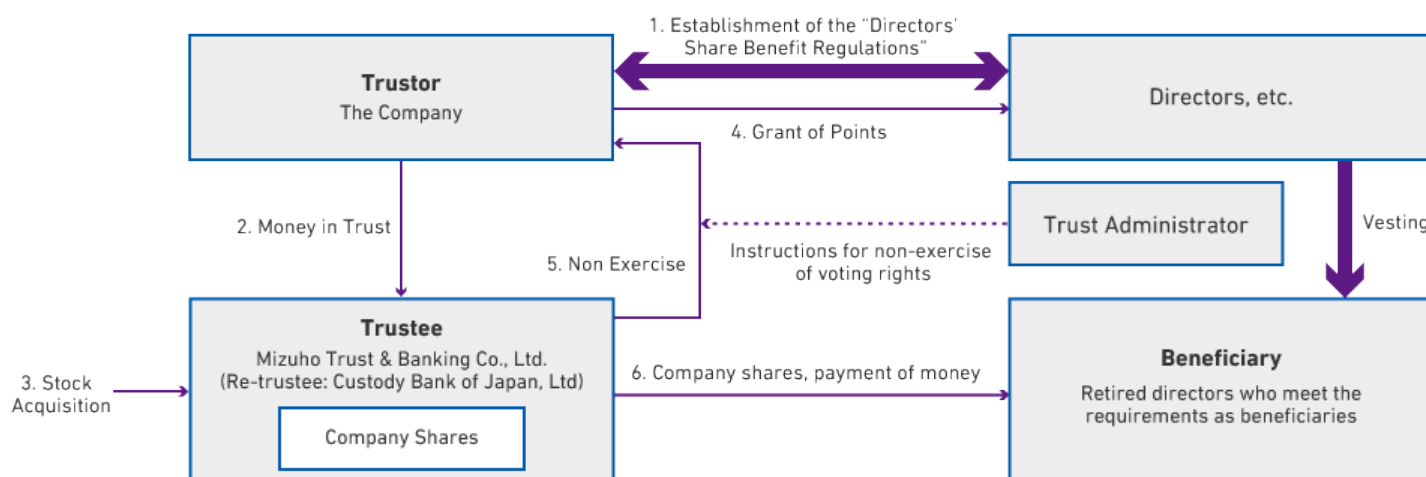
Remuneration for management and directors at Maruha Nichiro Corporation consists of fixed remuneration, short-term performance-linked remuneration, and medium-term performance-linked remuneration. The evaluation indicators for performance-linked compensation are consolidated ordinary income for the short term, and consolidated financial indicators and ESG indicators for the medium term. Outside directors are paid only a fixed remuneration. The Nomination and Compensation Committee is an advisory body to the Board of Directors, which deliberates on the compensation system and levels, and makes decisions by resolution of the Board of Directors.

Amount of Compensation Paid to Directors and Audit & Supervisory Board Members

| Executive classification | Total amount of compensation, etc. (million yen) | Total amount of compensation, etc. by type (million yen) | | | Number of eligible officers (persons) |
|--|--|--|---------------------------------|--------------|---------------------------------------|
| | | Fixed compensation | Performance-linked compensation | | |
| | | | Monetary | Non-monetary | |
| Director | 265 | 188 | 57 | 19 | 7 |
| (Outside Director) | (27) | (27) | (-) | (-) | (3) |
| Audit & Supervisory Board Member | 82 | 82 | - | - | 6 |
| (Outside Audit & Supervisory Board Member) | (61) | (61) | (-) | (-) | (5) |
| Total | 348 | 271 | 57 | 19 | 13 |
| (Outside Officer) | (89) | (89) | (-) | (-) | (8) |

*1 Amounts paid to directors do not include salary paid to directors who serve concurrently as employee.
 *2 In a resolution passed at the extraordinary Shareholders Meeting held on January 30, 2014, it was resolved that the compensation of directors is limited to no more than 60 million yen per month (not including employees' salary who also serve as directors) and the compensation of Audit & Supervisory Board members is limited to no more than 10 million yen per month. The number of directors subject to this resolution of the Shareholders Meeting is 13 (of which, two are Outside Directors), and the number of Audit & Supervisory Board Members subject to this resolution is five (of which, four are Outside Audit & Supervisory Board Members).
 The Company resolved at the 78th Ordinary General Meeting of Shareholders held on June 28, 2022 that, in addition to monetary compensation, a performance-linked stock compensation plan, the "Stock Benefit Trust (BBT)," for directors (excluding outside directors and domestic nonresidents) and executive officers (excluding domestic nonresidents) was to be introduced. Four directors are subject to the resolution of the General Meeting of Shareholders.

Illustration of Performance-linked Stock Compensation Plan



1. After receiving approval of the Plan at the General Meetings of Shareholders, the Company will establish a "Directors' Stock Benefit Regulations" within the framework approved at the General Meetings of Shareholders.
2. The Company will place money in trust within the scope approved by resolution of the General Meetings of Shareholders.
3. The Trust will acquire Company shares using the money entrusted in 2 above, as the source of funds, either through the stock exchange or by accepting the disposal of Company treasury stock.
4. The Company will grant points to directors, etc. based on the "Directors' Stock Benefit Regulations".
5. The Trust shall not exercise voting rights pertaining to Company shares in the Trust account in accordance with the instructions of the Trust administrator, who shall be independent from the Company.
6. The Trust shall deliver Company shares to those Eligible Directors who meet the requirements as beneficiaries as provided in the "Directors' Stock Benefit Regulations", in proportion to the number of points granted to said Beneficiaries. However, if the Eligible Directors meet the requirements as provided in "Directors' Stock Benefit Regulations", such Eligible Directors shall be granted payment in the equivalent of Company shares at market value according to an established proportion of points.

Approach to Cross-shareholdings

Although Maruha Nichiro Corporation maintains cross shareholdings with its partners with the purpose of maintaining and strengthening business relationships, the basic policy is to determine the value of such investments by comprehensively taking into account our business strategy and relationship in business transactions. Each year, the Board of Directors examines the investment value of each cross-shareholding, and reduces holdings based on stock prices and market trends such as selling of stocks that have diminished value in maintaining based on our business strategy or business relationships. In the examination, after carefully scrutinizing benefits such as dividend yields and transaction status on an individual basis, we also make a comprehensive determination by taking into account qualitative evaluations such as the concept of future transactions and their strategic importance. In FY2022, the Company's Board of Directors, at its meeting held on August 29, 2022, conducted a review of policy shareholdings and reduction of 5 cross-shareholdings by 3.1 billion yen.

Approach to Group Governance

Maruha Nichiro Corporation has established the Maruha Nichiro Group Risk Management Regulations, and has been conducting annual risk surveys to identify and evaluate risks among each division and Group company since FY2015. We also formulate the Risk Management Basic Plan. Details of these activities are reported to the Board of Directors, and risk information across the entire group is shared.

