

Protecting irreplaceable marine resources

The Maruha Nichiro Group, with its roots in the sea and 140 years of history, has continued to develop with the support of irreplaceable blessings of nature and its vital energy. With the increase in the world’s population and the economic development of emerging countries, the demand for fish-eating 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.



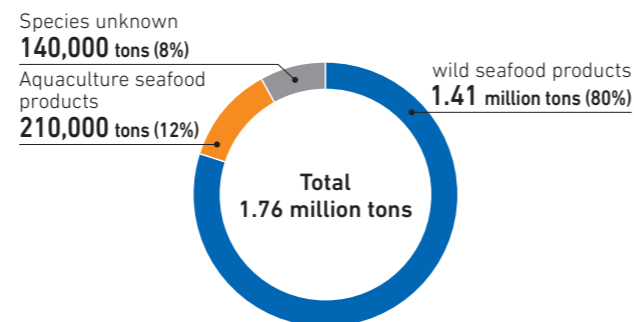
In order to implement sustainable procurement as a “sustainable corporate group,” the Maruha Nichiro Group conducted a survey on the products and raw materials of Maruha Nichiro Group companies to ascertain the current volume of seafood products handled and to evaluate the state of wild seafood products resources.

Ascertain the amount of seafood products currently handled

All divisions and eight directly managed plants, 31 domestic Group companies, and 17 overseas Group companies of Maruha Nichiro Corporation conducted surveys to ascertain the volume of seafood products handled for raw materials and products procured from outside the Maruha Nichiro Group between April 2019 and March 2020. The survey covered fish species name (scientific name), country of origin, fishing area (FAO fishing areas), weight (in raw fish equivalent), and fishing method.

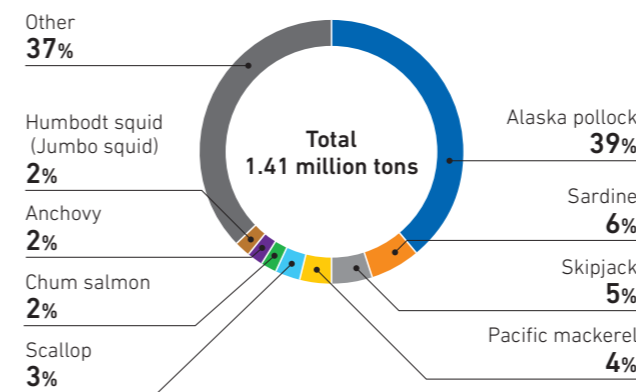
*Covers January to December 2019 for overseas Group companies
 *The products subject to the survey do not include Maruha Nichiro Group’s own farmed fish (approx. 12,000 tons), but do include fishmeal used in aquaculture
 *Marine Products Wholesaling Unit only includes in-house imported products, in-house processed products, and purchased products sold within the Group

Survey results: All seafood products handled

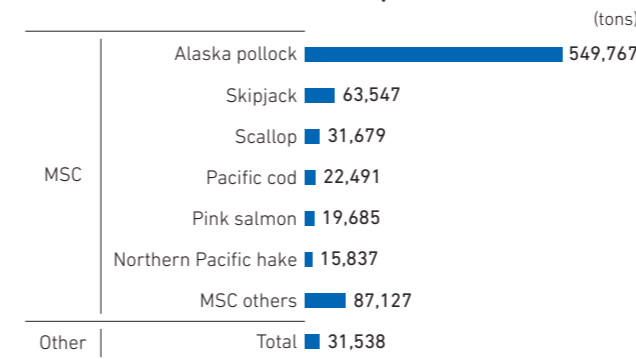


The overall volume of seafood products handled by the Maruha Nichiro Group was approximately 1.76 million tons in terms of raw fish. This equates to about 0.8% of global fisheries & aquaculture seafood production in 2018. We handle approximately 360 species of fish by scientific name, and the number of countries of origin is now 76 out of 196 countries worldwide. It was found, on the other hand, that 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.

