

The cover design incorporates scenes showing the vast diversity of lively, active ocean-dwelling creatures that are the foundation of Nissui's operations. It expresses Nissui's determination to protect biodiversity and maintain a sustainable marine environment that will bequeath an ocean brimming with life to future generations.



# SUSTAINABILITY REPORT 2019

Issued September 2019  
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# Top Message

The Nissui Group contributes to the healthy lives of people across the world through preservation of marine environments, and sustainable use of marine resources.

With the adoption of the Sustainable Development Goals (SDGs) by the UN in 2015, and the entry into force of the Paris Agreement in 2016, the world has accelerated its push to solve social issues. We at the Nissui Group are engaged in global business, so we must tackle these goals and issues head-on.

To solve the three key issues specified together with our CSR Action Declaration in 2016, our Mid-Term Business Plan from 2018, MVIP + (Plus) 2020, sets out our aim of leveraging our unique technologies and utilizing marine resources in a sustainable way to help people be healthy around the world, and we are currently working to solve social issues through business.

Recently, a need has also arisen to shift to a sustainable, recycling-oriented society, as exemplified by plastic resource recycling becoming an issue on a global scale. For the Nissui Group, whose business is based on enjoying the bounty of the sea, the ocean is the foundation of our business, and in February 2019 we established a council to consider the marine environment and the use of plastics. Here we will be examining zero emissions of marine plastics and the 3Rs+R (reduce, reuse, and recycle + renewables) for plastic resources.

Solving social issues is not something that can be achieved by the Nissui Group alone. It is crucial to collaborate with NGOs, NPOs, governmental agencies of various countries, and companies inside and outside Japan. Through steps like participation in the Seafood Business for Ocean Stewardship (SeaBOS), we will deepen communication with various involved organizations and groups, ensure integration of issues into our business strategies, and disclose information to all our stakeholders, including data on our progress.

In February 2019, we were the first business in the fishery, agriculture and forestry industry to be chosen among the 2019 Health & Productivity Stock Selection. As a company where diverse human resources strive to solve social problems, we will continue to promote work style reform, and work hard so we can grow every day—from yesterday to today, from today to tomorrow, and from tomorrow to the day after tomorrow.



*Akiyo Matono*  
**Akiyo Matono**  
 Representative Board Member,  
 President & CEO  
 Nippon Suisan Kaisha, Ltd.

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## The Nissui Group's CSR Initiatives

# Nissui Group Businesses and CSR

We conduct CSR-driven management to help solve social issues, based on the “five genes” carried forward since the company's foundation.

Our Basic Management Policy and CSR Action Declaration are based upon our Founding Philosophy, and through these we create diverse value from marine products and other resources, and strive to solve social issues through business.

### Founding Philosophy

Water is to the water service what marine resources are to the production and supply of marine products.

### Basic Management Policy

We will champion the sustainable utilization of marine resources and the preservation of the earth's environment, continue to create diverse values from resources including marine resources and provide individual consumers with safe and high-quality products, thus helping them to maintain a fit and healthy lifestyle.

### CSR Action Declaration

The Nissui Group will appreciate the earth and the sea, and create diverse forms of value from the “five genes” (sense of mission, innovation, hands-on approach, global mindset, and commitment to customers) inherited since its foundation and try to solve social issues through its business activities.

#### For the customer

- We provide safe and secure, high-quality products which are valuable for customers.
- We utilize the bounty of the sea and provide the delights of food and a rich and healthy life through innovation.

#### For the employee

- We act in accordance with the norms of the society with sound ethics and aim to build a socially trusted company.
- We respect diverse values and individualities, and achieve growth through teamwork by learning from others.

#### For the business partner

- We maintain fair and transparent business relationships with all of our business partners.
- We try to build mutually trusting relationships with business partners and seek a sustainable society with them.

#### For the environment

- We work hard to reduce environmental impact and preserve natural environment and biodiversity.
- We recognize that our business relies on the bounty of the earth and the sea, and work hard to utilize resources in a sustainable manner.

#### For the shareholder

- We operate in a transparent manner and improve disclosure of information.
- We try to enhance corporate value and continue a proper distribution of profit to the shareholders through stable business growth.

#### For society

- We work hard to develop local society and cultivate the next generation through the knowledge and the technology of the Nissui Group.
- We respect diverse cultures and customs in the world and try to contribute to keeping the local society alive with the development of our business.

## Company Overview (As of March 31, 2019)

<b>Company Name</b>	Nippon Suisan Kaisha, Ltd.	<b>Main Businesses</b>	Marine Products Business: Fishery, aquaculture, purchasing, processing and sales of marine products (fresh fish, frozen fish, fish oil and fish meal)
<b>Head Office</b>	Nishi-Shimbashi Square, 1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo, 105-8676 Japan		Food Products Business: Development, manufacture and sales of frozen foods, shelf-stable foods, and other processed foods (seafood sausage and ham, surimi-based products, chilled foods and seasonings)
<b>Founded</b>	1911		Fine Chemicals Business: Manufacture and sales of general pharmaceuticals, pharmaceutical ingredients and health foods
<b>Established</b>	1943		Logistics Business: Frozen and refrigerated storage, transport of frozen and refrigerated freight
<b>Capital</b>	30,685 million yen	<b>Employees</b>	1,203 (non-consolidated) 9,065 (consolidated)

### Editorial Policy

<b>Editorial Policy</b>	This report is published to provide information on the CSR initiatives of Nippon Suisan Kaisha, Ltd. to its stakeholders.
<b>Report period</b>	This report mainly covers activities conducted from April 1, 2018, to March 31, 2019. However, when appropriate, there may be exceptions to this general rule, as when citing past circumstances and data or recent examples.
<b>Report boundary</b>	This report covers Nippon Suisan Kaisha, Ltd., (non-consolidated) and consolidated subsidiaries and certain other Group companies in Japan and overseas. Environmental data provides total figures for Nippon Suisan Kaisha, Ltd. and its 24 consolidated subsidiaries in Japan, and total figures for 9 major companies overseas (i.e., the scope of the report on activities to reduce environmental impact).
<b>Referenced guidelines</b>	Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016; Ministry of the Environment Environmental Reporting Guidelines (2018)
<b>Contact information for the organization publishing this report</b>	CSR Section, CSR Department, Nippon Suisan Kaisha, Ltd. Nishi-Shimbashi Square, 1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo, 105-8676 Japan Telephone: +81-3-6206-7079 Fax: +81-3-6206-7080 Email: csr@nissui.co.jp

The Nissui Sustainability Report 2019 is also available on Nissui's website.

Japanese page: <https://nissui.disclosure.site/ja/themes/121>  
 English page: <https://nissui.disclosure.site/en/themes/121>

# The Mid-Term Business Plan, MVIP + (Plus) 2020, and Key Issues Facing the Nissui Group

The Nissui Group established its Mid-Term Business Plan, MVIP + (Plus) 2020, with goals to achieve by fiscal 2020. We will leverage our unique technologies and utilize marine resources in a sustainable way to help people be healthy around the world.

## Mid-Term Business Plan, MVIP + (Plus) 2020

MVIP+2020

**Make Value through Innovative Plan**

Creating value through innovation

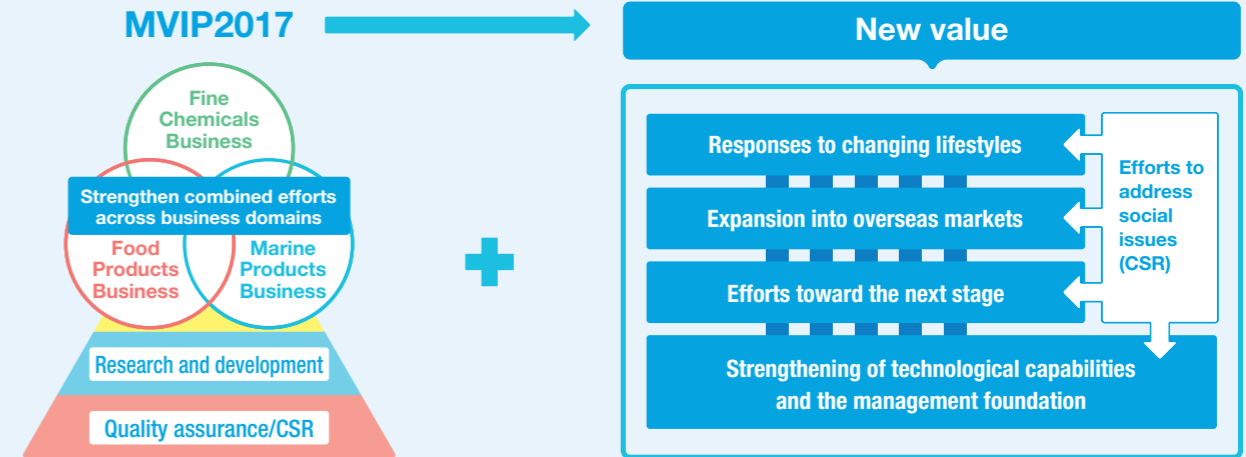
**Most Valuable Impressive Player**

Stimulating value for individuals and companies throughout society

The ideas behind the Mid-Term Business Plan

**Helping people across the world stay healthy through the utilization of sustainable marine resources**  
Aiming to become a manufacturer that creates value by leveraging unique technologies

## Main Strategies in the Mid-Term Business Plan



In the Mid-Term Business Plan, MVIP + (Plus) 2020, we follow in the footsteps of MVIP 2017 while further improving CSR management. We will strive not only to increase sales and income, but also to strengthen efforts to address social issues through business, and thereby accelerate growth and improve corporate value.

### Connections between the Nissui Group's key issues and the SDGs

To further evolve CSR-driven management, we investigated and examined important matters for the Nissui Group's business and stakeholders, and in 2016 identified three key issues. While reaffirming the connections between the Sustainable Development Goals (SDGs), adopted by the UN in 2015, and the Nissui Group's key issues and priority themes, we will strive to address key issues with an awareness of achieving the SDGs.

