

Maruha Nichiro Group Sustainability Report 2019

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Sustainability Management

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President's Message



Generating Growth as a Sustainable Corporate Group that Confronts Environmental and Social Issues

Shigeru Ito

Representative Director, Chairman of the Board
Maruha Nichiro Corporation

Achieving Sustained Growth

I believe the companies that will survive in the future will be those that combine sustainable business growth with a positive impact on the environment and society.

For over a century, Maruha Nichiro has enjoyed the benefits of bountiful ocean resources and the natural environment. Now, without direct and immediate action, the environment faces an uncertain future. Because of this, the future of our company must address and resolve an important question moving forward: How can we maintain the sustainability of our resources and continue to grow our business at the same time? I believe that now more than ever, society is looking to us to step up and show that we can answer this question with confidence by acting responsibly and fulfilling the expectations of society.

With this in mind, we created a Long-term Corporate vision we expect Maruha Nichiro to embody within the next decade: "To be a global general food company that produces and sells marine products and other processed foods under the Maruha Nichiro brand." Our 2018 Medium-term Management Plan was informed by these ideas.

Medium to Long-term Sustainability Management Plan

Our business is inextricably linked to the environment and the communities that inhabit it. In clear terms, we've set up a plan that harmonizes our aspirations of business growth with an environment that keeps communities thriving long into the future. Our new Medium-term Management Plan does exactly that—by comprising both business strategies and our Medium to Long-term Sustainability Management Plan to realize the dual objectives of enhancing corporate value and establishing sustained growth.

The Sustainability Management Plan is a long-term plan to focus our business activities on creating three types of value: Economic Value, Social Value, and Environmental Value. We have defined main objectives and set clear quantitative and qualitative targets in each category.

To create Economic Value, we will continue growing and developing our businesses as an integrated food company. We have set a concrete vision for where we want the company to be in 10 years. By achieving the sustained growth set out in this vision, we can return profits to shareholders and employees and return economic value to local communities by creating jobs and contributing through taxes.

To create Social Value, we will reaffirm our commitment to our mission: provide safe, secure, and healthy food to customers through our business as an integrated food company. We also must not forget that we, directly and indirectly, receive social capital from our employees, business partners, and local communities. We will pinpoint the specific responsibilities we need to meet to fulfill the expectations of our stakeholders.

To create Environmental Value, we recognize our business has reaped the benefits of nature and its bounty for many years. So we are actively advancing measures to fight global warming, establishing a recycling-oriented society, and preserving our marine resources.

The Maruha Nichiro Group has business sites around the world, and each have extensive supply chains with individual suppliers. We will put in the time and effort to methodically assess the social and environmental aspects of all our supply chains.

Respect for Human Rights

In addition to our priority issues, this year we will also carry out Group-wide due diligence related to human rights. We established a Fundamental Policy on Human Rights and are now defining the parameters and creating a roadmap for our assessments with the intention of incrementally broadening the scope of our surveillance.

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."

The Structure of Maruha Nichiro Group Human Rights Policy

1. Respecting Human Rights
2. Practicing Human Rights Due Diligence
3. Scope of Application
4. Positioning of the Human Rights Policy
5. Regulatory Compliance
6. Important Human Rights Issues
7. Dialogue with Stakeholders

Participating in the International SeaBOS Initiative

"SeaBOS is a global coalition between companies with a strategic vision to actively contribute to addressing the ocean stewardship challenge. I am committed to making this initiative a great success and ensure that we fulfill our global responsibility." This was my message to the Seafood Business for Ocean Stewardship (SeaBOS) representatives in September 2018 when I was appointed the first chairman of the SeaBOS initiative.

The SeaBOS organization was created in 2016 by eight of the world's largest seafood companies (10 companies as of October 2019) and scientists researching ocean, marine fisheries, and sustainability. The global group was formed as an international coalition to advance strategies and initiatives based on scientific evidence and to take the lead in ensuring sustainable production of seafood and a healthy marine environment. Maruha Nichiro has been participating in SeaBOS since its inception.



There have been numerous attempts to advance initiatives to protect our oceans and natural environment, but I believe strategies proposed by an organization of 10 of the world's largest seafood companies will have a special force. As the chairman of the SeaBOS initiative, I will do my best to lead the organization and help preserve the sustained growth of the world's marine resources.

The Maruha Nichiro Philosophy

At the end of March 2019, the Maruha Nichiro Group comprised 150 companies. Beginning in 2014, myself and company executives have been leading Group philosophy training sessions at our companies and factories in Japan to ensure all employees understand the Group mission and values.

The Maruha Nichiro Group Philosophy is the foundation for our activities in each category of Economic Value, Social Value, and Environmental Value. Conveying the philosophy to all employees in the Group is a top priority. We put a great amount of effort into assisting each employee's understanding of the foundational basis of our business: why we exist and why we make our products. Through dialogue and discussion, executives visit Group companies and factories to spread our message, in their own words, directly to all employees and managers. We believe this informal approach is the best way to communicate our philosophy.

I've seen firsthand how this approach helps align the Group's strategic activities and positively impacts risk management and compliance. I hope to extend these types of discussions to Group companies overseas.

Bringing Delicious Delight to the World

Food provides a sense of enjoyment unique to our industry. Providing products that bring joy makes our job immensely gratifying. Yet, we need every employee of the Maruha Nichiro Group to do their part to keep our business on a growth trajectory that drives our ability to fulfill our Medium-term Management Plan and achieve the Corporate Vision of the next 10 years. As we carry out our daily tasks, we hope everyone will be conscious of the fact that Maruha Nichiro exists by the grace of society and our shared Earth.

This Corporate Sustainability webpage showcases the framework of the Medium to Long-term Sustainability Management Plan and a discussion of our main objectives. It's our first attempt at providing a comprehensive sustainability report and, as such, we have made every effort to conform to the standards of the core items in the Global Reporting Initiative (GRI). By issuing this webpage, our goal is to stimulate dialogue with our stakeholders to help us provide even better information disclosure in the future.

October 2019

Shigeru Ito

Representative Director, President & CEO
(Representative Director, Chairman of the Board as of April 1, 2020)
Maruha Nichiro Corporation

Management Approach

Main Objectives of the Maruha Nichiro Group

The Maruha Nichiro Group established the Long-term Sustainability Vision (FY2018 to FY2027) in an aim to evolve into a more sustainable corporate group. In April 2018, we initiated the Medium-term Sustainability Plan (FY2018 to FY2021) in order to realize this Long-term vision. The main objectives of the Medium-term Sustainable Management Plan are as follows.

Economic Value

Net sales: 1 trillion yen / Operating income: 31 billion yen / ROA 5.7% / D/E ratio 1.5x / Equity ratio: 30.0%

Social Value

Customer Value

- Supply safe and secure foods
- Promote consumer-oriented management
- Promote lifelong health plan

Employee Value

- Provide growth opportunities
- Promote safe and ideal working conditions
- Promote diversity and work practice reform
- Promote healthy management
- Promote a proactive approach to human rights

Value for Business Partners

- Practice sustainable procurement

Value for Communities and Society

- Coexist with regional communities in mutual prosperity

Environmental Value

- Measure against global warming
- Build a recycling-oriented society
- Protect marine resources

Management Structure

The Maruha Nichiro Group established the Sustainability Promotion Committee in FY2018. The committee proposes plans and sets goals for sustainability management for the Group overall and evaluates the activities of individual Group companies. It also holds discussions on new initiatives aimed at resolving international social and environmental issues, and promotes activities in cooperation with the related departments and Group companies at Maruha Nichiro.

Outline of the Sustainability Promotion Committee

Chairperson: Representative Director, President & CEO

Secretariat: Corporate Planning Department, Sustainability Promotion Group

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

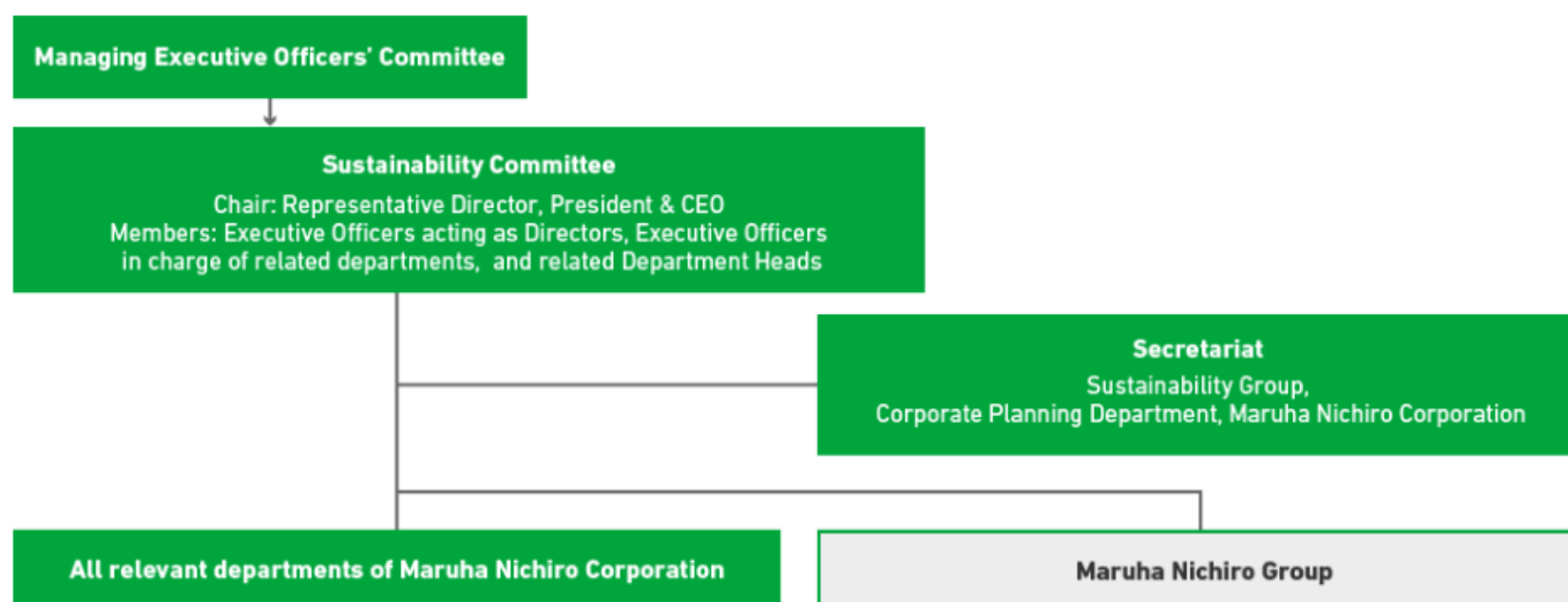
Committee members: Executive officers acting as Directors and related Department Heads of Maruha Nichiro Corporation

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

Main Agenda Items of the Sustainability Promotion Committee

- Review of previous fiscal year and plan for current fiscal year in the Medium-term Sustainable Management Plan
- Discussions on information disclosure in documents including the Integrated Report, Sustainability Report, and Website posted materials.
- Response as a Group to individual issues

Maruha Nichiro Group Organization Structure for Sustainability Promotion



Internal Dissemination Measures

Group Philosophy Training

Group Philosophy training is taught by members of Maruha Nichiro management, and it provides employees with an opportunity to reconfirm themes that include the mission and responsibility in society of the Maruha Nichiro Group and how to put the Group Philosophy into practice in day-to-day work.