Survey results: High volume fish species handled (wild)

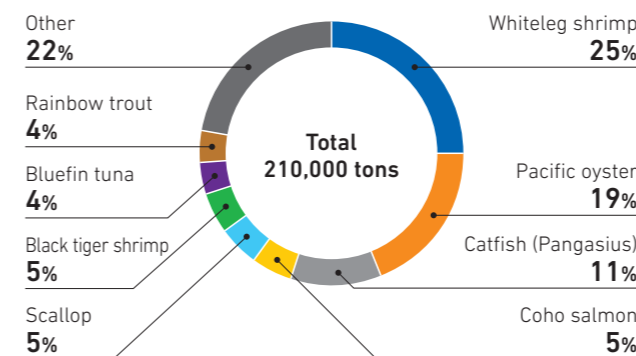


Certified sustainable seafood products (wild)

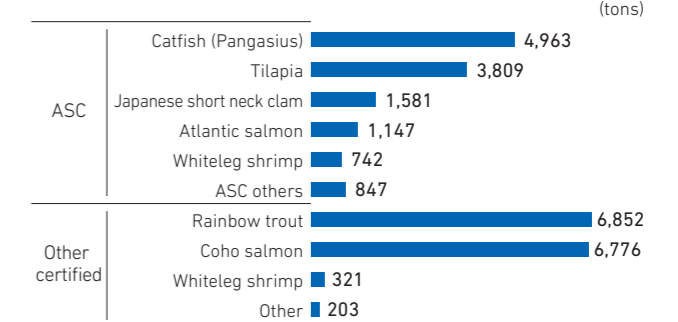


We handle about 1.41 million tons of wild seafood products, with the top eight fish species, including Alaska pollock, sardine, skipjack, and Pacific mackerel, accounting for 63% of the total. We also found that 59% of the 1.41 million tons, or about 820,000 tons of seafood products, were caught by fisheries certified as sustainable such as MSC. In terms of MSC certification and other certified seafood products, the highest volume is Alaska pollock, at about 550,000 metric tons, or about 67% of all wild seafood products from certified fisheries. The results showed that skipjack and scallops were the next most abundant.

Survey results: High volume fish species handled (aquaculture)



Certified sustainable seafood products (aquaculture)



*As this survey covers products procured from outside the Maruha Nichiro Group, including the Group’s own fishing labor, aquaculture seafood products do not include the Group’s own aquaculture production (approximately 12,000 tons, including 4,360 tons of bluefin tuna and 2,500 tons of greater amberjack, etc).

The amount of aquaculture seafood products totaled of approximately 210,000 tons with the top eight fish species, such as Whiteleg shrimp, Pacific oyster, Catfish (Pangasius), and Coho Salmon, accounting for 78% of the total. Compared to wild seafood products, the ratio of certified aquaculture seafood products was low, accounting for only approximately 27,000 tons or 13% of the total.

Assess the resource status of wild seafood products

To assess the resource status of wild seafood products, in addition to checking whether the seafood products were caught in certified fisheries, we sent the aggregated survey results to an external organization (Sustainable Fisheries Partnership). Based on the results of the assessment by FishSource*, an international resource evaluation database managed by the same organization, we conducted a comprehensive evaluation of the status of resources, with an emphasis on scientific perspectives.

*FishSource: An international online assessment database of marine resource information about the status of fish stocks and fisheries from administrative agencies in various countries

Assessment of resource status based on sustainable fisheries certification

Of all “wild capture seafood products,” seafood products caught in fisheries certified as sustainable have been classified as “healthy”

Assessment of resource status based on FishSource assessment results

“Wild capture seafood products” were assessed by FishSource, an international marine resource assessment database, for the following five scores (on a scale from zero to ten for each), with information obtained from stock assessment reports and from management measures adopted in the fishery, and classified into the following three categories.

- Score 1. Is the management strategy precautionary?
- Score 2. Do managers follow scientific advice?

Relevant materiality

- Protecting Marine Resources

Relevant SDGs



Additional activities and details are here

Marine Resources

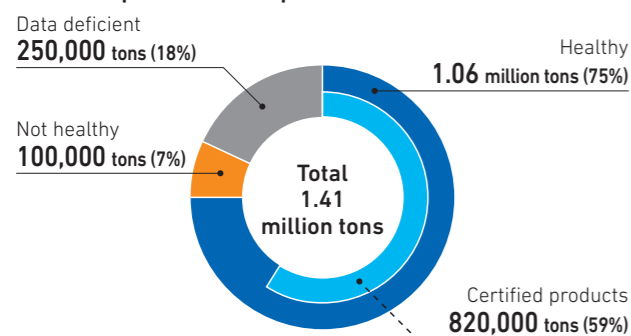


Due to space limitations, only a few of these activities are introduced here. For details, please see the Sustainability Report (website).