Compliance

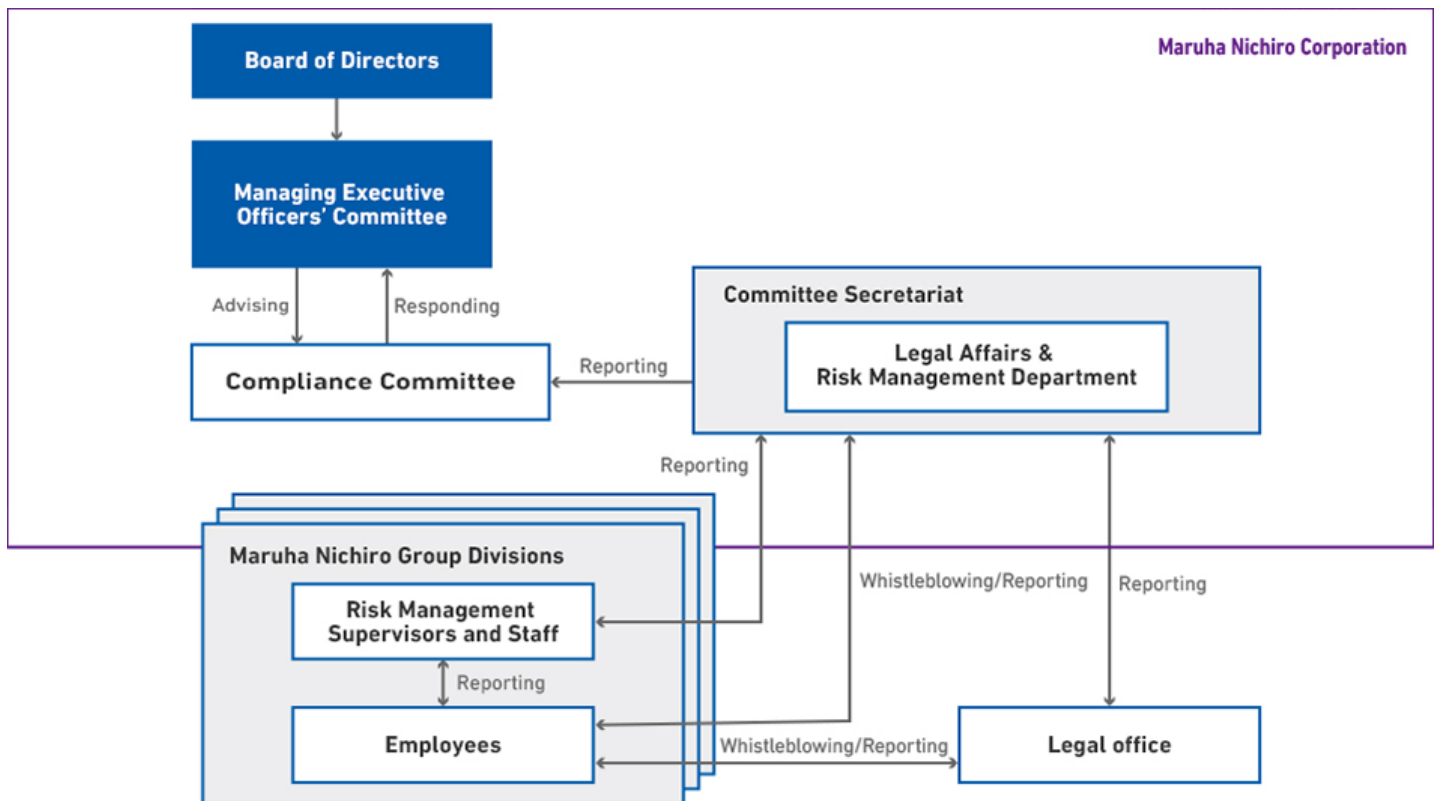
The Maruha Nichiro Group has established a compliance program as a foundation for practicing sustainable management at the organization level and by all officers and employees. We recognize that compliance requires that every employee not only abide by laws and regulations, but also put into practice the Group Philosophy and follow the Group Code of Conduct at all times.

Compliance Framework

To promote compliance, the Group has established the Maruha Nichiro Group Compliance Committee with the goal of early detection and prevention of any violations of laws or regulations as well as penetration of compliance awareness.

The Compliance Committee has established a secretariat within the Legal Affairs & Risk Management Department, where it checks the appropriateness of operations within the Group based on changes in the social environment, surveys of public institutions and past cases of legal violations or scandals inside and outside of the Group. It provides support to promptly rectify any deficiencies.

Compliance Framework



(As of Apr 1, 2023)

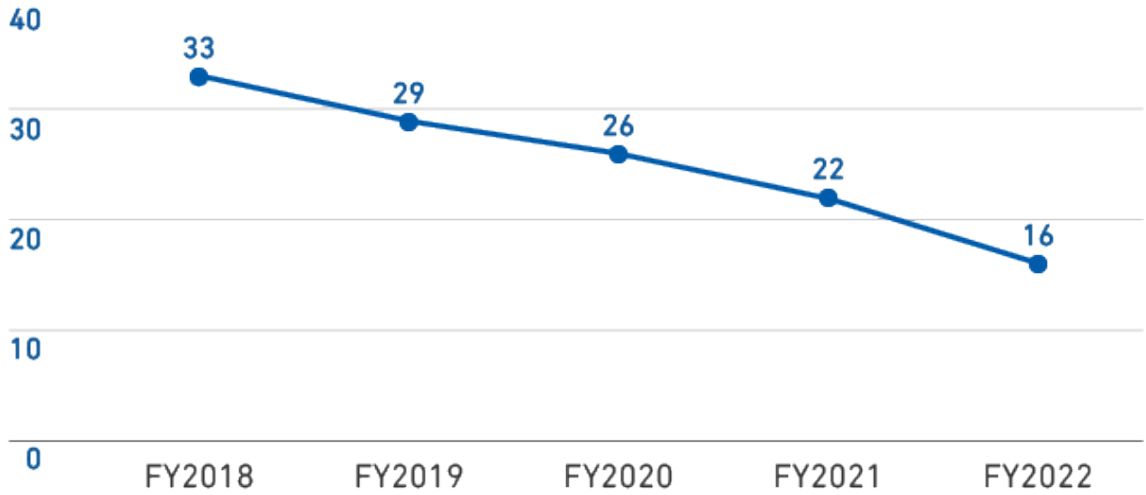
Whistleblowing System

The Maruha Nichiro Group has introduced a whistleblowing system to enhance its capacity for self correction, and has reviewed its operation system in accordance with the revised Whistleblower Protection Act effective June 1, 2022. There are two internal and external points of contact to receive inquiries and reports from employees. All employees working in the Maruha Nichiro Group, including employees on loan, contract workers and temporary employees, officers, and employees who have retired within the past year, can directly access these contact points via telephone, e-mail or standard mail without going through their supervisor. At the request of the whistleblower, whistleblowing reports made to an external legal office will be communicated to the Maruha Nichiro Corporation's whistleblower response personnel (Legal Affairs & Risk Management Department) without using the whistleblower's name, which will confirm the facts of the matter while cooperating with other relevant department and the whistleblower response personnel of the relevant company.

We also strive to protect whistleblowers by accepting anonymous notifications and forbid departments inside the company from looking for the whistleblower when confirming the facts of the matter.

In addition, the contact information for the whistleblower contact is provided in the Philosophy Book and on the intranet and other media accessible to Group employees to ensure that all employees know where to turn to when necessary. In FY2022, there were 16 whistleblower reports. However, none of the reports were determined to involve human rights violations, environmental pollution, or significant impacts on socially accepted practices.

Number of Whistleblower Reports



Group Philosophy Training

Group Philosophy Training is a training program developed based on our experience that the Group Philosophy was not resonating with employees following the pesticide contamination incident at AQLI Foods. Regarding the mission and responsibility of the Maruha Nichiro Group included in the Group Philosophy, the training aims to share mutual awareness about the role that employees should play in implementing the Group Philosophy in their everyday jobs using direct communication between executive management and employees.

