

Sustainability Management of the Maruha Nichiro Group

The Maruha Nichiro Group formulated the Long-term Sustainability Vision (FY2018 to FY2027) with the aim of evolving into an even more sustainable corporate group than it is today. In the Medium-Term Management Plan, we have identified our materiality to contribute to the resolution of environmental and social issues and to pursue the sustainable enhancement of corporate value.

Maruha Nichiro Group's Materiality (Focus Areas)

Economic Value	Social Value	Environmental Value
<p>Enhance Enterprise Value and Generate Sustainable Growth</p> <p>1. Further Increase Profitability 2. Invest in Growth 3. Strengthen Business Foundation</p> <p>Net sales: 1 Trillion yen Operating Income: 31 Billion yen ROA: 5.7% D/E ratio: 1.5x Equity ratio: 30%</p> <p>Fisheries & Aquaculture Operating income target 3 Billion yen</p> <p>Trading Operating income target 6.6 Billion yen</p> <p>Overseas Business Operating income target 11.1 Billion yen</p> <p>Processing Operating income target 8.2 Billion yen</p> <p>Logistics Operating income target 1.8 Billion yen</p> <p>Other Operations Operating income target 0.4 Billion yen</p>	<p>Value for Customers</p> <ul style="list-style-type: none"> Supply safe and secure foods Promote consumer-oriented management Promote lifelong health plan <p>Value for Employees</p> <ul style="list-style-type: none"> Provide growth opportunities Promote safe and ideal working conditions Promote diversity and work practice reform Promote health management Promote a proactive approach to human rights <p>Value for Business Partners</p> <ul style="list-style-type: none"> Practice sustainable procurement <p>Value for Communities & Society</p> <ul style="list-style-type: none"> Coexist with regional communities in mutual prosperity 	<p>Combatting Climate Change</p> <ul style="list-style-type: none"> Reduce CO₂ emissions per unit of sales by more than 4% from FY2017 to FY2021 <p>Building a Recycling-oriented Society</p> <ul style="list-style-type: none"> Reduce the volume of waste per unit of sales by more than 4% from FY2017 to FY2021 Aim for 99% waste recycling rate by FY2021 <p>Protecting Marine Resources</p> <ul style="list-style-type: none"> Promote certification acquisition for sustainable fishing and farming Strengthen efforts to abolish illegal, unreported, and unregulated fishing (IUU) Expand egg-to-harvest business Promote eco-friendly farming technology

Sustainability promotion framework

In the Maruha Nichiro Group, the Sustainability Committee, which was newly established in FY2018, is chaired by the President & CEO and Representative Director and consists of Executive Officers who also act as Directors of Maruha Nichiro Corporation, Executive Officers in charge of related departments, and related Department Heads.

The Sustainability Committee is responsible for planning and setting targets for overall Group sustainability management, and evaluates the activities of Group companies. It also promotes activities in cooperation with Maruha Nichiro Corporation departments and Group companies.

Times convened in FY2020: 2

Primary topics:

- Review of FY2019 Medium-term Sustainability Management Plan and planning for FY2020
- Conducting marine resources surveys
- Conducting Self-Assessment questionnaires
- Activities related to the problem of marine plastics

Maruha Nichiro Group Organization Structure for Sustainability Promotion



Purpose: Verification and evaluation of progress status of the Medium-term Sustainability Management Plan and sharing objectives and information
Frequency of meetings: Twice a year (ad hoc committee meetings held as necessary)