Key Issues	Priority Themes	Page	14 LIFE BELOW WATER	13 CLIMATE ACTION	6 CLEAN WATER AND SANITATION	11 SUSTAINABLE CITIES AND COMMUNITIES	15 LIFE ON LAND	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	3 GOOD HEALTH AND WELL-BEING	2 ZERO HUNGER	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	17 PARTNERSHIPS FOR THE GOALS
<b>Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement</b> Social issues to be addressed • Marine environment • Sustainability of marine resources • CSR procurement	Preservation of Marine Environments	P18, P19	14.1	13.1	6.6		15.1						17.17
	Marine Plastics	P18	14.1		6.3	11.6		12.5					17.17
	Sustainability of Marine Resources	P16, P17, P20, P21	14.2, 14.4		6.3							8.9	17.16, 17.17
	Biodiversity Preservation	P19	14.1	13.1									17.17
	CSR Procurement	P12						12.2				8.7	
	Environmental Management	—		13.2, 13.3	6.3	11.6		12.5					
	Reducing Environmental Impact	P14, P15		13.2	6.3	11.6		12.5					
<b>Contribute to a healthy lifestyle with food safety and security</b> Social issues to be addressed • Health • R&D, innovation • Quality • Food loss and waste	Research and Development to Enrich Lives	P11							3.d	2.2			
	Concepts and Systems of Safety and Security	—											
	Initiatives to Ensure Safety and Security	—											
	Food Loss and Waste	P10						12.3, 12.8					17.17
<b>Aim to be a company where diverse human resources play an important role to address the social agenda</b> Social issues to be addressed • Diversity • Training and development	Diversity	P13									5.1	8.2	
	Work Style Reform	P13									5.b	8.2	
	Women's Empowerment	P13									5.1, 5.5	8.2	
	Employment of Seniors, People with Disabilities, and Foreign Nationals	—										8.8	
	Training and Development/Labor Safety	—										8.5	
	Employee Health	P6, P7											
<b>Other issues to be addressed</b>	Governance	—									5.1		
	Social Contribution	P11	14.a							2.1			17.17

\*Numbers in the table are target numbers of the SDGs.

# Our Vision for 2030



## 2030 Goals for CSR Key Issues

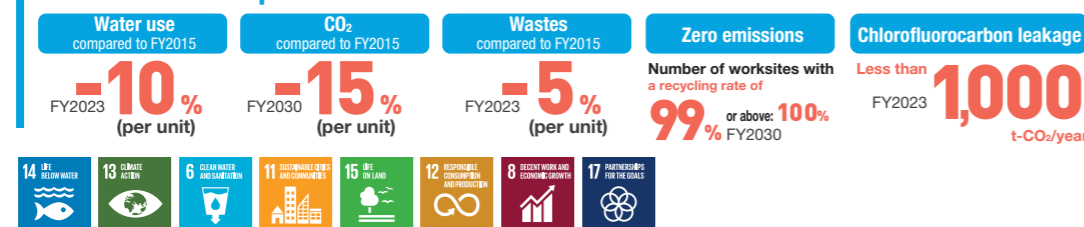
Three key issues serve as the foundation of CSR in the Nissui Group. As a global corporation, we are expected by society to have an international perspective and long-term commitment to these issues. Thus, in advancing each of our initiatives, we established connections with the targets for achieving global sustainability indicated in the SDGs, and we have made this a major driving force of our efforts. We have set goals to be achieved by 2030—in line with the target year of the SDGs—for each issue, and we have formulated action plans to achieve these objectives.

### Key Issue

Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement

#### Our Vision for 2030

- Marine Resources**
  - Marine products procured by the Nissui Group are sustainable
- CSR Procurement**
  - Procurement in the Nissui Group is based on the CSR Basic Procurement Policy
- Reducing Environmental Impact**
  - Medium- to long-term goals for the Nissui Group in Japan have been achieved



#### Plan from FY2019

- Marine Resources**
  - Prepare to conduct status survey of marine resources procured during FY2019 (plan to conduct regular surveys)
  - Examine issues and responses for fish species for which existence of fishery management was determined to be unknown in the resource status survey, and promote resource management
- CSR Procurement**
  - Confirm procurement situation at our more than 100 suppliers
- Reducing Environmental Impact**
  - In FY2019, start efforts toward medium- to long-term goals (for FY2023 and FY2030 respectively)

#### Initiatives in FY2018

- Marine Resources** > P16
  - Disclosed survey results of the resource status of marine products handled by the Nissui Group
- CSR Procurement** > P12
  - Established 3-point checking system for promoting sustainable procurement
  - Distributed Self-Check Sheet of Nissui CSR Purchasing Initiatives to 32 major suppliers inside and outside Japan, and conducted survey. Analyzed results, and provided feedback to each company
  - Conducted preliminary meeting for suppliers taking the FY2019 self-check sheet survey
- Reducing Environmental Impact** > P14
  - Final fiscal year of the three-year initiative. CO<sub>2</sub> emissions in Japan reduced by **3.9%** compared to FY2015
  - Curbed emissions of methane gas through use of biomass power generation
  - Utilized sludge
- External Recognition**
  - Received the DBJ's Highest Environmental Rating

### Key Issue

Contribute to a healthy lifestyle with food safety and security

#### Our Vision for 2030

- Food Loss and Waste**
  - Initiatives are in place to reduce food loss and waste throughout the entire supply chain
  - Long-term goal. The amount of food loss and waste generated by the Nissui Group in Japan has decreased by **10%** per unit compared to FY2017



Reduction in food loss and waste compared to FY2017 **-10%** (per unit)

#### Plan from FY2019

- Food Loss and Waste**
  - Shift from labeling tinned products' best-before dates as year/month/date to just year/month. Also strive to extend best-before dates of our main products such as frozen foods
  - Medium-term goal. Reduce the amount of food loss and waste generated by the Nissui Group in Japan in FY2023 by **6%** per unit compared to FY2017

#### Initiatives in FY2018

- Food Loss and Waste** > P10
  - Ascertained annual amount of food loss and waste produced by the Nissui Group in Japan (0.5% increase per unit compared to FY2017)
  - Worked to extend best-before dates and shift from labeling tinned products' best-before dates as year/month/date to just year/month
  - Started KANKIRIBU (activities for general consumers)
  - Carried out "Let's eat everything on our plates!" activities throughout the entire Group (food loss reduction activities for employees)

### Key Issue

Aim to be a company where diverse human resources play an important role to address the social agenda

#### Our Vision for 2030

- Employee Health**
  - Employees and the organizations they belong to are capable of fully exhibiting their abilities based on sound mental and physical health. Nissui is a company capable of supporting improved quality of life (QOL) of its employees and their families
- Diversity**
  - Nissui provides its diverse human resources with opportunities to demonstrate their fullest potential to drive innovation and create value



#### Plan from FY2019

- Employee Health**
    - Aim to achieve the following goals by 2020 to promote the health of Nissui employees, and maintain status under the Health & Productivity Stock Selection
- |                |                        |                               |                                 |                      |
|----------------|------------------------|-------------------------------|---------------------------------|----------------------|
| Goals (FY2020) | Reduce smoking rate to | Reduce obesity rate (male) to | Reduce obesity rate (female) to | Improve EPA/AA ratio |
|                | <b>27.0%</b>           | <b>31.0%</b>                  | <b>19.0%</b>                    | <b>0.45</b>          |

#### Initiatives in FY2018

- Employee Health** > P6
  - Health Plus (+) Storage Campaign
  - Health promotion for Nissui employees (FY2017 → FY2018)
  - Smoking rate **29.3% → 28.3%**
  - Obesity rate (male) **33.6% → 34.6%** (female) **20.9% → 20.7%**
  - EPA/AA ratio **0.35 → 0.38**
  - Health ranking
- Diversity** > P13
  - President Matono communicated message on diversity
  - Conducted Female Subordinate Career Development Training for male superiors
- External Recognition** > P7
  - Chosen among the 2019 Health & Productivity Stock Selection
  - Received the DBJ's Highest Health Management Rating

# Employee Health in the Nissui Group

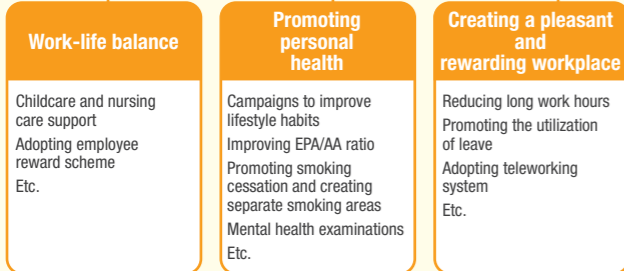
Creating new value through employee health

## We support healthy living by our employees and their families based on our Employee Health Declaration.

Maintenance and management of employee health are priorities of the highest importance, and in February 2017, we established our Employee Health Declaration to support the mental and physical health of our employees.

### Employee Health Declaration

At the Nissui Group, we consider our employees to be our most valuable asset, and we want to see all employees be able to fully demonstrate their abilities. We also aim to improve the quality of life of our employees and their families by ensuring proper workplace conditions and by actively supporting both mental and physical health. As a company that works with resources from the sea, we offer suggestions for healthy diets, try to maximize the use of functional components derived from seafood, and aim to contribute to the healthy lives of people everywhere, from our employees and their families to customers around the world.

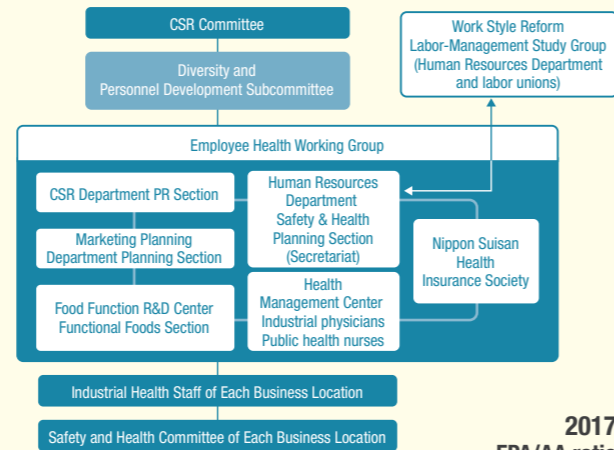


## Employee Health Promotion Framework run as a team effort by all departments.

To promote employee health, Nissui has established the Employee Health Working Group within the Diversity and Personnel Development Subcommittee. With the cooperation of the Safety & Health Planning Section (Secretariat), Health Management Center (industrial physicians and public health nurses), the corporate health insurance society, and each department, and by coordinating with the industrial health staff of each business location, we are engaged in initiatives to ensure the health and work-life balance of employees and to create a pleasant and rewarding workplace environment.