This group training program, which began in 2014, has been gradually rolled out to all employees of Group companies in Japan and all business sites of Maruha Nichiro Corporation are being led by officers of the Company.

In FY2021, due to the impact of COVID-19, we decided not to conduct group training for all employees, but instead conducted Group Philosophy training for new and mid-career employees of the Company and domestic Group who had not yet attended Group Philosophy training, using an online format.



Scene at a Group Philosophy Training for new employees of the Group



Philosophy Book, a booklet for thinking about the Group's philosophy

Risk Management

The Maruha Nichiro Group engages in Enterprise Risk Management (ERM) with the purpose of improving corporate value and fulfilling the trust of stakeholders given that risk management is considered an important element of corporate management.

Role of Risk Management

The Group considers risk management activities to be a function for eliminating and mitigating factors that may hinder the execution of the Group's philosophy. We consider risk management, along with implementing management strategy, to form the "wheels of a car" for achieving business objectives. We are working to increase trust from stakeholders by implementing preventive countermeasures against inherent business risk, mitigating these risks, and proper information disclosure at the same time.



ERM Framework

The Group has established a system which the Legal Affairs & Risk Management Department plays a central role, whereby the risk management supervisors and risk management staff of Maruha Nichiro Corporation Departments and each group company cooperate to carry out risk management operations. The Group has established a system which the Legal Affairs & Risk Management Department plays a central role, whereby the risk management supervisors and risk management staff of Maruha Nichiro Corporation Departments and each group company cooperate to carry out risk management operations.

The Legal Affairs & Risk Management Department prepares a risk matrix based on the evaluation and analysis of risks identified by each department of the Company and by each group company to sort and determine the priority of risks for the Maruha Nichiro Group. In this manner, the department routinely manages the various latest risks facing the Group's business activities and uses its findings to improve operations.

The Legal Affairs & Risk Management Department also plays a central role in the group's crisis management in response to emergency situations. This includes preventing the spread of risks and crises before they materialize as well as contingencies such as major accidents, incidents or large-scale disasters that could threaten the continuity of the Group.

Risk Assessment and the PDCA Cycle

The Maruha Nichiro Group regularly identifies risks that impact the Group, taking into consideration changes in the business environment. In turn, these risks are evaluated and analyzed according to level of impact, based on the impact actual risks and predicted risks have, and possibility of occurrence, which determines the frequency of risk materialization. The results are assessed comprehensively together with management vulnerabilities.

Serious risks determined to have a high priority after sorting are assigned countermeasures based on the nature of the risk, which are then approved by the Managing Executive Officers' Committee. On top of this, we have established a system whereby the Legal Affairs & Risk Management Department monitors the progress of countermeasures implemented by Maruha Nichiro Corporation Departments and each group company while providing assistance. In this manner, the organizational PDCA cycle is functioning effectively.

Main Expected Risk

| Risk item | Main relevant risk | Main initiatives |
|---------------------------------------|--|---|
| COVID-19 pandemic | <ul style="list-style-type: none"> • Shutdown of operations due to employee infections • Downturn in overseas fisheries business • Downturn in sales to food services and institutional food businesses | <ul style="list-style-type: none"> • Prevention of employee infections using thorough sanitary controls, staggered working hours, and working from home, etc. • Optimization through review of underperforming Businesses |
| Natural disasters and accidents, etc. | <ul style="list-style-type: none"> • Shutdown of operations and inability to supply products due to damage to production facilities or interruptions in logistics functions, etc. | <ul style="list-style-type: none"> • Diversify production and storage sites and formulate business continuity plan (BCP) |
| Information management | <ul style="list-style-type: none"> • Leakage, loss or alteration of personal information or important information • Suspension of IT systems | <ul style="list-style-type: none"> • Development of rules and manuals and employee training • Build and operate system management framework • Dealing with Cyberattacks |
| Compliance | <ul style="list-style-type: none"> • Occurrence of costs to respond to legal or regulatory violations • Declining trust from customers | <ul style="list-style-type: none"> • Development of rules and manuals and employee training • Whistleblowing system and internal auditing • Establish Maruha Nichiro Group Compliance Committee and engage in activities |
| Supply safe and secure foods | <ul style="list-style-type: none"> • Declining trust from customers due to quality complaints or troubles associated with products | <ul style="list-style-type: none"> • Implement PDCA activities about quality assurance and quality control as a whole group • Enhance plant inspections, guidance and quality and food hygiene management training • Continue with food defense management and education |
| Practice Sustainable Procurement | <ul style="list-style-type: none"> • Growing risk of incomplete raw materials procurement due to delayed response to social and environmental issues in the supply chain | <ul style="list-style-type: none"> • Raise awareness among suppliers of the Basic Policies of Procurement and Supplier Guidelines, etc. • Monitor suppliers |

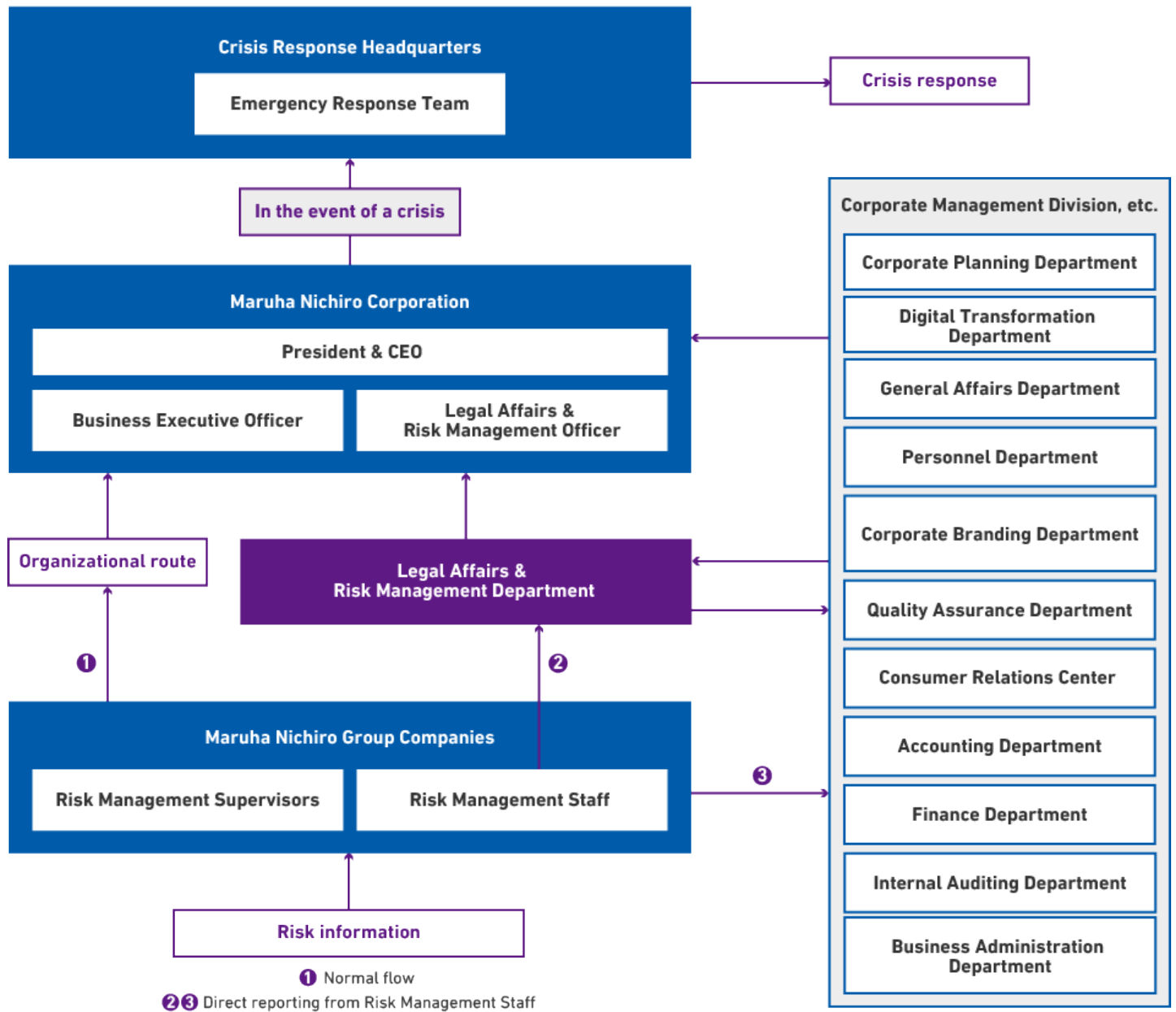
*Due to space limitations, only a few of these risks are introduced here. For details, see our securities report (Japanese).