Supply safe and secure foods

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
Quality management system: Spread as appropriate operations of Maruha Nichiro Group quality assurance regulations	<ul style="list-style-type: none"> Implement PDCA activities about quality assurance and quality control as a whole group Position design and development, raw material procurement, and human resource training as key themes and strive for continual improvement 	<ul style="list-style-type: none"> Review and revised procedures related to design and development and raw material procurement Conducted training based on the Group's common quality education and training rules, and promoted participation in training programs 	<ul style="list-style-type: none"> Provide explanations (notices, e-learning program, etc.) related to design and development Conduct awareness-raising activities to ensure effective use of both internal and external training for quality education and training 	Maruha Nichiro Group (Japan)	Quality Assurance Department, Maruha Nichiro Corporation
Promote the acquisition of more certifications in globally-recognized food safety management and its effective operation	<ul style="list-style-type: none"> Strengthen cooperation throughout the whole supply chain Enhance factory inspections Improve quality and hygiene control education systems 	<ul style="list-style-type: none"> Held meetings on quality assurance for management of partner factories in writing Conducted factory audits in accordance with the factory auditing plan Converted all quality assurance training workshops to e-learning programs and conducted them four times in total 	<ul style="list-style-type: none"> Consider the possibility of organizing a meeting on quality assurance for management of partner factories using a web conference system, etc. Conduct (including remotely) systematic factory audits based on factory sanitation management standards Consider and implement measures to raise the participation rate in the quality e-learning program 	Maruha Nichiro Group (Japan and overseas) and partner factories	Quality Assurance Department, Maruha Nichiro Corporation
Maintain good factory environments and improve defense levels based on the Maruha Nichiro Group's Food Defense Management Rules	<ul style="list-style-type: none"> Enhance factory inspections Continue with food defense management and education 	<ul style="list-style-type: none"> Remotely conducted food defense surveys and provided improvement guidance at the Group's production sites and partner factories Conducted an e-learning program training on a partner factories -version of the food defense training sessions 	<ul style="list-style-type: none"> Carry out (including remotely) inspections of compliance with food defense management standards and provide guidance on improvements to the Group's production sites, logistics sites, and partner factories Continue training sessions on Group food defense management standards 	Maruha Nichiro Group (Japan and overseas) and partner factories	Quality Assurance Department, Maruha Nichiro Corporation

Promote consumer-oriented management

Cultivate corporate culture based on top commitments, facilitate organic communication between departments	<ul style="list-style-type: none"> Hold training seminars on consumer-oriented management Build a system to promote consumer-oriented management Strengthen business activities to make full use of the "voice of the customer" 	<ul style="list-style-type: none"> Conducted e-learning programs for all Group employees Enhanced systems through participation in various lectures by industry groups and mutual exchange of information with the Consumer Affairs Agency Ran monthly product improvement review meetings and implemented 32 improvements and enhancements based on the "voice of the customer" 	<ul style="list-style-type: none"> Continue to consistently conduct training sessions Continue to participate in various lectures by industry groups and enhance systems through mutual exchange of information with the Consumer Affairs Agency Promote activities with related departments involved in product development, improvement, and enhancement based on the "voice of the customer" 	Maruha Nichiro Group (Japan)	Consumer Relations Center, Maruha Nichiro Corporation
Improve supply and mutual exchange of information to customers	<ul style="list-style-type: none"> Enhance customer service to satisfy all customers Strengthen safety and security Coordinate sustainable environmental activities Coordinate food education activities for consumers 	<ul style="list-style-type: none"> Developed a chatbot and installed it on the customer consultation page of the website in August 2020 Acquired an official corporate account on the Q&A site "Yahoo! Chiebukuro" to answer various customers' questions Distributed internally those cases where problems are foreseen by the "voice of the customer" Established a framework allowing employees to deal with phone calls for customer support services from home during the COVID-19 pandemic 	<ul style="list-style-type: none"> Improve customer satisfaction through effective use of systems Contribute to the improvement of customers' eating habits through information booklet distribution to consumers Evaluate and analyze the "voice of the customer" information, identify risk information at its early stage, and notify and call relevant departments 	Maruha Nichiro Group (Japan)	Consumer Relations Center, Maruha Nichiro Corporation

