

Our Insights on Sustainability Strategy

- Social and environmental issues surrounding our Group are becoming more severe every year.



Impacts of climate change worsening

Extreme weather events are becoming more severe around the world, affecting people's lives and business activities



Severe exhaustion of global fishery resources

Depletion of global fish stocks due to increased global demand, etc.



Emerging human rights issues

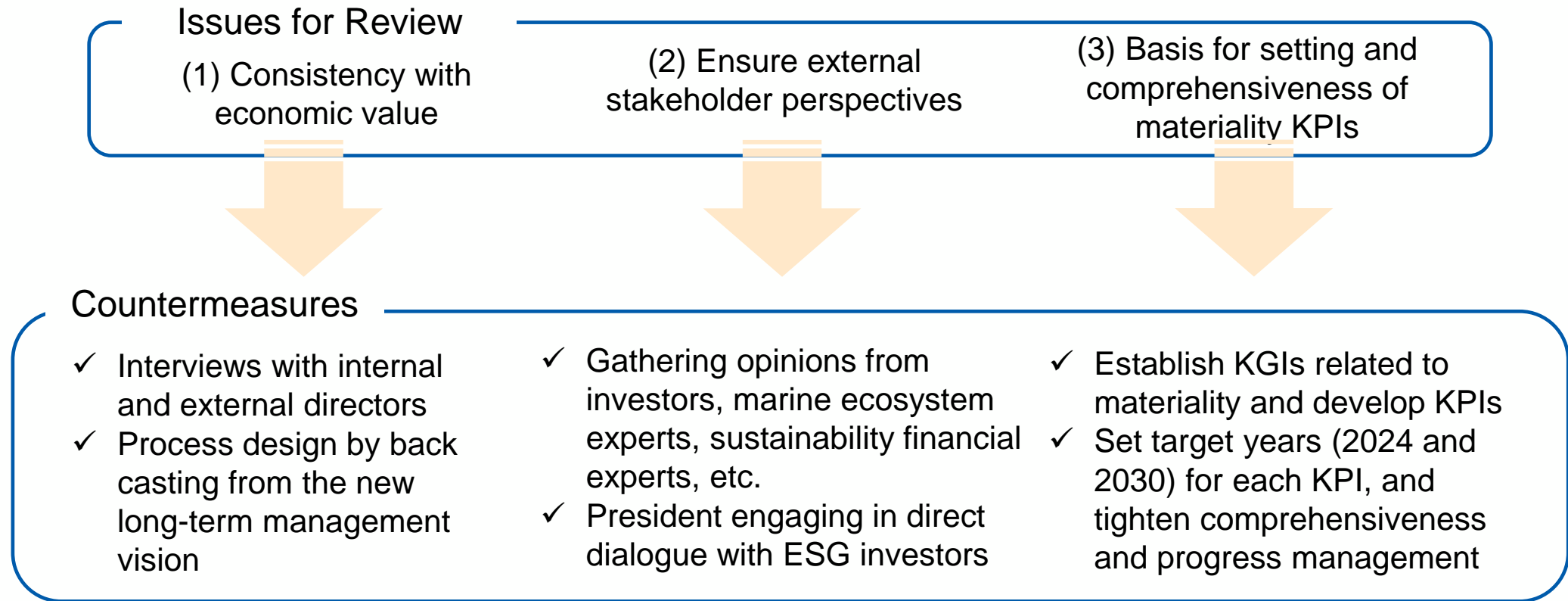
Human rights violations have increased and become more complex with the globalization of supply chains

- ✓ Clarified the role that the Maruha Nichiro Group should play as the "**No.1 Global Seafood Supplier**"
- Coexist with the global environment based on abnormal weather and risk of depletion of fishery resources
- As a company that operates globally, identify and assess human rights risks in the supply chain

Review and re-identification of our Sustainability strategy (materiality)