During FY2018, training focused on the Medium-term Sustainability Management Plan in addition to the Group Philosophy. Approximately 4,700 Group employees attended training at 40 business locations and a common understanding was developed throughout the Group regarding the direction and aim of the Medium-term Sustainability Management Plan.

Environmental Officers and Representatives

Assigned officers and representatives share information on environmental management plan initiatives, confirm regulations related to the environment, and communicate on environmental regulation compliance activities to reduce the risk of violation of environmental laws at meetings held every year. External lecturers were also invited in FY2019 in order to further improve awareness of sustainability.

Start of the Brand Enhancement Creation Project—Future of the Group as Envisioned by Each and Every Employee—

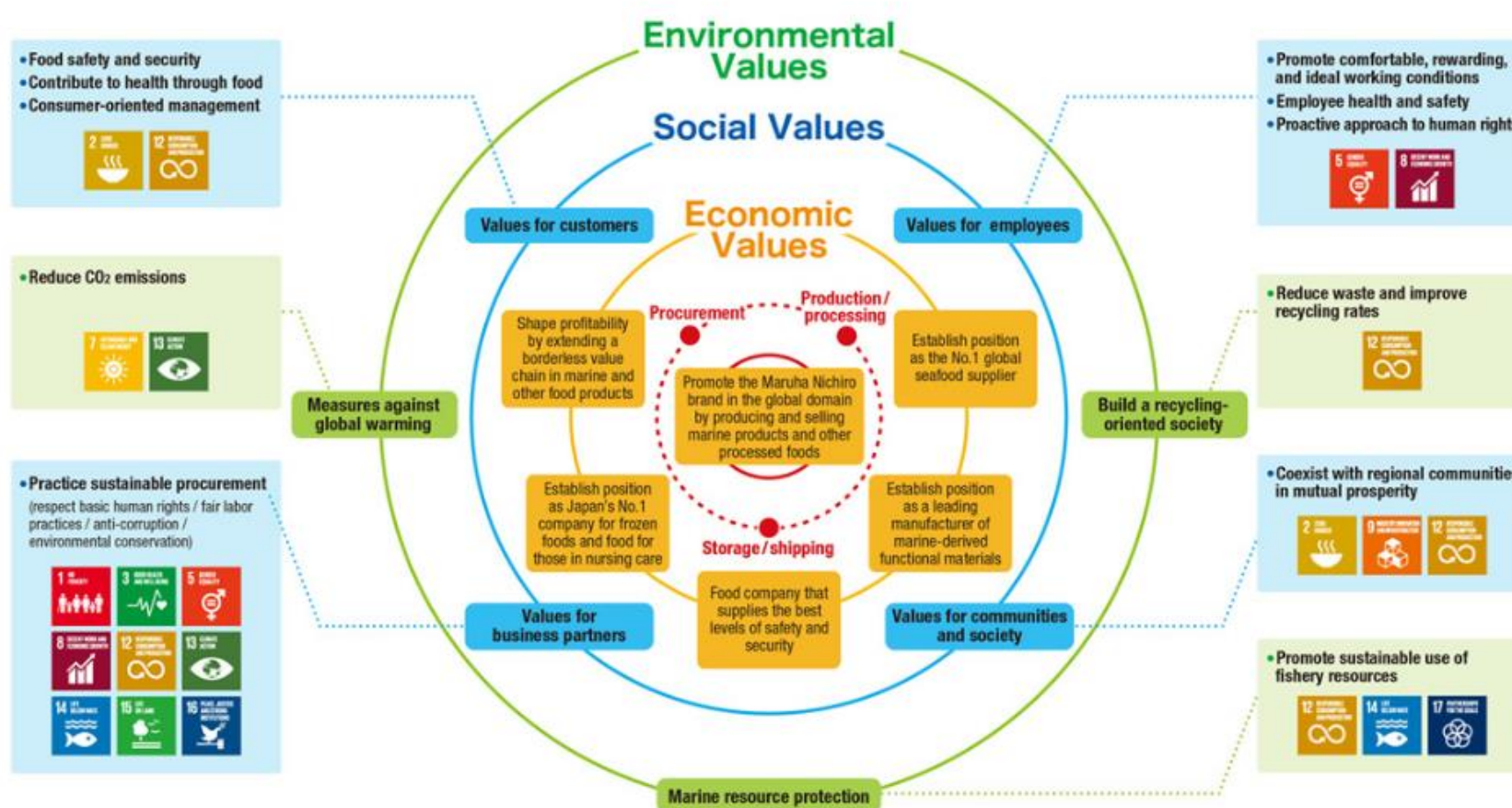
The Maruha Nichiro Group has introduced a new brand strategy to achieve its long-term vision, under which it aims to improve the value of the corporate brand and achieve further growth looking ahead to the next ten years.

During FY2018, we held brand training for people in management positions and brand talks for each department to share and encourage an understanding of our brand vision. We started the Brand Enhancement Creation Project in FY2019. The value we offer with our brand is the pursuit of new possibilities in food, bringing vitality to people around the world. This project aims to enhance our brand by considering this value through company-wide group work by Maruha Nichiro employees. We started this project based on the belief that it is important for each and every employee to think about how to generate new value, and to collectively put forth bottom-up efforts to stimulate discussion and collaboration among all departments.

We will think of ideas to enhance our brand through company-wide group work efforts participated in by all employees in FY2019 and move to the phase of executing concrete brand enhancement from 2020. Implementing brand enhancement will facilitate the development of human resources ready to take on the challenge of transformation by giving each and every employee an opportunity to rethink the direction aimed for by the company in their day-to-day work.

Maruha Nichiro and SDGs

Contributing to the Achievement of Sustainable Development Goals (SDGs) through Business Activities



Feature: SDGs Communication and Action for 7 Billion People Seminar

AS a SeaBOS Chairman and President of Maruha Nichiro Corporation, Mr. Ito spoke at the SDGs Communication and Action for 7 Billion People Seminar that was held in commemoration of the first visit to Japan by Jakob Trollbäck of Sweden who is the logo designer for the 17 Sustainable Development Goals (SDGs).

Trollbäck spoke about his struggle to effectively communicate the SDGs to 7 billion people around the world while pursuing simple language representation and icons that are easy to understand.

Maruha Nichiro reported on its activities related to food and marine plastic waste and its stance for the future based on the themes of SDG 12, Responsible Consumption and Production, and SDG 14, Life Below Water.



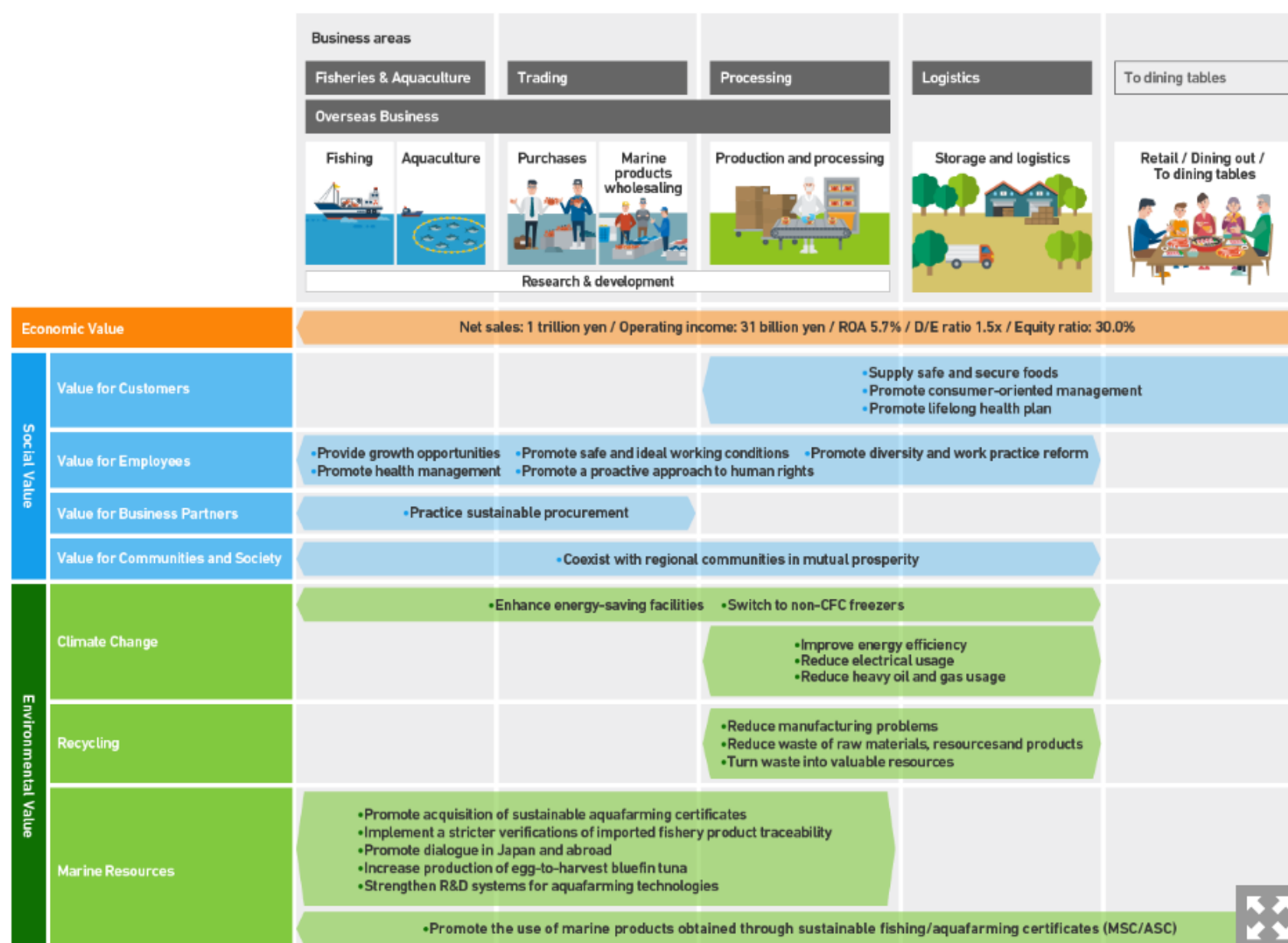
President Ito at the seminar

Objectives

Basic Approach

The business of the Maruha Nichiro Group has a consistent value chain for procurement and distribution, production and processing, and storage and logistics with seafood products at the core. The Group will focus on addressing the main objectives of the Medium-term Sustainability Management Plan in order to fulfill its social responsibilities in light of the impact each process has on society and the environment.