Promote lifelong health plan

Increase in activity of communication based on the "lifelong health plan" and strengthen research and development	<ul style="list-style-type: none"> Drive promotional activities Research and develop "fish-eating" and fish-derived functional ingredients 	<ul style="list-style-type: none"> Distributed 60,000 copies of "How Mackerel Gets Canned," a supplemental educational material for 5th-grade elementary school social studies Considered the commercialization of protamine derived from salmon milt for oral care, and developed new functionalities of nucleic acids (2 academic presentations at the Nippon Suisan (Nissui)) 	<ul style="list-style-type: none"> Continue to disseminate information, corporate events, and campaigns through the official community site and official social media Develop functional ingredients 	Maruha Nichiro Group (Japan)	Corporate Communication Department and Central Research Institute, Maruha Nichiro Corporation
Contribute to health and wellness	<ul style="list-style-type: none"> Promote healthy bodies with measures to fight metabolic syndrome and strengthen bones through foods with function claims, salt reduction, calcium fortification and reduced calories Promote food products that benefit a healthy mind and tastefulness 	<ul style="list-style-type: none"> Launched "Sardines in extra virgin oil" that allows absorption of DHA and EPA contained in sardines without any loss Developed and launched a total of 42 products in the "Yasashii Okazu Set" series of frozen nursing care food that are suitable for use in both hospital facilities and at home, with an emphasis on energy and protein 	<ul style="list-style-type: none"> Continually educating and promoting consumers to incorporate food into their daily dietary habits through development and sales in response to market needs 	Maruha Nichiro Group (Japan)	Corporate Communication Department and Central Research Institute, Maruha Nichiro Corporation

Provide growth opportunities

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
<ul style="list-style-type: none"> Nurture next generation of leaders Nurture global human resources Support career development 	<ul style="list-style-type: none"> Initiate program for training the next generation of management personnel Accelerate global human resource training Renew human resource training scheme 	<ul style="list-style-type: none"> Conducted part of the training for employees selected as potential next-generation leaders online The number of employees targeted to nurture global human resources in the second half of FY2020 was 48, with 3 graduates as of March 2021 	<ul style="list-style-type: none"> Continue training to nurture the next generation of leaders Continue training to nurture global human resources Provide new line management training linked to the new personnel system (under consideration) 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation

Promote safe and ideal working conditions

<p>Maintain/promote safe working conditions—fewer work hours and eliminate harassment in the workplace</p>	<ul style="list-style-type: none"> Hold seminars for management Reduce overtime work 	<ul style="list-style-type: none"> Conducted e-learning programs for all employees at the head office and regional branches, and created video content for the Group Enforced warnings for overtime work, etc. in accordance with established standards 	<ul style="list-style-type: none"> Continue holding workshops on time management and harassment Continue to enhance management systems through system upgrades and build systems with a view to introducing special provisions 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Promote diversity and work practice reform

<p>Improve awareness of diverse management and work practice reform</p>	<ul style="list-style-type: none"> Improve information and messages from management Strengthen lateral ties between employees 	<ul style="list-style-type: none"> Relayed messages from management Held online exchange meetings between the President & CEO and employees as well as between directors and employees (8 times in total) 	<ul style="list-style-type: none"> Send out periodic messages from management Continue department introductions created by each department on the intranet site 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
<ul style="list-style-type: none"> Improve ratio of female managers Provide support for childcare 	<ul style="list-style-type: none"> Acquire "Kurumin" and "Eruboshi (L-star)" certification marks Hold in-house seminars 	<ul style="list-style-type: none"> Continuously acquired "Kurumin 2020" certification and "Eruboshi Grade 2" certification Held seminars for employees, regardless of gender, who have returned to work or are raising preschool children 	<ul style="list-style-type: none"> Formulate the next Action Plan of the 7th General Employers Action Plan Continue seminars and e-learning programs for employees returning to work, employees raising preschool children, and their supervisors 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
<ul style="list-style-type: none"> Improve productivity Improve work-life balance Promote diverse work practices 	<ul style="list-style-type: none"> Promote integration of IT technology Create a new personnel system Establish telecommuting 	<ul style="list-style-type: none"> Unified the plant work management system with the head office work management system Disclosed the results of the Employee Motivation Survey on the intranet site and in Group newsletters Completed the adoption of flexible work hours in all departments and telecommuting system in the head office and regional branches 	<ul style="list-style-type: none"> Overhaul of the settings of the labor management system and execute the version upgrade Implement a 360° evaluation in conjunction with new line management training Consider and introduce a four-day workweek system for reasons such as childcare and nursing care, and regulations for recognizing second jobs 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation

Promote health management

<ul style="list-style-type: none"> Promote employee health Be selected for Health and Productivity Management 	<ul style="list-style-type: none"> Strengthen health check follow-up measures Strengthen mental health measures Hold better health and cancer prevention seminars 	<ul style="list-style-type: none"> Enhanced prevention of serious illness through proactive care of employees with high blood pressure, high blood sugar, and impaired liver function Held individual interviews with a clinical psychologist for all new FY2020 employees Organized a two-month corporate event for employees to improve their dietary habits by utilizing our products 	<ul style="list-style-type: none"> Achieve 100% health checkup participation rate and 90% stress checkup participation rate Continue activities to reduce the number of employees who leave the company due to personal illness by providing care for those with high blood pressure, high blood sugar, and impaired liver function through the involvement of industrial physicians and consultation with public health nurses Conduct individual interviews with FY2021 new employees Enhance health literacy through apps, intranet, and corporate events 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Promote a proactive approach to human rights

<p>Based on proper understanding of human rights issues, foster a corporate culture of respect for everyone — zero tolerance for discrimination</p>	<ul style="list-style-type: none"> Promote activities to support human rights awareness Hold in-house seminars on human rights awareness 	<ul style="list-style-type: none"> In line with the group human rights policy, implemented training via an e-learning program (2,194 participants) 	<ul style="list-style-type: none"> Continue training for human rights education through e-learning programs, etc. 	Maruha Nichiro Corporation	Personnel Department, Maruha Nichiro Corporation
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Practice sustainable procurement

<p>Implement CSR-oriented supply chain management based on the Basic Policies of Procurement, Supplier Guidelines, and the Declaration of Anti-corruption</p>	<ul style="list-style-type: none"> Raise awareness among suppliers of the Basic Procurement Policy, Supplier Guidelines, and Declaration of Anti-corruption Conduct monitoring of suppliers 	<ul style="list-style-type: none"> Conducted Self-Assessment Questionnaires on suppliers of business departments and directly managed factories to inform them of the Guidelines and confirm their compliance status Conducted Self-Assessment Questionnaires with selected suppliers 	<ul style="list-style-type: none"> Conduct Self-Assessment Questionnaires with an expanded scope Provide feedback based on the results of supply chain Self-Assessment Questionnaires and human rights Self-Assessment Questionnaires Create explanatory documents for Supplier Guidelines and establish management systems by creating rules and regulations 	Maruha Nichiro Group (Japan and Overseas)	Corporate Planning Department, Maruha Nichiro Corporation
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Coexist with regional communities in mutual prosperity

Medium-term Goal	FY2020		FY2021	Targets	Department in charge
	Action Plan (Key measures)	Achievements	Action Plan (Key measures)		
<p>Convey the importance of food and contribute to the well-being of everyone</p>	<ul style="list-style-type: none"> Suggest foods that help everyone live a healthy life according to various life stages Offer cooking classes that use sustainable marine resources 	<ul style="list-style-type: none"> Held chef-directed parent-child cooking classes in Chiba and Osaka The cooking class using certified seafood products was postponed due to COVID-19 (organized in April 2021) 	<ul style="list-style-type: none"> Continue organizing the chef-directed parent-child cooking classes Continue holding cooking classes using MSC/ASC certified seafood products 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
<p>Protect the natural environment for the future</p>	<ul style="list-style-type: none"> Participate in the environmental conservation activities of regional communities where offices are located Spread the use of sustainable environmental resources 	<ul style="list-style-type: none"> Organized a beach cleanup as part of the International Coastal Cleanup™ in autumn (due to measures against COVID-19, reduced to 17 people in total) Conducted eelgrass bed restoration activities (collecting flowering branches, sowing seeds) 	<ul style="list-style-type: none"> Continue cleanup activities in the vicinity of business sites Continue eelgrass bed restoration activities 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
<p>Contribute to the growth of regional communities</p>	<ul style="list-style-type: none"> Cooperation for inheritance of local/regional cultures Communicate with regional communities Create opportunities that convey the value of manufacturing 	<ul style="list-style-type: none"> Participated in Toyosu Festa (make your own can) Provided online classes and supported junior and senior high school students visiting companies Supported healthcare workers in response to the spread of COVID-19 	<ul style="list-style-type: none"> Continue these events while considering the impact of COVID-19 Continue to conduct online classes for junior and senior high school students 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation

Combating climate change

<p>Reduce CO₂ emissions per unit of sales by more than 4% from FY2017 to FY2021</p>	<ul style="list-style-type: none"> Enhance energy-saving facilities Improve energy efficiency Switch to non-CFC freezers Reduce electricity usage Reduce heavy oil and gas usage 	<ul style="list-style-type: none"> Although CO₂ emissions decreased (down 3.7% from FY2017) due to the Group's efforts to reduce usage, CO₂ emissions per unit of net sales increased (up 2.9% from FY2017) Reduction of usage by improving the work environment at directly managed plants Continued implementing CFC-free construction at logistics bases Installed solar power panels at Utsunomiya Plant 	<ul style="list-style-type: none"> Continue to control increased usage by improving the work environment Implementation of switching to non-CFC freezers Improving energy conservation awareness through in-house enlightenment activities 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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Building a Recycling-oriented Society

<ul style="list-style-type: none"> Reduce the volume of waste per unit of sales by more than 4% from FY2017 to FY2021 Aim for 99% waste recycling rate by FY2021 	<ul style="list-style-type: none"> Reduction of manufacturing problems Reduction of waste of raw materials, resources and products Turn waste into valuable resources 	<ul style="list-style-type: none"> Although waste emissions decreased significantly (down 8.8% from FY2017) due to the Group's efforts to reduce usage, the target was not achieved on a per-unit basis (down 2.5% from FY2017) The waste recycling rate, etc. stayed at 95.7%, falling short of the target Reduced manufacturing problems by utilizing the systems Promoted food loss reduction activities through visualization (creating maps) of food loss in brand actions, etc. 	<ul style="list-style-type: none"> Reduced manufacturing problems through ongoing system-based maintenance activities Promoting food loss reduction activities by using brand actions 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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Protecting Marine Resources

<ul style="list-style-type: none"> Promote acquisition of sustainable fisheries and aquaculture certification Strengthen efforts to eliminate IUU (illegal, unreported, and unregulated) fishing Expand egg-to-harvest business Promote eco-friendly farming technology 	<ul style="list-style-type: none"> Promote the use of marine products obtained through sustainable fishing/aquaculture certificates (MSC/ASC) Promote the acquisition of certified fish species such as Atlantic herring, Pacific ocean perch, and Saithe Implement stricter verifications of imported fishery product traceability Participation in domestic and international dialogues Increase production of egg-to-harvest bluefin tuna Strengthen R&D systems for aquafarming technologies 	<ul style="list-style-type: none"> MSC, ASC and other eco-labeled products decreased by 2,133 tons (down 387 tons from FY2020) and 19 tons (down 131 tons from FY2020), respectively Increased sales of MSC certified fish species such as Atlantic herring, Pacific ocean perch, and Saithe Promoted activities of the task force (no IUU fishing, no forced labor, etc.) in the Keystone Dialogues (SeaBOS) Shipped 20,900 egg-to-harvest bluefin tuna Yellowtail and greater amberjack eggs are collected and incubated at the Aquaculture Technology Development Center, and then shipped out to sea 	<ul style="list-style-type: none"> Expand sales of products with eco-labels such as MSC/ASC and continue product development Promote the activities of the task force within SeaBOS Plans to limit egg-to-harvest bluefin tuna production, taking into account deteriorating business profitability and the production volume required for technological transfer and innovation for the future (11,000 fish planned) Carry out egg-to-harvest and seedling production of greater amberjack 	Maruha Nichiro Group (Japan)	Corporate Planning Department, Maruha Nichiro Corporation
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