Prompt and Reliable Communication of Risk Information

To ensure that important risk information is conveyed to top management promptly and reliably, multiple communication channels have been established. Risk information within the Group is not only reported to the President & CEO of Maruha Nichiro Corporation via the regular organizational route, but also flows from risk management staff appointed in Maruha Nichiro Corporation Departments and each group company directly to the relevant departments of the Company's Corporate Management Division and Legal Affairs & Risk Management Department.

The Legal Affairs & Risk Management Department actively promotes risk communication with each department and group company, along with education and training, in aiming to improve and maintain this structure. Through these activities, we strive to enhance risk awareness across the entire group and promote prompt response, and cultivate a corporate culture that never conceals information.

Flow of Risk Information



(As of Apr 1, 2023)

Business Continuity Plan (BCP) Formulation

Pandemic Response

We have developed the "Maruha Nichiro Group New Influenza Response Rules" and are ensuring thorough dissemination within the group.

We have also developed manuals that outline the establishment of an emergency response headquarters in the event of a novel influenza outbreak, and practical methods on infection prevention among employees and a Business Continuity Plan (BCP).

In addition, in response to the COVID-19 pandemic in 2020, we have established an emergency response headquarters, compiled a manual on infection prevention, and disseminated circulars as appropriate to respond to various types of infections. The entire Group is taking preventive measures against the spread of infection including instructing all employees to take measures including handwashing, gargling, and wearing masks, in addition to working from home, staggered working hours, avoiding the 3Cs (close contact, confined spaces, and crowded places).

Major Earthquake Countermeasures

In preparation for major earthquakes, we have established the Maruha Nichiro Group Business Continuity Plan (BCP) Regulations, which we have made improvements to continuously. We are seeking improvement through regular drills and revision of the plan to achieve a more effective system as well as gradually implementing BCP at group companies.

Conducting Walking-home Drills

In preparation of disrupted transportation networks and systems in the event of a major earthquake in the Tokyo metropolitan area, we have put in place a structure and action plan to support and help employees return home safely. To enhance the effectiveness of these action plans, we regularly hold walking-home drills in the Tokyo metropolitan area. At the head office building of Maruha Nichiro Corporation, an ICT-based "Disaster Return Assistance Website" has been established to strengthen the system that allows people to return home safely in groups and the ability of individuals to communicate with the company. Through the website, we collect information on residential areas needed for forming groups to walk home while protecting personal information as well as provide grouping numbers in case employees must walk home in groups and support creating maps for walking home from the office.

Information Security

The Maruha Nichiro Group established "Information Security Management Regulations" to ensure convenience by utilizing our information assets, and to prevent information leakage, falsification, system failure due to computer virus, etc., comprehensively and systematically.

In order to put this basic policy into practice, we have established "Information Security Management Rules" and stipulate specific procedures and actions to be observed in order to take information security measures for information assets.

In addition, we are reviewing it as appropriate in line with changes in the social environment and the development of information technology, and we are working to promptly publish the latest version on the company intranet and make it known to all employees.

Measures to Prevent Information Leakage

Handling of confidential information, we have established the "Document Management Regulations" and manage it in accordance with the standards for storage and disposal of documents.

In addition, handling of personal information, we fully recognize the importance of protecting personal information in the advanced communication society, we have set up a "personal information protection policy" based on laws and regulations applicable to the protection of personal information.

In order to implement "Personal Information Protection Policy", Maruha Nichiro Group has formulated the "Personal Information Protection Handling Regulations", thoroughly disseminates it to employees and related parties through e-learning using the intranet, etc., and complies with it through internal audits.

Furthermore, we are making continuous improvements, such as reviewing these regulations in a timely and appropriate manner.

Activities for Cybersecurity

The Maruha Nichiro Group has established the Information Management Committee to appropriately manage information entrusted to us by our stakeholders. The Committee develops rules and regulations as well as implement PDCA activities information management, identify issues and consider countermeasures, and enhance the Group's overall information management systems.

As a technical measure to ensure cyber security, in addition to the installation of firewalls and anti-virus measures for e-mail and PCs, we use an external SOC service to detect and analyze cyberattacks 24 hours a day, 365 days a year.

As a personnel measure, we regularly conduct "information security learning" and "targeted e-mail training" to educate and train our employees, and strive to establish knowledge and raise awareness. In preparation for emergency situations, we conduct "Information Incident Response Training" in relevant departments to strengthen our ability to respond in case of emergency.

Global Compact

Participation in the UN Global Compact

In April 2010, the Maruha Nichiro Group announced its support for the United Nations Global Compact and positioned it as a code of conduct for Group employees. The ten principles of the United Nations Global Compact have been incorporated into the Group's Code of Conduct to put the Group's philosophy into practice, and we are committed to taking these ten principles into consideration in all our business activities in Japan and overseas.



The Ten Principles of the UN Global Compact

| | | |
|------------------------|---|---|
| Human Rights | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | <ul style="list-style-type: none"> > President's Message > Our Values > Diversity & Work-styles > Materiality > Strategy and Goals (PDF) > Human Rights |
| | Principle 2: make sure that they are not complicit in human rights abuses. | <ul style="list-style-type: none"> > Human Right Awareness > Value for Business Partners > Stakeholder Engagement > Report Archives > Medium-term Management Strategy |
| Labor | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | <ul style="list-style-type: none"> > Our Values > Diversity & Work-styles > Materiality |
| | Principle 4: the elimination of all forms of forced and compulsory labor; | <ul style="list-style-type: none"> > Strategy and Goals (PDF) > Human Rights > Human Right Awareness |
| | Principle 5: the effective abolition of child labor; and | <ul style="list-style-type: none"> > Value for Business Partners > Stakeholder Engagement |
| | Principle 6: the elimination of discrimination in respect of employment and occupation. | <ul style="list-style-type: none"> > Report Archives > Medium-term Management Strategy |
| Environment | Principle 7: Businesses should support a precautionary approach to environmental challenges; | <ul style="list-style-type: none"> > President's Message > Our Values > Materiality > Strategy and Goals (PDF) |
| | Principle 8: undertake initiatives to promote greater environmental responsibility; and | <ul style="list-style-type: none"> > Sustainability Management > Environmental Value > Stakeholder Engagement |
| | Principle 9: encourage the development and diffusion of environmentally friendly technologies. | <ul style="list-style-type: none"> > Report Archives > Medium-term Management Strategy |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | <ul style="list-style-type: none"> > Value for Business Partners > Risk Management > Stakeholder Engagement |

*With the progress of economic globalization, it is believed that companies have a great influence not only on the economy but also on human rights, labor, the environment, and anti-corruption in the world. *For more information on the UN Global Compact, please visit the United Nations Global Compact website.