Mapping of Value Chain and the Main Objectives



Basic Approach

Going forward, we will improve and implement the initiatives in this plan through the PDCA cycle while incorporating feedback from internal and external stakeholders.

Step 1 Identification of social issues

Step 2 Mapping of social issues

<p>High</p> <p>Importance from a social perspective</p> <p>Low</p>		<ul style="list-style-type: none"> •Promote diversity and work practice reform •Promote a proactive approach to human rights (besides employees) •Combating climate change •Building a recycling-oriented society 	<ul style="list-style-type: none"> •Supply safe and secure foods •Practice sustainable procurement •Protecting marine resources 	
		<ul style="list-style-type: none"> •Promote safe and ideal working conditions •Promote health management •Promote a proactive approach to human rights (employees) •Coexist with regional communities in mutual prosperity 	<ul style="list-style-type: none"> •Promote consumer-oriented management •Provide growth opportunities •Promote lifelong health plan 	
	Low	Importance from the perspective of the Group		High

The Executive Committee approved the Medium-term Sustainability Management Plan including the main objectives in February 2018 and implemented the four-year plan in April 2018.

Furthermore, we will conduct ongoing reviews while addressing international social issues, changes in the business environment, and the opinions of internal and external stakeholders.

Stakeholder Engagement

Stakeholder Engagement

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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	Main Objectives	Main Point of Contact	Communication Methods
Customers	Supply safe and secure foods	Quality Assurance Department	Website
	Promote consumer-oriented management	Consumer Relations Center	Advertisements and PR Materials
	Promote lifelong health plan	Marketing Departments Central Research Institute	Corporate Events
Shareholders and Investors	Proper information disclosure	Investor Relations & Public Relations Department	Results Announcements
			General Shareholders' Meeting
			Report Documents (shareholder communications, reports)
Business Partners	Practice sustainable procurement	Corporate Planning Department	Website
Employees	Provide growth opportunities	Personnel Department	Intranet
	Promote diversity and work practice reform	Personnel Department	Internal Training
	Promote safe and ideal working conditions	Personnel Department	Communication training (NAVI)
	Promote a proactive approach to human rights	Personnel Department	Internal Training
	Promote healthy 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 Regional Events

Initiatives

Basic Approach

The Maruha Nichiro Group is engaged in business through a global supply chain with seafood products at the core. Its procurement activities and fisheries resources are closely related, and there are concerns regarding the many sustainability challenges in a broad value chain that cannot be resolved alone by a single company or the private sector. We believe that cooperation with competitors, governments, scientists, NPOs, and NGOs is essential to implement comprehensive initiatives in response to these concerns. For this reason, the Maruha Nichiro Group voluntarily participates in various such initiatives in Japan and overseas.

Participation in Seafood Business for Ocean Stewardship (SeaBOS)

Since its launch, Maruha Nichiro has participated in the efforts of Seafood Business for Ocean Stewardship (SeaBOS) together with the world's leading seafood companies and scientists who study the ocean, fishing, and sustainability.

SeaBOS was created in 2016 by eight of the world's largest seafood companies (10 companies as of October 2019) and scientists researching ocean, marine fisheries, and sustainability. The global group was formed to as an international coalition to advance strategies and initiatives based on scientific evidence and to take the lead in ensuring sustainable production of seafood and healthy marine environment. SeaBOS is also actively seeking to fulfill the goals of the United Nations Sustainable Development Goals (SDGs), particularly Goal 14 to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development." At the founding of SeaBOS in September 2018, Maruha Nichiro President and CEO Shigeru Ito was appointed as the first chairman of the SeaBOS initiative.

In 2018, SeaBOS held its first working meeting to discuss specific coordinated actions in Amersfoort, Holland, in May and later its third keystone dialogue in Karuizawa, Japan, in September, where it appointed Mr. Ito as its chairman. In 2019, SeaBOS held its second working meeting in Bergen, Norway, in May where it received updates on the progress of its task forces and discussed action plans, and convened its fourth keystone dialogue in Phuket, Thailand, in September. At the September meeting, Martin Exel, General Manager of Environment and Policy at the Maruha Nichiro Group's Austral Fisheries, was named the new SeaBOS Managing Director and the members reconfirmed the critical need for more effective policies related to sustainable fisheries and aquaculture management, ocean pollution including plastic waste, and climate change.

As a global company in the fisheries industry, the Maruha Nichiro Group is actively working to preserve and realize sustainable use of marine resources worldwide and to create long-term, sustained value in marine resources.



Members at the SeaBOS Dialogue in Phuket, Thailand, in September 2019 (©Thai Union Group)



MARUHA NICHIRO

For the ocean, for life

Joining 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 that compiles and requests support for the essential set of values of human rights, labor, the environment, and anti-corruption as 10 principles in all of its business activities in Japan and overseas.

WE SUPPORT



Joining the Clean Ocean Material Alliance (CLOMA)

Marine plastic waste is a new global issue. Global efforts to resolve the problem are now necessary. In light of this situation, the Maruha Nichiro Group has joined the Clean Ocean Material Alliance (CLOMA). CLOMA is an alliance that was established in January 2019 under the leadership of Japan's Ministry of Economy, Trade and Industry. Its aims to strengthen partnerships between a wide range of stakeholders in different industries and accelerate innovation for promoting the sustainable use of plastic products and the development and introduction of alternative materials.



Clean Ocean Material Alliance

The Group will endeavor to strengthen partnerships with various organizations in order to realize clean oceans as a participating corporate group that is deeply involved with marine resources.

Cooperation Aimed at the Preservation of Biodiversity

Maruha Nichiro Group is in accordance with the ideas 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, Maruha Nichiro supports the objectives of the activities of the Keidanren Nature Conservation Fund*, and it has donated to the fund every year.



Maruha Nichiro, as an associate member, participates in the Japan Business Initiative for Biodiversity that serves as a forum for exchanging information and opinions on biodiversity initiatives. It gathers 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 has organized and cooperated with public and private sectors to improve the environment of the Tokyo Bay. We will contribute to ocean biodiversity through participation in these activities going forward.

* Fund that was established with the purpose of providing assistance for nature conservation efforts implemented by NGO/NPO in developing countries, particularly in the Asia-Pacific region, and the sustainable use of natural resources in Japan.

Human Rights

In July 2019, we established the Maruha Nichiro Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights.

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

Shigeru Ito

Representative Director, President & CEO

Maruha Nichiro Corporation

Medium-term Action Plan

In fiscal 2018, we added the Maruha Nichiro Group Human Rights Awareness Policy to the content of our Human Rights Training and are raising recognition of the international standards for the respect of human rights. We also conduct interviews and surveys to determine the actual risk status of human rights in our domestic and overseas supply chains.

Social Value

Social Value	
Customer Value	
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Food Safety

Basic Approach

The Maruha Nichiro Group's mission as a provider of food is to contribute to the betterment of people's lives by providing food that is wholesome, safe, and healthy. Our success depends on the quality of our products. We are constantly looking at our products from the customers' perspective to know the quality they are looking for, and we provide that quality in the form of safe food products. All of our employees work together to maintain and constantly improve the quality of our products so we can provide safe and reliable products and services and continue earning the trust of customers.

Medium-term Sustainability Management Plan (FY2018–2021)

Quality Assurance System

Medium-term Goal	Quality control system Spread as appropriate operations of Maruha Nichiro Group quality assurance regulations
Action Plan	<ul style="list-style-type: none"> Engage in quality PDCA activities as a whole group Position design and development, raw material procurement, and human resource training as key themes—strive for continual improvement

Food Safety System

Medium-term Goal	Promote the acquisition of more certifications in globally-recognized food safety management and its effective operation
Action Plan	<ul style="list-style-type: none"> Strengthen cooperation throughout the whole supply chain Enhance factory inspections/instructions Improve quality and hygiene control—and education systems

Food Defense System

Medium-term Goal	Maintain good working conditions and improve defense levels based on Maruha Nichiro Group's Food Defense Management Rules
Action Plan	<ul style="list-style-type: none"> Enhance factory inspections/instructions Continue with food defense management and education

Quality Assurance Policy

To be a food brand that people trust, consistently offering safe products and reliable services should be the highest priority. The Maruha Nichiro Group maintains the Maruha Nichiro Group Quality Assurance Policy, which is rooted in the group philosophy.

Maruha Nichiro Group Quality Assurance Policy

1. Comply with all laws and regulations in Japan, overseas, and globally
2. Strengthen links throughout the supply chain and constantly raise the level of quality assurance
3. Value communication with customers and proactively provide appropriate information
4. Listen sincerely to the customer, value their opinions, and use this to improve our products, services, and corporate activities
5. Implement quality assurance activities in line with Group regulations that are framed on international standards for quality management systems
6. Help all employees improve their knowledge and technical abilities while raising awareness of quality