Reformulation of Sustainability Strategy through Materiality Review

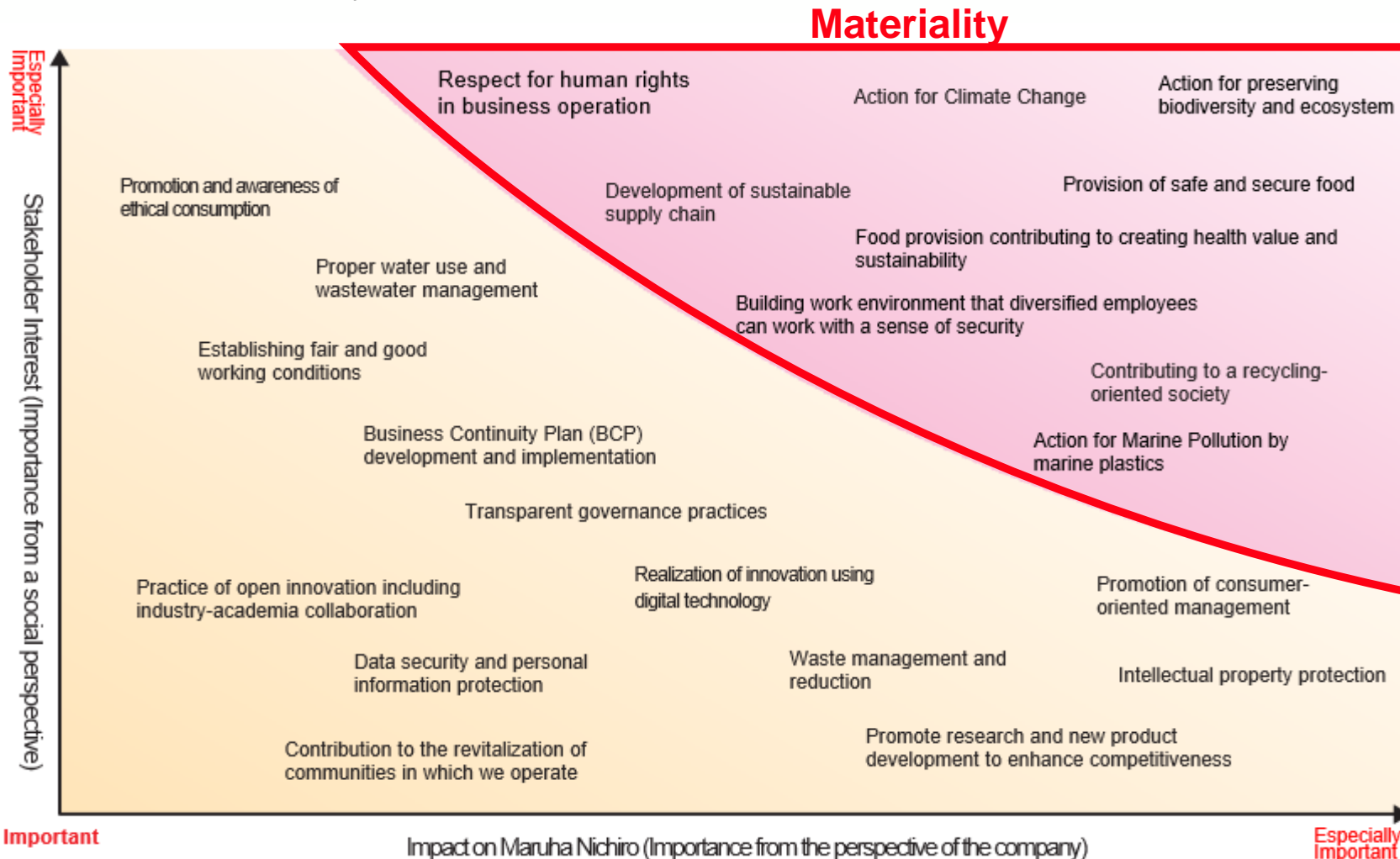
- Reviewed materiality and sustainability strategies with the new long-term management vision as the "core" concept



- ✓ Sustainability strategy (materiality) oriented with a high degree of internal and external understanding and acceptance

Review of Materiality












- Select materiality based on external opinions and expectations, and consistency with management strategy



- ✓ To utilize management resources efficiently, materiality was selected from the upper right quadrant, which is of high importance from both the social perspective and company perspective.
- ✓ We will continue to regularly review our materiality in coinciding with the changes in the external environment and business strategy.

Materiality regarding the creation of Environmental Value








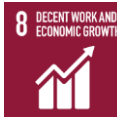





- Aim to achieve both sustainable growth and environmental value by addressing climate change issues, ecosystem conservation, etc.