\*Please also see page 13.



The Nissui Group creates diverse value from marine resources. Another way in which we create value is through employee health. Here we report on employee health in the Nissui Group, an area where we have received high acclaim from society. One example is how we were the first business in the fishery, agriculture and forestry industry to be chosen among the 2019 Health & Productivity Stock Selection.

## Chosen among the 2019 Health & Productivity Stock Selection in recognition of our health measure utilizing marine resources.

Nissui was recognized for creating a better working environment under the concept of health and productivity management which promoted better health using a fish-based diet as the starting point, and expanding the movement from the individual to each division and from each division to the entire company. On February 21, 2019, Nissui became the first company in the fishery, agriculture and forestry industry to be chosen among the 2019 Health & Productivity Stock Selection, sponsored jointly by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



"Good work is supported by good living, and good living is supported by a sound mind and body." Our promotion of employee health began with the recognition that mental and physical health are the foundation of high-quality living and work. We will continue our activities in the future, never settling for mere superficial action, in order to truly improve the health of our employees.

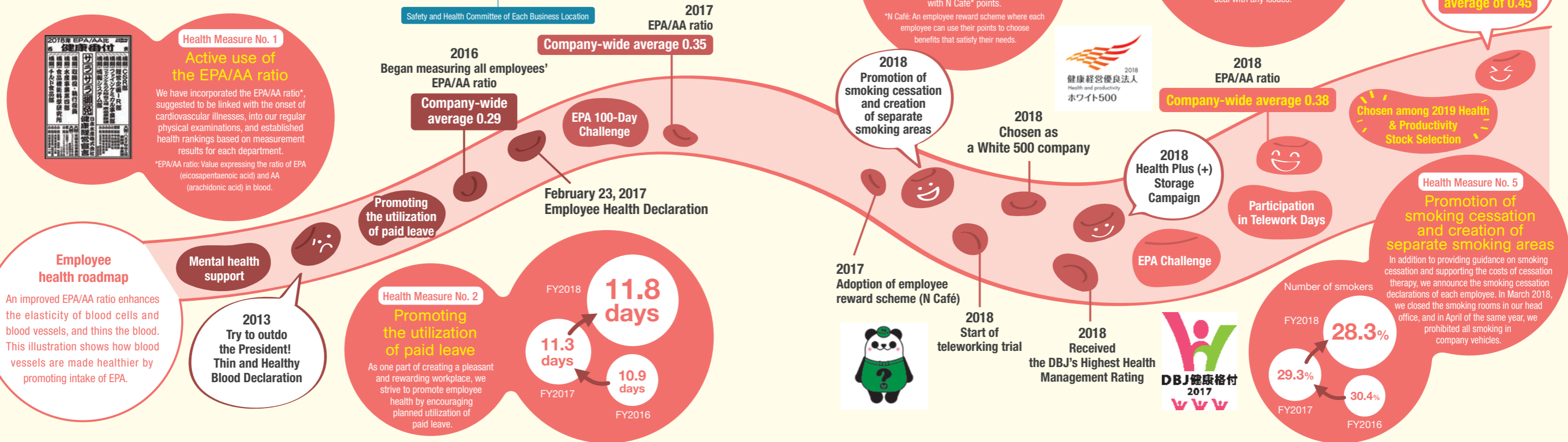
We provide a broad range of support for the mental and physical health of our employees.

Tetsuhiro Kuroda  
Executive Officer  
Commissioned  
General Manager  
of Human  
Resources Department



## Toward the creation of a robust health management system.

The Nissui Group is taking further steps to promote employee health as a key corporate value. Going forward, we will further bolster each health measure, strengthen collaboration between departments engaged in employee health promotion, and build a robust health management system.



# Improving Economic Value



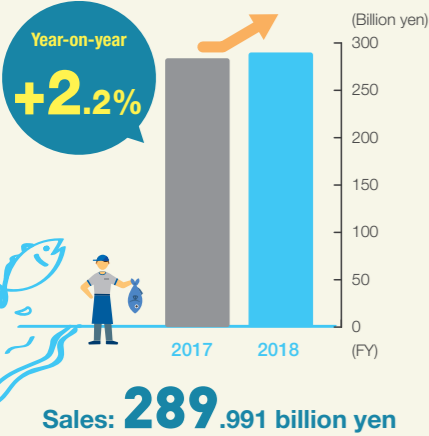
Through five businesses that make use of marine resources, we strive to create economic value and achieve global growth.

The Nissui Group is working to strengthen the earning power and achieve steady growth in its five businesses based on the Mid-Term Business Plan, MVIP + (Plus) 2020. As a corporate group that will continue into the future, our aim is to improve economic value through businesses that contribute to the health of the world's people.

## The five businesses of the Nissui Group create diverse value.

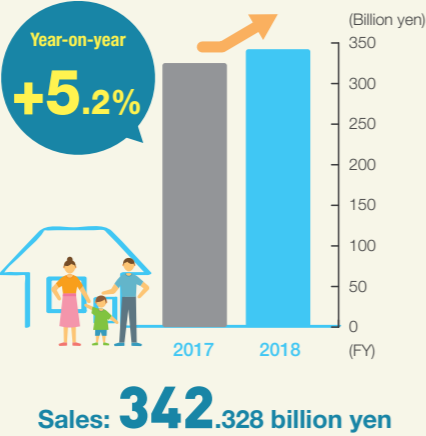
### Marine Products Business

From accessing marine resources to delivering products to the dinner table, we utilize our strengths in fishery, aquaculture, processing, and sales, to provide safe, secure, and delicious marine products.



### Food Products Business

We produce and sell frozen foods, shelf-stable foods, surimi-based products, fish sausages, and other processed foods. We continue to grow through unique products exploiting our strengths in raw material procurement and processing/production technology.



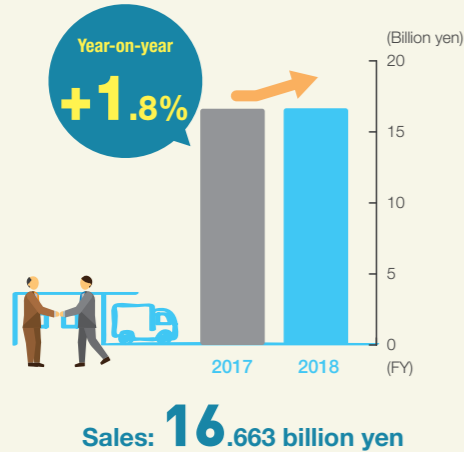
### Fine Chemicals Business

To enable our customers to utilize the diverse functions of marine products for health maintenance, we develop and offer foods for Specified Health Use and foods labeled as functional foods, focusing in particular on EPA, a substance found in copious amounts in blue-backed fish.



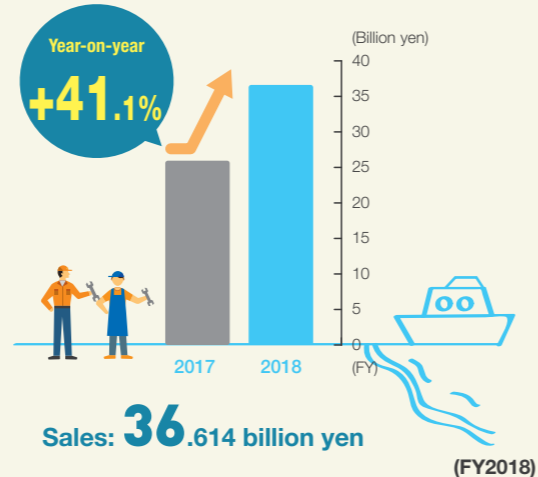
### Logistics Business

We provide integrated refrigerated logistics to respond to the increasing sophistication and diversification of food distribution. The core of this business is our network of cold storage facilities in the major cities of Japan, and we make the most of our extensive logistics experience in manufacturing.



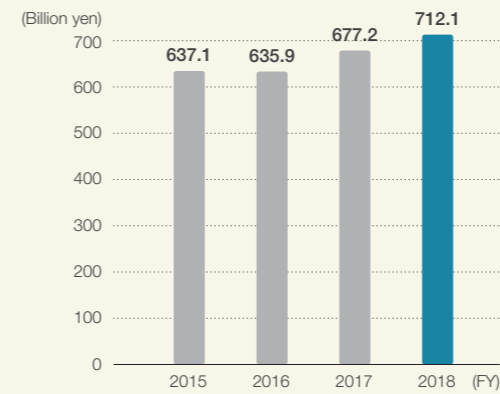
### Marine-related/Engineering Business

We take on contracts for shipbuilding and ship-repair, and operation/management of oceanic and deep sea research vessels, utilizing our marine-related technology and human resources. We also design and construct seafood processing and food production plants.



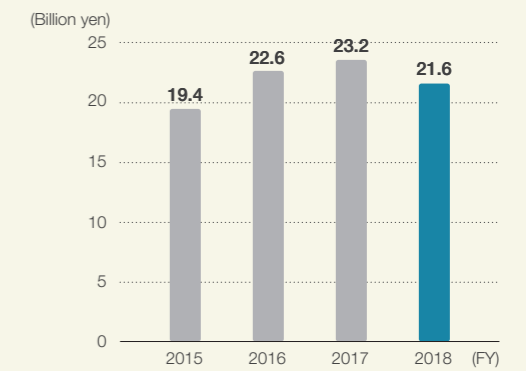
## Despite a difficult business environment, including higher raw material prices, with a 5% increase over the previous year, our sales set a new record high.