Board Members



Masaru Ikemi
Representative Director,
President & CEO



Sadahiko Hanzawa
Representative Director,
Executive Vice President

In charge of Product Development Department, Production Management Department, Extensive Area Sales Department, Branch Offices



Kenji Funaki
Director,
Managing Executive Officer

Director,
Managing Executive Officer
Director of Fishery Business Unit, Aquaculture Business Unit, and Overseas Business Unit



Seiichi Hiroshima
Director,
Managing Executive Officer

Supervisor of Legal Affairs & Risk Management Department, Corporate Planning Department, General Affairs Department, Personnel Department, Corporate Branding Department, Finance Department
In charge of Accounting Department, Internal Auditing Department, Business Administration Department



Somuku Iimura
Outside Director



Katsue Okuda
Outside Director



Yoshiko Tonoike
Outside Director



Bradley Edmister
Outside Director



Ryusuke Aya
Outside Audit &
Supervisory
Board Member



Ono Taiichi
Outside Audit &
Supervisory
Board Member



Yoshio Kimura
Outside Audit &
Supervisory Board
Member



Hiroyuki Tabe
Audit &
Supervisory
Board Member



Yoshito Kaneyama
Outside Audit &
Supervisory
Board Member

Stakeholder Engagement

| | | |
|----------------------------|-------|-----|
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| ● Initiatives | ----- | P96 |
| ● SeaBOS | ----- | P98 |

Communication Map

Basic Approach

The Maruha Nichiro Group is closely involved not only with customers who buy products, but many stakeholders including employees, suppliers, nearby residents, shareholders and investors, along with the global environment.

It is essential to build trustful relationships with stakeholders in order to continually improve corporate value. Therefore, we create opportunities to provide information about the Group and listen to stakeholders' expectations and opinions through various forms of communication.

We actively use the feedback we receive to promote the sustainability of the Group.

Communication Map

| Stakeholders | Materiality | Main contact point | Communication methods |
|----------------------------|--|---|--|
| Customers | Supply safe and secure foods | Quality Assurance Department | Website |
| | Promote consumer-oriented management | Consumer Relations Center | Advertising |
| | Promote lifelong health plan | Central Research Institute, Corporate Branding Department | Events |
| Shareholders and investors | Proper information disclosure | Corporate Branding Department | Results Announcements |
| | | | Shareholders Meeting |
| | | | Report Documents (shareholder communications, reports) |
| Business partners | Practice sustainable procurement | Corporate Planning Department | Website and Survey of suppliers |
| Employees | Provide growth opportunities | Personnel Department | Intranet |
| | Promote safe and ideal working conditions | Personnel Department | Internal Training |
| | Promote diversity and work practice reform | Personnel Department | Communication Training (NAVI) |
| | Promote a proactive approach to human rights | Personnel Department | Internal Training |
| | Promote health management | Personnel Department | Internal Seminar |
| Communities and society | Coexist with regional communities in mutual prosperity | Corporate Planning Department | Website |
| | | Maruha Nichiro Group Companies | Participation in Local Events |
| NPOs, NGOs, Academia, etc. | Global information gathering | Corporate Planning Department | Participation in Dialogue (SeaBOS, etc.) |

Key Achievements in FY2022

Customers

In the Maruha Nichiro Group, we continuously accept customer opinions, requests, consultations, and feedback regarding our products and services through phone calls, emails, and chat tools. The information we receive is promptly input into our systems, shared within the Group, and utilized for the development and improvement of our products.

Community and Society

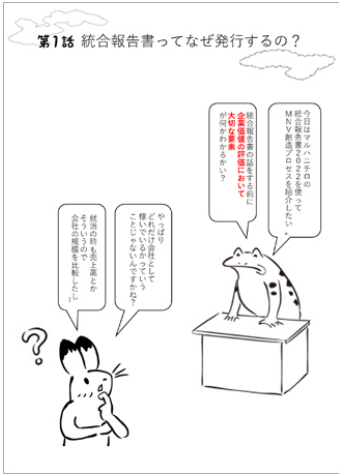
In pursuit of coexistence and mutual prosperity, we are committed to fostering strong relationships through effective communication and various social contribution activities.

Questionnaire for Employees about Integrated Report

We conducted a questionnaire for Maruha Nichiro Corporation employees regarding the Maruha Nichiro Group Integrated Report 2022.

About 70% of the respondents stated that they "understood it very well" or "understood it" in relation to their understanding of the Maruha Nichiro Value (MNV) creation process, while approximately 30% responded with less understanding.

We believe that the penetration of the Maruha Nichiro Value (MNV) creation process among employees is crucial for realizing Maruha Nichiro's Group vision. Therefore, we have created a manga cartoon that explains the purpose and key points of the integrated report in a clear and easy-to-understand manner for our employees.



manga cartoon

Stakeholder Engagement

Initiatives

Basic Approach

The Maruha Nichiro Group engages in business through a global supply chain with seafood products at the core. In particular, procurement activities and marine resources are closely related, and there are concerns regarding many sustainability challenges in a broad value chain that cannot be resolved by a single company or by the private sector alone.

We believe that cooperation with competitors, governments, scientists, NPOs, and NGOs is essential to implement comprehensive activities in response to these concerns. For this reason, the Maruha Nichiro Group voluntarily participates in various initiatives in Japan and abroad.

Participation in the United Nations Global Compact

The protection of human rights and implementation of appropriate labor practices are essential for a company to build a sustainable supply chain. Since 2010, the Maruha Nichiro Group has participated in the United Nations Global Compact through its business activities in Japan and abroad. This initiative covers the core values of human rights, labor, the environment, and anti-corruption across 10 principles. In addition, we participated in the initiatives of the Global Compact Network Japan, including the "Environmental Management Subcommittee," "Reporting Research Subcommittee," and "ESG Subcommittee" in fiscal 2022.



Participation in the Roundtable on Sustainable Palm Oil (RSPO)

In July 2019, Maruha Nichiro Corporation joined the RSPO,* a non-profit organization promoting the sustainable production and use of palm oil. A recent increase in palm oil demand has been accompanied by ecological destruction wrought by the felling of tropical rainforests possessing great protective value, reduced absorption of greenhouse gases, and problems concerning the human rights and workplace safety of agricultural workers. At Maruha Nichiro, we support the activities of the RSPO and continue to contribute to the sustainable development of society through the conversion to RSPO-certified sustainable palm oil.

*RSPO: Roundtable on Sustainable Palm Oil
Please visit <https://rspo.org/members/9365> for an update on our progress.