	Materiality	KGI (ideal state by 2030)	KPIs	Target		Relevant SDGs
				Values	Year	
Environmental Value	1. Action for Climate Change	Establish a leading position in the industry for decarbonization and action for climate change	Formulation of CO2 emission reduction roadmap (domestic G *)	—	2022	 
			CO2 emission reduction rate (compared to 2017: domestic G)	Over 30%	2030	
			Achieve carbon neutrality (global G *)	—	2050	
	2. Contributing to a recycling-oriented society	Circular economy through efficient use of resources is prevalent and practiced within the Group	Reduction rate of plastic usage (including switching to bioplastic, recycled materials, etc.) (MN *)	Over 30%	2030	   
			Food loss (product waste) reduction rate (domestic G)	Over 50%	2030	
			Recycling rate of food waste (domestic G)	Over 99%	~2024	
	3. Action for Marine Pollution by marine plastics	Practice zero discharge of plastics into the ocean by the company & supply chain	Establishment of fishing gear management guidelines and operational rates (global G)	100%	2024	  
			Employee participation rate in coastal cleanup (domestic G)	Over 30%	2030	
	4. Action for preserving biodiversity and ecosystem	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of handled seafood products (global G)	100%	2030	 
			Conduct biodiversity risk assessment (Domestic G)	—	2024	
			Implementation of certification level management of aquaculture farms (domestic G)	—	2024	

*: Abbreviations for target organizations MN = Maruha Nichiro Corporation; Domestic G = Domestic Group consolidated companies; Global G = Global consolidated companies

Materiality regarding the creation of Social Value

- Proactively tackle our responsibilities as a global company, aiming to build a healthy and sustainable society for people around the world

	Materiality	KGI (ideal state by 2030)	KPIs	Target		Relevant SDGs
				Values	Year	
Social Value	5. Provision of safe and secure food	Providing safe food to people around the world	Major quality incident* (Domestic G)	Zero	2024	 
	6. Food provision contributing to creating health value and sustainability	Branded as a top food company contributing to health value creation and sustainability	Establish product standards that contribute to health value creation and sustainability and set 2030 targets (MN)	-	2024	  
	7. Building work environment that diversified employees can work with a sense of security	A workplace environment where diversity is respected, and employees feel safe and comfortable to work	Percentage of female employees by maintaining 50% female employment ratio (MN)	Over 35%	2030	   
			Percentage of Women on Board of Directors (MN)	Over 30%	2030	
			Female management job ratio (MN)	Over 15%	2030	
			Establishment of Maruha Nichiro Human Resource Development Program and targets set 2030 targets (MN)	-	2024	
	Establish employee engagement assessment methodology and set 2030 targets (MN)	-	2024			
8. Respect for human rights in business operation	Zero human rights violations (such as forced labor) by the company & supply chain	Confirmation rate of zero human rights violations in the supply chain (global G)	100%	2030	 	
9. Development of sustainable supply chain	Working with suppliers to build a sustainable procurement network	Rate of agreement with supplier guidelines and rate of improvement in key items (global G)	100%	2030	 	

Sustainability Strategy Case 1: “Addressing Climate Change Issues”

Goals (KGI)

Establishing a leading position in the industry for decarbonization and climate change



Set KPI

Achieve carbon neutrality throughout the Group (by 2050)

Main Initiatives Measure 1

Establishment of CO₂ emission reduction roadmap and implementation of reduction based on the roadmap

- ✓ Establish a reduction plan (by scope and site) by FY2030 by the end of FY2022