Sales (FY2015–2018: Consolidated)



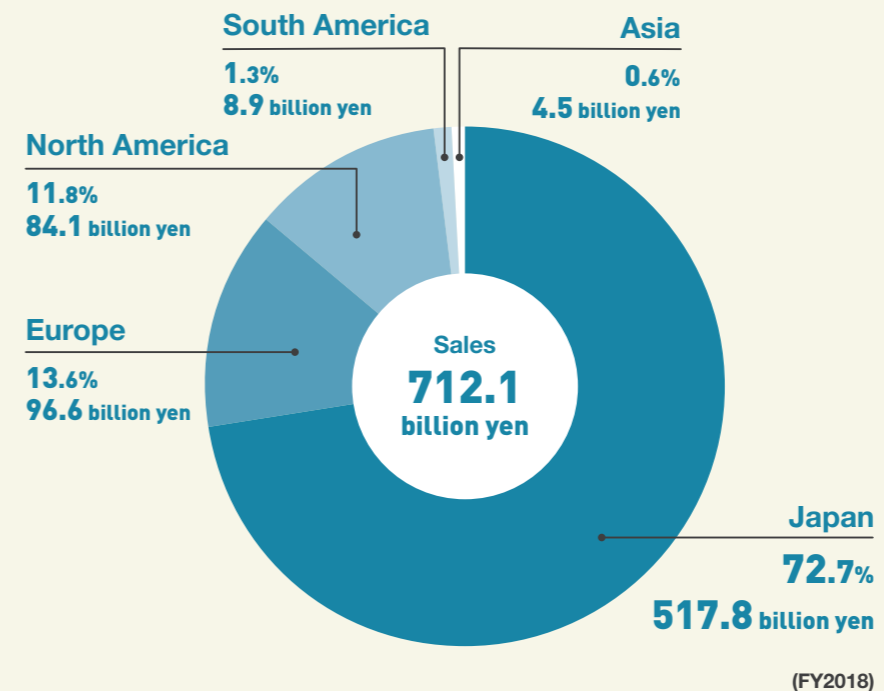
Year-on-year **+5.1%** ↑

Operating income (FY2015–2018: Consolidated)



Year-on-year **-6.7%** ↓

## We are striving for growth at our business sites all over the world, with Japan at our core.

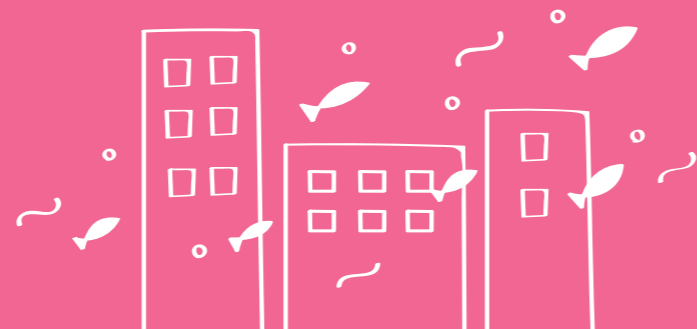


## External recognition

The activities of the Nissui Group have garnered attention and positive evaluations from investors and financial institutions.



# Creating Social Value



## The Nissui Group takes unique action to fulfill its responsibility as a company handling foods.

As an organization that handles foods and marine resources, the Nissui Group has a responsibility to reduce food loss and waste, and popularize and broaden seafood culture. We also promote CSR procurement, diversity and work style reform to contribute to the creation of social value. Specifically, we strive to ensure CSR procurement that is considerate of both the environment and human rights, while we also work to develop diverse personnel who can tackle social issues.

### Initiatives to reduce food loss and waste

#### The Nissui Group perspective

Food loss and waste is food that can still be eaten but is thrown away. Japan has a low food self-sufficiency rate at around 40% and depends largely on imports for its food. It is said that more than 6 million tons of food is lost or wasted each year in Japan. As an organization that handles food, the Nissui Group is working to mitigate this problem at all levels of its business. The problem of hunger also continues to exist in the world. There are thought to be about 800 million people without access to adequate nutrition, primarily in Asia and Africa. We support "Zero Hunger," one of the SDGs, and will continue our activities in this area.



Food loss and waste in Japan

**6.43** million tons (FY2016)  
▶ **51 kg** per citizen<sup>1</sup>

Global population with inadequate nutrition

**804** million (FY2016)  
▶ **One in nine people** is suffering from hunger<sup>2</sup>

<sup>1</sup> Source: Consumer Affairs Agency, "Reference Materials on Reduction of Food Loss"

<sup>2</sup> Source: Food and Agriculture Organization of the United Nations (FAO)/Japan Association for International Collaboration of Agriculture and Forestry (JAICAF), "The State of Food Security and Nutrition in the World 2018"

### Medium- to long-term food loss and waste reduction targets

In fiscal 2017, Nissui established its own definition of food loss and waste\* and set reduction targets. Our vision for 2030 is to have initiatives in place to reduce food loss and waste throughout the entire supply chain, and we have begun working toward this goal.

\*Nissui Group's definition of food loss and waste: Waste from animal and plant residues (excluding inedible parts of fish, vegetable cores, outer leaves, and similar wastes arising in the production process) and products that can be reduced through self-supporting efforts

Medium- to long-term food loss and waste reduction targets (Compared to FY2017)  
Scope  
Nissui and its domestic Group companies

Progress in FY2018: **+0.5%** (per unit)  
Medium-term target (to FY2023): **-6%** (per unit)  
Long-term target (to FY2030): **-10%** (per unit)

### Reduction of food loss and waste throughout the supply chain



\* Food bank: A group which brings together food products with no quality problems but are unsuitable for sale, and people who can't obtain enough food. Since 2008, Nissui has been donating food to Second Harvest Japan, an NPO.

#### Initiatives to extend best-before periods and switch to year/month labeling

To reduce food loss and waste, we are switching best-before date labeling on tinned products from a year/month/day format to year/month. We have conducted storage tests to check whether quality is maintained, and confirmed that the best-before period can be extended. Also, we have started efforts to greatly extend best-before periods, focusing on our mainstay products such as frozen foods.

#### KANKIRIBU activities

In fiscal 2018, Nissui KANKIRIBU events were launched under the slogan of "Don't let tinned food become food loss." At these events, participants recruited from the general public cook under the guidance of an instructor using Nissui tinned food and ingredients that tend to be hard to deal with in the home. In this way, they learn how to prevent food loss. In fiscal 2018, events were held three times in Tokyo, with a total of 64 participants.



### Initiatives to end hunger

#### Supporting and participating in the World Food Programme's "End Hunger: Walk the World" initiative

As a food manufacturer, the Nissui Group has supported and participated in charity walk events sponsored by the United Nations World Food Programme (WFP) to raise awareness of the problem of world hunger. The number of participants has increased every year, and in fiscal 2018, there were a total of 115 participants comprising employees and their family members.



#### Table for Two Activities at Hachioji General Plant

In the employee cafeteria, we have introduced a weekly Table for Two menu and vending machine. In fiscal 2018, 158,960 yen raised from food purchased in the cafeteria was donated through an NPO to provide school meals to children in developing countries. This is an opportunity to contribute to society that all factory employees can easily participate in.



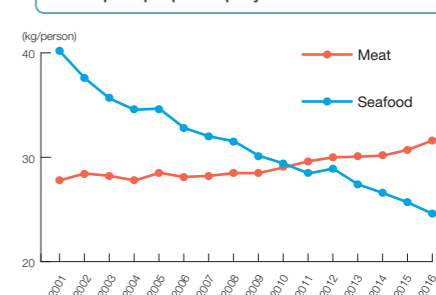
### Contribution to seafood culture



#### The Nissui Group perspective

Although consumption per person of seafood in Japan peaked in 2001, since then consumption has continued to decline. Outside Japan, on the other hand, eating seafood is garnering attention due to the increased popularity of Japanese food and rising health-consciousness. As a leading organization in the fishery business, the Nissui Group is working to further popularize seafood, protect culinary culture, and contribute to the healthy lifestyles of people.

Consumption per person per year of seafood and meat



Source: Ministry of Agriculture, Forestry and Fisheries, "Food Balance Sheet"

### Utilization of nutrients from fish

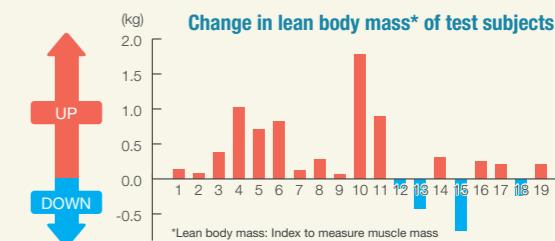
#### Responding to the boom in processed marine products

EPA, DHA, and other components found in fish, as well as in processed marine products like surimi, offer an array of health benefits, and this became a hot topic in 2018. For this reason, processed marine products such as tinned mackerel and *kanikama* have attracted a great deal of attention, in part due to their convenience. Demand for Nissui products is increasing, and this has contributed to sales growth.



#### Research on the effectiveness of protein from white fish in building muscle

In 2017, at a meeting of the Japanese Society for Amino Acid Sciences, we announced research results on the effectiveness of protein from Alaska pollock, a type of white fish, in building muscle. In tests on women of 65 years and older, there were suggestions of increased muscle in 15 out of 19 subjects as a result of daily intake of protein from Alaska pollock over three months.



\*Lean body mass: Index to measure muscle mass

### Popularization of seafood culture among children

#### Support for the Umi & Sakana (ocean and fish) Children's Research and Artwork Competition

(Supported by Nissui; Organized by The Asahi Shimbun Company and the Asahi Shogakusei Shimbun [Elementary School Students' Newspaper])

This competition aims to instill an interest in the sea and fish in a greater number of children. Elementary school children are encouraged to submit research or original artwork on the theme of "the oceans, fish, and us." Nissui has continued its support since the first competition in 1982. In 2018, the event was held for the 37th time, and there were 29,172 entries from schoolchildren in Japan and from overseas. We also visit schools to hold classes and offer hands-on learning to give children ideas on themes for the competition.



Nissui Award, Research Division  
"Fan Lobster was Delicious!"



Nissui Award, Artwork Division  
"Fish That Live in the Deep Sea"

## CSR procurement



### The Nissui Group perspective

Resolution of issues relating to the environment (sustainable use of resources) and human rights (labor) is called for when procuring and using marine resources. We handle large volumes of marine products, and our aim is to confirm, by 2030, the sustainability of all products procured, in terms of both the environment and human rights. By working with all our suppliers, primarily through the CSR Procurement Working Group, we will promote sustainable procurement.