Score 3. Do fishers comply with managers decisions?
 Score 4. Is the fish stock healthy?
 Score 5. Will the fish stock be healthy in future?

- (1) Those assessed as being healthy and no problems with the current fishing management system (when score 4 is 6 or more points and the average score of scores 1-5 is 6 or more points) are classified as "healthy"
- (2) Those assessed as being not healthy or lacking a fishing management system (when score 4 is less than 6 points or the average score of scores 1-5 is less than 6 points) are classified as "not healthy"
- (3) Those with insufficient information in the database are classified as "data deficient."

● **Wild capture seafood products resource status**



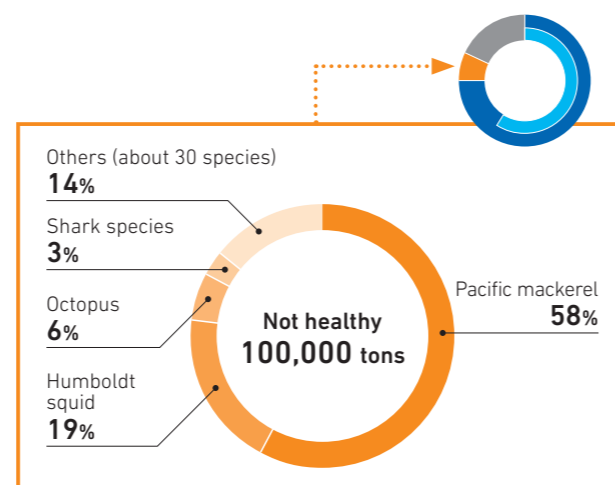
Stock status assessment results: "Healthy"

The results of the assessment of resource status revealed that, in addition to approximately 820,000 tons of marine products from certified fisheries approximately 240,000 tons of wild seafood products were also assessed as healthy, resulting in a total of approximately 1.06 million tons classified as "healthy"

Stock status assessment results: "Not healthy"

Approximately 100,000 tons, or 7% of the total, were assessed as "not healthy" The top three species not healthy are Pacific mackerel, Humboldt squid, and octopus. For pacific mackerel, scores 1 to 5 were all near 6 points, but the average score was less than 6 points. In the results of the Fisheries Agency's FY2020 stock assessment by species, it was reported that the catch pressure was higher than the catch pressure to achieve maximum sustainable yield (MSY) and the stock was lower than the stock to achieve MSY. Since Humboldt squid was assessed with a score of 4 and 5 for the current and future health of the fish stock, and octopus was assessed with a score of 5 for the future health of the stock, the assessment was "not healthy"

● **"Not healthy" details on 100,000 tons**



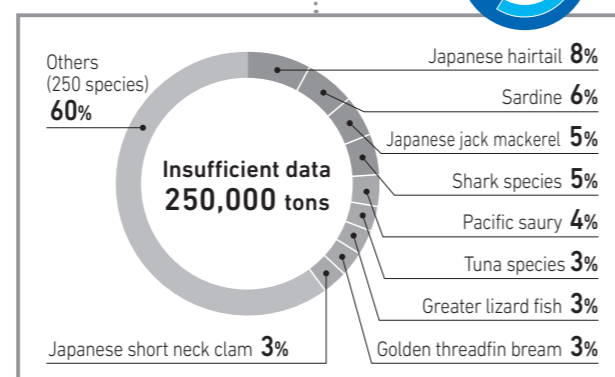
Stock status assessment results: "Data deficient"

Approximately 250,000 tons, or 18% of the total, were found to be data deficient to assess the status of stock. For these, due to the lack of sufficient data in national or investigative bodies, or due to the lack of information provided by us such as fishing methods, the stock status could not be assessed.

● **"Data deficient" details on 250,000 tons**

Possible reasons

- (1) No data in national or investigative bodies
- (2) Insufficient information provided by the company (fishing methods, etc.)