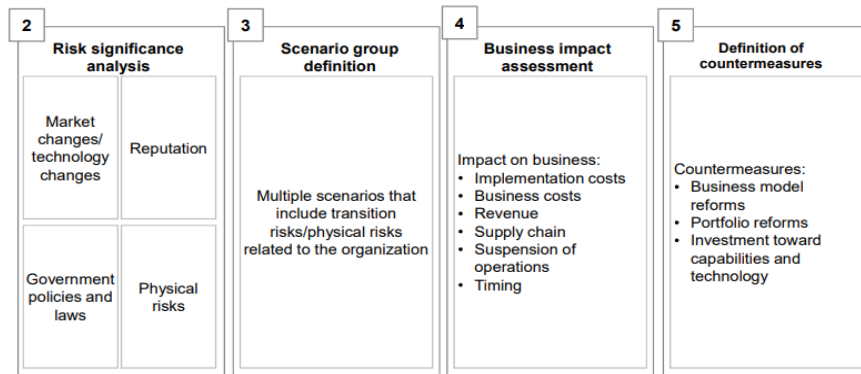
Main Initiatives Measure 2

Conduct scenario analysis in TCFD

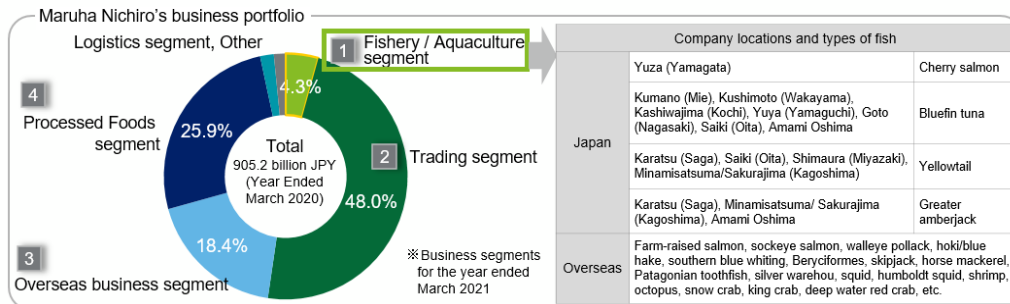
- ✓ Measured the impact of rising sea temperatures on marine resources and the impact of extreme weather events on agricultural and livestock raw materials

Sustainability Strategy Case 1: TCFD Scenario Analysis

(1) Scenario Analysis Process



(2) Scenario analysis targets: Fishery & aquaculture



- ✓ Proactively promote expansion of target segments and integration of analysis results and strategies
- ✓ Aim to enhance corporate value by promoting mutual understanding with external parties through dialogue with investors and other stakeholders.

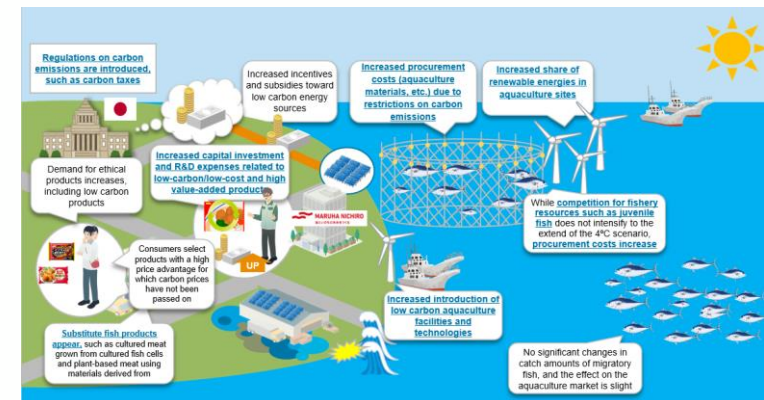
4° C Scenario Worldview

Operating costs increase, production declines, and physical risks must be addressed



2° C Scenario Worldview

Need for low carbonization of business and development of high value-added products in response to tightening regulations



Sustainability Strategy Case 2: "Biodiversity and Ecosystem Conservation"

Goals (KGI)



Confirm that there is no risk of resource depletion in the fish stocks we handle

Set KPI

100% Resource status confirmation rate of handled seafood products (Group-wide by 2030)

Main Initiatives Measure 1

- Continue to conduct seafood product surveys
- ✓ To understand the current status of the volume of marine products handled and to evaluate the resource status of wild marine products from a scientific perspective with respect to the products and raw materials of each Group company.

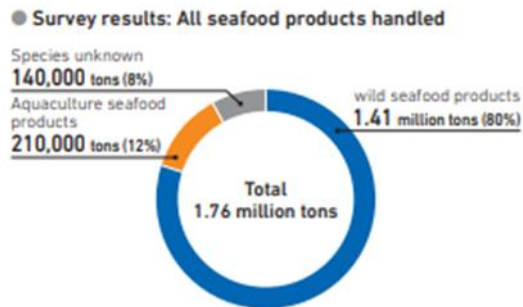
Main Initiatives Measure 2

- Eco-friendly aquaculture practices
- ✓ Promote management of GSSI-approved certification levels at the company's aquaculture farms

Sustainability Strategy Case 2: "Biodiversity and Ecosystem Conservation"

(1) Ascertain the amount of seafood products currently handled

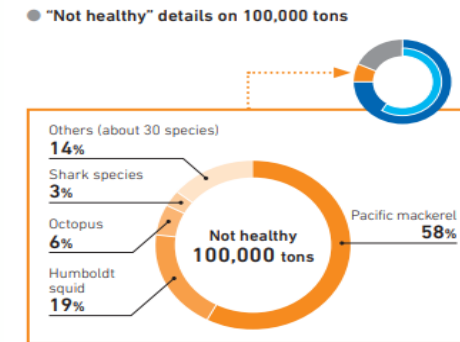
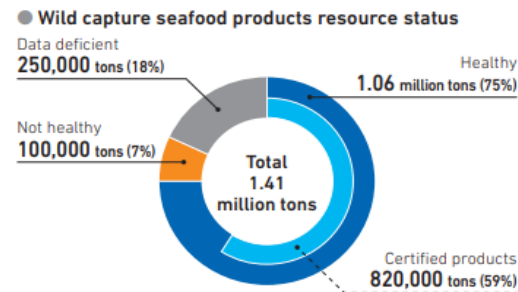
This survey was conducted by the entire Maruha Nichiro Group in Japan and overseas to ascertain the volume of marine products handled, targeting raw materials and products procured from outside the Group.