## CSR Procurement Working Group initiatives

The CSR Procurement Working Group began operations in 2017. It is composed of members from the Fisheries/Food Products Purchasing Department, Production Department, and CSR Department, and it formulated the Nissui Group Basic Procurement Policy and CSR Supplier Guidelines (FY2017).

Since then, the group has held seminars for suppliers, prepared check sheets, and thereby developed a system to promote sustainable procurement.

## FY2018 achievements and FY2019 plan

In fiscal 2018, we asked 32 major suppliers, inside and outside Japan, to respond to the Self-Check Sheet of Nissui CSR Purchasing Initiatives. We analyzed the responses, and returned feedback sheets to each company. We also newly selected 19 suppliers for the next fiscal year, and held seminars on sustainable procurement. To further promote sustainable procurement, we have established a 3-point checking system, with different checks for different purposes.

Based on the newly established 3-point checking system, our plan for fiscal 2019 is for purchasers from our main plants to visit more than 100 suppliers to confirm whether they are carrying out sustainable procurement.



Sustainable procurement seminar



Feedback sheet

## 3-point checking system

	Applicable suppliers	Description
<b>Self-Check Sheet of Nissui CSR Purchasing Initiatives</b>	This is a self-check sheet for suppliers that maintain close relationships with the Nissui Group, including relationships based on large transaction amounts, relationships with a high degree of dependence, or relationships with high potential for environmental or human rights risks. Each year, we select a few dozens of companies, hold seminars for them, and then ask them to respond to the check sheet.	A total of 135 questions relating to Compliance, Procurement Ethics, Awareness of Environmental Preservation, Respect for Human Rights, Ensuring Quality and Safety, Information Security, and Contribution to Society. The questions give particular emphasis to the environment and human rights.
<b>Simplified Check Sheet</b>	Suppliers we are already dealing with	Nine items pertaining only to Human Rights, integral to sustainable procurement. Nissui employees conduct checks of supplier sites and goods.
<b>Check Sheet of CSR Purchasing for New Suppliers</b>	New suppliers we plan to begin dealing with	Seventeen basic questions on CSR through which the supplier consents to the concepts and ideals of Nissui's sustainable procurement, and confirms its intention to work with Nissui.

## Approach to CSR procurement

We have declared that we will appreciate the bounty of the earth and sea, create diverse value through following our "five genes" carried forward since our foundation, and try to solve social issues through our business activities. Therefore, in procuring raw materials and other inputs, we will follow our CSR Action Declaration, focusing primarily on (1) Procurement policy; (2) Compliance, Procurement Ethics; (3) Awareness of Environmental Preservation; (4) Respect for Human Rights; and (5) Collaboration with Suppliers and Partners. In this way, we will promote procurement based on relationships of trust with all our suppliers.

## Diversity and work style reform

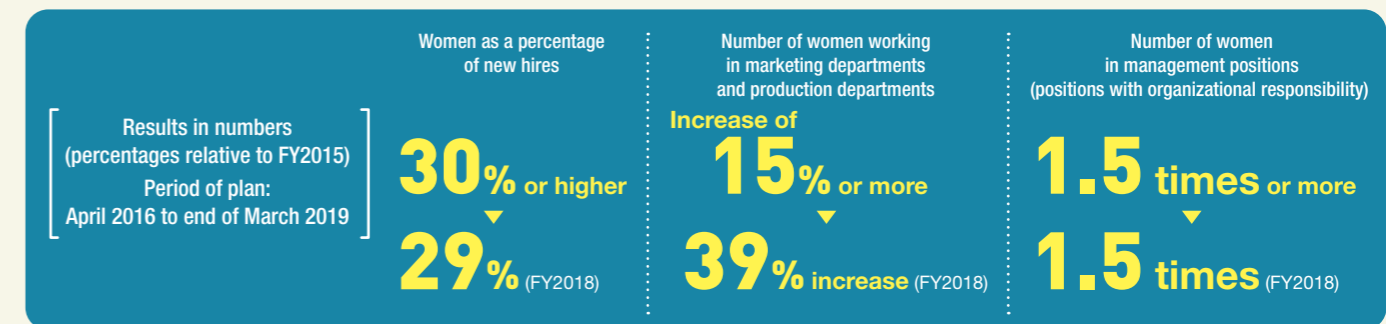


### The Nissui Group perspective

We at the Nissui Group believe that actively incorporating the diversity of employees energizes our organization, and leads to the growth of our business. Diversity is made up of various elements, but at Nissui our aim is to prioritize participation by women, while "we aspire to be a great company where people from various backgrounds can be actively involved." We are also tackling work style reform, with an emphasis on work-life balance so that all employees can achieve harmony between their work and personal lives.

## Promoting women's empowerment

To ensure an environment enabling active participation by female employees, we formulated a First Phase Action Plan, as indicated below.



In our efforts to promote the career development of female employees, we are conducting Female Employee Career Development Seminars where male superiors with female subordinates can learn management skills that help women play active roles. In fiscal 2018, 38 employees participated in this program.

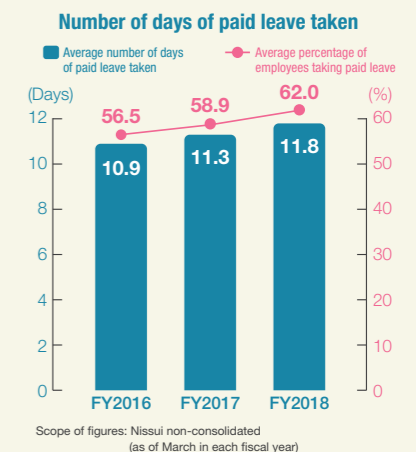
In April 2019, we formulated and announced our Second Phase Action Plan (period of plan: April 1, 2019–March 31, 2022). This plan identifies the issues faced by Nissui, and aims to increase the number and ratio of new female hires, change the thinking of managers, change the thinking of women and the people around them, and support the balance between childcare and work. We will continue these efforts going forward.

## Initiatives for work style reform

At Nissui, we are striving for work-life balance, so all employees can feel satisfaction and fulfillment in both work and private life.

In April 2019, we adopted a teleworking system, which utilizes IT and telecommunications technologies to enable work styles that are not limited by time or place. Employees improve their work efficiency and work-life balance by combining work at home and remote work with regular work to suit their life situation.

As part of our efforts to create a pleasant workplace, we encourage the planned utilization of leave, and thereby promote the health of employees. Individuals prepare their own annual leave plans and share them within their department. This enables workloads to be adjusted in advance, aiding in the management of employee leave.



## Promoting understanding among senior management

We hold lectures and study sessions for executives to promote women's participation and work style reform. In December 2018, a meeting was held to exchange views between executives and Takayuki Kawashima, director of the NPO Fathering Japan, on the situation and issues at Nissui. In March 2019, Yoshie Komuro, representative director and president of Work Life Balance Co., Ltd. gave a talk entitled "Work Style Reform as a Management Strategy," which explained the essence of work style reform.



Talk by Ms. Komuro



# Preserving the Global Environment



The mission of the Nissui Group is to protect the bountiful sea and promote sustainable utilization of marine resources.

To appreciate the bounty of the sea and achieve sustainable use of marine resources, the Nissui Group strives to reduce impact on the marine environment and global environment, and ensure sustainability of marine resources. In particular, research and analysis to improve sustainability of marine resources are initiatives unique to the Nissui Group. These initiatives are helpful not only for protecting resources, but also for dealing with IUU fishing\*.

\*IUU fishing: Illegal, unreported, and unregulated fishing

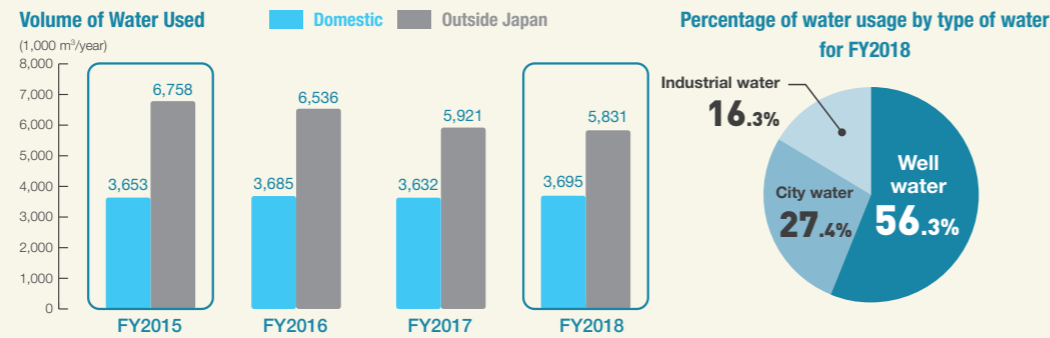
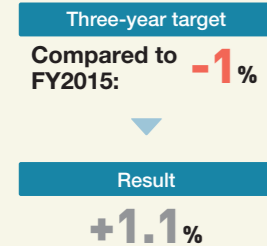
## Three-year plan to reduce environmental impact



The Nissui Group in Japan is working to reduce environmental impact based on three key indicators: water usage, CO<sub>2</sub> emissions, and waste production. From fiscal 2016 to 2018, our efforts were guided by targets set relative to fiscal 2015 levels: a 1% reduction in total water usage, a 2% reduction in total CO<sub>2</sub> emissions, and a 3% reduction in total wastes. Here we report on the results for the three years up to fiscal 2018.