Participation in the Clean Ocean Material Alliance (CLOMA)

There is a need for the entire world to promote activities to solve the problem of marine plastic litter, which is a global issue. Given this, the Maruha Nichiro Group joined the Clean Ocean Material Alliance (CLOMA) in 2019. CLOMA, led by Japan's Ministry of Economy, Trade and Industry, is an alliance that was established in January 2019 to strengthen partnerships between a wide range of actors across industries, promote the sustainable use of plastic products and the development and introduction of alternative materials, and accelerate innovation in the field. As of June 2021, over 430 companies and organizations have joined CLOMA.

We also participate in the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), a forum for exchanging information and opinions on biodiversity-related initiatives, and gather the latest information and know-how through a network of participating companies. In fiscal 2022, we participated in the "Marine Plastic Research WG," "OECM Practice WG," and "Natural Capital Assessment WG" initiatives.

As a corporate group with a close connection to marine resources, we are working to strengthen partnerships with a variety of organizations to make the oceans clean.



Clean Ocean Material Alliance

Japan Business Federation's Biodiversity Declaration

The Maruha Nichiro Group endorses the aims of the Japan Business Federation's Biodiversity Declaration released in 2009 and has participated as a facilitation partner of the declaration since 2009. In addition, we support the objectives of the activities of the Keidanren Nature Conservation Fund*, donating to the fund every year.

Maruha Nichiro, as an associate member, participates in the Japan Business Initiative for Biodiversity (JBIB) which serves as a forum for exchanging information and opinions on biodiversity initiatives. We gather the latest information and know-how through the network of participating companies.

In March 2016, Maruha Nichiro was selected as a partner company of Tokyo Bay UMI Project, which the Ministry of Land, Infrastructure, Transport and Tourism has organized and cooperated with public and private sectors to improve the environment of Tokyo Bay. We will contribute to ocean biodiversity through participation in the eelgrass bed restoration activities going forward.

* Keidanren Nature Conservation Fund: Fund that was established with the purpose of providing assistance for nature conservation efforts implemented by NGOs/NPOs in developing countries, particularly in the Asia-Pacific region, and subsidies for environmental conservation activities in Japan.



Strategic Initiative for a Healthy and Sustainable Food Environment (HSFE)

We have been a member of the "Strategic Initiative for a Healthy and Sustainable Food Environment" since 2023. This initiative was established by the Ministry of Health, Labour and Welfare as a collaborative effort between the government, industry, academia, and other stakeholders. It recognizes nutrition and environmental issues such as excessive sodium intake, underweight issues among young women, and nutritional disparities related to economic inequality as significant social issues.

Through collaboration and cooperation among various sectors including government, industry, and academia, the initiative aims to create a food environment where everyone can naturally achieve good health. Our goal is to extend healthy life spans of people in Japan and around the world, and to realize a vibrant and sustainable society.

30by30 Alliance for Biodiversity

In April 2022, the Maruha Nichiro Group participated in the 30by30 Alliance for Biodiversity, which was established by 17 industry, private and public organizations, including the Ministry of the Environment, as initiators. 30by30 is a target that seeks to effectively conserve at least 30% of the land and sea as healthy ecosystems by 2030, with the goal of halting and restoring biodiversity loss by 2030 (Nature Positive).

With the aim of achieving 30by30 in Japan, the Alliance was established for the purpose of promoting the registration and conservation of areas outside of protected areas through the efforts of the private sector and others, and areas where management not primarily aimed at conservation contributes to the protection of the natural environment, as OECMs (Other Effective Area-based Conservation Measures), and to actively communicate those activities.

Maruha Nichiro Corporation will actively participate in the Alliance's activities while seeking to promote biodiversity conservation activities and expand its activity area through activities such as eelgrass bed restoration activities.



Initiatives of the Plastic Package Recycling Council

The Plastic Package Recycling Council (PPRC) is a volunteer organization of groups and companies that have taken on the responsibility of recycling plastic containers and packages into new products. In June 2020, Satoshi Kokaji, Maruha Nichiro Corporation's Executive Officer in charge of Product Development Department, was appointed PPRC Chairman.

Based on the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging, the PPRC aims to build rational recycling systems for recycling plastic containers and packaging, to develop a system for smooth implementation of the practical operation of such systems, to work closely with related industries, and to raise awareness of these efforts.

The Maruha Nichiro Group is actively involved in PPRC activities, seeking to build a sustainable recycling system for plastic containers and packaging, thereby contributing to the formation of a recycling-oriented society.

Joining the Japan Blue Economy Research Group (BERG)

The Japan Blue Economy Research Group (BERG) is an organization established in July 2020, under the Japan Blue Economy Association (JBE). It recruits members among corporations and other entities to promote research and development necessary to conserve and restore coastal areas through close cooperation among researchers and engineers in various fields and capacities, as well as businesses and local governments. It has also started a pilot project for the blue carbon offset system.

By joining this Association, the Maruha Nichiro Group is seeking to expand its activities for biodiversity conservation and pursue initiatives for a decarbonized society by collecting information on blue carbon, exchanging information among members, and conducting research as a member of this association.



Stakeholder Engagement

SeaBOS Initiative

Participation in Seafood Business for Ocean Stewardship (SeaBOS)

The SeaBOS (Seafood Business for Ocean Stewardship) is a global initiative that was launched in 2016 together with the world's eight largest seafood companies (currently 9 companies), and scientists who research the ocean, fishing, and sustainability through cooperation and strategy and activities based on scientific evidence to ensure sustainable seafood products production and a healthy ocean environment. We are actively contributing to meeting the United Nations Sustainable Development Goals (SDGs), in particular, Goal 14 to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development."

Maruha Nichiro participated in SeaBOS from its inception, and in September 2018, upon the organization's establishment, Shigeru Ito, our company's President & CEO (at the time), was named its first Chairman and served as Chairman until October 2020.



The Primary Challenges and Mission for SeaBOS

Nine of the world's largest seafood companies are working to display leadership in order to achieve ocean sustainability

Vision: To accelerate transformation with regards to ocean management

How: In cooperation with governments and other sustainability bell-wethers, the industry actively engages in ocean management and bears global responsibility for the world's oceans

Mission: To lead the world towards achieving sustainable seafood production and a healthy ocean environment

Companies Participating in the SeaBOS

- Maruha Nichiro
- Dongwon Industires
- Cargill Aqua Nutrition
- Charoen Pokphand
- Nissui
- Nutreco/Skretting
- Cermaq
- FoodsFoods
- Thai Union Group
- Kyokuyo

Participation in the 7th Keystone Dialogue

In October 2022, the annual CEO meeting (Keystone Dialogue), held in person for the first time in three years, took place in the Netherlands. Discussions centered around several important scientific background overviews and the results of strategic reviews, including collaborations and communications.

As part of the strategic reassessment, there was a reevaluation of the task force structure, leading to the establishment of a new task force focused on Biodiversity and Ecosystems. Activities related to endangered species, which were previously addressed by Task Force I, were integrated into this new task force. Additionally, roles related to "Communication," "Government Collaboration," and "Transparency and Governance" were transferred to the collective efforts of all members.