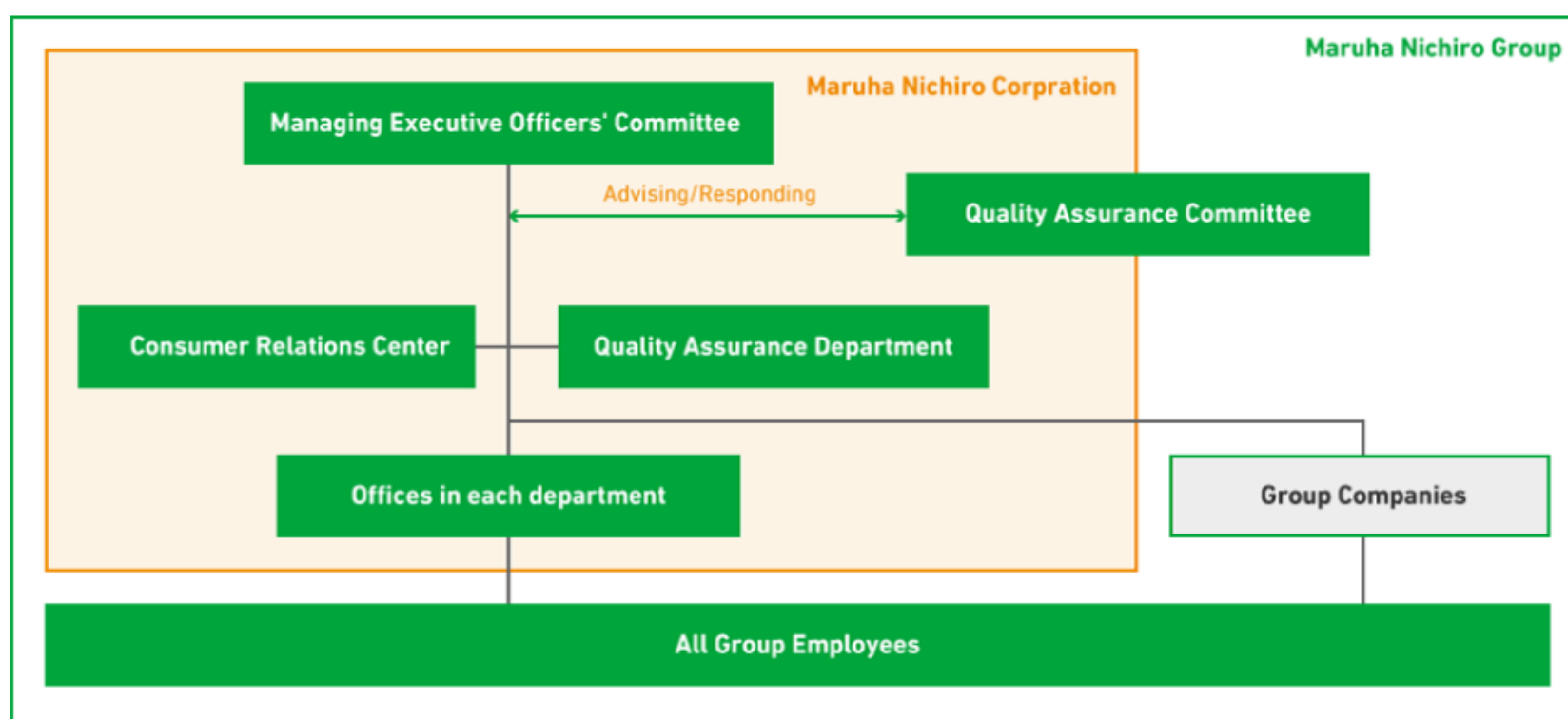
Quality Assurance System

The Maruha Nichiro Group's quality assurance structure is organized with the Management Board as the highest decision-making body for quality assurance issues and in charge of setting and implementing necessary quality assurance policies and initiatives. The Quality Assurance Committee deliberates quality issues and serves as an advisory body to the Management Board.

The Quality Assurance Department at Maruha Nichiro, the central company of the Group, is essential to setting quality assurance policies, monitoring and improving quality management through audit and product data systems, collecting and reporting data for disclosure of quality information, and initiating employee training programs to increase quality awareness.

Quality Managers and Quality Officers are appointed for each Company department and Group company to communicate information about Group policies and measures and to create and implement quality assurance strategies.

Quality Assurance Structure



Inspection Systems

The Food Safety Group at Maruha Nichiro is dedicated to assuring the safety of the Company's food products based on scientific evidence. The Food Safety Group scientifically verifies the safety of Maruha Nichiro Group products and contributes to enhancing quality assurance in the following ways.

Testing Activities

The Food Safety Group has a comprehensive testing structure for microorganisms, agricultural chemicals, veterinary drugs, allergens, and other items important to assuring product safety.

The Group's microbe and agricultural chemical test laboratories have acquired ISO/IEC 17025 accreditation to further assure customers that the Group's inspections meet the highest international standards.

Providing Inspection System Maintenance and Technical Support at Food Manufacturing Sites

The Food Safety Group maintains and reinforces the Group-wide quality assurance system by working closely with inspection laboratories at the food manufacturing sites, providing audits and technical guidance for inspection systems, conducting quality control tests, helping address quality issues, and providing practical training.

Exploring and Developing New Analysis Technologies

The Food Safety Group is constantly researching and developing analysis technology that can quickly and accurately detect food poisoning bacteria, allergens, and other potentially hazardous substances.

Education and Training

Quality Education and Training

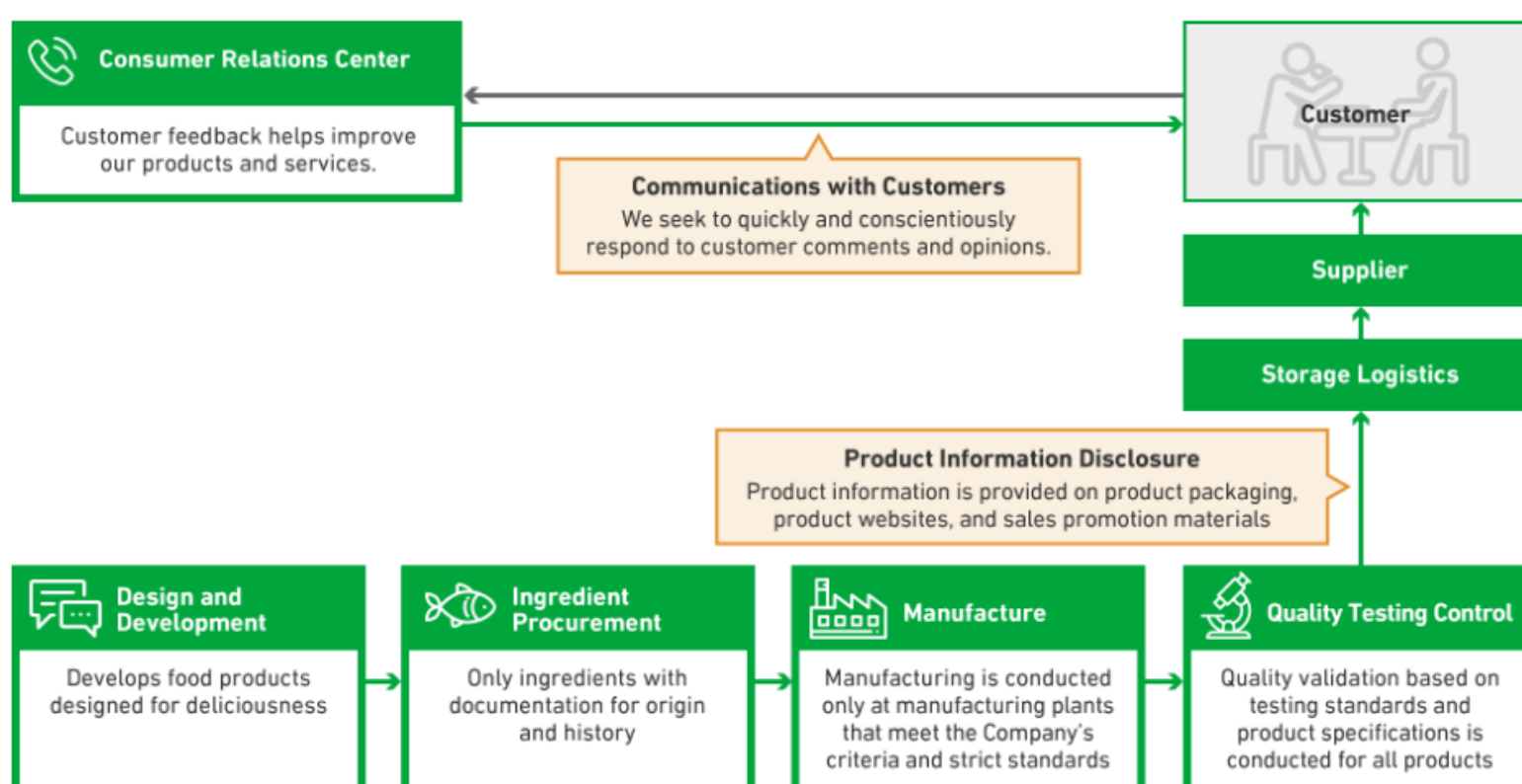
The Maruha Nichiro Group cultivates human resources with the ability to maintain and heighten the level of quality that is vital for a food company by providing training in quality, programs to build each person's knowledge and skills and raise awareness of quality issues.

In fiscal 2018, over 3,300 employees participated in seminars covering the topics of food labeling (number of seminars conducted: 16), quality control (5), food defense (12, including 3 held at factories and 9 at logistics sites), ISO (2), Food Safety System Certification (FSSC) study session (1), customer service (16), customer feedback monitoring (16), and customer satisfaction (2).

Product Safety from Factory to Customer

Maruha Nichiro applies strict internal standards at every step of preparation and delivery to ensure the safety of all products.

Product Delivery Process Chart





Design and Development

Products are created using food materials that have been verified for safety. Manufacturing processes are regulated through multiple tests in the factory to ensure food safety during manufacturing, such as during food heating and cooling conditions, and are maintained to verify that product quality meets the Group's strict standards. All products carry the quality labeling as required by law and food product packaging provides clear ingredient lists and preparation instructions for customers.

Ingredient Procurement

Only Ingredients Verified as Safe, No Exceptions

We understand that the quality of ingredients impacts the overall quality of the product and select only ingredients verified as safe and that have clear documentation for who, where, and when the item was grown or manufactured.

Manufacture

Maruha Nichiro Group Sanitation Management Standards

The Maruha Nichiro Group has created its own Sanitation Management standards based on ISO 9001, ISO 22000, FSSC 22000, Global Markets Program, related laws, and quality management standards. The Company's standards apply to its directly managed manufacturing sites, Group companies, and contracted manufacturing sites.

Food Defense

The Maruha Nichiro Group has created its own Food Defense Management Standards and implements various hazard prevention measures to prevent intentional acts to harm the food supply, such as monitoring chemical agents and foreign content and improving employee communication.

Quality Testing Controls

Ingredient Management

- Acceptance Inspection

The Company verifies supplier quality certificates and test data for all ingredients.

Process Management

- Manufacturing Management

All manufacturing equipment is supervised by managers who have received general basic instruction and specialized training. The latest testing equipment is located in close proximity to food processing sites, and all managers participate in specialized technical training to augment their managing capabilities.

- Sanitation Management

Factory workers wear special clothing, hats, masks, and shoes and must pass regulatory checks before entering workrooms as part of measures to prevent contamination from microbes and foreign substances.

- Process Inspections

Process management includes inspections specifically designed for each type of food product. The Company has an extensive system of cameras and monitors enabling centralized monitoring for defective products within each process.

Product Management

- Product Inspections

Specially appointed quality management staff confirm the quality of each final product based on inspection standards and product specifications allow only products that have passed the inspections to be shipped.



- Radioactive Substance Testing

The Company actively tracks government monitoring data and, based on the material's location of origin and processing, regularly tests ingredients to ensure our products are within the standard limits for radioactive substances stipulated by the Food Sanitation Act.

- Traceability System

All data from the acceptance, processing, and product inspections as well as shipment conditions is recorded and archived to create a fully documented history for each product. We also conduct periodic "recall drills" to be fully prepared in case a quality issue or other type of problem occurs to ensure we are always able to quickly and efficiently gather data on all processes from raw materials to final product.

Storage and Logistics

Maruha Nichiro Logistics carries out the Group's storage and logistics operations with quality control management based on the guidelines for ISO 9001 certification. The company provides comprehensive logistics services meeting client specifications at all stages from customs clearance to storage, transportation, and delivery.

Product Information Disclosure

Product Data Verification System

Maruha Nichiro has a certification system for managers to prepare product specification sheets showing specific basic information about the product, and managers that have completed a prescribed training program are authorized to prepare and review the spec sheets.

Product Data Disclosure

Maruha Nichiro makes its product data easily accessible to customers on its website, including nutritional information, manufacturing plant site and country, allergen information, and the source location of main ingredients.