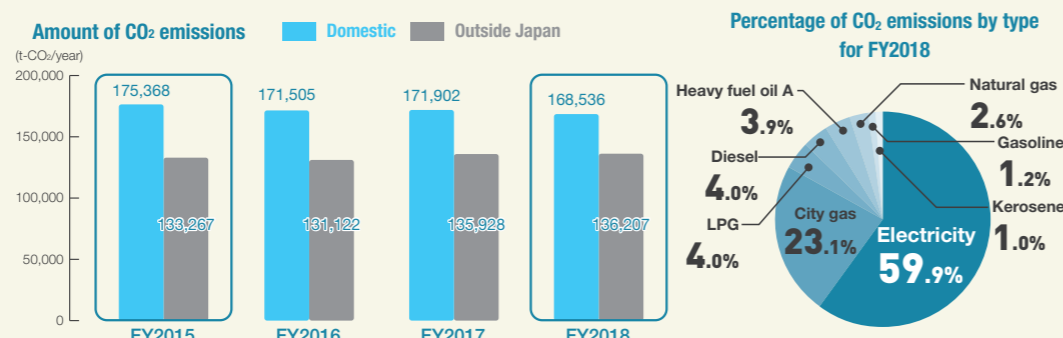
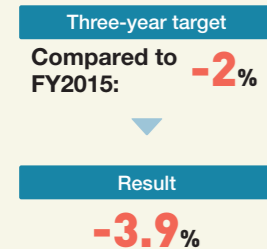
### Reduction of water usage

We constantly promote reduction of water usage through steps like conserving water at our plants. Domestic water usage in fiscal 2018 was 3,695 million m<sup>3</sup>, an increase of 1.1% over fiscal 2015 in total usage. Going forward, we will make even greater efforts to conserve water.



### Reduction of CO<sub>2</sub> emissions

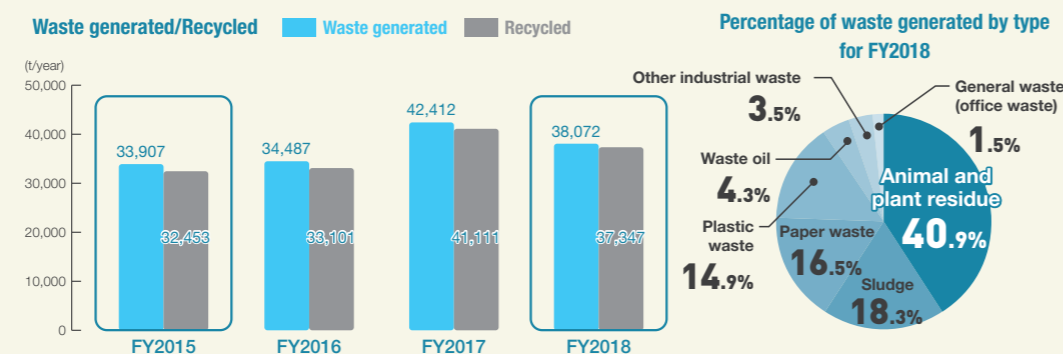
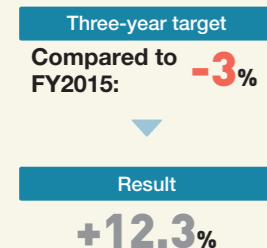
We are taking systematic steps to reduce emissions of CO<sub>2</sub>, one cause of global warming. Domestic CO<sub>2</sub> emissions in fiscal 2018 were 168,536 t-CO<sub>2</sub>, a reduction of 3.9% in total emissions compared to fiscal 2015.



Note: The amounts of CO<sub>2</sub> emissions from purchased electricity are calculated using the CO<sub>2</sub> coefficients of electric power suppliers.

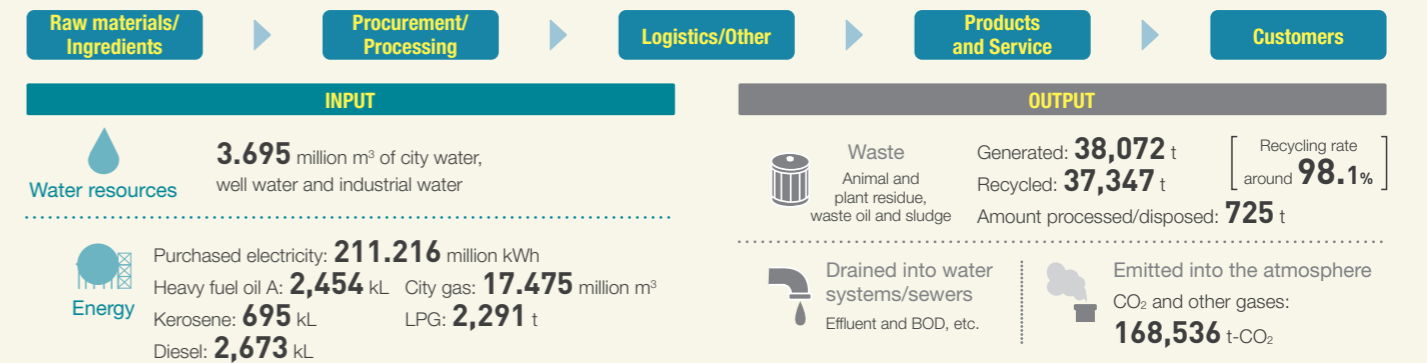
### Waste reduction and recycling

The amount of waste generated domestically in fiscal 2018 was 38,072 t, an increase of 12.3% in the total amount compared to fiscal 2015.



## Reducing environmental impact through business activities

### Flow of resources and energy in FY2018 (Domestic)



## Initiatives to reduce environmental impact

### Shipment of white clay to farms after use (Fine Chemicals General Plant, Tsukuba Plant)

At the Tsukuba Plant, white clay is used to adsorb pigment components of fish oil. In fiscal 2018, we began shipping used waste white clay as an agent to regulate moisture in compost for farms. Safety checks are also performed for environmental pollutants and other contaminants, and the total amount of white clay shipped in fiscal 2018 was 171.8 t.



### Reduction of CO<sub>2</sub> emissions in cooperation with partners (Gorton's)

Gorton's Inc., one of our overseas group companies, manufactures frozen foods using marine products. In 2018, Gorton's took steps to reduce CO<sub>2</sub> emissions in collaboration with Americold, a cold storage company it is partners with. Ammonia refrigerant\* was supplied for the freezers of both companies, thereby reducing the electric energy used for freezers by 500,000 kWh. This is equivalent to the annual power usage of about 50 ordinary homes.

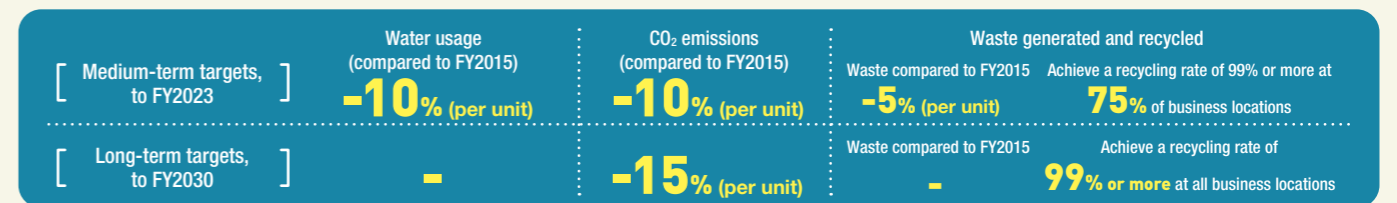


\*Ammonia refrigerant: A natural refrigerant with high calorific value per unit.

## Medium- to long-term environmental goals

### Our Group is working as a team to reduce its environmental impact by 2030

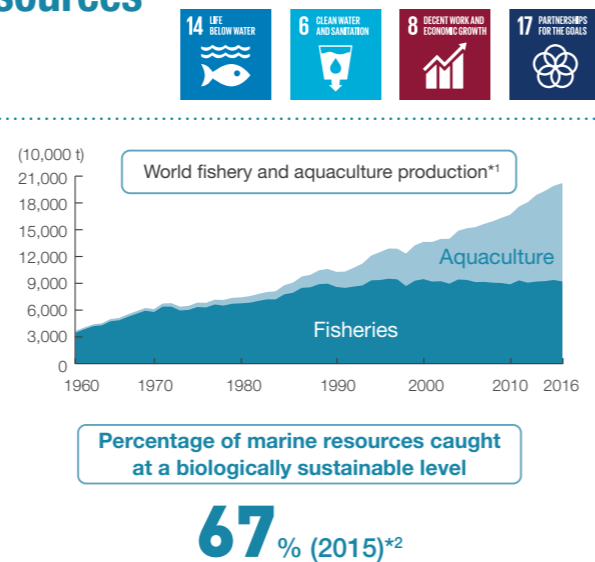
Since fiscal 2019, we have established medium- and long-term targets for fiscal 2030, applicable to Nissui and our domestic group companies. Through a group effort to reduce environmental impact, we will contribute to various ideals for sustainability expressed on a global scale, such as SDGs, the Paris Agreement, and realization of a recycling-oriented society.



## Sustainable utilization of marine resources to meet global demand

### The Nissui Group perspective

Global fishery and aquaculture production are increasing every year, and growth in aquaculture production is particularly notable. Fishery production, on the other hand, remains in a flat trend, and the percentage of resources caught at a biologically sustainable level is only 67%. This raises concerns that fishery production will decrease in the future. To meet growing worldwide demand for marine products while using marine resources sustainably, the Nissui Group procures marine resources in line with current conditions, and works to develop and raise the level of aquaculture technology, taking into account the impact on the environment and resources.