SeaBOS Keystone Dialogue

| Stakeholders | Materiality | Main contact point | Communication methods |
|----------------------------|--|---|--|
| Customers | Supply safe and secure foods | Quality Assurance Department | Website |
| | Promote consumer-oriented management | Consumer Relations Center | Advertising |
| | Promote lifelong health plan | Central Research Institute, Corporate Branding Department | Events |
| Shareholders and investors | Proper information disclosure | Corporate Branding Department | Results Announcements |
| | | | Shareholders Meeting |
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| | Promote safe and ideal working conditions | Personnel Department | Internal Training |
| | Promote diversity and work practice reform | Personnel Department | Communication Training (NAVI) |
| | Promote a proactive approach to human rights | Personnel Department | Internal Training |
| | Promote health management | Personnel Department | Internal Seminar |
| Communities and society | Coexist with regional communities in mutual prosperity | Corporate Planning Department | Website |
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| NPOs, NGOs, Academia, etc. | Global information gathering | Corporate Planning Department | Participation in Dialogue (SeaBOS, etc.) |

The Task Forces of SeaBOS



The 5th Stockholm Working Meeting

The meeting was held in Stockholm, Sweden from May 8 to 11, 2023. The members actively discussed the progress and challenges of each task force in preparation for the 8th Keystone Dialogue scheduled for October. There were also discussions regarding new Keystone Projects to be undertaken.

SeaBOS 3 Japan Companies Joint Coastal Cleanup 2023

As part of the efforts of Task Force V, "Addressing the Issue of Marine Plastics," the three Japanese companies jointly organized a coastal cleanup activity for the first time on July 29, 2023. The cleanup took place at "Inage no Hama" within the Inage Seaside Park in Mihama Ward, Chiba City, Chiba Prefecture.

A total of 201 people, including the presidents of the three companies, employees, and their families, participated in the event, collecting combustible waste, cans, plastic bottles, and glass waste. We will continue to work together to address environmental issues such as marine plastic pollution.

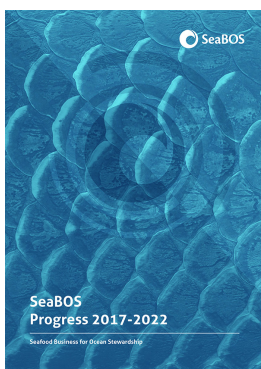


Group Photo from the meeting

Publication of the SeaBOS Progress Report

On June 29, 2022, the SeaBOS issued its first report at the United Nations Ocean Conference held in Portugal.

Five years after the formation of SeaBOS was released at the first United Nations Ocean Conference in 2017 as a unique collaboration between science and 10 of the world's largest seafood companies to lead the global transformation for sustainable seafood product production and healthy oceans, the SeaBOS Progress Report highlighted progress made, issues faced, and opportunities presented.



A group photo of the presidents of the three companies and participants

External Assessment

● External Assessment

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External Assessments

MSCI Japan Empowering Women Index (WIN)

The MSCI Japan Empowering Women Index (WIN) is an ESG index containing excellent Japanese companies empowering women in the workplace. The companies are selected by American finance company MSCI from the MSCI Japan IMI Top 700 Index. The Maruha Nichiro Corporation has been selected as a constituent of the index for three straight years since 2019.

MSCI Japan Empowering Women Index (WIN) Disclaimer:

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FTSE Blossom Japan Index Rating

Maruha Nichiro Corporation has been selected as a constituent of the FTSE Blossom Japan Index.

The FTSE Blossom Japan Sector Relative Index, structured by FTSE Russell, is an index that reflects the performance of Japanese companies that excel in environmental, social, and governance (ESG) initiatives and is designed to have no industry allocation bias.

It has become one of the most representative indices for ESG investment, being adopted as a benchmark for ESG passive investment by the Government Pension Investment Fund (GPIF).

S&P/JPX Carbon Efficient Index

Maruha Nichiro Corporation has been selected as a constituent of the S&P/JPX Carbon Efficient Index. The index is an ESG index jointly developed by S&P Dow Jones Indexes, Inc. and the Japan Exchange Group, Inc. and is weighted by TOPIX component stocks, focusing on the level of carbon efficiency (carbon emissions per sales revenue) and environmental information disclosure.

Inclusion in SOMPO Sustainability Index

Maruha Nichiro Corporation was selected as a constituent of the SOMPO Sustainability Index in 2022, which is managed by SOMPO Asset Management Co., Ltd.

Sompo Asset Management Co., Ltd. uses the index to serve pension funds and institutional investors seeking to invest in a wide range of companies with high environmental, social, and governance (ESG) assessments. This is an asset management product for long-term investors seeking to build their asset portfolios and evaluates companies for long-term corporate value by identifying hidden risks and management quality not evident in financial statements.

CDP Climate Change 2022

CDP surveys more than 14,000 companies and organizations worldwide and evaluates their performance in addressing climate change and their strategies on an eight-point scale (A, A-, B, B-, C, C-, D, D-). Maruha Nichiro Corporation received a "B" score the third highest of the eight levels.



Received the "Blue Bond Award" at the 8th Sustainable Finance Awards Sponsored by the Research Institute for Environment and Finance (RIEF)

Maruha Nichiro Corporation received the "Blue Bond Award" at the 8th Sustainable Finance Awards sponsored by the RIEF, a general incorporated association that promotes and educates people about "environmental finance," a financial approach to solving environmental problems.



Selection as a Health Management Company and Certification of Outstanding Health and Certification for Productivity Management Organization (White 500)

For five straight years since 2018, the Certified Health and Productivity Management Organization Outstanding Recognition Program run by the Ministry of Economy, Trade and Industry has recognized Maruha Nichiro Corporation as an Outstanding Health and Productivity Management Organization (Large Enterprise Category) (White 500) for practicing excellent health management.

Furthermore, Maruha Nichiro was selected for the first time from among the listed companies for Health and Productivity Management 2022 as an exceptional company considering health management of employees from a perspective and conducting health management that strategically works.



Eruboshi Certification Recognizing Promotion of Women in the Workplace

The Minister of Health, Labor and Welfare recognized Maruha Nichiro's efforts to promote women in the workplace with a "Second-level Eruboshi" certification in November 2017. The Eruboshi program was created under the Act on Promotion of Women's Participation and Advancement in the Workplace.

Kurumin Certification Recognizing Corporate Support for Employees Raising Children

Maruha Nichiro Corporation supports the realization of a positive "work and childcare balance" for all employees involved in child-rearing, regardless of gender. We are working to introduce systems and foster a corporate culture that exceeds statutory requirements, and in 2023 we received our fourth "Kurumin" certification from the Minister of Health, Labor and Welfare in recognition of the rate of taking childcare leave by both female and male employees (including short-term leave).

Going forward, we will undertake a variety of initiatives, not only on taking childcare leave, but also on supporting the balance of work and childcare in accordance to the child's growth, encouraging further participation in childcare by not only female but also male employees, as well as promoting understanding among supervisors.



Obtained Highest DBJ Health Management Rating

The Development Bank of Japan (DBJ) recognized Maruha Nichiro Corporation as "being exceptional in activities to support the health of employees" and granted the Company a loan based on its health management assessment rating in October 2021.

The DBJ Employee Health Management Rated Loan Program is the world's first loan menu that grants special lending conditions for companies assessed and selected for having outstanding management of employee health and welfare.

In October 2022, the Company received the highest rating of "A" for the fourth consecutive year, and received financing based on the "Health Management Declaration," transparency of the organizational structure, and measures to maintain and promote employee health through the use of DHA, all of which were highly evaluated.



Tokyo Sports Promotion Companies

For the second year in a row, we were recognized as a "Tokyo Sports Promotion Company" for our outstanding efforts to promote sports activities among employees and our support in the field of sports.



Sports Yell Company 2023

This is a system under which the Sports Agency certifies companies that are actively engaged in the implementation of sports to promote the health of their employees. Maruha Nichiro Corporation has been certified for three consecutive years since 2021.