Consumer-oriented Management

Basic Approach

The Maruha Nichiro Group's consumer-oriented management approach extends beyond simply creating customer satisfaction to respecting consumer rights and interests and conducting management practices centered on the consumer's perspective. In the second year of the plan, all of our employees are carrying out their jobs conscientious of the role that communication with our customers plays in fulfilling our responsibilities and in realizing our Group slogan "Bringing Delicious Delight to the World."

Medium-term Sustainability Management Plan (FY2018–2021)

Disseminate Consumer-oriented Management throughout the Company

Medium-term Goal	Cultivate corporate culture based on top commitments, facilitate organic communication between departments
Action Plan	<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 customer views

Deepen Communications with Consumers

Medium-term Goal	Improve supply and mutual exchange of information to customers
Action Plan	<ul style="list-style-type: none"> • Enhance customer service to satisfy all customers • Strengthen safety and security • Coordinate sustainable environmental activities • Coordinate food education for consumers

Declaration of Consumer-oriented Management

The fundamental mission of the Maruha Nichiro Group is to be a "Corporate group providing genuine, safe, and healthy food that society needs and contributing to flourishing lives."

As part of our fundamental mission, we endorsed the "consumer-oriented management" promoted by the Japanese Consumer Affairs Agency in 2016 and announced that our management policies would be rooted in our Declaration of Consumer-oriented Management established in March 2018.

Consumer-oriented Management includes the following.

- Management is centered on the consumer's overall perspective and protects consumer rights and aims to increase consumer interest.
- Management does its part to create a sound market and earn the trust of consumers by protecting consumer safety and fair trade and providing information needed by the consumer.
- Business activities are conducted in accordance to our social responsibility and with the intention of creating the ideal sustainable society.



We use these as principles of our Group philosophy and have incorporated them into our Declaration of Consumer-oriented Management, Group slogan and vision, and management policies to make them integral to fulfilling our medium and long-term vision to contribute to realizing a sustainable society.

Consumer-oriented Management throughout the Company

We created an internal structure specifically to promote the understanding and implementation of consumer-oriented management by all Group employees. The structure includes providing educational training related to consumer-oriented management and using the "voice of the customer" to strengthen our business activities.

In fiscal 2018, our internal training in Japan included explanatory sessions about consumer-oriented management that were attended by nearly 2,000 employees. We also added an explanation of consumer-oriented management to the Maruha Nichiro Group's Customer Service Manual that is distributed to all employees throughout the Group. In addition, we revised and improved 39 products using the "voice of the customer" during the year that will help us offer even better products and services.

Closer Communications with Consumers

We are seeking to establish even closer mutual communication with customers by providing more information on our corporate homepage. We also conduct satisfaction surveys of customers with the aim of providing even better service. To continue building consumer trust in the Company, we advance safety and security measures and offer environmental and food education events. Steps to improve our products using the "voice of the customer" are communicated to Group employees via our Website. We will continue proactively sharing information to maintain open and mutual communication with customers.

Lifelong Health Plan

Basic Approach

The Maruha Nichiro Group develops and offers food products containing functional ingredients proven to be health-promoting and products formulated to be good for the body with the aim of providing healthy options for each life stage.

Medium-term Sustainability Management Plan (FY2018–2021)

Support Customer Health throughout All Life Stages through Product Development and Supply, and Information Dissemination

Medium-term Goal	Promote communication based on the lifelong health plan and strengthen research and development
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Action Plan	<ul style="list-style-type: none"> • Drive promotional activities • Study and develop fish eating and fish-derived functional ingredients
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Medium-term Goal	Contribute to health and wellness
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Action Plan	<ul style="list-style-type: none"> • Promote healthy bodies with food with function claims, salt reduction, calcium fortification, reduced calories, countermeasures against metabolic syndrome, and bone strengthening • Promote food products that benefit mental health and tastefulness
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Physical and Mental Health

The Maruha Nichiro Group follows a Lifelong Health Plan that guides its creation of food products formulated to promote health at specific life stages. In line with the plan, the Group develops and offers products created to support physical and mental health. Examples include seafood that maintains the balance in nature and that uses functional ingredients proven to have beneficial health effects, such as the DHA present in fish that has been linked to improving heart health, as well as items that are low-salt and designed for attractiveness to individuals undergoing nursing care.

In fiscal 2018, the Group conducted "DHA Day" on June 22 promoting the health benefits of DHA in fish on Facebook and other social media and held a special seminar on DHA. The Maruha Nichiro Group will continue conducting R&D and developing technologies to help people maintain lifelong health.

Growth Opportunities

Basic Approach

The Maruha Nichiro Group follows a Company credo of "Loyal to our people, the most important asset of our company" and believes that the personal growth of our employees directly connects to the growth of the Group. We support the personal development of our employees by providing ample opportunities to apply their strengths and the initiative to take on new challenges.

Medium-term Sustainability Management Plan (FY2018–2021)

Provide Growth Opportunities

Medium-term Goal	Nurture next generation of leaders
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Action Plan	<ul style="list-style-type: none"> Initiate program for training the next generation of management personnel
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Medium-term Goal	Nurture global human resources
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Action Plan	<ul style="list-style-type: none"> Accelerate global human resource training
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Medium-term Goal	Support career development
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Action Plan	<ul style="list-style-type: none"> Renew human resource training scheme
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Cultivating Human Resources Globally

Maruha Nichiro Corporation overhauled the Maruha Nichiro Global Personnel Training Program (MGP), which provides training opportunities with the aim of cultivating employees capable of achieving success with anyone anywhere in Japan and around the world.

Thirty-four people participated in education and training programs in fiscal 2018 with courses in responding to diversity, communication skills, leadership, mental fortitude, and professionalism within specific time periods. In addition, our Overseas Training Program launched in fiscal 2014 dispatches several individuals from our Global Staff to spend one to two years gaining experience at an overseas Group company.



Overseas Training Program participants at an overseas Group company

Better Workplaces

Basic Approach

The Maruha Nichiro Group proactively implements occupational health and safety measures and believes that maintaining safe and comfortable work environments boosts productivity and employee conscientiousness. The Group Code of Conduct requires that employees vow to "environments that are supportive, convivial, and embrace diversity."

Medium-term Sustainability Management Plan (FY2018–2021)

Promote Safe and Ideal Working Conditions

Medium-term Goal	Maintain/promote safe working conditions—fewer work hours and eliminate harassment in the workplace
Action Plan	<ul style="list-style-type: none"> • Hold seminars for executives • Reduce overtime work

Preventing Long Work Hours and Harassment

Long work hours and harassment in the workplace are important management issues that can have repercussions on employees' personal well-being. The Maruha Nichiro Group maintains committees dedicated to occupational health and safety at each worksite. In addition to ensuring conformance with labor regulations, collective agreements, and other stipulations, the committees monitor actual overtime work conditions and local worksite issues and implement measures to prevent excessive work hours.

The Group actively seeks to prevent harassment in the workplace by providing a whistleblower system and harassment consultation service and conducting seminars for management and other activities to raise awareness of harassment. Maruha Nichiro Corporation additionally conducts "No Overtime Days" and offers a flextime system, both of which positively contribute to raising work efficiency.

Diversity & Work-styles

Basic Approach

The Maruha Nichiro Group recognizes diversity and inclusion as priority management issues requiring active encouragement. To promote awareness throughout the Group, in 2017 we established the Diversity Promotion Office and in March 2018 announced the Declaration of Action for Diversity and Inclusion.

Declaration of Action for Diversity and Inclusion

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

Medium-term Sustainability Management Plan (FY2018–2021)

Promote Climate Reform

Medium-term Goal	Improve awareness of diverse management and work practice reform
Action Plan	<ul style="list-style-type: none"> • Improve information and messages from management • Strengthen lateral ties between employees

Promote Women's Participation

Medium-term Goal	Improve ratio of female executives Promote re-hiring of retired female employees
Action Plan	<ul style="list-style-type: none"> • Acquire certification marks "Kurumin" and "Eruboshi (L-star)" • Hold forums

Promote Work Practice Reform

Medium-term Goal	Improve productivity Improve work-life balance Promote diverse work practices
Action Plan	<ul style="list-style-type: none"> • Create a new personnel system • Shorten work hours • Establish telecommuting

Results: Percentage of Women Taking Maternity Leave

Maruha Nichiro Corporation has a 100% participation rate for women taking maternity leave during the fiscal years from 2016 through 2018.

Childcare and Nursing Care Leave Programs and Number of Users

Program	Description	Fiscal 2018 (No. of people)
Maternity Leave Before and After Childbirth	A leave program for prenatal employee can be obtained 6 weeks before the expected date of birth (or 14 weeks for multiple pregnancies). Employee who gave birth can return to work after 8 weeks.	23
Childcare Leave	A leave program for parents (men and women) of children aged 2 or younger	21
Short-term Childcare Leave	A leave program for parents of children aged 2 or younger during which the employee receives full salary for up to 10 days	15
Paternity Childbirth Leave	A leave program for spouses of employee's giving birth during which the employee receives a full salary for up to 5 days	67 ^{*1}
Childcare Working Hour Leave	A one-day reduced working period up to 1 hour and 40 minutes for a care of a child up to fourth grade in elementary school	61 ^{*2}
Nursing Care Leave	A leave program allowing a total leave period of up to 1 year for each person requiring nursing care	1
Return to Work Program	A reemployment system to support former employees who were absent from the company due to marriage, childbirth, nursing care, spouse job transfer, career training, or other purpose with the aim of regaining the skills and experience accumulated prior to the absence along with the knowledge, experience, and network of contacts gained during their absence	— ^{*3}
Flextime System	A system of flexible daily start and end times with each employee entrusted to fulfill a specified total number of work hours for a month. The system contributes to higher productivity and the employee welfare	1,187 ^{*2}
Shortened Work Hours Program for Nursing Care	A program allowing employees to shorten their work time in 30-minute increments for up to 2 hours per day for nursing care purposes. An employee is allowed up to three years combined number of days used for shortened working hours and nursing care leave for each family member requiring nursing care	2
Short-term Nursing Care Leave	A program allowing leave of up to 5 days per year (10 days per year for an employee caring for two or more individuals) for nursing care prior to using paid vacation time	2
Post-retirement Reemployment	A program to rehire employees who have retired who fulfill certain conditions and express a desire to continue working	29 (17 men, 12 women) ^{*2*4}

Note: Scope of survey is Maruha Nichiro Corporation employees (For same program contract employees are included)

* 1. Number of partners of employees giving birth in fiscal 2018

* 2. As of April 1, 2019

* 3. Program launched in April 2019

* 4. Including employees on loan



A meeting of the Working Women Group

Healthy Business Management

Basic Approach

The Maruha Nichiro Group adopted its Health Management Declaration in March 2018 recognizing the importance of supporting the physical and mental health of all employees and that supporting employee efforts to maximize their individuality and abilities provides a positive contribution to the development of the Group.