\*1 Source: Reworked version of data prepared by the Fisheries Agency based on FAO "FishStat (Capture Production, Aquaculture Production)" (for countries outside of Japan) and the Ministry of Agriculture, Forestry and Fisheries "Fishery and Aquaculture Production Statistics" (Japan).  
\*2 Source: FAO "The State of World Fisheries and Aquaculture 2018"

## Sustainable procurement of marine resources

### Vision for 2030

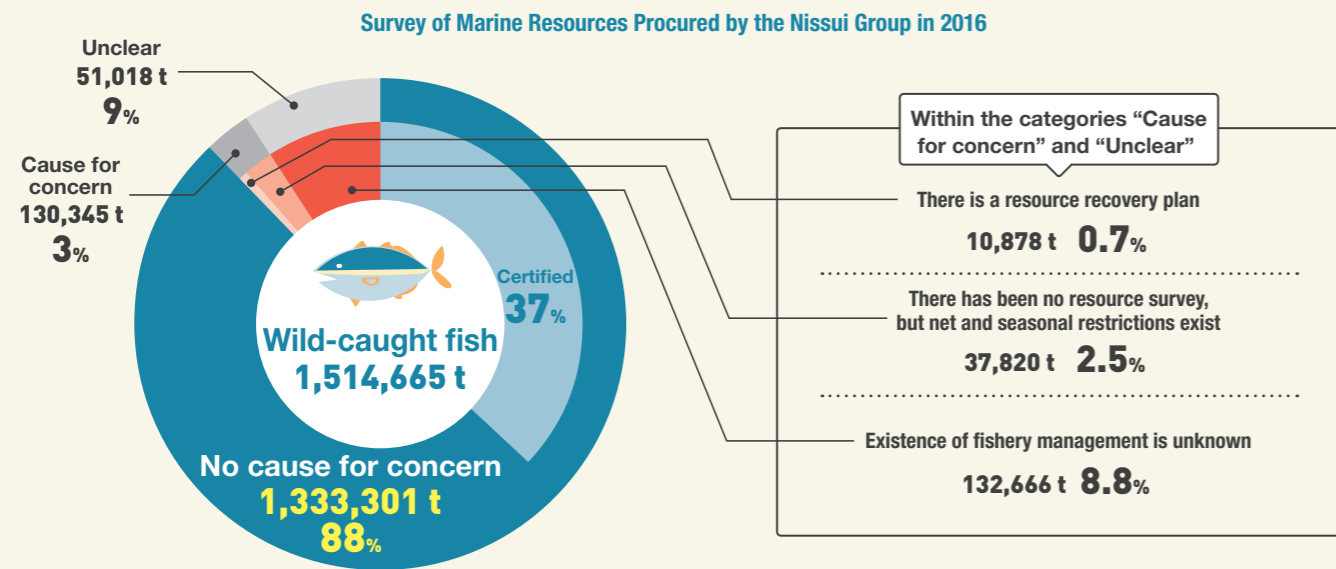
In order to ascertain medium- and long-term business risks and business opportunities relating to the marine resources we procure and use, we at the Nissui Group believe it is imperative to conduct periodic surveys and take appropriate action. By continually responding to individual issues, we aim to ensure that the marine products procured by the Nissui Group are sustainable by the year 2030.

### Survey of resource status of marine products handled by the Nissui Group

The results of a 2017 survey on marine products procured in 2016 showed that 88% of procured wild-caught fish resources were either certified with a marine eco-label such as MSC, or biologically sustainable, and thus were classified as "no cause for concern." For the remaining resources in the categories "cause for concern" and "unclear," further investigations were carried out in 2018, including checking whether species are endangered, whether their fisheries are managed, and whether there are resource recovery plans.

### Response for resources that are categorized as a "cause for concern" or "unclear"

For some fish species classified as "cause for concern," we have taken steps like establishing a policy for future management. Furthermore, for fish species classified as "unclear," it was found that as many as 8.8% are used in compound feeds for cultured fish. In order to confirm the resource situation of these "unclear" fish species, we are gathering information from various administrative agencies, groups, and researchers, and examining the possibility of partnerships through FIPs (Fishery Improvement Projects), etc.



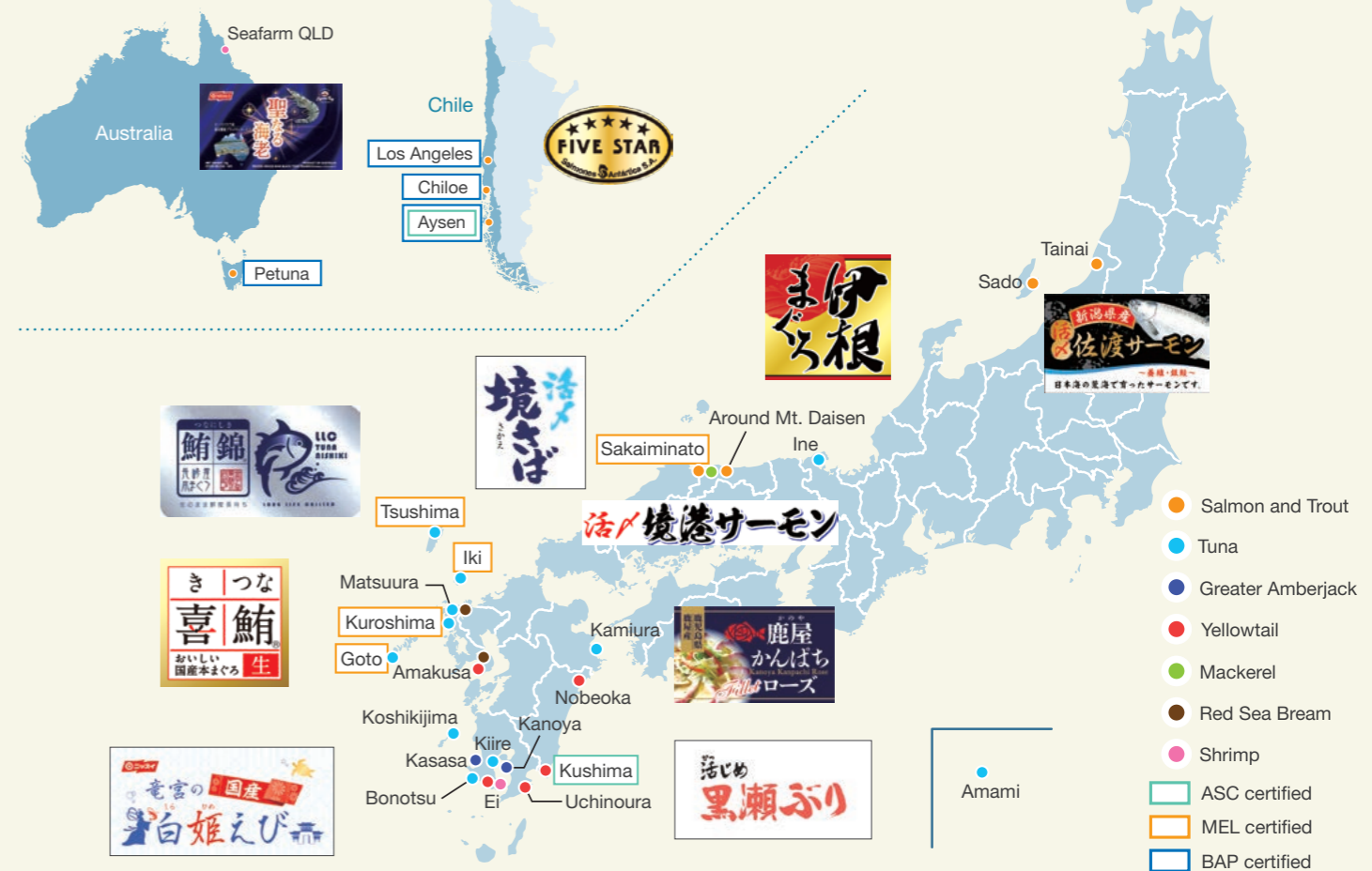
The next survey will be conducted in 2020 for marine products procured in 2019.

## Sustainable growth of aquaculture business

### Promoting aquaculture business inside and outside Japan

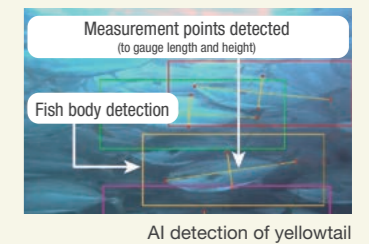
- Map of the Nissui Group's aquaculture-related business locations and aquaculture sites

52 locations (33 domestic, 19 overseas)



## Promoting aquaculture technology innovation

Due to increased demand for marine products, there has been a rapid rise in aquaculture production. In response, the Nissui Group is working to farm new species of fish, and securing aquaculture sites both inside and outside Japan. We are also meeting labor-saving needs through steps like installation and automation of large-scale aquaculture feeding facilities, and adoption of AI for aquaculture tasks.



## Acquisition of marine eco-labels

As we move toward realization of a sustainable aquaculture business, we are acquiring marine eco-label certifications. Overseas, we have acquired ASC\* and BAP\* certification for salmonids (trout, coho salmon, Atlantic salmon), and domestically ASC certification for yellowtail, and MEL\* for coho salmon and Pacific bluefin tuna. In the future, we will strive to acquire certification for more species of fish.

\*ASC: Aquaculture Stewardship Council. Certification for responsible, environmentally aware aquaculture  
\*BAP: Best Aquaculture Practices. Certification for aquaculture programs with assured food safety  
\*MEL: Marine Eco-Label Japan Council. Certification for fisheries and aquaculture businesses striving for sustainable use of marine resources and ecosystem preservation



## Development of new technology to minimize negative impact on the marine environment

The increasing scale of aquaculture is leading to concerns regarding negative impact on the environment. We are thus experimenting with land-based aquaculture and actively working to develop other new technologies.

## Preservation of marine environments



### The Nissui Group perspective

Plastic litter and microplastics (any plastic matter less than 5 mm in size) are polluting marine environments and the ecosystems within them, and thus the need for countermeasures is pressing. Plastic litter can be found in every body of water around the world and 8 million tons are still said to be flowing into the oceans each year. To address the problem of marine plastics, the Nissui Group will ascertain the actual situation of plastic in the marine environment, and promote 3Rs+R\* for plastic. We are also collaborating with NGOs, NPOs and local administrations to carry out integrated activities to preserve forests, rivers, and seas—the sources of our bountiful oceans.

\*3Rs+R: Reduce, Reuse, Recycle + Renewables

## Establishment of Marine Environment and Plastics Subcommittee

In February 2019, the Marine Environment and Plastics Subcommittee was established to prevent serious marine pollution caused by marine plastics and other wastes, to prevent this pollution from impacting marine ecosystems and human beings, and to promote resource recycling through the effective utilization of waste plastic. These activities are promoted by two working groups led by our executive officers.

### Promotion Framework



## Initiatives by SeaBOS, an alliance of leading companies in the seafood industry

Along with other leading companies in the global seafood industry, Nissui is one of the signatories to the SeaBOS\* initiative, which seeks to achieve sustainability in marine businesses. In addition to agreeing with the initiative's goal of preserving marine environments and resources while working to utilize them in a sustainable manner, Nissui is also working to resolve various issues that stand in the way of creating a sustainable marine business.

In September 2018, the third SeaBOS Dialogue was held in Karuizawa— attended by HRH Crown Princess Victoria of Sweden, an SDG Advocate, as well as the CEOs of the world's ten leading seafood companies. At the dialogue, members agreed to work toward the elimination of IUU (illegal, unreported and unregulated) fishing and modern slavery. The members also decided to formulate new strategies to combat the problem of marine plastics.