Handling of endangered species

As a result of this survey, it was found that some of the wild seafood products handled include fish species that fall under Category I of the Red List of Threatened Species as defined by the International Union for Conservation of Nature (IUCN). The Maruha Nichiro Group will continue to monitor trends and continue to handle fish for which there are stock recovery plans or that are caught in accordance with fishing management rules. For fish species other than these, we will consider reviewing their handling.

Handling of threatened species (at the time of the survey, July to September 2020)

Red List Assessment	Ministry of the Environment assessment	Fish species	Scientific name	Weight (tons)	Procurement country	Remarks
CR* (Nearly extinct species)	Threatened Species Category I	Southern bluefin tuna	Thunnus maccoyii	136	New Zealand	Stock recovery plan in place
EN* (Threatened Species)	Threatened Species Category I	Atlantic bluefin tuna	Thunnus thynnus	10	USA, Spain, Greece, Japan	Stock recovery plan in place
EN* (Threatened Species)	Threatened Species Category I	Shortspine thornyhead	Sebastolobus alascanus	3	America	Considering review of handling
EN* (Threatened Species)	Threatened Species Category I	Nibe croaker	Japanese meagre	9	Japan	Considering review of handling

*CR: IUCN category - Critically Endangered (CR)
 *EN: IUCN category - Endangered (EN)

Future issues

Through this survey, we are aware that the strengths and challenges of the marine resources handled by the Maruha Nichiro Group have been clarified. Of the wild seafood products that were assessed as "healthy" about 820,000 tons were seafood products from fisheries that have been certified to be sustainable accounting for 59% of all wild seafood products. Recognizing that these are our strengths, in addition to continuing to monitor the status of resources in the future, we will promote the handling of seafood products from fisheries that have been certified to be sustainable. At the same time, we found out that about 100,000 tons are "not healthy" and 250,000 tons that are "data deficient" In the future, we will investigate recovery plans for seafood products that

are "not healthy" at this time, and provide support as needed. We also are aware of the need to cooperate with the Sustainable Fisheries Partnership's research on fish species which are data deficient.

In addition, we also learned that the amount of ASC and other sustainable aquaculture certified seafood are only about 27,000 tons, and that there are about 140,000 tons of uncategorized fish species that cannot be classified. It is important in the future to increase the number of certified seafood products and to clarify the fish species that cannot be classified.

The Maruha Nichiro Group will both consider maintaining or expanding our strengths in the marine resources handled by the Group and strive to resolve the issues that have become apparent.

VOICE



Mr. Jim Cannon
 Sustainable Fisheries Partnership Foundation CEO

Sustainable Fisheries Partnership works with the seafood industry toward a world where all seafood is produced sustainably and protects marine biodiversity. We commend Maruha for the extensive work you have done to map the sources of your seafood products. With sourcing from hundreds of fisheries globally, this was no easy task but necessary to be able to assess the environmental sustainability of fish stocks using SFP's Fish Source database.

You have created a process to collect and monitor this sourcing information that will enable Maruha to maintain and improve the sustainability of its seafood products into the future. SFP also applauds Maruha's transparent disclosure of the summary of this assessment and encourages you to use your leverage to improve fisheries identified as not yet sustainable.

As one of the world's largest seafood companies, you (can) could have tremendous impact and drive important change in fisheries management and practices across the world. SFP recommends that Maruha join with existing fishery improvement efforts such as Supply Chain Roundtables and other pre-competitive collaborations – as it has done with SeaBOS – to ensure the long-term environmental sustainability of fisheries and the health of the ocean, and aligned the UN Sustainable Development Goal 14, life under water.

*1 Sustainable Fisheries Partnership (SFP): Founded in 2006, it is a marine conservation organization working toward a world where the oceans are healthy and abundant, all seafood is produced sustainably, and everyone has access to sustainable seafood. It leverages the power of seafood buyers and retailers in every part of the seafood supply chain to rebuild depleted fish stocks, reduce the environmental impacts of fishing and aquaculture, and address social issues and advance economic opportunities for fishers and their communities. The SFP Supply Chain Roundtable provides a forum to allow seafood suppliers to work together in a pre-competitive environment to promote and support improvements in fishery and aquaculture practices, management, and policy.