The Group engages the Company, health insurance association, and employees in comprehensive health management activities based on the Group's corporate credo of "Loyal to our people, the most important asset of our company."

The Group contributes to society through its many business activities related to food and promoting healthy lifestyles for people around the world.

Medium-term Sustainability Management Plan (FY2018–2021)

Promote Healthy Management

Medium-term Goal	Be selected for Health and Productivity Management Promote employee health
Action Plan	<ul style="list-style-type: none"> • Strengthen health check follow-up measures • Strengthen mental health • Hold better health and cancer prevention seminars

Dedicated Organization for Comprehensive Health Management

Maruha Nichiro Corporation established the Maruha Nichiro Health Management Office in 2014 dedicated to providing comprehensive health management. The office joins with the Maruha Nichiro health insurance association to offer various programs to support and improve the physical and mental health of employees.

The office has several successful programs led by industrial doctors and health nurses in prevention of illnesses from becoming more severe, prevention of lifestyle disease, treatment consultation, and health counseling.

The Company seeks to increase understanding of mental health issues among employees through in-house seminars led by clinical psychologists as well as by having managers provide counseling at the work sites and by supporting self-care.

The Group additionally maintains counseling offices with clinical psychologists at all of its business sites and a telephone counseling service available 24 hours a day throughout the year (excluding the New Year holidays and special holidays).

These physical and mental support programs for its employees have earned the Group selection as a White 500 Company in the large enterprise category of the Certified Health and Productivity Management Organization Recognition Program for two straight years in 2017 and 2018.



Highest DBJ Health Management Rating

The Development Bank of Japan (DBJ) recognized Maruha Nichiro's "exceptional efforts to support the health of employees" and granted the company a loan based on its health management assessment rating on September 30, 2019. The DBJ Employee Health Management Rated Loan Program is the world's first loan menu that grants special lending conditions for companies assessed to have superlative management of employee health and welfare. The DBJ commended the Company's disclosure of its Health Management Declaration, the transparency of its organizational structure, and the use of DHA to support and promote the health of its employees.



Human Rights Awareness

Basic Approach

The Maruha Nichiro Group recognizes the rights of every individual and conducts activities to deepen the understanding and respect the fundamental human rights for all people.

Medium-term Sustainability Management Plan (FY2018–2021)

Promote a Proactive Approach to Human Rights

Medium-term Goal	Based on proper understanding of human rights issues, foster a corporate climate of respect for everyone — zero tolerance for discrimination
Action Plan	<ul style="list-style-type: none"> Promote activities to support human rights awareness Hold in-house seminars on human rights awareness

Maruha Nichiro Organization Structure for Promotion of Human Rights Awareness



Human Rights Awareness Training for Managers

Maruha Nichiro Corporation's in-house human rights awareness training added sessions for management about LGBT issues and sexual harassment in fiscal 2017. Supporting awareness and a clear understanding of LGBT issues is part of our effort to create a corporate culture that respects the rights of all individuals and does not tolerate discrimination or harassment.



Human Rights Awareness Training



Fiscal 2018 Human Rights Awareness Training

- 19 sessions
- 256 participants (Directors and managers)

Note: The training is provided to employees of Maruha Nichiro Corporation

Value for Business Partners

Basic Approach

Creating a stable and sustainable business requires that management to be aware of and addresses the social issues of environmental protection, human rights, and labor safety in our supply chain. The Maruha Nichiro Group has established the Maruha Nichiro Group Basic Procurement Policy and the Maruha Nichiro Group Supplier Guidelines and requires all of its business partners to comply with our practices.

Medium-term Sustainability Management Plan (FY2018–2021)

Build a CSR-oriented Supply Chain

Medium-term Goal	Implement CSR-oriented supply chain management based on the Basic Policies of Procurement, Supplier Guidelines, and the Declaration of Anti-corruption.
Action Plan	<ul style="list-style-type: none"> • Raise awareness among suppliers of the Basic Policies of Procurement, Supplier Guidelines, and Declaration of Anti-corruption • Monitor suppliers

Sustainable Procurement: Constructing Supply Chain from a CSR perspective

The Maruha Nichiro Group Basic Procurement Policy and the Maruha Nichiro Group Supplier Guidelines

Our Group Code of Conduct follows the definitions of social responsibility in areas including human rights, labor practices, the environment, and anti-corruption in the Ten Principles of the United Nations Global Compact and the seven core subjects of the ISO 26000 international standard for social responsibility.

The Maruha Nichiro Group Basic Procurement Policy and the Maruha Nichiro Group Supplier Guidelines were both formulated in line with our Group Action Guidelines.

The Maruha Nichiro Group has constructed a supply chain in which the Group and its business partners engage in honest business activities and fulfill our social responsibilities in our procurement practices.

Management Structure

The Maruha Nichiro Group's various businesses encompass a broad-ranging supply chain, and each business division is responsible for the selection of raw materials, manufactured materials, products, and other items used in its business activities. To ensure all Group companies fulfill our social responsibility, the Maruha Nichiro Group's supply chain management has constructed a supply chain and conducts its procurement activities based on the principles in the Basic Procurement Policy and the Supply Chain Guidelines established by the Procurement Department in fiscal 2017.

Case Study: Approach of Kingfisher Holdings

Kingfisher Holdings, a group company firm in Thailand that manufactures and sells frozen and retort-packaged foods, has diligently enhanced its supply chain management while emphasizing transparency and visualization. In 2014, Kingfisher became the first company in Thailand to receive the International Fishmeal & Fish Oil Organization (IFFO) Good Manufacturing Practices Chain of Custody (GMP+CoC). The company further reinforced its operating practices in 2016 by bringing all primary processing of seafood in-house and establishing a Responsible Sourcing Policy for all suppliers. The company also revised its internal Supplier Code of Practice, which details its policies for respecting human rights, health and safety, environmental protection, and operating transparency, and only conducts business with companies that comply with these policies. Kingfisher verifies compliance with regularly scheduled sustainability audits.



In 2016, Kingfisher became a founding member of the Seafood Task Force of seafood processors, retailers in Europe and the United States, and the Government of Thailand, and is a leader of activities to resolve supply chain issues throughout Thailand.

Kingfisher Holdings completely renovated its website in 2018, where it provides reports on supply chain management and provides continuous information disclosure.

Maruha Nichiro Communications with Business Partners

Maruha Nichiro Corporation has established regional seafood industry associations of seafood wholesalers across Japan with the objectives of promoting smooth seafood distribution and ensuring a stable supply of safe and secure seafood. As of March 2019, association membership numbered 147 companies, most of which are operators at Japan's seafood wholesale markets.

The Company and the association members are dedicated to providing fresh and safe fish to an ever growing number of customers, providing information to promote healthy diets and the consumption of fish, and ensuring accurate product information.



President Ito presenting at a regular general meeting of the seafood industry association

Value for Communities & Society

Basic Approach

The Maruha Nichiro Group contributes to society in various ways to build positive, mutually beneficial relationships with local communities.

Medium-term Sustainability Management Plan (FY2018–2021)

Food Education Activities

Medium-term Goal	Convey the importance of food and contribute to wellbeing of everyone
Action Plan	<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 fishery resources

Environmental Activities

Medium-term Goal	Protect the natural environment for the future
Action Plan	<ul style="list-style-type: none"> • Participate in environmental conservation activities of regional communities where offices are located • Spread the use of sustainable environmental resources

Regional Contribution Activities

Medium-term Goal	Contribute to the growth of regional communities
Action Plan	<ul style="list-style-type: none"> • Help pass on regional cultures to new generations communities where offices are located • Communicate with regional communities • Create opportunities that convey the value of manufacturing

Food Education Activities

Case Study: Fish for Kids Presented

Peter Pan Seafoods (PPSF), which is the Maruha Nichiro Group's largest harvester of Alaskan sockeye salmon, conducts Fish for Kids programs to teach local people preparation methods that bring out the salmon's full flavor.

The program was launched in 2007 to introduce to schools alternative preparation methods to the breaded salmon or fried farmed salmon that was being offered on school menus. Local salmon fishermen catch and filet salmon and donate the fish for use in school meals. The student response to the new lunch offerings was so positive that PPSF expanded the program to include senior care facilities and kindergartens.



Peter Pan Seafoods employees

Environmental Activities

Case Study: Eelgrass Seed Gathering and Restoration Event

The Maruha Nichiro Group in Japan has participated an eelgrass restoration project aimed at improving the water quality and supporting the ocean habitat in Tokyo Bay.

Eelgrass is an aquatic plant that grows on shallow muddy ocean floors about a few meters deep and that provides a protective fish egg and nursery habitat for fish and underwater flora and fauna by slowing ocean currents and providing hiding places from predators. It also helps balance the nutrients in the seawater by absorbing detrimental excesses of phosphorous and nitrogen.

The Maruha Nichiro Group in Japan held an eelgrass seed-gathering event in early June 2018. Led by the NPO Association for Shore Environment Creation, 116 Maruha Nichiro employees and family members helped gather 1,400 seed stalks.

Over 100 participants were again expected to join in another seed gathering event planned for June 2019, but unfortunately it had to be cancelled due to heavy rains. We are looking forward to holding more events in the future.

In 2016, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) selected the Company to be part of its Tokyo Bay UMI Project to improve the bay environment.



Collecting seeds at the eelgrass restoration event





Activities to Contribute to Local Communities

Case Study: Food Bank Donations

The Maruha Nichiro Group has been supporting the food bank efforts of Second Harvest Japan since 2009. Food banks collect safe food products that for whatever reason have been unable to be delivered and supplies the items free of charge to people in need. The Group's activities include contributing to efforts to improve social welfare as well as to reduce the amount of food waste.

In the United States, where the food bank movement originated, the four Maruha Nichiro Group companies in North America donate to food banks through organizations like SeaShare in state of Washington. These organizations take unintentionally caught fish which were required by law to be thrown back into the sea, process them into safe food products, and deliver them to food banks. The organizations also collect other safe and usable food items, such as undeliverable canned foods, and provide them to food banks.

For more information about the activities of Second Harvest Japan, please visit their homepage at <https://2hj.org/english/>

Environmental Value

Environmental Value	
● Management Approach -----	P41
● Climate Change -----	P44
● Recycling -----	P46
● Marine Resources -----	P48

Management Approach

Basic Approach

At the Maruha Nichiro Group, we are aware that our business is made possible by the bountiful blessings of nature. We promote various initiatives to build a business model that will allow us to co-exist in harmony with the global environment.

Established in March 2018, our Medium to Long-term Sustainability Management Plan sets forth the three main objectives of combatting climate change, building a recycling-oriented society, and conserving marine resources.