Photo by Embassy of Sweden

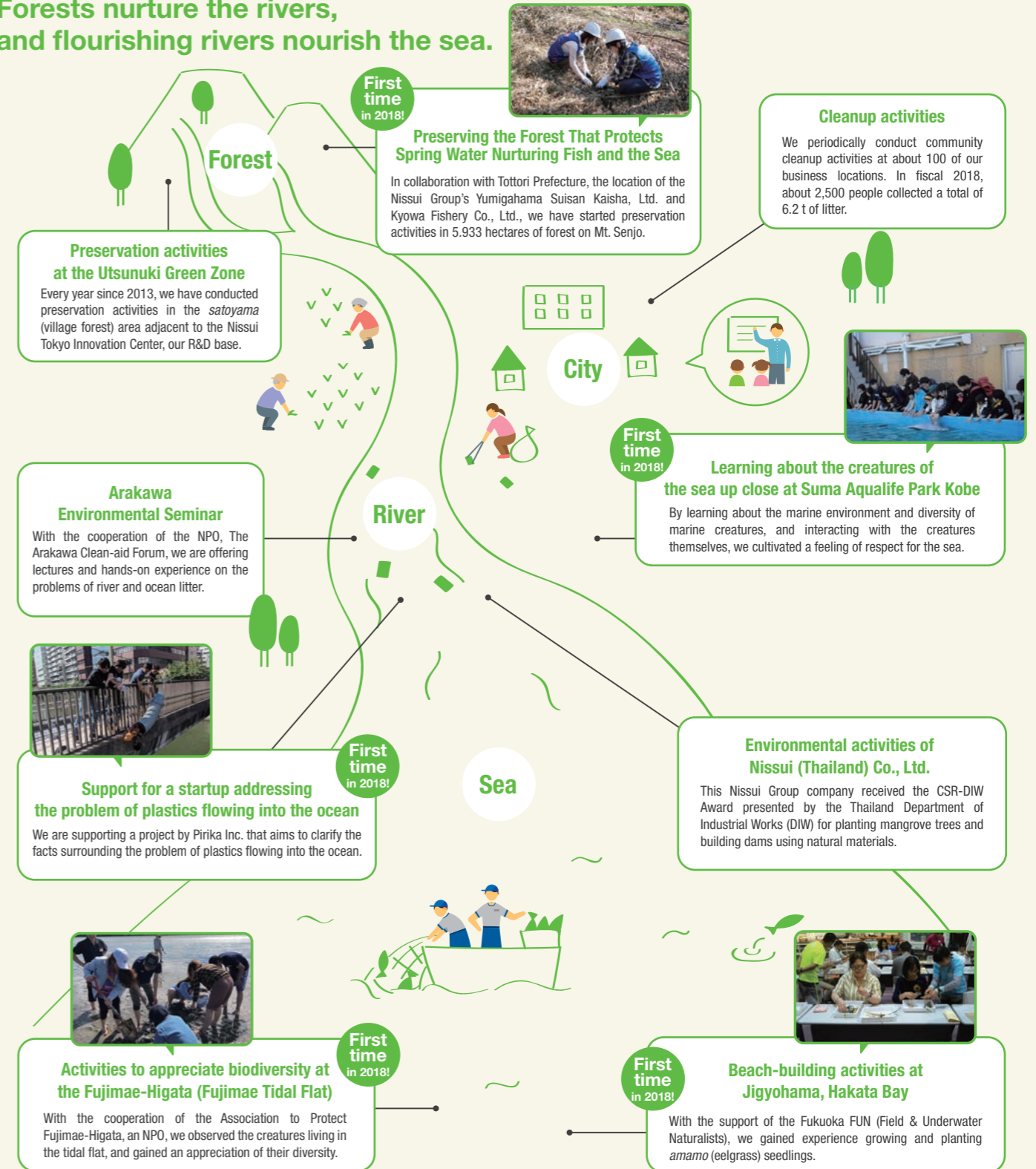
\*SeaBOS: Seafood Business for Ocean Stewardship. Members are Seafood companies from around the world including Japan, Norway, Thailand, the US and South Korea.

Please also see page 20. →

## Activities to preserve forests, rivers, and seas

The business of the Nissui Group relies on the bounty of the sea, and it is thus involved in preservation activities in forests, rivers, and seas so that the rich blessings of the sea can continue to exist decades into the future. We will continue to engage in activities that bring people and the sea together, and connect the present to the future.

### Forests, rivers, and seas are interconnected. Forests nurture the rivers, and flourishing rivers nourish the sea.



**Martin Exel**  
Managing Director  
SeaBOS

**Akiyo Matono**  
Representative Board Member,  
President & CEO  
Nippon Suisan Kaisha, Ltd.



# The Merits of a Global Partnership

A meeting with Martin Exel, the new managing director of SeaBOS

## Seafood Business for Ocean Stewardship: SeaBOS

Akiyo Matono, president of Nippon Suisan Kaisha, Ltd., exchanged views on the future of a sustainable seafood industry with Martin Exel, the new managing director of the Seafood Business for Ocean Stewardship (SeaBOS), an initiative that seeks to create a sustainable seafood industry.

### What is the significance of collaborative efforts with SeaBOS to create a sustainable future for the seafood industry?

**Exel:** First of all, thank you for welcoming me as the managing director of SeaBOS. I've been involved in the seafood industry in a number of capacities. I've worked on fishing boats, for the government, and spent 23 years at private companies. I'm not a CEO or a ship captain, but I've had a variety of unique experiences, so I believe I can be of service to SeaBOS. I will do my very best.

**Matono:** The Nissui Group shares the same basic view as SeaBOS. We definitely want to work together to achieve a sustainable seafood industry.

**Exel:** SeaBOS has 10 commitments, but I feel that's too many. It's crucial to focus in on the three or four commitments that are especially important, and consider how SeaBOS can achieve its goals through best practices.

**Matono:** More than half of the sales of the Nissui Group derive from marine products, so if marine resources are not sustainable, our company will decline. Regarding the significance of our participation in SeaBOS, we believe it is very important to ensure the sustainability of wild-caught fish, and preserve environments for aquaculture. We definitely want these two areas be top priorities at SeaBOS.

### SeaBOS initiatives to lead future standards in the seafood industry.

**Exel:** The Nissui Group is already engaged in many initiatives relating to transparency and traceability in their supply chain. These are model cases that lead the way for other companies, and I know these initiatives can help ensure sustainability of resources. There are more than 100 indexes and certifications in the world, but rather than follow those, I think it would be a good idea for SeaBOS to create its own certification to serve as an industry standard, and thereby play a leading role. What do you think?

**Matono:** The Nissui Group is currently focusing on certifications like MSC, ASC, and MEL, but there are many others. We have judgment criteria that we ourselves have developed, and we work within those constraints, with MSC and ASC serving an advisory role. We also refer to the activities of SeaBOS members, and we have high expectations for future initiatives.

**Exel:** ASC is effective for a number of fish species, and MSC is effective for a number of fishery businesses. However, they can't handle everything. Each group focuses on the fish species and fishing methods it is involved with. Meanwhile, SeaBOS is considering how to create overall policy and methods. If we can do so, we can show the industry how we will respond and take the lead.



**Matono:** Perhaps the best approach is to have members make proposals at SeaBOS dialogues—what if we do it this way on a trial basis? The proposals can be discussed in detail among the members, and we can decide what to do, and on what scale.

**Exel:** Of course, that's right. It's important for CEOs to make the decisions by talking amongst themselves. Also, regarding scientific issues, there is no need to rush our efforts; it may be time to regard the SeaBOS group from a little more strategic point of view.

### A scientific perspective is crucial for a sustainable seafood business.

**Matono:** For us, the main attraction of joining SeaBOS was its scientific approach. We believe that marine resources must be understood from a scientific standpoint rather than simple observations.

**Exel:** Some groups create indexes and certifications with extreme standards, and we cannot comply with some of them. On the other hand, science shows things how they really are. That's why science is important.

**Matono:** Yes, that's true.

**Exel:** Incidentally, is the Japanese government making any efforts regarding traceability or transparency?

**Matono:** Last year, there was a change in the Fishery Act, which declared that administrative agencies will be taking charge of marine resource management, a role previously left to fishery cooperatives. The amended Fishery Act will come into effect in 2020, but as the Fisheries Agency is currently developing the system, and it will likely take a few years for it to actually get off the ground. The government is

thus proactively considering resource management.

**Exel:** That's a major change, isn't it? MSC and ASC are important, but to achieve sustainable fisheries, it's crucial to develop laws to crack down on those who break the rules.

### Compliance with indexes will drive the sustainable seafood industry.

**Exel:** Another theme is the Seafood Stewardship Index (SSI). This index has been strongly influenced by financial institutions. We may have to engage in dialogue with SSI and give them our opinions. Of course, I'm sure the Nissui Group will receive a good evaluation from this index, but I imagine the index will not attract as much interest in Japan as it does in Europe and America.

**Matono:** Approximately 30% of the sales of the Nissui Group are from overseas operations, and we also have group companies in Europe and America engaged in the retail and food service businesses. So if we get a positive evaluation, it will have a knock-on effect, and more will come value our company. Japanese banks give commendations, and lend money at a somewhat lower interest rate, to companies doing their best in such areas. Japan may be somewhat behind the times, but we are moving forward.



**Exel:** I see. Well then, SeaBOS too will have to keep a close eye on this. Japan too is moving toward acceptance of indexes, and will be stressing procurement with an awareness of sustainability.

**Matono:** That's right. The Tokyo Olympics will be an opportunity, and trends are likely to accelerate further.

**Exel:** I want to think about how SeaBOS can promote such trends, and be of some assistance. It will be especially great if we can help the Japanese companies that are SeaBOS members.

**Matono:** Thank you for meeting with me today. Let's meet again in September at the dialogue in Phuket.

### Martin Exel

Took over as managing director of SeaBOS in July 2019. Closely involved with the seafood industry, he spent many years at Austral Fisheries, and worked with a fishing business in the Antarctic Ocean. He is a graduate of Victoria University of Wellington. His hobby is fishing.