Selected as Partner Company in the Bay Renaissance Project

As a public-private partnership initiative, the Ministry of Land, Infrastructure, Transport and Tourism selected Maruha Nichiro Corporation to be a partner company in the Ministry's "Tokyo Bay UMI Project" to improve the bay environment in March 2016.

As part of this project, Maruha Nichiro conducts annual eelgrass bed restoration activities to restore Tokyo Bay as a rich marine ecosystem, by increasing the number of eelgrass, which helps clean the seawater and absorb carbon dioxide.

Disclosure Policy

● **Disclosure Policy** -----

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Disclosure Policy

Maruha Nichiro Corporation (hereinafter referred to as "the Company") provides accurate information to shareholders and investors in a timely and appropriate manner, based on the principles of transparency, fairness and continuity. In addition to disclosing information in compliance with the Financial Instruments and Exchange Law and the timely disclosure rules stipulated by the Tokyo Stock Exchange, the Company will also strive to disclose information that we believe is effective in helping people understand the Company in a timely and proactive manner.

Method of Disclosing Information

If there is important information that falls under the Timely Disclosure Rules set by the Tokyo Stock Exchange (TSE), the Company will disclose it in accordance with the said rules by registering the information in the TSE's timely disclosure information system (TDnet) after an explanation in advance to the TSE. The Company will post the same materials on its website without delay.

Business Forecasts and Future Prospects

The Company's plans, future outlooks, strategies, and other statements on our website, other than those relating to past or present facts, are outlooks on future performance based on judgments and assumptions made using the information available at the time. Therefore, actual results may differ materially depending on external factors such as various risks, uncertainties, and economic conditions.

Quiet Period

In order to prevent leaks of information related to financial results and ensure fairness, the Company observes a quiet period from two weeks prior to the announcement of financial results to the date of the announcement. During this period, the Company will refrain from answering questions or commenting on financial results. However, if it becomes likely during this quiet period that the Company's earnings forecast will change significantly, the Company will make an appropriate public announcement in accordance with the disclosure rules. Even during the quiet period, the Company will respond to questions and comments within the scope of information that has already been made public.

Report Profile

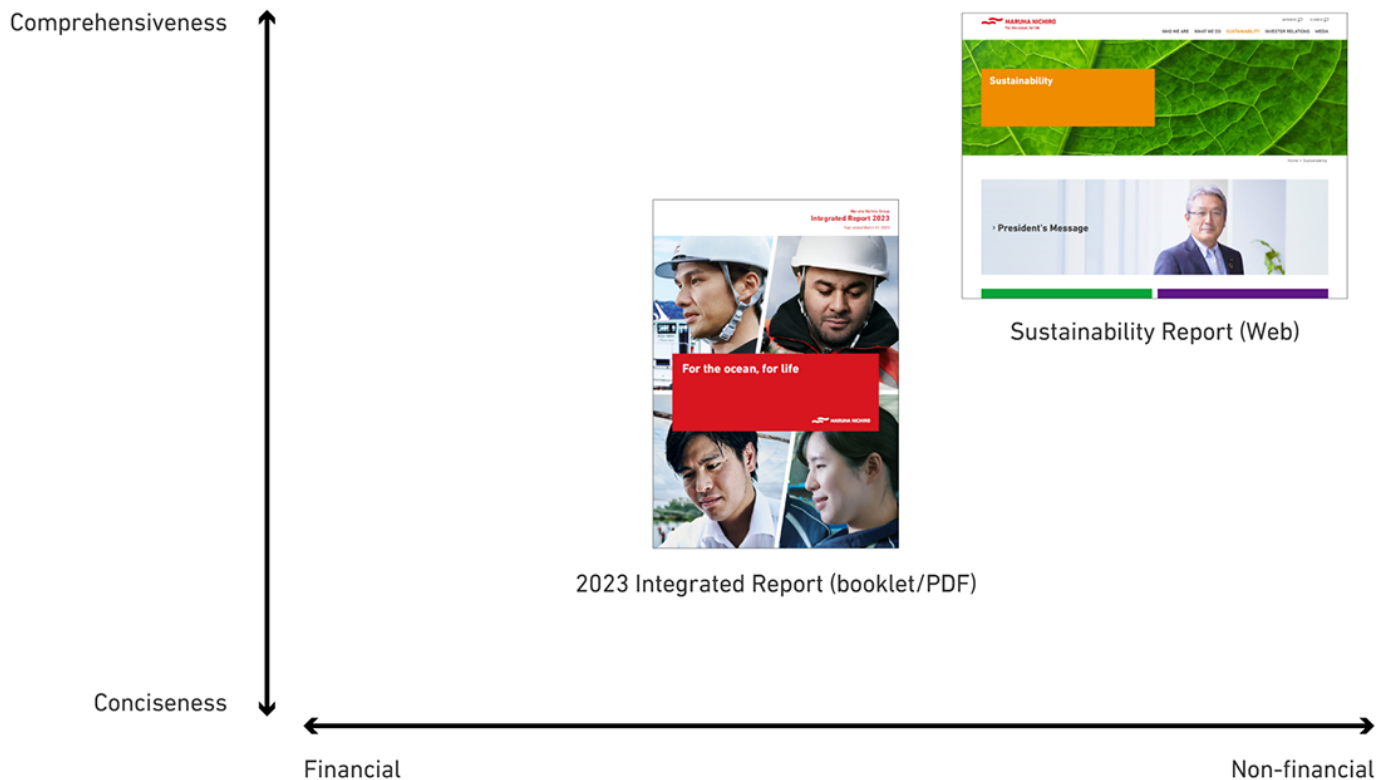
Basic Approach

In the Sustainability Report (web), we report in detail on the materiality and KGI/KPI reviewed in our new medium-term management plan "MNV 2024: Creating the Future of the Ocean and Life" which started in FY2022. While we are committed to disclosing quantitative data, we will strive to strengthen our management and expand disclosure in the future.

In order to communicate the Maruha Nichiro Group's sustainability initiatives to a wide range of stakeholders in an easy-to-understand manner, and at the same time to ensure the certainty, transparency, and comprehensiveness of the information, this report is based on the GRI In order to ensure the reliability, transparency, and comprehensiveness of information, we refer to the GRI Sustainability Reporting Standards* (hereinafter referred to as "GRI Standards").

*GRI Sustainability Reporting Standards: Guidelines for global standards for sustainability reporting issued by the Global Reporting Initiative (GRI), a non-profit organization. Please refer to the "GRI Standard Content Index" for the materiality issues and GRI requirements.

The Group also publishes an Integrated Report, which integrates non-financial and financial information, in print and PDF formats. The report is prepared in reference to the International Integrated Reporting Council (IIRC) and disclosed to investors and other interested parties of the Group. Please refer to the map below for the organization of information in the main media published by the Maruha Nichiro Group.



Reference Guidelines and Indicators

- GRI Sustainability Reporting Standards
- ISO26000 Guidance on Social Responsibility
- Ten Principles of the UN Global Compact
- Sustainable Development Goals (SDGs).
- Ministry of Economy, Trade and Industry Guidance for Value Creation

Reporting Period

FY2022 (April 2022 - March 2023)

*Some information from April 2023 or later also included.

Organizations Covered by Reporting

Maruha Nichiro Group Companies Subject to Consolidated Reporting.

*Some organizations may not fall within the scope of reporting, depending on the matters being reported. Reporting of limited scope is denoted as such.