Environmental Policy

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

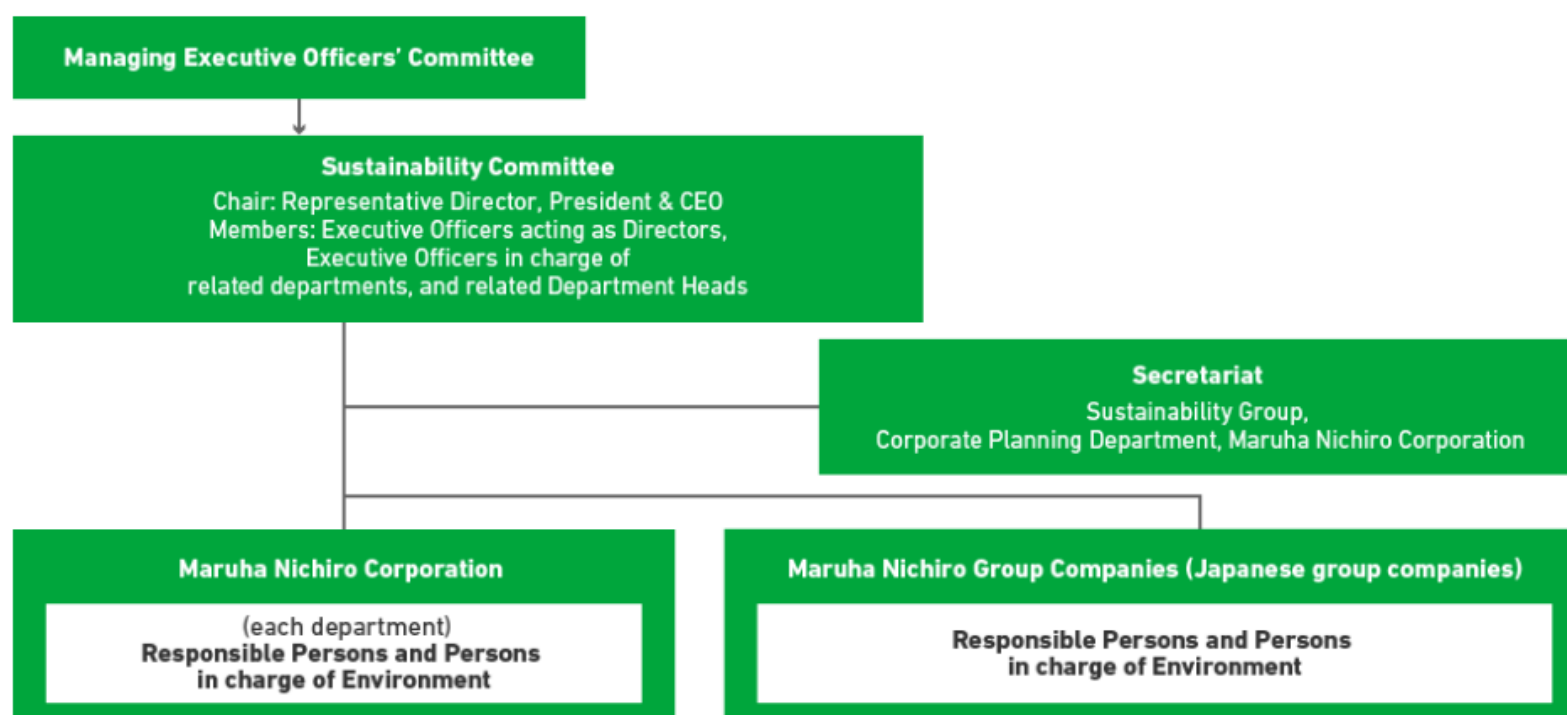
1. We will use sustainable resources effectively and work to minimize our environmental impact and mitigate climate change.
2. We will actively engage in environmental conservation efforts, taking biodiversity into consideration.
3. We will provide environmentally friendly products and services.
4. We 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

Environmental Management Structure at the Maruha Nichiro Group

In fiscal 2018, the Maruha Nichiro Group established a new Sustainability Promotion Committee. This committee puts together the general plans for the Group's environmental management, establishes goals, and evaluates the activities of group companies. It also assigns environmental officers and environmental managers at group companies who work on environmental activities tailored to the characteristics of each company's business.

Maruha Nichiro Group Environmental Management Structure



Management Situation

ISO 14001 Certification Status

The Maruha Nichiro Group has obtained ISO 14001 certification, the international standard for environmental management systems, at our production factories in Japan and other countries. As of April 2019, we have obtained this certification at eight companies.

Maruha Nichiro Group Companies with ISO 14001 Certification (as of April 1, 2019)

Company name	Workplaces
Zhejiang Industrial Group Co., Ltd.	-
Southeast Asian Packaging & Canning Ltd.	-
Maruha Nichiro Corporation	Head Office (Production Management Department), Foods & Fine Chemicals Department (Mori, Utsunomiya), Yu-bari Plant, Shin-Ishinomaki Plant, Oh-e Plant, Shirataka Plant, Gunma Plant, Utsunomiya Plant, Hiroshima Plant, Shimonoseki Plant
Maruha Nichiro Yamagata Co., Ltd.	-
Maruha Nichiro Kyushu, Inc.	-
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-Matsukawa Plant
Maruha Nichiro Kitanippon, Inc.	Production Management Department, Furano Plant, Kushiro Plant, Mori Plant, Aomori Plant

Environmental Audits

At the Maruha Nichiro Group, our Corporate Planning Department has been conducting environmental audits at our companies in Japan since fiscal 2016 to check the status of compliance with environmental laws and ordinances at each company in more detail. In fiscal 2018, these audits were conducted at 33 locations.

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 hold regular briefings for our employees to educate them about environmental laws and ordinances. In fiscal 2018 and 2019, we held a legal briefing for those in charge of waste disposal within the Group.

Number of Participants in Fiscal 2018 Environmental Briefings

- Briefing on Waste Disposal Law (Basics)—76
- Briefing on Waste Disposal Law (Application)—40
- Briefing on Waste Disposal Law (On-site Confirmation)—20

Climate Change

Basic Approach

The Maruha Nichiro Group's business is built upon an independent value chain encompassing everything from procurement to production, processing, and sales. The risks posed by global warming on our business activities include shifting of fishing grounds for our marine products, shifting of production areas for our agricultural products, and depletion of marine resources resulting from ecological destruction. On the other hand, we believe that strategically addressing these kinds of risks will lead to new business opportunities.

Medium-term Sustainability Management Plan (FY2018–2021)

Reduce CO₂ Emissions

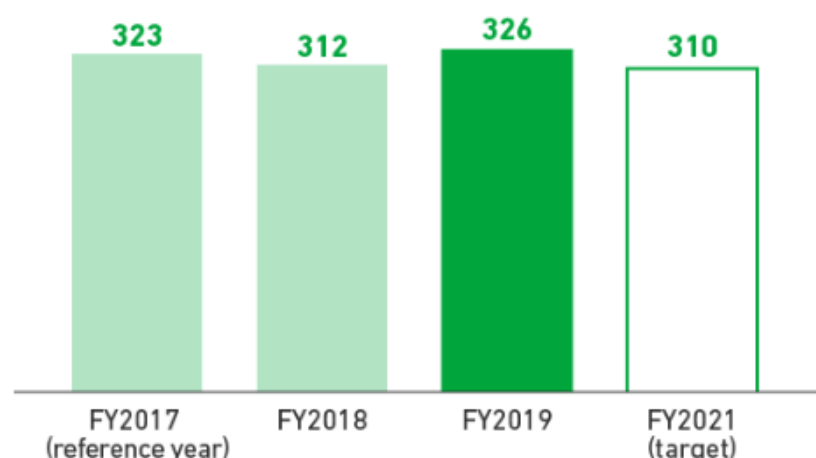
Medium-term Goal	Reduce CO ₂ emissions per unit of sales by more than 4% from 2017 to 2021
Action Plan	<ul style="list-style-type: none"> • Enhance energy-saving facilities • Improve energy efficiency • Switch to non-CFC freezers • Reduce electrical usage • Reduce heavy oil and gas usage

Results: CO₂ Emissions

In our Medium-term Sustainable Management Plan launched in fiscal 2018, the Maruha Nichiro Group set forth the objective of reducing CO₂ emissions as a measure against global warming. We established a numerical target of reducing CO₂ emissions per unit sales by at least 4% compared to fiscal 2017 by fiscal 2021 and have implemented efforts to achieve that target. In fiscal 2018, reduction targets were established at each company, and we worked on introducing equipment such as high-efficiency boilers and high-efficiency refrigerators as well as eco-friendly cars and LED lighting. As a result, we brought the overall CO₂ emissions of the domestic group down to 304 tons/billion yen, a 19 tons/billion yen (5.9%) reduction compared to fiscal 2017.

CO₂ Emissions Target and Progress

Emissions per unit of sales (t/billion yen)



*Scope of survey is group companies in Japan

Switching to Non-CFC Freezers

Case Study: Switching to Natural Refrigerant in Refrigeration Equipment for Spiral Freezer

The refrigeration equipment for the spiral freezer on the hamburger steak and nursing care food line at the Sapporo Plant of Nichiro Chikusan, our meat processing group company, was updated in fiscal 2018 to a non-CFC type that uses ammonia and CO₂. This project was selected as a "Project for Accelerated Introduction of Energy-saving Equipment Using Natural Refrigerant for the Early Realization of a Fluorocarbon-free, Low-carbon Society" by the Ministry of the Environment. It is expected to result in an annual reduction of 464 tons of CO₂ emissions.



Non-CFC freezer

Other Efforts

Case Study: Promoting Carbon-neutral Activities

Austral Fisheries in Australia has obtained carbon neutral* certification and is promoting a tree-planting program in the wheat belt of Western Australia as a part of that effort. This carbon neutral undertaking is positioned as a further step toward stable supply of marine resources. Products are marked with the CN fish brand logo, and the company is working to expand sales of environmentally friendly products.

*Carbon neutral: Refers to business activities that release net zero CO₂ emissions into the atmosphere by offsetting the total amount of emissions through the implementation of measures that reduce CO₂ in the atmosphere by the same amount.



Recycling

Basic Approach

At the Maruha Nichiro Group, marine resources are the lifeblood of our business activities. As such, we believe that we have the important responsibility of minimizing the environmental impact of our business activities and promoting environmental management with a view to building a recycling-oriented society. Moreover, we recognize that the risk of resource depletion could lead to shrinking or shutdown of our business, so we also see addressing this issue as an opportunity to enhance the commercial advantages of the Maruha Nichiro Group.