- The overall volume of seafood products handled by the Maruha Nichiro Group was approx.. 1.76 million tons in terms of raw fish which equates to about 0.8% of global fisheries & aquaculture seafood production in 2018.
- The Group handles approx.. 360 species of fish by scientific name from 76 countries.
- On the other hand, there are about 140,000 tons of seafood products whose species are unknown, mainly fishmeal, which is a feed ingredient, and clarifying this information is an important issue.

(2) Assess the resource status of wild seafood products

To assess the resource status of wild seafood products, in addition to checking whether seafood products were caught in certified fisheries, we send the aggregated survey results to an external organization (Sustainable Fisheries Partnership).



- Approx. 100,000 tons were assessed as "not healthy" and approx. 250,000 tons were found to be data deficient to assess the status of stock.
- The issues to be addressed in the future are to investigate recovery plans for marine products for which there are currently concerns about the stock status and provide support as necessary, and to reduce the number of "stock status concerns" and "insufficient data" by cooperating with external organizations for fish species for which data is insufficient.

Sustainability Strategy Case 3: "Building a Sustainable Supply Chain"

Goals (KGI)

Working with suppliers to build a sustainable procurement network
Zero human rights violations (such as forced labor) by the company & supply chain

Set KPI

100% Rate of agreement with supplier guidelines and rate of improvement in key items (Group-wide by 2030)

100% Confirmation of zero human rights violations in the supply chain (Group-wide by 2030)

Main Initiatives Measure 1

Strengthen supplier chain management to enable sustainable procurement

- ✓ Promote awareness and understanding of supplier guidelines for coexistence and co-prosperity with suppliers
- ✓ Conduct supplier surveys and feedback on a regular basis and promote systemization

Main Initiatives Measure 2

Elimination of human rights risks in our own operations and supply chain

- ✓ Human rights training, surveys and interviews at production facilities
- ✓ Risk assessments of suppliers. Interviews with suppliers assessed as having risks



Sustainability Strategy Case 3: "Building a Sustainable Supply Chain"

Main Initiatives Measure 1

Conduct surveys to confirm compliance with supplier guidelines and provide feedback to promote improvements

- 1,097 suppliers surveyed in FY2020: Management status of 293 domestic and overseas certified factories (99.7%) that manufacture Maruha Nichiro brand products was verified.
- Distribution of guideline manuals and feedback to suppliers to promote understanding and improvement

Suppliers surveyed by Self-Assessment Questionnaires in 2020	1,097 companies
Targeted suppliers	Suppliers surveyed by Self-Assessment Questionnaires surveyed in 2020
Domestic in-house certified plants	127 companies
Overseas in-house certified plants	166 companies
Suppliers for directly-managed plants	242 companies
Other raw material suppliers, etc.	562 companies

Main Initiatives Measure 2

Human Rights Risk Assessment through Human Rights and Labor Practices Survey

- Business partners surveyed in FY2020 are areas and industries where human rights risks have been identified in the past
- In the future, the scope of human rights and labor practice surveys will be expanded to include human rights risk assessments.

Enhancing access to sustainable marine resources

Environmental
Awareness

Natural Resources

- Limited natural resources in response to increasing global demand
- Opportunities to gain access to new resources are scarce due to increasingly strict resource management in many countries.

Initiatives
for the
New Medium-Term
Management Plan

- Strengthen access to existing resources
 - Improve productivity by renewing fishing vessels, utilizing substitute vessels, etc.
- Obtain access to new resources
 - Continued search for sustainable, quality resources



Aquaculture Resources

- Aquaculture resources will become more and more important in the future in order to both meet increasing global demand and conserve natural resources.
- However, there are some issues in aquaculture, such as soaring license fees, environmental conservation, and production risks.

- Improved aquaculture technology to increase productivity and profitability
- Challenges in land-based aquaculture technology for the next generation that contributes to all economic, social, and environmental values