Medium-term Sustainability Management Plan (FY2018–2021)

Reduce Waste and Improve Recycling Rates

Medium-term Goal Reduce the volume of waste per unit of sales by more than 4% from 2017 to 2021
Aim for 99% waste recycling rate by 2021

Action Plan

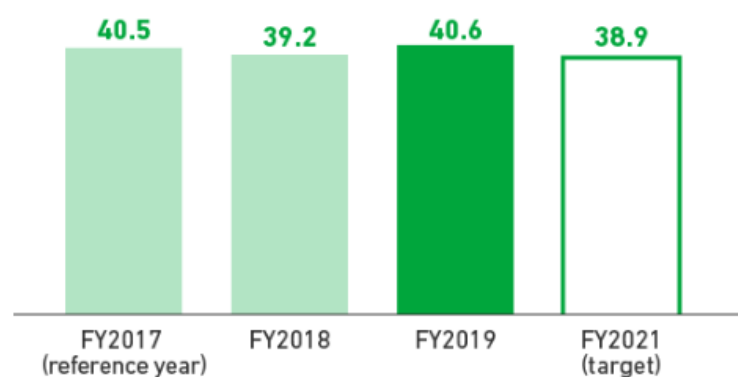
- Reduce manufacturing problems
- Reduce waste of raw materials, resources and products
- Turn waste into valuable resources

Results: Reduction of Waste

Led by our companies with factories, the Maruha Nichiro Group engaged in efforts to minimize product defects through process improvements, reduce waste produced by equipment through enhanced maintenance, and promote recycling. As a result, the total amount of waste emissions by the Group was lowered to 39.0 tons/billion yen in fiscal 2018. This represented a 1.2 tons/billion yen (3.1%) reduction compared to fiscal 2017. Furthermore, the waste recycling rate rose to 94.6%, a 0.1 percentage point improvement over the previous year (94.5%).

Waste Emissions Targets and Progress

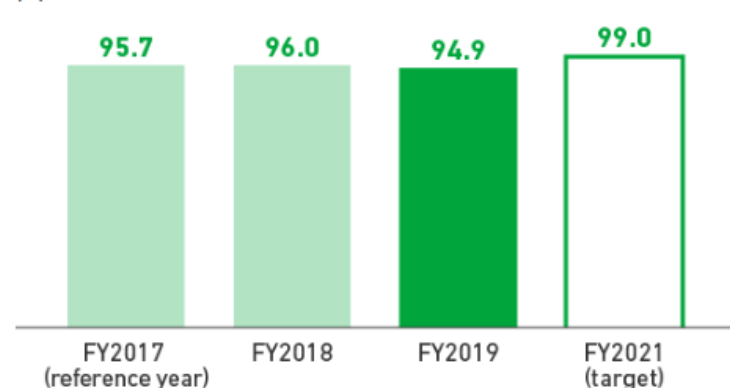
Waste emissions per unit of sales (t/billion yen)



*Scope of survey is group companies in Japan

Waste Recycling Rate Target and Progress

(%)



*Scope of survey is group companies in Japan

Reducing Waste from Raw Materials, General Materials, and Products and Converting Waste into Recyclable Materials

Case Study: Effective Utilization of Biogas power Generation

In fiscal 2013, the Maruha Nichiro Shimonoseki Plant installed biogas power generation equipment to make effective use of food waste such as waste syrup and food residue as biofuel. Being able to process this waste into biofuel has substantially reduced the amount of waste discharged by the factory. In fiscal 2018, the total amount of waste reduction came to 870 tons. We will continue to work on reducing waste.



Biogas power generation equipment at Shimonoseki Plant

Marine Resources

Basic Approach

The Maruha Nichiro Group has a history rooted in the sea and spanning over 130 years. Precious natural resources and the natural life force of the sea have supported our growth. We will contribute to a sustainable global environment and society through our business activities to ensure our continued growth.

Medium-term Sustainability Management Plan (FY2018–2021)

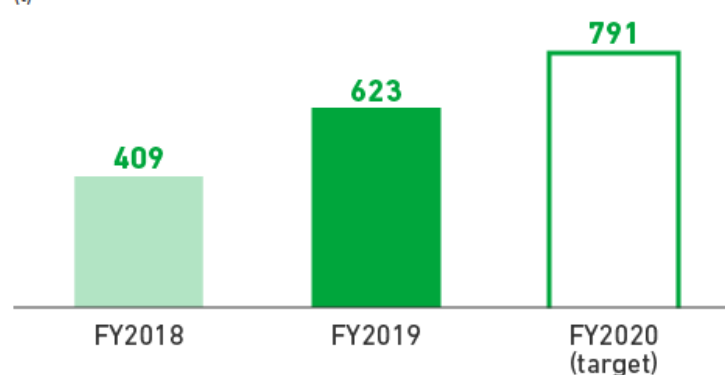
Promote Sustainable Use of Fishery Resources

Medium-term Goal	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
Action Plan	<ul style="list-style-type: none"> Promote the use of marine products obtained through sustainable fishing/aquafarming certificates (MSC/ASC) Promote acquisition of sustainable aquafarming certificates Implement a stricter verifications of imported fishery product traceability Promote dialogue in Japan and abroad Increase production of egg-to-harvest bluefin tuna Strengthen R&D systems for aquafarming technologies

Increased Production of Egg-to-harvest Bluefin Tuna

Aquafarm Co., Ltd. (Oita, Japan), an aquaculture farm specializing in artificial cultivation of bluefin tuna, reached full-fledged operation and shipments in fiscal 2019. The company increased its production volume from 409 tons in fiscal 2018 to 608 tons in fiscal 2019.

Trend in Egg-to-harvest Bluefin Tuna Shipment Volume
(t)



*Scope of survey is group companies in Japan

Egg-to-harvest Bluefin Tuna and First Shipment to Europe

In fiscal 2018, the Maruha Nichiro Group acquired Hazard Analysis Critical Control Point (HACCP) certification, which is required for exporting to the EU, at our aquaculture farms and processing plants. Our first shipment of egg-to-harvest bluefin tuna to the UK was made in February 2019. We are expanding shipments of egg-to-harvest bluefin tuna in response to growing overseas demand. This is a result of the lifting of tariffs on exports to the EU in conjunction with the Agreement between the European Union and Japan for an Economic Partnership on top of European exports becoming possible after previous concern over parasites.

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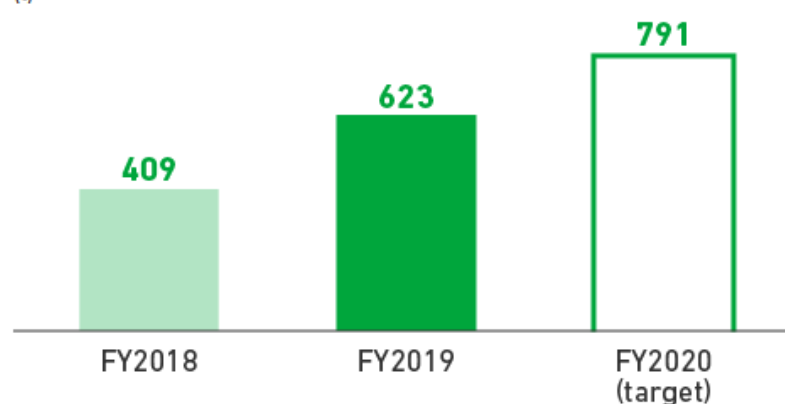
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Medium-term Goal	Promote certification acquisition for sustainable fishing and farming Strengthen efforts to abolish illegal, unreported, and unregulated fishing (IUU) Expand egg-to-harvest business Promote eco-friendly farming technology
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External Assessments

Outstanding Health and Productivity Management Organization (White 500)

The Ministry of Economy, Trade and Industry recognized Maruha Nichiro as offering outstanding health management with selection as a "White 500" company of the Certified Health and Productivity Management Organization Outstanding Recognition Program. Maruha Nichiro was first selected as a White 500 company in February 2018 and was reconfirmed for a second straight year in February 2019.



Kurumin Certification Recognizing Corporate Support for Employees Raising Children

The Ministry of Health, Labor and Welfare (MHLW) recognized Maruha Nichiro as a company that supports employees raising children with "Kurumin Certification" in August 2018. The Kurumin certification program was created under the General Employers Action Plan of the Act on Advancement of Measures to Support Raising Next-Generation. The MHLW provides Kurumin certification to companies that meet the childcare support standards specified in the action plan.



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.



Highest DBJ Health Management Rating

The Development Bank of Japan (DBJ) recognized Maruha Nichiro's "exceptional efforts to support the health of employees" and granted the company a loan based on its health management assessment rating on September 30, 2019. The DBJ Employee Health Management Rated Loan Program is the world's first loan menu that grants special lending conditions for companies assessed to have superlative management of employee health and welfare. The DBJ commended the Company's disclosure of its Health Management Declaration, the transparency of its organizational structure, and the use of DHA to support and promote the health of its employees.



Selection to the SNAM Sustainability Index

Sompo Japan Nipponkoa Asset Management (SNAM) selected Maruha Nichiro as a constituent of the SNAM Sustainability Index in June 2019. SNAM Sustainable Asset Management uses the index for pension funds and institutional investors seeking to invest in a wide range of companies with high environmental, social, and governance (ESG) assessments. SNAM evaluates companies for long-term corporate value by identifying hidden risks and management quality not evident in financial statements, and uses the index as an asset management product for long-term investors seeking to build their asset portfolios.



Selected as Partner Company in the Bay Renaissance Project

The Ministry of Land, Infrastructure, Transport and Tourism selected Maruha Nichiro 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 an annual event to promote the growth of eelgrass, which absorbs carbon dioxide and cleans the seawater, helping to promote the renaissance of the sea life in Tokyo Bay.



Disclosure Policy

Report Profile

Basic Approach

The Sustainability Report (Internet version) reports on the targets for FY2021 and the main initiatives, events, and changes in FY2018 in accordance with the main objectives of the Medium-term Sustainability Management Plan (FY2018 to FY2021) that was started from April 2018. This plan is our framework for sustainability management. We are also endeavoring to disclose quantitative data, and we will work to strengthen sustainability management and expand the scope of disclosure.

This report has been disclosed in accordance with the core requirements of the GRI Sustainability Reporting Standards* that share global guidelines on sustainability information disclosure. The purpose of this is to communicate to a wide range of stakeholders on the sustainability initiatives of the Maruha Nichiro Group in a manner that is easy to understand and that ensures the certainty, transparency, and inclusiveness of information.

*Guidelines issued by the NPO GRI (Global Reporting Initiative) that have become the global standard for sustainability reporting. Please refer to the GRI Content Index for the main objectives and GRI requirements.

Reference Guidelines and Indicators

- GRI Sustainability Reporting Standards
- ISO26000 Guidance on Social Responsibility
- Ten Principles of the UN Global Compact
- Sustainable Development Goals (SDGs).

Period of the Report

FY2018 (April 2018 to March 2019)

*Some information is from April 2019 and afterwards.

Organizations being reported on

76 companies subject to consolidation in the Maruha Nichiro Group

*Some organizations may not be included in the scope depending on the contents of the report. There will be a note if there are limits on the scope.

Disclaimer

None of the contents included in this report media have been produced for the purpose of encouraging investment. We ask that users make investment-related decisions based on their own responsibility. In addition to past and current facts, information in this report also includes plans, forward-looking statements, and strategies based on information that is currently available. These statements are subject to risks and uncertainties relating to the economic climate, market trends and changes to tax and legal systems. Accordingly, please be aware that actual results released in the future could vary due to various factors.